Ambiguity isn't slowing entrepreneurs down — it's sharpening their edge

EY Entrepreneur Ecosystem Barometer – Fall 2025

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Over the past year, entrepreneurs have navigated a landscape marked by economic headwinds, from inflation and rising costs to supply chain strains and geopolitical uncertainty. Yet, amid this volatility, today's most resilient entrepreneurs are turning uncertainty into a competitive advantage. According to our recent EY Entrepreneur Barometer Pulse, while confidence has been tested, many entrepreneurs are finding new ways to adapt, innovate and lead, reinforcing their role as catalysts for growth and transformation.

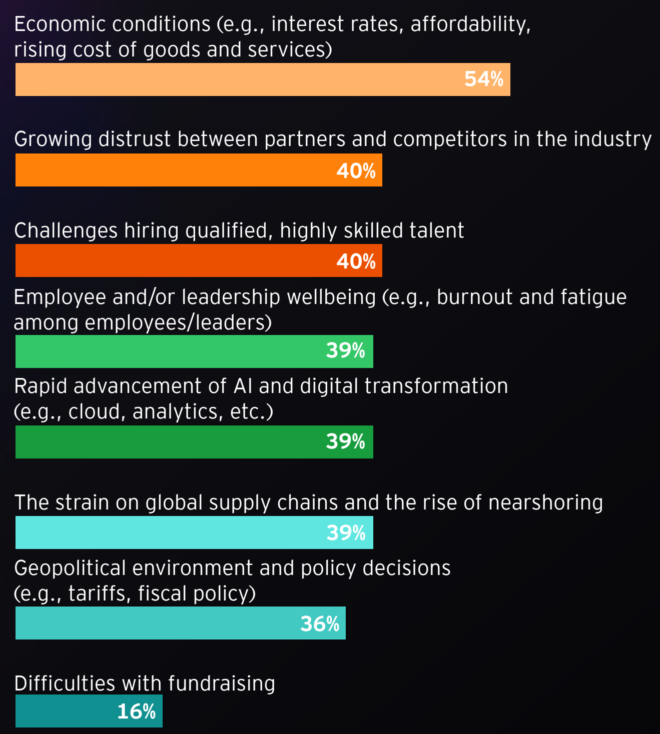
More than half (54%) of the 200 entrepreneurs we surveyed in October 2025 said their business outlook was more uncertain than it was at the start of 2025. Back then, over three-quarters (77%) expected the US economy to improve by 2026. Today, that optimism has softened: while 20% report feeling less uncertainty and 27% share their outlook hasn't changed, the majority are navigating greater unpredictability. Interestingly, those who see a clearer path ahead resemble a small but transformational group of CEOs – 15% – who are more confident than their peers leading large companies, according to the September 2025 EY-Parthenon CEO Outlook Survey.

Even amid shifting outlooks, entrepreneurs are identifying opportunities for growth. They're leaning into innovation with a focus on technology and AI, while also investing in workforce development to build strong, future-ready teams.

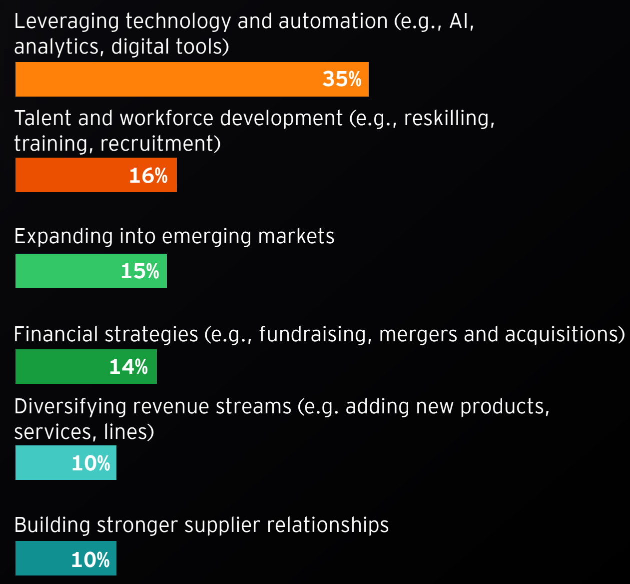
> As markets, talent and technology rewrite the rules, the founders who rise above aren't just absorbing shocks — they're rewriting playbooks. Their edge comes from bold choices anchored in purpose, and the courage to lead when certainty is scarce.

