jack henry™

Jack Henry™ Financial Sentiment Study

SMB Report

The Relationship Between Financial Confidence, Product Value, and Long-Term Engagement

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study methodology

In July of 2025, Jack Henry conducted the second annual “Jack Henry Financial Sentiment” survey – a quantitative assessment of how people feel about their financial situations, factors influencing those sentiments, and the impact these have on banks and credit unions.

This survey polled 2,866 people using a Qualtrics Panel. The survey targeted two distinct groups:

Consumers

2,435
total respondents from the general population

Financial Decision Makers
for their household and aged 18+

Small- to Medium-Sized Businesses:

431
small- to medium-sized businesses

Primarily Owners
with some (5%) in executive positions

Segments within these groups were identified and analyzed to explore behavioral differences across financial products and institutions.

This study is intended to provide community and regional banks and credit unions with insights to better understand and serve current and potential accountholders.

breaking down business segments

Why Segment Businesses?

Segmentation is a common way to help analyze market data and has several benefits.

Better Products and Experiences
Segmentation provides for greater personalization for accountholders and prospects. Products and experiences can be geared toward each segment's needs and expectations, rather than hoping a one-size-fits-all approach will be good enough to generate engagement and improve retention.

Improved Targeting and Communication
When you understand what different segments want, you can tailor your message to them. You'll see more engagement when you create specific messages for each group, rather than a single message for everyone.

Clearer Priorities
Identifying your most important accountholder groups helps you make better decisions about where to invest your resources. This means you can focus your strategic planning on the groups you can serve best, or those you want to attract, based on what they need and how well your capabilities align with their preferences.

Segmentation can create a great deal of insight, but it doesn't need to be difficult. Even a simple segmentation based on common demographic indicators like size and revenue can provide significant value.

The segmentation explained here is not intended to replace a segmentation system a financial institution may already have. Rather, the data here is segmented to explore the sentiments and preferences of similarly situated accountholders and to make clear the differences in the market.

small- to medium-sized business segments at a glance

A

momentum makers

46% of small businesses

These are mid-stage businesses with strong momentum and a clear desire to grow. They're confident in the basics but still navigating the messier parts of running a business – like taxes and marketing.

business snapshot

- **Business Age:** 6 – 10 years
- **Median Revenue:** $1M – $4.9M
- **Employees:** 26 – 50
- **Business Type:** Sole Proprietorship (38%)
- **Industries:** Construction, Health Care, Business Services
- **Channels:** Brick & Mortar (26%), Social Media (26%)

confidence profile

- **Strong:** Payments (82%), Income Tracking (81%)
- **Less Confident:** Taxes (68%), Marketing Strategy (66%)

B

power players

9% of small businesses

These are established, goal-oriented corporations looking for business advice, technology like accounting software, and banking services like data analytics. They expect low fees and tailored support.

business snapshot

- **Business Age:** > 10 years
- **Median Revenue:** $40M – $49.9M
- **Employees:** 250+
- **Business Type:** Corporation (37%)
- **Industries:** Financial Services, Construction, Marketing
- **Channels:** Partnership (29%), Social Media (17%)

confidence profile

- **Strong:** Managing Invoices (79%), Networking (78%)
- **Less Confident:** Compliance With Labor Laws (62%), Question/Complaint Management (59%)

C

startup sparks

45% of small businesses

These are early-stage entrepreneurs. While optimistic, they need help building financial confidence and systems – especially when it comes to funding, which they rank as their top need from financial institutions despite being the least likely to use credit.

business snapshot

- **Business Age:** 1 – 5 years
- **Median Revenue:** $250K or less
- **Employees:** Sole Proprietor
- **Business Type:** Sole Proprietorship (70%)
- **Industries:** Construction, Real Estate, Business Services
- **Channels:** Online Retail (23%), Social Media (22%)

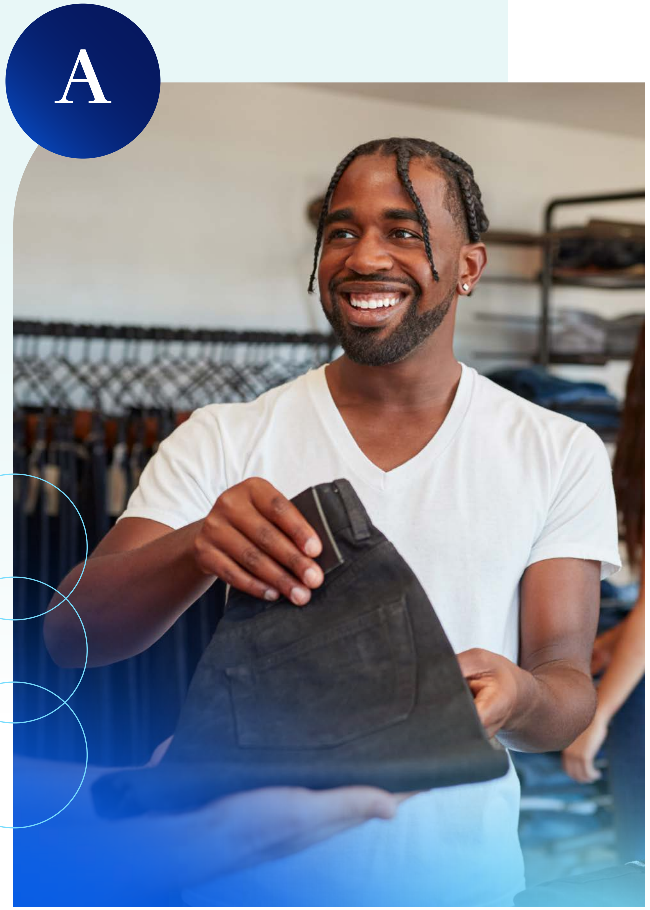
confidence profile

- **Strong:** Customer Support (74%), Payments (70%)
- **Less Confident:** Taxes (49%), Cash Flow Management (52%)

Segment A

momentum makers

46% of Small Businesses



Businesses in Segment A, the Momentum Makers, have been established for a while and are looking to continue growing. Most have been in business for over five years, and the median revenue is $1 million to $5 million. About a third are sole proprietorships, but most businesses in this segment have over 25 employees.

These businesses serve a variety of industries – most often construction (20%), health care (10%), and business services (9%). This segment often uses social media (26%), brick and mortar stores (26%), and online retail (16%) as primary channels.

This segment is more likely than average to have most financial products and services, including credit cards, PayPal, and loans or lines of credit. These businesses are more likely than the other segments to say they plan to use credit to support their business needs.

