CLA Heartbeat Index™

The Voice of Business

AI investment is rising, but leaders
are still looking for measurable results

EXECUTIVE SUMMARY

Artificial intelligence has moved quickly from curiosity to business priority, but the latest CLA Heartbeat Index™ suggests many organizations are still working to turn AI and technology investments into measurable performance gains.

The survey points to a growing gap between AI investment and perceived business value, underscoring the importance of moving beyond experimentation to practical, results-driven implementation.

About the CLA Heartbeat Index

The CLA Heartbeat Index is a three-times-a-year survey of approximately 700 – 1,000 CLA clients from across the country. Respondents primarily represent small- and middle-market businesses, entrepreneurs, civic leaders, and nonprofits — organizations closely connected to local economies, employment, investment, and community needs.

Its aim is to offer a practical, real-time window into how these organizations view the current economy and how they're investing, adapting, and growing for the future. The 2026 findings point to a common theme: Confidence remains strong, but leaders are placing greater emphasis on **execution, accountability**, and **measurable value.**

A snapshot of business sentiment

With organizations reporting a 72.2% positive outlook score for the coming year, optimism reflects a business community that continues to invest, plan, and pursue growth opportunities despite economic uncertainty.

72.2% Positive outlook for the next 12 months

69.9% Confidence the workforce has the skills needed for future strategy

68.6% Confidence in the ability to expand, grow, or invest in priorities

49.5% Positive assessment of recent technology or AI investments in improving efficiency or performance

"The CLA Heartbeat Index™ gives us a direct view into those who power the real economy and the communities they serve. What we're hearing isn't a lack of confidence. It's a more disciplined kind of confidence.

Our clients are the true heartbeat of this country, and they still see opportunity, but they're asking sharper questions about cost, talent, technology, and how every investment creates measurable value."

JEN LEARY, CEO

AI INVESTMENT AND EXECUTION

AI investment is growing, but results are still catching up

The biggest gap in the findings

Artificial intelligence (AI) remains one of the most frequently discussed priorities among business leaders. Yet the latest CLA Heartbeat Index™ suggests many organizations are still working to translate investment into measurable performance gains.

Among the most striking findings:

49.5% Positive score for improving efficiency or performance, on recent technology or AI investments

20.2% Respondents rated that impact in the favorable 8 – 10 range

This significant gap seems to indicate that the next phase of AI adoption will be less about experimentation and more about demonstrating practical use cases, strengthening governance, managing risk, and producing meaningful outcomes.

The next phase of AI: Practical execution

Open-ended responses show organizations are asking increasingly practical questions about AI implementation.

"These findings reflect what we hear from clients every day: AI has enormous potential, but value does not come from technology alone.

That's why CLA continues to invest in AI, digital solutions, data, governance, and our people. Our goal is to help clients move from experimentation to execution, identifying practical use cases, reducing manual effort, improving decision making, and creating more time for strategic conversations that help organizations grow confidently."

JAMES WATSON
CHIEF SOLUTIONS OFFICER

COMMON THEMES

- Governance
- Workforce readiness
- Data quality
- Return on investment
- Security and compliance
- Identifying practical use cases
- Change management

Many leaders are no longer asking whether AI matters. Instead, they're evaluating where it can create measurable value and how success should be judged.

