



## The Power of Resilience: Small and Mid-Size Businesses Leading in 2025 with B.R.A.V.E.

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### Small Businesses Leading the Charge in 2025

If there's one undeniable truth in business, it's this: small business owners are the heartbeat of economic resilience, through recessions, inflationary surges, labor shortages, and policy shifts, they don't just survive—they adapt, innovate, and forge ahead. They turn challenges into steppingstones, obstacles into opportunities, and uncertainty into action.

Over the past few years, small businesses have navigated a whirlwind of economic shifts. Since 2020, they've faced the pandemic's disruptions, supply chain breakdowns, soaring inflation, and a tightening credit market. Yet, despite these challenges, they have emerged stronger, wiser, and more determined than ever.

### Key Findings: The Optimism Driving Small Businesses Forward

The **NFIB Small Business Optimism Index** climbed 3.4 points in December 2024, reaching 105.1—a clear signal that confidence is building, and business owners are setting their sights on growth, investment, and prosperity. This is the highest level since May 2019, when it reached 105.

### Small Business Optimism Index

1. 12/24 105.1
2. 11/24 101.7
3. 10/24 93.7
4. 9/24 91.5
5. 8/24 91.2
6. 7/24 93.7
7. 6/24 91.5
8. 5/24 90.5
9. 4/24 89.7
10. 3/24 88.5
11. 2/24 89.4
12. 1/24 89.9

But what's behind this optimism? Let's break it down with data driven results.



### Small Business Optimism Index Vs. US Real GDP



## Vision for the Future: What Business Owners Expect in 2025

### 1. The Economy: A New Chapter of Possibility: 52% expect the economy to improve

Over half of small business owners expect the economy to improve—marking one of the highest confidence levels in years. Why? Because leaders focus on what they can control and are determined to make this year count.

### 2. Job Creation: The Engine of Growth 35%

Businesses are not just hoping for a better future; they are building it, which means hiring. Despite the challenges of recruiting top talent, the labor market remains strong, and companies are positioning themselves for expansion.

### 3. Investing in the Future 27%

Plans for capital investment are on the rise, with more businesses preparing to upgrade, expand, and innovate. When small businesses invest, they aren't just spending money—they're planting seeds for long-term success.

### 4. Sales & Revenue: Momentum is Building 22%

Consumer demand is strong, and businesses are ready to meet it. More than a fifth of small business owners anticipate a surge in sales this year, reinforcing their belief in a growing market.

### 5. 2025 the Year to Take Bold Steps 20%

When asked, "Is now a good time to expand?" 1 in 5 business owners responded with a resounding YES. Leaders understand that timing is everything, and those who take strategic risks will reap the rewards.

### 6. Hiring Plans: A Workforce for the Future 19%

Despite ongoing hiring challenges, businesses are pressing forward, recognizing that their people are their greatest asset.

### 7. Preparing for Demand 6%

Inventory levels are increasing, signaling confidence in future sales growth. However, many businesses balance optimism with caution, ensuring they don't overcommit too soon.

Dr. Ramón Barquín III, president of the United Retailers Center (CUD), stated quite wisely the position of all SMEs: "We support the elimination of the inventory tax. It is essential because it affects the cost of doing business in Puerto Rico for any company. For Barquín, it is urgent to encourage production and stimulate business growth, as, in his opinion, it is 'the only way' to get out of the economic crisis the Island is experiencing".

## What are the Roadblocks to Growth

### 1. Inflation Pressures: The Cost of Doing Business 20%

Inflation remains a top concern for business owners as rising costs squeeze margins. But great leaders don't wait for conditions to change—they adapt, innovate, and find new ways to create value.

### 2. Access to Capital: A Growing Concern 77%

According to the Goldman Sachs 10,000 Small Businesses Voices survey, 77% of business owners are worried about accessing the capital they need to grow. But here's the truth: resourcefulness consistently outperforms resources.

### 3. Earnings Trends: A Story of Two Realities -26%

Short-term struggles: Some businesses continue to feel the pinch from rising costs and operational challenges. Long-term optimism: Yet 67% of business owners believe their profits will increase in 2025, and 66% anticipate higher sales.

The message? This is a transition year. Yes, challenges remain—but small business owners aren't retreating. They are positioning themselves for the next big opportunity.

## The Final Word: The B.R.A.V.E. Framework for 2025

In 2025, the world won't wait for anyone to catch up. Markets are shifting, technology is advancing at lightning speed, and global economies are evolving in ways we've never seen before. The businesses and leaders who thrive won't be the ones waiting for the perfect moment—they'll be the ones who embrace change, take bold action, and seize new opportunities before others even recognize them.

That's why **B.R.A.V.E.** is more than just an acronym—it's a mindset, a strategy, and a call to action for anyone who wants to lead, grow, and win in the year ahead.

The numbers tell a story—but more than that, the mindset of small business owners determines the future. 2025 isn't about waiting for the economy to improve; we do not have that luxury. It's about taking control, stepping forward, and making bold moves.

### The B.R.A.V.E. Framework: It's about:

- **B – Bold Action** – Taking decisive steps toward growth and innovation.
- **R – Resilient Leadership** – Standing strong in the face of uncertainty.
- **A – Adaptive Thinking** – Adjusting quickly to change and new challenges.
- **V – Visionary Execution** – Seeing beyond the present and acting with purpose.
- **E – Embracing Opportunity** – Recognizing and seizing moments of potential.

### Why B.R.A.V.E. is Urgent in 2025?

- **It's about courage**—leading when others hesitate.
- **It's about action**—not just planning but executing.
- **It's about growth**—building a future, not just reacting to the present.

The world is at a crossroads. **Economies are shifting. Industries are evolving. Technology is accelerating.** This isn't a time to sit back and watch—it's a time to step up and lead.

Here's why you need to embrace **B.R.A.V.E.** now:

1. **Complacency kills growth.** If you're waiting for the economy, the government, or someone else to create the perfect conditions for you, you're already falling behind.
2. **Opportunities have an expiration date.** Those who move first will gain the advantage. Those who hesitate will watch from the sidelines.
3. **The world is rewarding action-takers.** The businesses, entrepreneurs, and professionals who take bold, resilient, and adaptive action will thrive.
4. **The future belongs to those who build it.** Will you be one of them?

### 2025 belongs to the B.R.A.V.E. leaders. Will you be one of them?

Great businesses aren't built in perfect conditions. They're built by leaders who refuse to be shaken by uncertainty. Because one thing is certain: those who take decisive action today will be tomorrow's success stories. Let's get to work in Puerto Rico and set aside any overdue reliance on Federal Funds; if they come, great. If they don't, we can continue our growth plans with **B.R.A.V.E.**

At the end of this year, you will look back and realize one of two things:

- You stepped up, took bold action, and created incredible opportunities.
- You hesitated, waited too long, and watched others take the lead.

The choice is yours. 2025 is not a year for waiting—it's a year for action.

### Will you be B.R.A.V.E.?



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