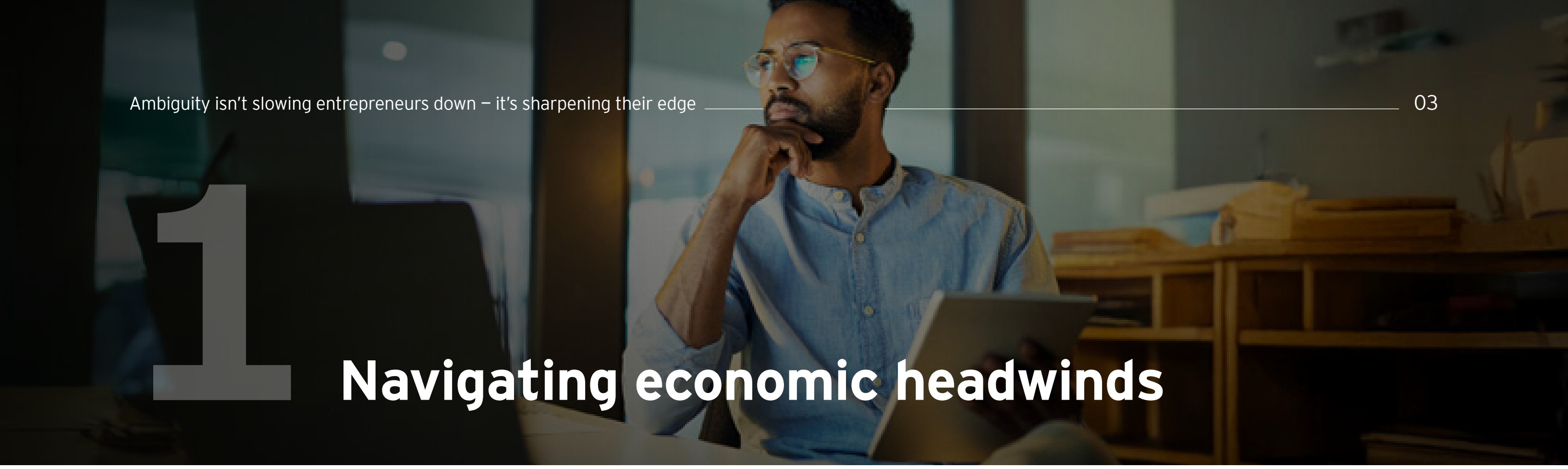
Anna Horndahl
EY Americas Entrepreneur Of The Year™ Director
Ernst & Young LLP

Top trends that have had the greatest impact on entrepreneurs' businesses since the beginning of 2025:



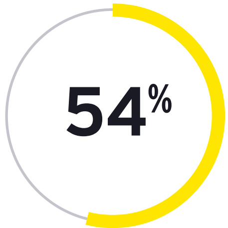
Entrepreneurs share their biggest opportunity in the current market:





1 Navigating economic headwinds

Entrepreneurs are traversing a landscape defined by persistent economic headwinds. The surge in uncertainty they share is more than a sentiment – it's a reflection of ongoing real-world challenges.



of entrepreneurs feel their business outlook is more uncertain now compared to the beginning of 2025

While overall economic conditions (e.g., interest rates, affordability, rising cost of goods and services) have had the greatest impact on 54% of respondents' businesses, supply chain strain (39%) and geopolitical environment and policy decisions (36%) add layers of complexity. CEOs of large companies echo entrepreneurs' concerns: 79% say inflation remains a significant operational challenge, and 92% expect higher tariffs to weaken financial performance.