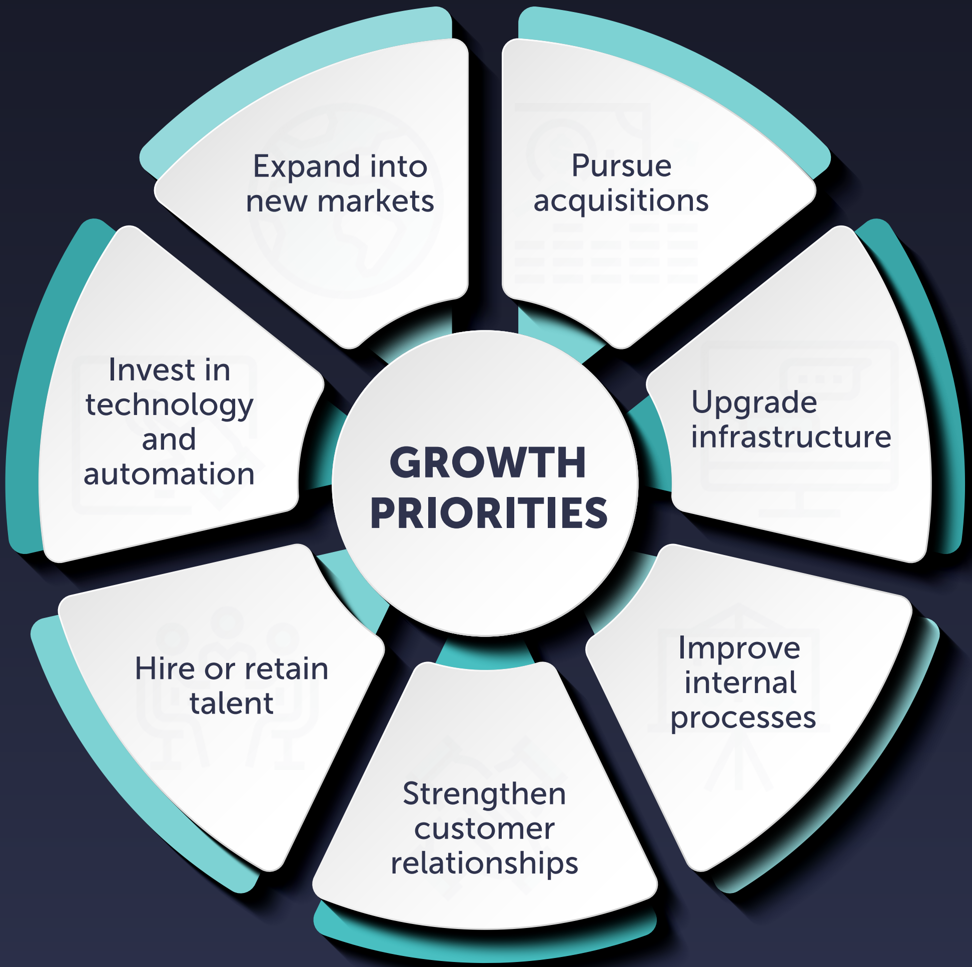
GROWTH PRIORITIES AND COSTS

Leaders still see room to grow

Growth remains a priority for many organizations

68.8%

Respondents reported a positive score regarding their ability to expand, grow, or invest in strategic priorities over the next 12 months



GROWTH PRIORITIES AND COSTS

Rising costs are affecting growth plans

Economic pressure is real, but businesses are still looking ahead

For many organizations, the challenge is fostering growth while protecting profitability. As a result, leaders are examining how people, processes, data, and technology can work together more effectively to drive productivity and stronger outcomes.

While confidence remains relatively high, respondents continue to be challenged by rising costs. Leaders cited increases in labor expenses, materials costs, energy costs, insurance premiums, health care expenses, and financing options.

COST PRESSURE AREAS

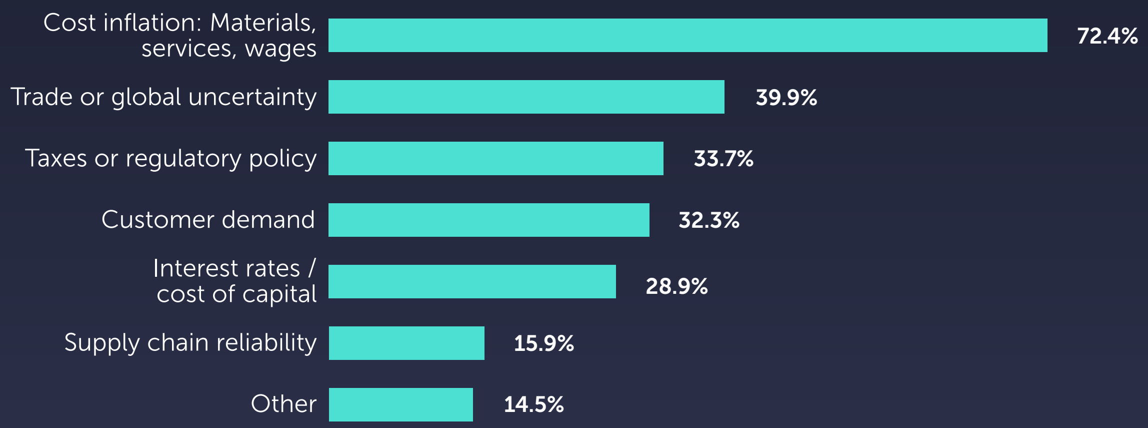
- Labor expenses
- Materials costs
- Energy costs
- Insurance premiums
- Health care expenses
- Financing costs

GROWTH PRIORITIES AND COSTS

Cost inflation remains the top pressure facing organizations, with 72% of respondents citing materials, services, and wages as major economic factors. But inflation is only part of a broader challenge, as leaders also pointed to global uncertainty, taxes and regulatory policy, customer demand, and interest rates.