When considering financial products and services, they show a mix of priorities. These businesses place about equal weight on customer service, the ease of the process, and on interest rates. They say they are equally influenced to purchase or open new financial products by online search and by professional recommendations, and somewhat less by word of mouth or expert recommendations.

These businesses are the most optimistic of any segment – they're the least likely to describe their growth potential over the next three to five years as stagnant or declining.

This optimism is further reflected in this segment's financial sentiments. Businesses in this segment are highly satisfied with their current financial situation, their ability to manage their finances and their financial knowledge. Almost nine in 10 are satisfied with their primary financial institution's role in managing their business. They are also highly confident in managing their business activities. They are most confident about payments, keeping track of income, and hiring and training. Where they are least confident – taxes and developing marketing strategy – they are still more confident than the market average.

Key data points for identifying businesses in Segment A:

- 0 – 5 employees, $10M+ in revenue
- 0 – 5 employees, $1M to $10M+ in revenue, 5 years or less in business
- 6 – 10 employees, $500K to $1M in revenue, 6 years or more in business
- 6 – 10 employees, $1M+ in revenue
- 11+ employees, <$20M in revenue

Segment B

power players

9% of Small Businesses

Segment B, the Power Players, represents larger, more established businesses. Businesses in this segment generate more than $20 million in revenue, and the majority are over 10 years old. They have a variety of structures, including corporations, sole proprietorships, and partnerships. But they are generally large – most have more than 250 employees.

This segment often does business through partnerships (29%), with some also using social media (17%) and online retail (12%) as primary channels. They often serve clients in services (20%), construction (8%), and marketing (7%).

Businesses in this segment are quite mixed in the financial products and services they use. They are somewhat more likely than average to use credit cards and wire transfers, but are less likely to use savings, PayPal, P2P payments, or loans/lines of credit. They are less likely than average to say they are likely to use credit for their business needs.

When considering financial products and services, these businesses place a premium on expenses, either in terms of total cost or fees. Some, however, also consider how the product can be customized to their business' needs. They say they are most often influenced by online searches, social media, and professional recommendations to purchase new financial products.

These businesses are optimistic about their outlook, only slightly less optimistic than Segment A, the Momentum Makers. The large majority describe their growth potential as either steady or rapid growth.

Businesses in this segment are quite satisfied with their current financial situation and their financial knowledge. While their satisfaction is about average with how their business manages money, they are highly satisfied with their primary financial institution's role in helping them manage their business. They are more confident than average about keeping track of income, managing invoices, and networking, but less confident than average in their compliance with labor laws, question and complaint management, and social media.

Key data points for identifying businesses in Segment B:

- 11+ employees, $20M+ in revenue

They are **highly satisfied** with their primary financial institution's role in helping them **manage** their business.

Segment C

startup sparks

45% of Small Businesses

Segment C, Startup Sparks, are small businesses that are just starting to establish themselves, though some are longer-term operations that have remained relatively small. Half in this segment are less than five years old, though a third are over 10 years old. Four in five have annual revenues below $500,000. These are often single-person operations: over two-thirds are sole proprietorships; and most have no other employees.

These businesses often utilize online retail (23%) and social media (22%) as primary channels, though some use brick and mortar stores (11%) or email marketing (11%). Their industries are the least concentrated of any of the segments – the most common industry, construction, represents 10% of the businesses. In addition, 7% are in real estate and another 7% are in business services.

Businesses in this segment are less likely than average to use most financial products and services, including credit cards, savings, PayPal, ACH, wires and loans/lines of credit. They are about average in their use of checking and P2P payments. About a third of these businesses say they are likely to use credit for their business needs, the least of any segment.

These businesses are highly focused on cost when considering financial products and services, most often weighing the associated fees and interest rates. They are less likely to weigh the ease of the process or customer service in their considerations. They say they are influenced most by professional recommendations and word of mouth, and less by online search, social media, or experts.

Like other segments, most of these businesses are optimistic about their growth. But this segment has the most that say their growth potential over the next three to five years is stagnant or declining.

These businesses are the least satisfied with their current financial situation, their ability to manage their finances, and their knowledge about money. About two-thirds are satisfied with their primary financial institution's role in helping them manage their business, though this is still below the market average. They are as confident in their ability to offer customer support as the market average, but are less confident about other aspects of their business, especially social media, cash flow and taxes.

Key data points for identifying businesses in Segment C:

- 0 – 5 employees, $1M-10M in revenue, 6 years or more in business
- 0 – 5 employees, $500K to $1M in revenue
- 6 – 10 employees, $500K to $1M in revenue, 5 years or less in business
- <10 employees, <$1M in revenue

Financial Sentiment

financial sentiment

Findings

The survey asked respondents to rate their satisfaction with different aspects of their business' financial state, including:

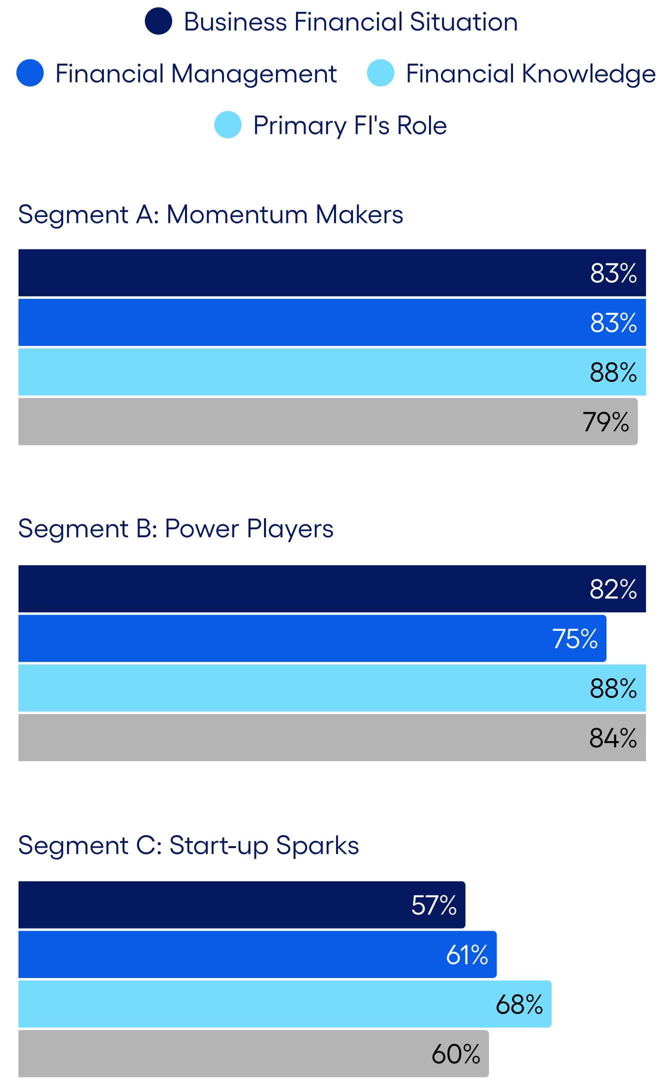
- Their current financial situation
- How they manage money/finances
- How knowledgeable they feel about how money/financial matters specific to their business
- The role their primary financial institution plays in helping them manage their business