These factors are not only shaping business outlooks but also prompting entrepreneurs to rethink how they build and sustain resilience. They are responding by building robust supply networks, maintaining clean balance sheets, and integrating technology not just for efficiency, but for adaptability. "Resilience is really the important element here," shared Gregory Daco, EY-Parthenon Chief Economist, at Strategic Growth Forum® 2025. "It's about exploring what the different scenarios could be, having the ability to quickly pivot, and then being able to act upon strategic decisions."

In this environment, the skill to recalibrate strategies and strengthen operational foundations is key to building robustness – the ability to withstand shocks. Entrepreneurs who invest in scenario planning, diversify supply sources and leverage digital infrastructure will be better positioned to weather ongoing volatility.

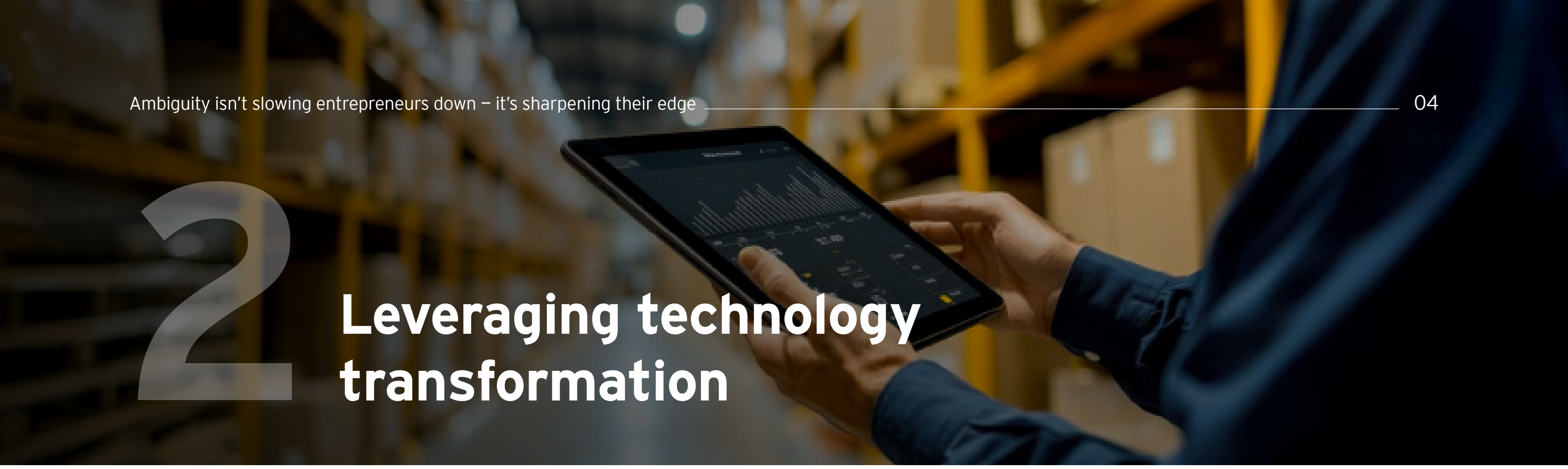
How to safeguard growth and sustain momentum

To thrive amid volatility, entrepreneurs should focus on two imperatives:

Strategic resilience
Use flexible planning frameworks and scenario-basedstrategies to adapt quickly to geopolitical, trade and regulatory shifts.

Structural robustness
Diversify supply networks, invest in digital infrastructure, and leverage AI and automation to strengthen operations and manage costs.

Building resilience and robustness can help businesses withstand shocks and seize new opportunities. Explore how to take control of demand forecasting and scenario planning.