The findings also show a clear link between pressure and investment. Among respondents citing supply chain reliability, 64% said they are likely to invest in technology or automation, while more than half of those citing customer demand, global uncertainty, and capital costs said the same. Technology is emerging not only as a growth priority, but as a practical response to uncertainty and operational complexity.

ECONOMIC FACTORS HAVING THE GREATEST IMPACT

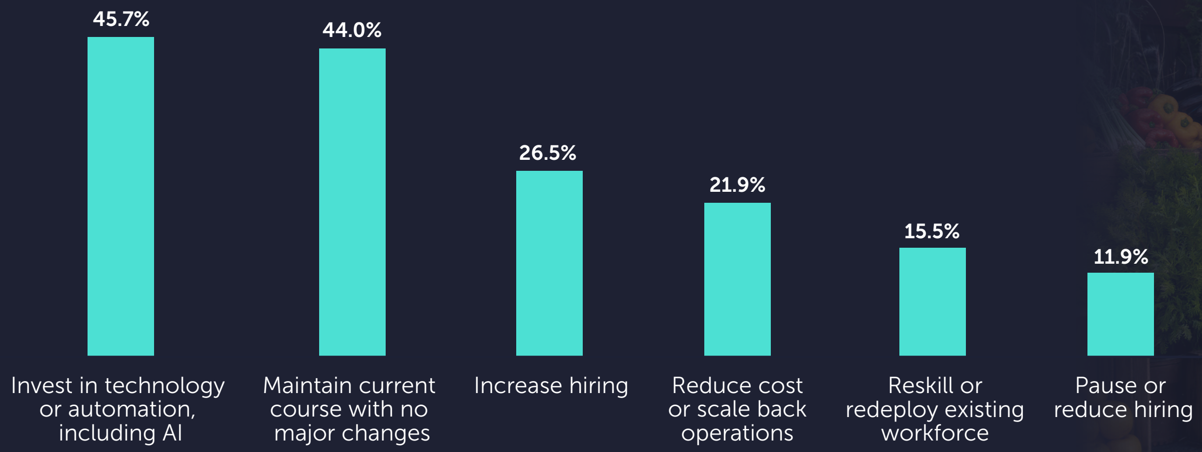


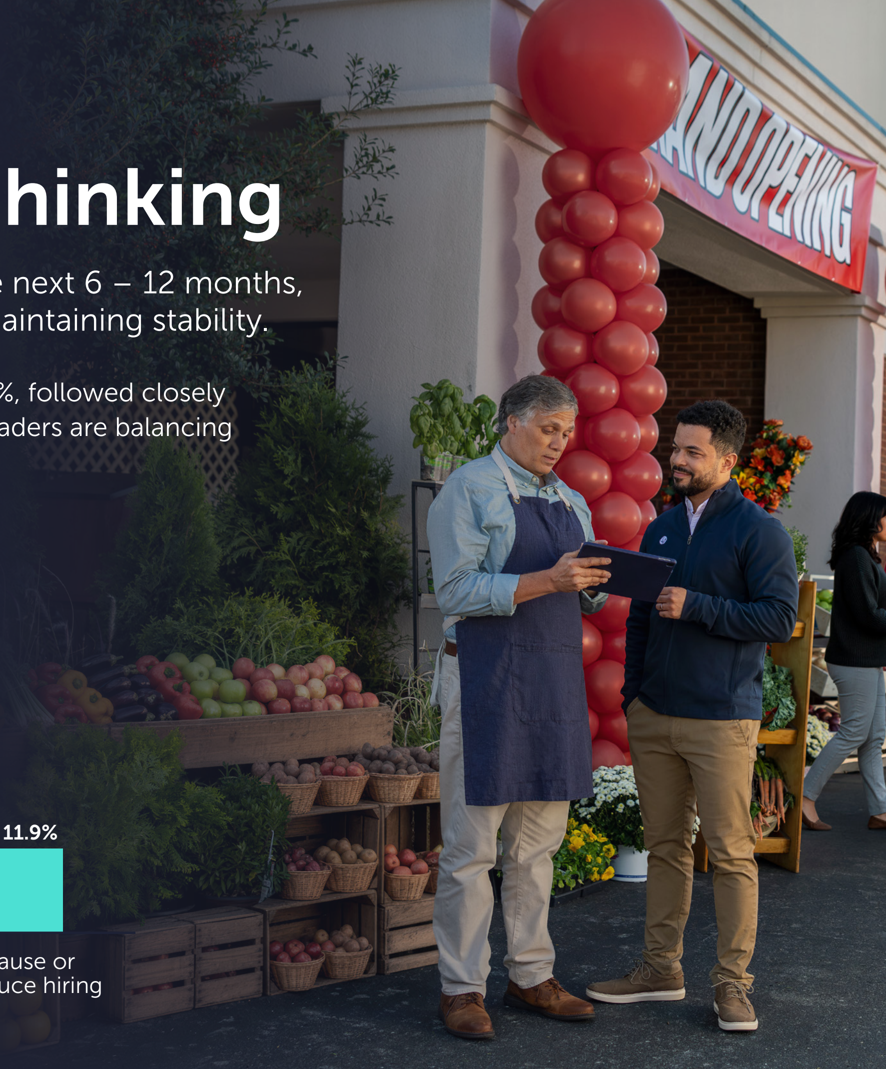
Measured moves, long-term thinking

When asked what actions their organizations are most likely to take over the next 6 – 12 months, respondents were nearly evenly split between investing for the future and maintaining stability.