Overall, most respondents are quite satisfied with the financial state of their businesses. The majority of business owners say they are satisfied with their business' financial situation (71%), their money or financial management (73%), and their financial knowledge (71%). Almost four in five (79%) owners are satisfied with their primary financial institution's role in helping manage their business.

However, the segments show substantial variation in their financial sentiment. Segments A (Momentum Makers) and B (Power Players) are quite satisfied, with satisfaction levels above all these averages. Businesses in Segment A, in particular, are highly satisfied with their financial situation (83%) and their business' financial management (83%). Segment B rates themselves most knowledgeable about financial matters (84%). Both segments are highly satisfied with the role their primary financial institution plays in managing their business (both 88%).

In contrast, Segment C (Startup Sparks) is not so satisfied; 57% of these businesses are satisfied with their financial situation, meaning 43% are not satisfied. Most of these businesses are satisfied with the way their business manages finances (61%) and say they are knowledgeable about

satisfaction with financial aspects by segment



financial matters (60%), but fewer than the businesses in Segments A or B. Most (68%) are satisfied with the role played by their primary financial institution, but still fewer than the market average (79%).

The majority of business owners say they are satisfied with their business' **financial situation** (71%), their money or **financial management** (73%), and their **financial knowledge** (71%).

Most businesses are confident about managing every aspect of their business. In fact, About three-quarters of respondents said they were confident about payments (76%), keeping track of income (75%), customer support (74%) and managing invoices (74%). Of the 16 aspects the survey asked about, respondents were least confident in their taxes (59%), developing marketing strategy (62%), and social media (63%). In other words, while taxes may be the most challenging aspect of business for many owners, a majority of owners are confident about their management of them.

While respondents are confident overall in different aspects of managing their businesses, the segments show pockets where confidence is not as high. Segment C is less confident overall – typically below the market average – but are least confident about their taxes (49% compared to 59% on average). These businesses are also much less confident than average about their cash flow (52% versus 65% market average), hiring and training (57% versus 70%), networking (57% versus 67%) and promoting their products/services (59% versus 69%).

Segment B, despite being larger and more established than the average SMB, are also less confident than average about several different aspects of their businesses. Specifically, while most of these businesses are confident in their customer support (64%), they are less confident than the market average (74%). Similarly, they are less confident than average about managing questions and complaints (59% versus 69% on average) and managing inventory and supply chains (68% versus 74% on average). They are much more confident than average when it comes to networking (78% compared to 67% on average) and developing marketing strategy (74% versus 62%). Given their size and longevity, these businesses are understandably more comfortable with sales-related activities than most businesses. At the same time, these businesses have grown into more complex needs around complaint management, customer support, and managing inventory than the typical SMB.

Segment A is more confident than average about every aspect of managing their business, especially hiring and training employees (81%) and cash flow (77%). This segment aligns most closely with the average in two areas: customer support (77% versus 74% on average) and managing invoices (77% versus 74% on average).

About three-quarters of respondents said they were **confident** about:

76% payments

75% tracking income

72% customer support

70% managing invoices

Owners are overall very optimistic about the growth of their businesses. A majority (60%) of expect steady growth over the next three to five years, and 25% expect rapid growth over the same period. Far fewer owners (15%) expect either stagnant or declining growth. Segment C was more likely to say they expect stagnant or declining growth (22%), compared to Segment B (13%) or Segment A (8%).

Analysis

Overall, owners' financial sentiment tends to reflect the stage of their business. The youngest, least established businesses (Segment C/Startup Sparks) are typically the least confident and the least satisfied with their business' situation.

Conversely, those in a growth phase (Segment A/Momentum Makers) feel much more confident, knowledgeable, and satisfied. Owners of large, established businesses are understandably satisfied with their business' situation, but recognize that with growth comes more complex needs like compliance and complaint management that they may not be completely comfortable with.

An owner's satisfaction with their business' financial situation is understandably highly correlated with their projections about growth. Owners expecting rapid growth are highly satisfied with the current financial situation (76%), as are owners that expect steady growth (77%). Conversely, owners that expect stagnant growth are much less satisfied with their current financial situation (42%), as are those expecting to decline (21%).

confidence with financial behaviors by segment

While owners tend to feel confident managing their business overall, not all areas carry equal weight. Statistical analysis reveals that satisfaction with their financial situation is more closely tied to confidence in certain aspects than others.

Owners who feel confident managing cash flow and tracking income tend to be far more satisfied with their financial situation. Confidence in areas like social media, marketing, inventory, and supply chain management has a much weaker connection to financial satisfaction. Aspects like managing expenses, managing employees, questions and complaint management, and customer support have more moderate statistical impact on an owner's satisfaction with their financial situation.

Owners who feel confident managing **cash flow** and **tracking income** tend to be far more satisfied with their financial situation.

When you compare how confident owners feel in different areas of their business with how those areas affect financial satisfaction, some clear patterns emerge. First, owners are about as confident in cash flow (65%) as they are in networking (67%), but the impact of cash flow on satisfaction with a business' financial situation is much greater. In fact, of the 16 management aspects that owners rated, cash flow ranked in the 13 spot in confidence overall. The disconnect between the confidence in, and the importance of, cash flow indicates that owners would benefit greatly from more confidence about cash flow.

Keeping track of income is ranked second for overall confidence (behind payments) but is the most important for satisfaction with the business' financial situation. That slight disconnect means that owners overall could benefit from gaining additional confidence in keeping track of income.

Most other aspects of management do not represent strong opportunities to improve satisfaction with the business' financial situation. Confidence about taxes is the lowest-rated aspect of management, but confidence in taxes is not an especially strong driver of satisfaction. Other aspects, including expenses, payments, managing invoices, hiring and training, etc., all have greater confidence overall than their statistical importance requires.