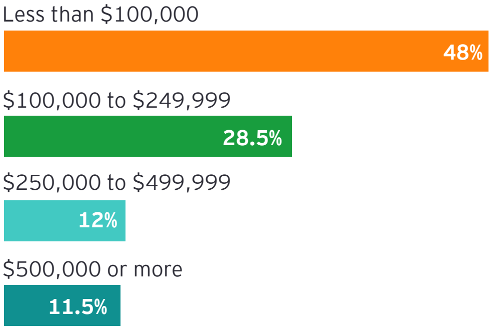


2 Leveraging technology transformation

Entrepreneurs are at a crossroads as rapid advancements in AI and digital transformation reshape the business landscape. 39% report that the pace of technological change is among the top three trends impacting their business and 35% see leveraging technology and automation as their greatest opportunity in the current market. Labor costs and talent constraints (37%) and technology disruption/ AI integration risks (31%) are top challenges for CEOs of large companies, mirroring entrepreneurs' focus on workforce development and digital transformation.

This tension is reflected in investment decisions. As Kristin Valente, EY Americas Chief Client Officer, shared at the Strategic Growth Forum, "More than one-third of entrepreneurs say AI is their biggest opportunity, yet 48% are still investing less than $100,000. That gap tells us something." In contrast, the EY-Parthenon CEO Outlook Survey reveals that 91% of global CEOs are maintaining or increasing investments in business transformation, underscoring the urgency for readiness and agility. "AI isn't waiting for perfect plans," Valente added. "It rewards experimentation. It demands agility."

Investment in AI capabilities, tech tools, talent or other AI-related expenditures across all business units and teams:



Looking ahead, the future of AI is not just about technology – it's about mindset. As Traci Gusher, EY Americas AI and Data Leader, said, "We can't necessarily control what the future might hold. But what we can do is plan for it." A willingness to experiment will be key as entrepreneurs navigate AI and digital transformation.

How to unlock technology's full potential

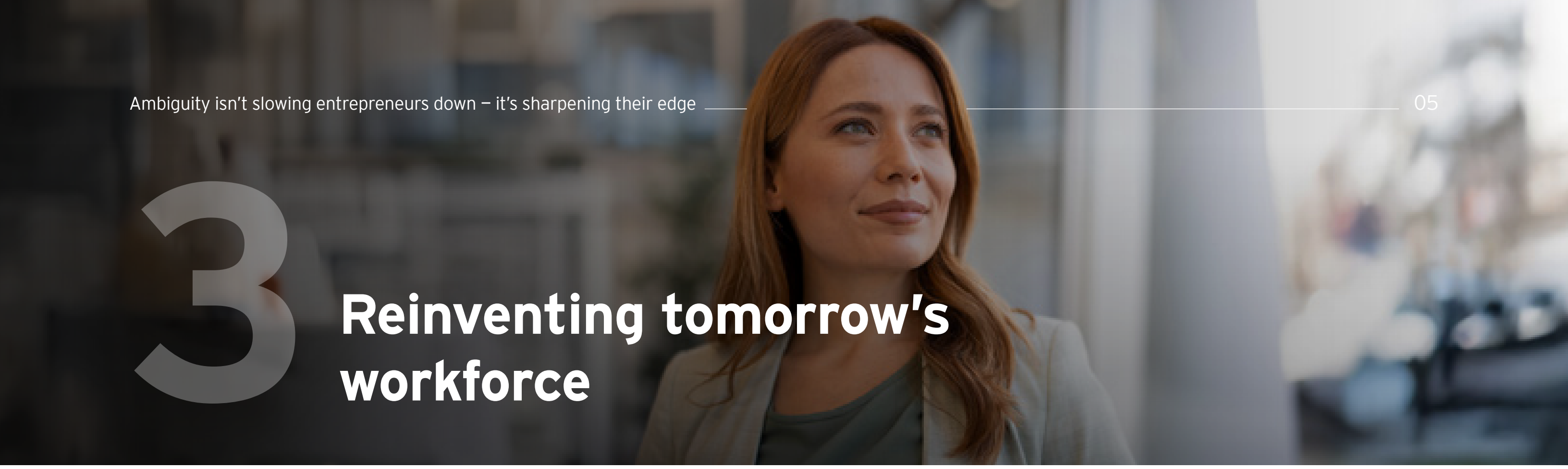
Technology-driven uncertainty can be a catalyst for innovation and growth, if leaders approach it with agility and intention. To unlock the full potential of AI and digital transformation, entrepreneurs should:

Embrace experimentation
Foster a culture that rewards testing new ideas and learning from rapid iteration.