The most selected response was investing in technology or automation, including AI, at 46%, followed closely by maintaining the current course with no major changes at 44%. This suggests business leaders are balancing caution with a continued focus on productivity, efficiency, and long-term competitiveness.

ACTIONS ORGANIZATIONS ARE LIKELY TO TAKE OVER THE NEXT 6 – 12 MONTHS



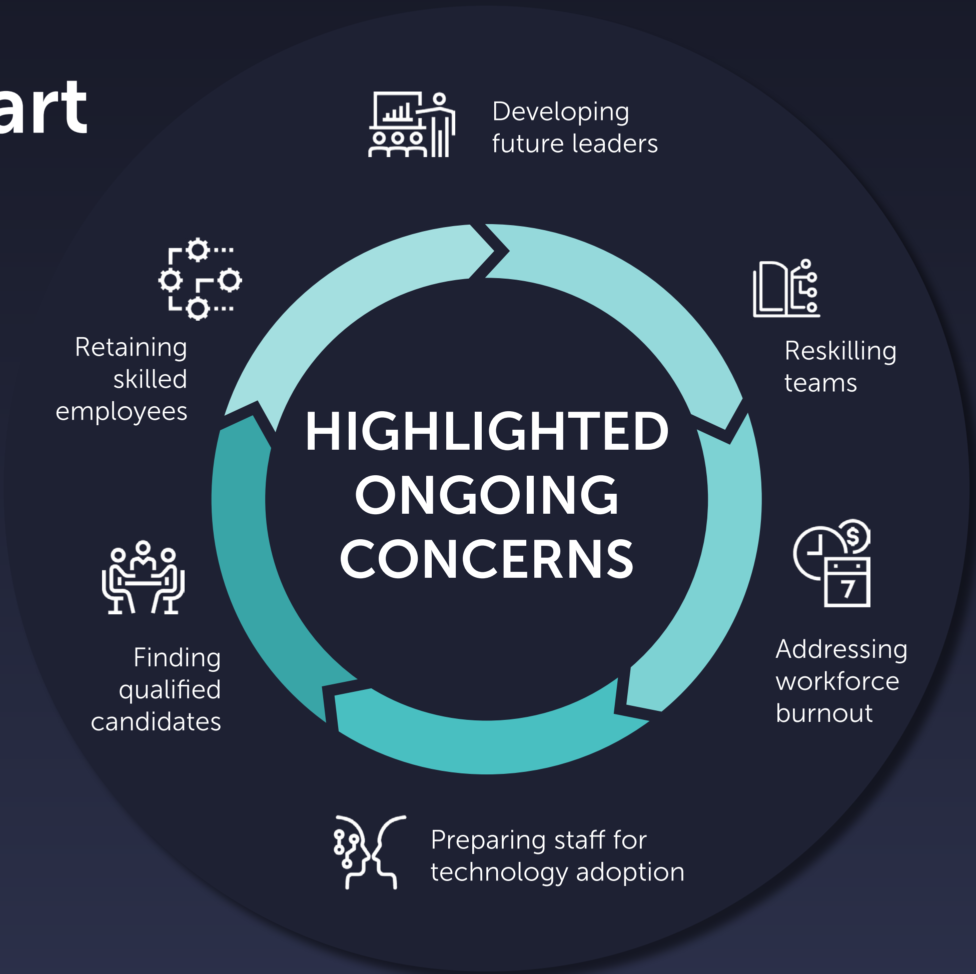


Workforce readiness is part of the technology story

Talent remains central to future success

Respondents gave workforce readiness a positive score indicating that many organizations believe they have the skills needed to support future strategy

These findings reinforce a growing reality: workforce strategy and technology strategy are increasingly intertwined. Organizations are rapidly discovering that technology adoption depends as much on people and process as the technology itself.