Banks and credit unions have a clear opportunity to deepen business owner satisfaction by building confidence around cash flow and income tracking. These are opportunities for business owners overall – the segments have somewhat different opportunities.

Opportunities to meaningfully increase satisfaction with the business' financial situation for Segment A are similar to the market overall. Keeping track of income and cash flow are the primary areas where if confidence were to improve, satisfaction in the business' financial situation would increase. Segment C also shares these opportunities, though they are even greater opportunities for these businesses than for those in Segment A. In addition, Segment C would also benefit from greater confidence in managing expenses to improve their overall satisfaction with their financial situation.

Lastly, Segment B (Power Players) is somewhat different. Although these businesses are generally quite satisfied with their financial situation, there are opportunities to drive this satisfaction even higher. In addition to keeping track of income and cash flow, these businesses would benefit from greater confidence in customer support, question and complaint management, and social media.

confidence opportunities: impact on satisfaction vs. confidence

Don't overlook the confidence gap. Some aspects of running a business are critical to financial satisfaction. Yet, this is where confidence falls short. When owners are uncertain about capabilities like cash flow or income tracking, it undermines their entire financial outlook. That disconnect is your opportunity. To make a real impact, financial institutions should zero in on building confidence where it matters most, turning vulnerability into value.

Maximize ROI: Strategic Focus Areas to Elevate SMB Satisfaction	
Taxes	Support for accurate filing and compliance with evolving regulations.
Cash Flow	Tools to monitor, forecast, and optimize liquidity for day-to-day operations.
Keeping Track of Income	Clear, real-time visibility into revenue streams and payment tracking.
Developing Marketing Strategy	Guidance and resources to build effective campaigns that drive growth.
Social Media	Integrated solutions for managing presence and engagement across platforms.
Question and Complaint Management	Efficient systems to resolve issues and maintain customer trust.
Accountholder Support	Responsive, multi-channel assistance that strengthens client relationships.

Recommendations

1 Consider assets or services for cash flow and income tracking.

Owners are often quite confident about cash flow and keeping track of income, but not as confident as they should be given how important these aspects are for their satisfaction with their financial situation. Improving confidence in these two opportunity areas will improve owner satisfaction with their financial situation, and by extension, loyalty to the financial institution that helped them.

Business needs vary widely - **even when** the goals sound similar.

2 Develop tools for businesses to self-identify their areas of need.

Consider financial education, benchmarking, advisement, and other tools to help businesses based on where they have management needs, especially based on the phase of the business. Businesses in a growth phase are frequently confident about every aspect of managing their business but are still least confident about taxes and developing marketing strategy. Large, established businesses lack confidence most often in compliance, complaint management, customer support and social media. Smaller businesses may lack confidence in their cash flow, networking, or promoting their products.

3 Find ways to dive deeper with business accountholders.

Business needs vary widely – even when the goals sound similar. Large, established SMBs aren’t less confident than smaller businesses in areas like labor law compliance or complaint management because they lack capability. These tasks simply look different depending on scale. Managing labor compliance in a company with 250+ employees is a fundamentally different challenge than doing so in a team of fewer than 25. Complaint management is a different proposition for a $50 million company than a $5 million company. Education, advising, digital recommendation tools, etc., should go deep enough into a topic to provide real knowledge and confidence to businesses at multiple phases of growth.

Finding and Engaging With New Financial Products and Services

finding and engaging with new financial products and services

Findings

One of the most meaningful ways banks and credit unions support businesses is by helping them find the right financial solutions. To do that well, they need to understand how business owners approach and use new financial products in the real world.

Owners say that when they seek new financial products or services, they are most often influenced or motivated by online searches or by references from professional circles. The most frequent factors owners cite that influenced their purchase include:

- Professional recommendations (44%)
- Online search (42%)
- Word of mouth (40%)
- Expert recommendations (32%)

Owners were less likely to say they were influenced by:

- Previous use (27%)
- Online promotion (26%)
- TV advertising (22%)
- Email advertising (21%)

Email and TV advertising are important, but are half as influential as professional recommendations, organic online searches, and word of mouth, according to business owners.

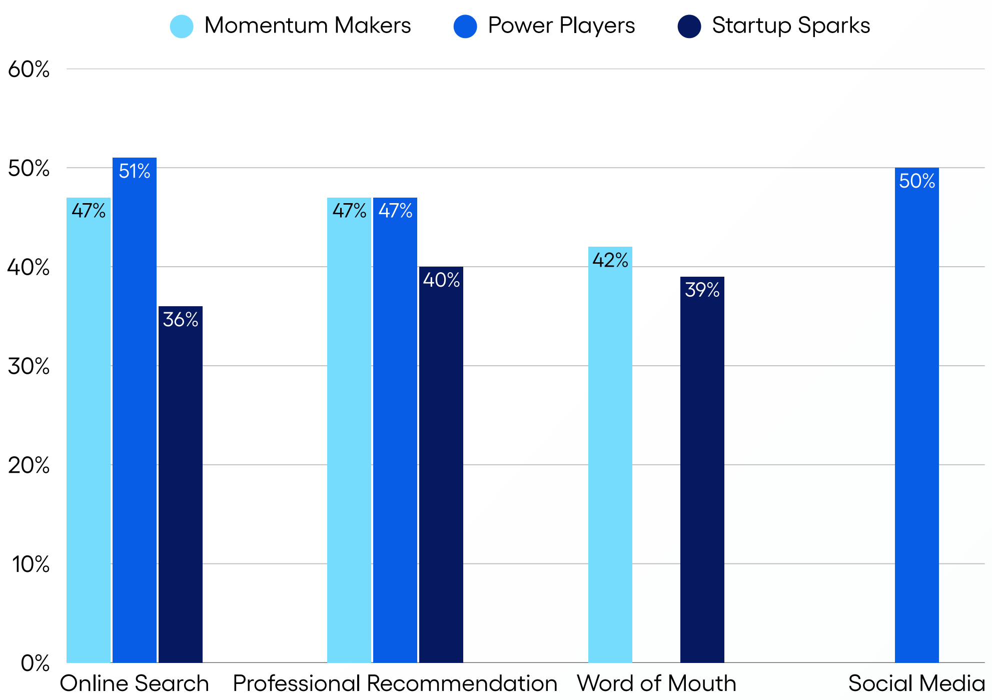
Like the market overall, Segment A (Momentum Makers) businesses are most often influenced by professional recommendations, online search, and word of mouth. Segment A is also least likely to say they were influenced by TV and email advertising. However, Segment A is still more influenced by TV than average (31% versus 22% on average), and email advertising (26% versus 21% on average). In fact, businesses in Segment A are more likely than average to say they were influenced by all sources. On average, owners say they were influenced by 2.9 sources, while owners in Segment A cite 3.3 sources and owners in Segment B (Power Players) cite 3.2 sources.