Build governance and collaboration
Establish structures to manage risk, share leading practices and adopt AI responsibly.

Invest strategically
Align technology investments with business goals, focusing on readiness and adaptability rather than perfection.

By taking these steps, entrepreneurs can transform disruption into a competitive advantage and position their organizations for long-term success. Explore how four potential futures of AI align with your strategic vision.



3 Reinventing tomorrow's workforce

Entrepreneurs are seizing the opportunity to reinvent their workforce, even as they confront persistent challenges. Talent and workforce development are top priorities, but 40% of entrepreneurs say hiring qualified, highly skilled talent remains a major hurdle, and 39% point to employee and leadership wellbeing – burnout and fatigue – as a growing concern.

To stay ahead, organizations are doubling down on reskilling and upskilling employees, with 42% making this a core strategy to keep pace with rapid advances in AI and other emerging technologies. Many are investing in new tools to enhance the employee experience and productivity, including 30% integrating AI and automation into daily workflows and 26% embedding agentic capabilities into their operations.

Ways companies are adapting talent strategies in response to the rapid advancement of AI and other technologies:

Traci Gusher notes that most organizations begin their AI journey by putting productivity tools in employees' hands. While this can save individuals a few hours each week, the greatest value often comes from employee satisfaction as workers appreciate investments in upskilling and feel empowered by new technology. Still, the most transformative benefits arise when organizations go deeper, reimagining processes and creating entirely new business models through AI.

Ginnie Carlier, EY Americas Vice Chair - Talent agreed, urging leaders to rethink workforce planning for the future. "2024 was the last time that we will ever have done workforce planning with just humans," Carlier shared at the Strategic Growth Forum. "We have got to start, even if we aren't ready to truly understand how we're going to embed agentic AI into our workflows."

Workers themselves now stand at the intersection of excitement and anxiety. AI promises to amplify productivity and transform the work experience, yet beneath the optimism lies a quiet fear – of job loss, of falling behind. The real question is not whether agentic AI will reshape the workforce; that's inevitable. It's whether organizations will seize this moment to reinvent boldly, empower their people and lead the next era – or hesitate and risk losing ground.

How to build an AI-ready workforce – and close the skills gap fast

AI is moving faster than most organizations can adapt. Nearly nine in ten workers who participated in the EY Agentic AI Workplace Survey say reskilling is critical to unlock AI's potential – yet many are left to self-teach due to limited workplace training. The gap between ambition and action is widening. Here's how to close it and keep your workforce ready for what's next:

Align learning with business strategy
Guide employees to gain the right capabilities, fostering a culture of growth and readiness.

Take responsibility for the learning journey
Proactively support employee development to build confidence, loyalty and strategic alignment.

Channel employee optimism and address job security fears
AI adoption is about redefining how humans and AI work together; leaders must nurture enthusiasm while openly addressing concerns to prevent resistance.

Together, these actions can help entrepreneurs harness AI as a driver of workforce transformation. Explore how AI can be used as a catalyst for reinvention.

Summary

Despite rising uncertainty, business leaders are meeting the moment with resilience and bold action. They're investing strategically in AI, prioritizing talent and accelerating digital transformation. Through reskilling and upskilling, scenario planning and a relentless focus on innovation, entrepreneurs are turning disruption into opportunity — and positioning their companies for sustainable growth in a rapidly evolving business landscape.

About the research

The EY Entrepreneur Ecosystem Barometer was conducted by Wakefield Research among 200 established entrepreneurs with US$2m or more in annual revenue between October 6 and October 22, 2025, using an email invitation and an online survey. Of the respondents, at least 100 were from organizations with US$10m or more in annual revenue.

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