CONTINUING THEMES: TALENT, TECH, POLICY

What carried forward from last year

Talent, technology, and policy remain connected

Many themes identified in the 2025 CLA Heartbeat Index™ continue to shape business decisions. Last year's report framed technology as a strategic response to economic and workforce pressure, with respondents pointing to AI, automation, cloud systems, and other digital tools as ways to improve efficiency and stay competitive.

Clients reported ongoing difficulty finding qualified candidates, especially in manufacturing, agribusiness, food and beverage, and construction.

They also indicated that talent availability was affecting growth, particularly in professional services, manufacturing, and agribusiness.

Respondents highlighted challenges related to technology adoption, tariff pressures, tax policy, pricing, and profitability. Those same forces are evident in the 2026 Heartbeat Index findings and should remain part of the narrative.

Why the CLA Heartbeat Index™ matters

Many economic measures track broad market conditions, but they do not always reflect what business leaders are experiencing in real time. The CLA Heartbeat Index was created to provide that perspective.

Large-scale indicators can show movement in employment, inflation, GDP, consumer confidence, or capital markets. Those signals are important, but they can miss the practical, day-to-day realities facing the organizations that employ people in local communities, serve customers directly, manage rising costs, make hiring decisions, invest in technology, and determine whether growth still feels possible.

The CLA Heartbeat Index is designed to capture the direct voice of CLA clients who are running small- and middle-market businesses, leading nonprofits, building civic organizations, and operating inside the communities that make up much of the U.S. economy.

These leaders are often the first to feel shifts in labor availability, customer demand, financing costs, supply chain pressure, technology adoption, and regulatory complexity. Their feedback helps turn economic conversation from abstract data into lived business reality.

CLA **HEARTBEAT**
INDEX

A useful barometer of the U.S. economy

Rather than relying only on backward-looking statistics or market-level signals, the CLA Heartbeat Index captures how leaders are thinking about the next 12 months: Whether they feel confident, whether they can find and prepare talent, whether they can grow profitably, and whether investments in technology and AI are producing measurable value.

That combination of confidence, caution, and execution gives CLA a timely view into how organizations are adapting before those decisions fully show up in traditional economic data.

It also matters because CLA's client base cuts across industries and communities. The index isn't limited to one market segment or one policy issue. It captures the views of entrepreneurs, privately held businesses, nonprofits, civic leaders, and other organizations that collectively influence hiring, wages, investment, local tax bases, community services, and economic momentum.

When these leaders say they're optimistic but disciplined, that's a meaningful signal about the broader economy: Growth is still on the table, but leaders are demanding clearer returns from every dollar, every hire, and every technology decision.

How it differs from other small business indexes

Other small business indexes provide valuable signals, including long-running measures of small business optimism and quarterly views of small business sentiment. Those benchmarks are important and help establish context.

The CLA Heartbeat Index adds something different: a recurring, relationship-based pulse from the business, nonprofit, entrepreneurial, and civic leaders CLA serves every day. It's less about producing a single macroeconomic score and more about understanding how leaders are interpreting conditions, where they're investing, what's constraining growth, and what kind of guidance they need next.

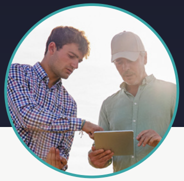
That makes the CLA Heartbeat Index complementary — and in some ways more practical for CLA's audience. It brings forward the voice of the organizations that may not always dominate national economic coverage but are essential to the country's economic health.

Their perspective helps explain not only whether businesses feel optimistic, but why they feel that way, what's changing inside their operations, and how they're converting uncertainty into decisions about people, technology, growth, profitability, and community impact.

Key takeaways

Business confidence remains steady, with respondents reporting positive scores for outlook, workforce readiness, and the ability to grow or invest in strategic priorities.

Cost pressure is a central concern, especially around labor, materials, energy, insurance, health care, and financing.



AI is viewed as a major opportunity, but many organizations are still working through implementation, governance, data quality, workforce readiness, and ROI measurement.

Workforce strategy and technology strategy are increasingly connected, especially as organizations look to turn investment into measurable business impact.

The CLA Heartbeat Index is more than a measure of sentiment. It reflects how community and industry leaders are responding to real-world pressures and opportunities as they make decisions about investment, talent, technology, and growth in the year ahead.

Methodology

CLA conducts the CLA Heartbeat Index™ survey three times per year among CLA clients across the United States. This report is based on responses collected in spring 2026 from 722 businesses and entrepreneurs, primarily representing small- and middle-market organizations. *Values shown are the percentage of respondents. For questions allowing multiple selections, percentages may total more than 100%.*

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