One of the most **meaningful** ways banks and credit unions support businesses is by helping them find the **right** financial solutions.

Segment C (Startup Sparks), on the other hand, are less influenced than average by all the sources. On average, these owners say they were influenced by 2.4 sources. They still say were influenced most often by professional recommendations and word of mouth, but are noticeably less likely than average to cite online search (36% versus 42% for the market), expert recommendations (24% versus 32%), TV advertisement (11% versus 22%), and email advertisement (15% versus 21%).

Businesses in Segment B are more mixed. Half of Segment B owners say they were influenced by social media, compared to 36% for Segment A and 30% for Segment C. Segment B was also somewhat more likely to say that online search played a role (51%), compared to Segment A (47%) and much more than Segment C (36%). Expert recommendations are also more influential for Segment B (46%) than for Segment A (38%) and Segment C (24%). Interestingly, these businesses were also more likely to be influenced by TV advertising (31%) than any other segment.

top influences on financial product decision



Businesses vary in what initially prompts them to consider new financial products or services. Yet once they engage, the factors that matter most tend to be remarkably consistent.

The most important considerations for owners include:

- Low or no fees (30%)
- Interest rate (30%)
- Easy process (27%)
- Customer service (27%)
- Total cost (25%)

Less important for owners overall are:

- The ability to customize to my personal needs (14%)
- Previous experience with the provider (7%)
- The provider's brand (7%)

In other words, how an owner comes to a product involves very different considerations than their engagement with the product. Even with positive recommendations and word of mouth, the product must be cost effective, easy to use, and well-supported.

Again, the segments are quite different in what they consider most when engaging with financial products. Segment A most often considers customer service (29%), interest rates (27%), and the ease of the process (27%). These percentages are close to the averages for the market. Businesses in Segment C say they most often consider low or no fees (38%), interest rates (36%), and the ease of the process (28%).

In fact, the top five considerations for both Segment A and Segment B are the same as the market overall, just in different rank order. Segment A puts higher priority on customer service, while Segment C puts more emphasis on fees. But they place the same rank on interest rates and ease of the process.

Segment B is somewhat different. These businesses are most concerned with low or no fees (35%), customization to personal needs (29%) and total cost (26%). Like the other segments, these businesses are also concerned about the ease of the process (23%).

Importantly, Segment B is the only segment that particularly considers the customizability of the product. None of the segments are highly concerned about the provider's brand or previous experience with the provider (Segment has the most consideration at 10% for both).

Analysis

Most businesses are primarily seeking financial products and services that offer low costs, simple processes, and reliable customer support.

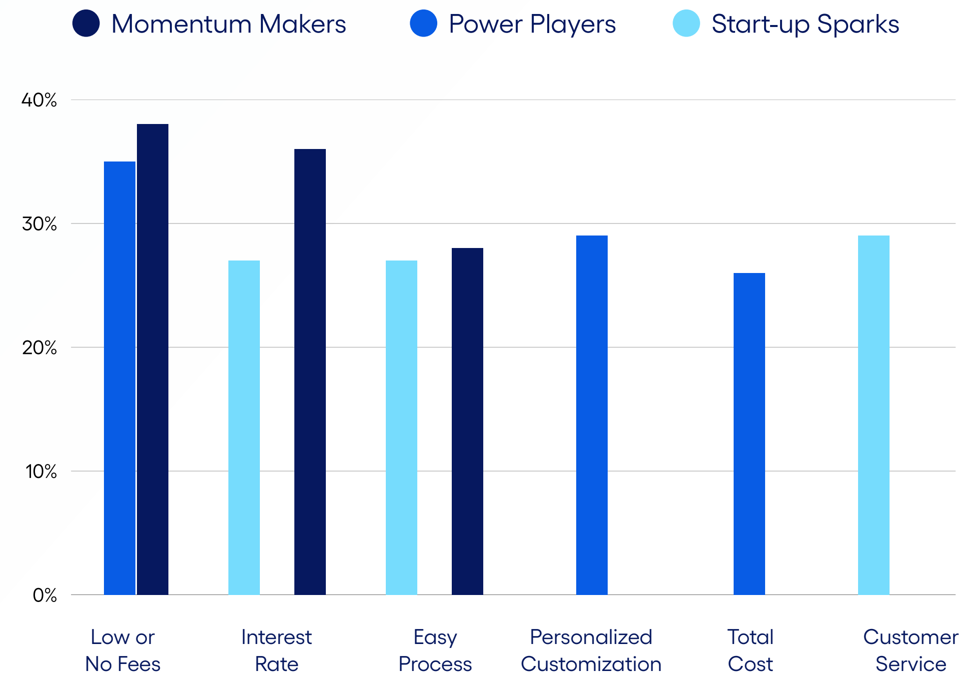
Notably, all three segments say they have the same top two motivations when purchasing financial products:

- Achieve professional/business goals (48% overall)
- Improve their current financial situation (48% overall)

Intuitively, if businesses generally have the same goals when purchasing products, they will generally be looking for the same features in the product they purchase.

Segment B (Power Players) is the exception. These businesses have been in operation for the longest of any of the segments on average, and they appear

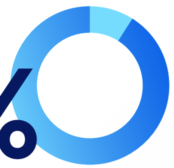
considerations when purchasing financial products



to take a longer view of the costs involved of a new product or service. While businesses in Segment A (Momentum Makers) and Segment C (Startup Sparks) more often consider the interest rates associated with a product, businesses in Segment B are more likely to consider the total cost. Segment B is also less concerned about customer service than the other segments, perhaps because owners of companies with 250+ employees are unlikely to be the ones waiting in a phone queue or chatting online with customer support.

Another difference for Segment B is that while these businesses are still interested in the associated fees and ease of the process, they also add the customization of the product to their list of considerations. Customization is not a consideration for many businesses in Segment A or C. Segments A and C are smaller businesses than Segment B and may simply not need the same degree of customization because they operate at smaller scales or interact with fewer customers. They may also have more flexibility to adapt their processes around a product, rather than require a product to fit their processes.

While there are important differences between very large SMBs and the rest of the market, most businesses are quite consistent in what they do not consider. Relatively few businesses, either overall or in any segment, say they consider recommendations from friends or family, previous experience with a provider, or the provider's brand when engaging with a financial product. Only 9% of businesses overall say they consider their chance for approval for the product (though this climbs to 12% for Segment C), and only 10% say they consider expert referrals or recommendations (though this climbs to 15% for Segment A).

91% 

of businesses share these **primary considerations** when seeking financial products and services:

- Interest rates
- Fees
- Ease of the process
- Customer service

Segment B accounts for 9% of businesses overall, meaning 91% of businesses primarily consider interest rates, fees, ease of the process, and customer service. These are the most common considerations among businesses that have under $20 million in revenue annually. Considerations change when SMBs become relatively large, when they become more concerned with total cost and customizability.

> Most businesses are primarily seeking financial products and services that offer **low costs**, **simple processes**, and reliable **customer support**.

These are salient points for messaging to the market about financial products and services.

Some businesses may consider promotions, referrals or their approval chances, but the majority of businesses still keep the basics in mind: cost, service, and ease.

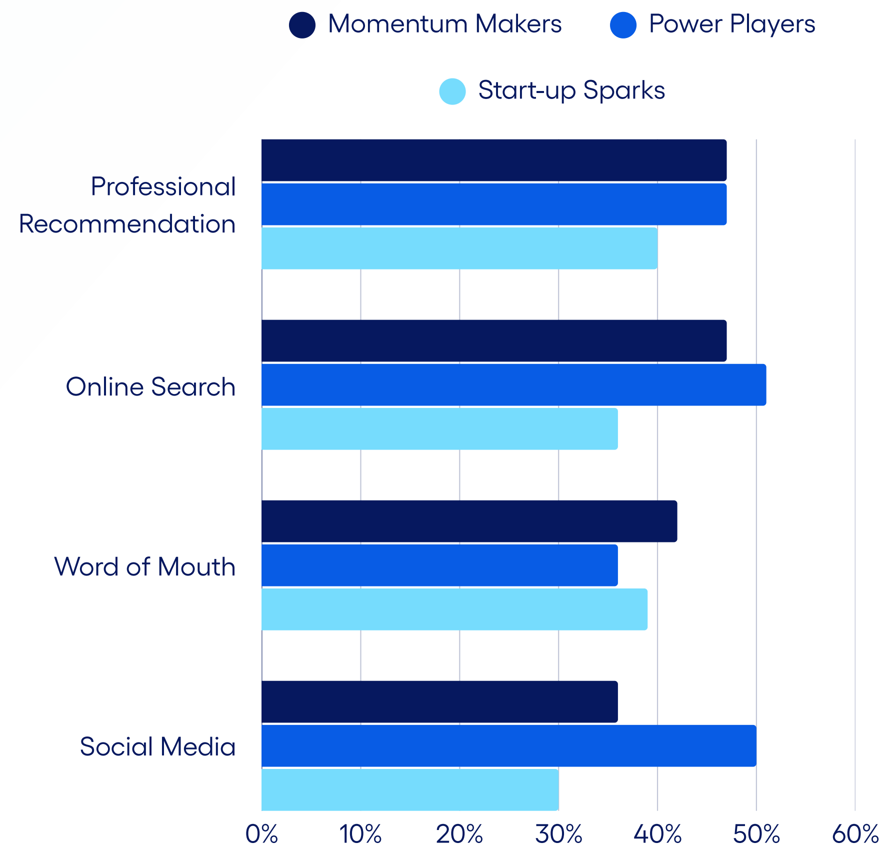
Interestingly, while businesses may be fairly consistent in what they are looking for in a product or service, how they find that product or service is often very different. Segment B businesses are more likely than other businesses to say they are influenced by professional recommendations and expert opinion when purchasing a new product or service – though still less than they are influenced by online search or social media. The reliance on recommendations does not last long past the purchase stage, however, as these businesses more often prioritize total cost and customizability when engaging with a product. Recommendations may get these businesses in the door but will not keep them.

Considerations change when SMBs become relatively **large**, when they become more concerned with **total cost** and **customizability**.

Segment C businesses are influenced more by professional recommendations than any other source, but they are influenced less by all sources than the other segments. Word of mouth is the only source that influences Segment C (39%) at about the same rate as the market (40%). In many ways, businesses in Segment C are most in need of financial services, as they are small, just starting, and most likely to say their growth is stagnant or declining. But this segment is also the hardest to influence. Reaching this audience will require using multiple channels, including professional recommendations, online search and word of mouth campaigns. These businesses rely heavily on their own searches and networks to find the best products and services for their needs. Expert recommendations (e.g., those not engaged in a professional relationship, like influencers), social media, email campaigns or TV advertisements are all less likely to influence this segment than either of the others.

Segment A is just the opposite – they are more influenced by nearly every source than the average business. Like Segment B, Segment A businesses are more likely than other businesses to say they are influenced by professional recommendations when purchasing but consider others' opinions much less when engaging with the product. In fact, as these businesses look to scale and grow, they may turn to many sources for information about their options for financial services. But like the other segments, they still focus on cost, ease and customer service.

top decision drivers: how SMBs choose financial products



Recommendations

1 Evaluate the marketing channels for new products and services.

Different segments may need very different approaches to reach. Word of mouth, recommendations, and a positive online presence influence the widest variety of businesses. Beyond these methods, the largest SMBs say they are most often influenced by social media and expert recommendations. But all these channels are more likely to influence larger and growing businesses than much smaller businesses. The smallest businesses may require a concerted campaign across many channels, as these businesses are less influenced by all sources.

2 Know the audience and what drives their business decisions.

Both messaging and product design should align with the considerations of the target audience, which may be complex depending on the types of businesses targeted. Customizability to a business' needs is important to the largest decile of businesses but matters less to the rest of the market. High chances of approval are somewhat appealing to very small businesses, but not to growing or established businesses. Deep dives into the market data may be beneficial to make sure the right businesses are targeted with the right features.

3 Ensure ease and service are adequate for customers and prospects.

Fees, interest rates, and total cost are relatively easy to compare. Ease of process and customer service are harder to compare, however, even for the banks and credit unions that provide them. Recommendations and word of mouth are important to accountholders, so make sure the word is positive about ease of the process and customer service associated with new services. If necessary, benchmark ease and service against the offerings from other organizations to ensure they are at least competitive.

Word of mouth, recommendations, and a positive online presence influence the **widest variety** of businesses.

Interest in Future Products and Services

interest in future products and services

Findings

Businesses have a wide variety of needs – some of which may be met by existing financial products and services, while others may need completely new services from banks and credit unions. To assess these needs, the survey asked owners about their interest in specific financial products as well as how new services may support their growth.

Owners say they are interested in a range of banking services. A majority of owners said they find two banking services appealing:

- Payment processing (64%)
- Invoicing and bill pay (52%)

In addition, large percentages of owners said other services were appealing:

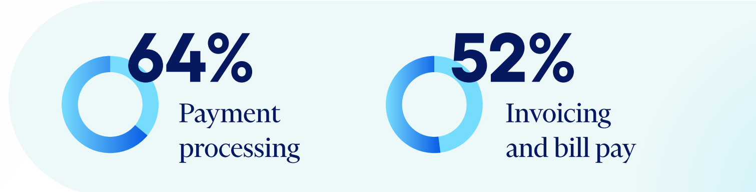
- Payroll services (48%)
- Cash flow analysis and forecasting (46%)
- Data analytics (39%)
- Treasury management (22%)

Most businesses in Segment A (Momentum Makers) find payment processing (65%) and payroll services (62%) appealing, though many are also interested in cash flow analysis and forecasting (53%) and invoicing and bill pay (48%). Segment C (Startup Sparks) is similar – 64% say payment processing is appealing, 51% say invoicing and bill pay, and 41% say payroll services. These businesses are somewhat less interested in cash flow analysis and forecasting (37%) than Segment A.

Segment B (Momentum Makers) is quite different. A majority of these businesses find payment processing (59%) and payroll services (56%) appealing. But most also find cash flow analysis and forecasting (58%) and data analytics (59%) appealing, as well. These businesses also find treasury management (35%) more appealing than the market (22%). The only service Segment B is less interested in than another segment is invoicing and bill pay (36%).

So, while Segment B is not always more interested than average in a particular service, the majority of these businesses are still interested in a majority of the services. Segment A is similar – a majority are interested in three services, and a 48% are interested in a fourth. Conversely, Segment C was interested in the fewest services overall – a majority (or even near-majority) of these businesses were interested in payment processing or invoicing and bill pay only.

A majority of owners said they find two **banking services** appealing:



Most owners also expressed interest in other services banks and credit unions could potentially provide. When asked what a financial institution can do to support their business' growth, most owners selected business advice (54%) and funding (51%). Additionally, many owners selected cash management tools (46%), technology usage (43%), and merchant services (37%).

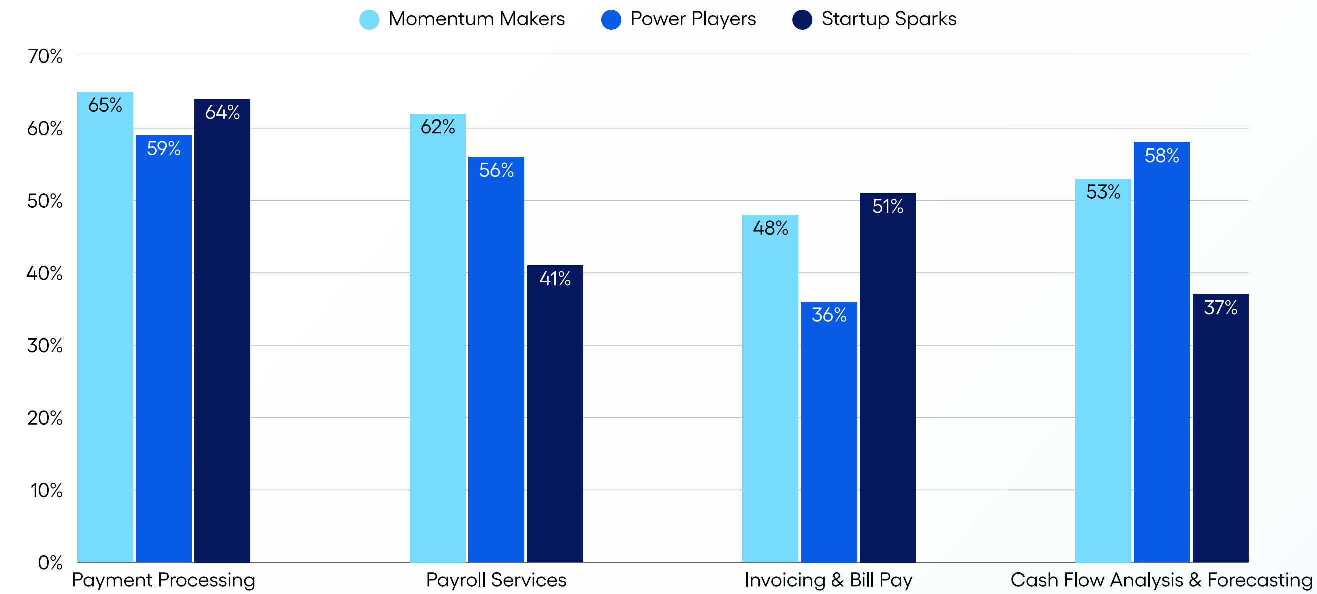
It is worth noting that while the majority of owners said they would be supported by funding – a very traditional banking service – even more said they would be supported by business advice.

Segment A is more likely than the other segments to say that any of the potential services would support their business growth. Like the market overall, most of these businesses said their financial institution could support them with business advice (62%), funding (54%), but many also said cash management tools (49%), technology usage (49%) and merchant services (24%).

Segment B most often says that technology usage (52%) would support their growth, and is most interested in technology usage support of any of the three segments. But these businesses are less likely to agree that they would benefit from business advice (48%), funding (45%), cash management (34%) or merchant services (24%). While not a majority, many said they would be supported by business advice or funding from their financial institution. Even among these large, long-running SMBs, advice and funding may still be appreciated by many businesses.

Interestingly, Segment C was not more likely than other segments to say they would be supported by either funding (48%) or business advice (47%) from their financial institution. In fact, they are almost as likely to say that they'd be supported by cash management tools (44%) as business advice. Generally, this segment was least interested in most banking services.

most appealing bank services



When asked what a financial institution can do to support their **business' growth**, most owners selected:

54% business advice

51% funding

Why? Segment C is small and typically just starting. Perhaps they may not be in a position to truly benefit from funding yet (e.g., not ready to expand, hire, etc.). But not believing that business advice would be beneficial is more difficult to understand for a fledgling business.

For most banking services beside business advice, Segment C may be less interested because they are also the least satisfied with their primary financial institution's role in managing their business. Satisfaction with the primary financial institution's role, in fact, plays a substantial role in how interested businesses are in additional financial services.

The **more satisfied** owners are with the financial institution, the more interest they expressed in **new products and services.**

Analysis

An owner's interest in additional products and services is strongly affected by their satisfaction with their financial institution's role in managing their business. The more satisfied owners are with the financial institution, the more interest they expressed in new products and services.

Among owners who are not satisfied with their financial institution's role in managing their business, 45% said payment processing would be appealing. Among owners who are satisfied with their financial institution's role, interest climbed to 69%.

Similarly, owners who are satisfied with their financial institution's role were more interested invoicing and bill pay (56%) and treasury management (26%) compared to owners that were not satisfied (35% and 7%, respectively).

Generally, every potential product or service garners more interest from owners that are satisfied with their financial institution's role. Compared to owners that are not satisfied with the role, satisfied owners showed a lift in interest of:

Payment processing: +23%

Invoicing and bill pay: +22%

Treasury management: +19%

Technology usage: +19%

Cash management tools: +18%

Cash flow analysis and forecasting: +17%

Data analytics: +16%

Business advice: +13%

Merchant services: +9%

Payroll services: +8%

Funding: +6%

Satisfaction with the financial institution's role makes the least difference for merchant services, payroll services, and funding. The more traditional and "transactional" a new product or service may be (e.g. merchant services or funding) the less difference satisfaction with the financial institution's role tends to make.

But every other potential product or service sees a double-digit increase in interest from owners that are satisfied with their financial institution's role in managing their business. Owners who are satisfied with the financial institution's role are much more likely to be interested in having their bank help manage their invoices, advise on technology, analyze their cash flow or provide data analytics or business advice.

Owners who are satisfied with the financial institution's role are much **more likely** to be interested in having their bank:

- Help manage their invoices
- Advise on technology
- Analyze their cash flow
- Provide data analytics or business advice

These differences in interest show how much of a difference satisfaction with the financial institution's role makes. The differences also show, at least in part, why businesses in Segment C (Startup Sparks) are so much less interested in new financial services than businesses in the other segments. Businesses in Segment A (Momentum Makers) and Segment B (Power Players) differ in terms of age, revenue, number of employees, structure and industry. But these segments have similar levels of satisfaction with the role played by their financial institutions, while Segment C has much lower levels of satisfaction.

In fact, businesses in Segment C that are satisfied with the role their financial institution plays are more interested in services like cash flow analysis and forecasting (41%) compared to those that are not satisfied (27%). They are similarly more interested in services like data analytics (38% vs. 24%) and advice on technology usage (39% vs. 25%). But satisfaction with the role makes less difference for business advice (49% vs 43%) for Segment C.

One explanation is that these businesses may not know what they are missing from an advisory standpoint. Because these businesses are relatively small, they may not have complex needs for which they see the benefits of outside expertise. They may also believe that the advice will not be tailored to their situation or think a financial institution is interested in helping. Changing these owners' minds about business advice specifically will require more than just creating satisfaction with the role a bank or credit union plays, but rather reframing what business advice can do for small businesses.

Recommendations

1

Know the market.

Interest in new financial products and services is quite different between the segments. Payment processing is of interest to most SMBs. Smaller businesses see much more value in invoicing and bill pay than in payroll services or treasury management, while larger businesses have the opposite interests. On the other hand, businesses that are in between have a high degree of interest in most financial services. This includes services that an institution may believe are of interest to only larger businesses, like data analytics or business advice.
The deeper a financial institution's understanding of business position, the better it can design, market and service products for those businesses.

2

Consider alternative products and services.

Overall, businesses show substantial interest in non-traditional services, ranging from cash flow analysis and forecasting to data analytics to advice on technology usage. As with more traditional products, interest in these services varies greatly by segment. But for each of the non-traditional services in the survey, there is at least one segment where a majority of owners said they would be interested, or that the service would support their growth.

3

Build a role in the financial lives of businesses.

Finding ways to improve the satisfaction business' feel in about the role a bank or credit union plays in their financial health carries many benefits (e.g., greater engagement, loyalty and retention), but also includes greater interest in services the financial institution offers. In the case of alternative or non-traditional services, owner interest comes primarily from those that are satisfied with the role played by the financial institution. Understanding the size, age and positioning of accountholders can illuminate what they need from their financial institution. Education, advisory opportunities, personalized content, comparison tools, event-based alerts, and AI-based recommendations can all help executives against these needs and create a positive role in the financial health of businesses.

The deeper a financial institution's **understanding** of business position, the **better** it can design, market and service products for those businesses.

about jack henry

Jack Henry was built on the belief that banks and credit unions are essential to the well-being of people and communities.

That belief drives everything you see in this study. We conducted the 2,866-person survey to help you understand the real-life experiences, needs, and expectations of accountholders – because when you know what they're facing, you can meet them with empathy, clarity, and purpose.

Guided by decades of serving people through technology, we're proud to stand beside community and regional financial institutions. You're the ones deepening relationships, removing barriers to financial health, and helping people move forward. The Jack Henry Financial Sentiment Study is one more way you can do that – with confidence and with heart.

a final word

SMBs may differ in size, age, and structure – but their expectations from financial institutions are remarkably consistent.

Most are looking for low costs, simple processes, and reliable customer support. In fact, 91% of businesses prioritize interest rates, fees, ease of process, and service when engaging with financial products.

Confidence and satisfaction are tightly linked.

Owners who feel confident managing cash flow and tracking in come are significantly more likely to be satisfied with their financial situation. Yet confidence in these areas lags behind their importance – only 65% of owners feel confident about cash flow, despite its outsized impact on financial sentiment. This gap represents a clear opportunity for financial institutions to deepen their role and relevance.

Satisfaction with a financial institution's role is also a powerful predictor of future engagement.

Among owners who are satisfied with their financial institution's role, interest in services like payment processing (69%) and invoicing and bill pay (56%) is substantially higher than among those who are not satisfied. The lift in interest spans both traditional and non-traditional services – from cash flow forecasting to data analytics and business advice.

Ultimately, the path to greater SMB engagement isn't just about offering more – it's about offering better.

Financial institutions who help owners build confidence in the areas that matter most, and that position themselves as strategic partners in business growth, will be best equipped to win and retain SMB relationships in the years ahead.

turn insights into stronger SMB relationships

This study reveals what SMBs value most – from product features to financial partnerships. Use these insights to shape your messaging, refine your offerings, and build trust with business owners at every stage of growth.

Visit the **Jack Henry Marketing Center™** for free templates, campaigns, and assets that help you turn these insights into deeper engagement and long-term loyalty.

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