January 2026

PLAYBOOK

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SPECIAL

Economic Outlook for 2026

The Future of Work and a 2026 Action Plan

US CHAMBER

SMALL BUSINESS INDEX

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BUILD WITH INTENT

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The Intelligent Economy: AI, Labor, and Capital
A 2026 Action Plan

2026 Business Playbook: Building with Intent

As we enter 2026, businesses are no longer navigating recovery—they are navigating precision.

This year will reward organizations that are disciplined, adaptive, and intentional. Growth will not come from volume alone, but from clarity of strategy, operational efficiency, and the intelligent use of technology.

This playbook provides key insights and practical strategies to help businesses compete and thrive in 2026.

Economic Outlook

The U.S. economy enters 2026 on stable but uneven ground. Growth is moderating, capital is more selective, and productivity gains are increasingly driven by technology rather than workforce expansion.

Businesses should expect:

- Slower but steadier growth
- Greater emphasis on efficiency
- Increased scrutiny of ROI

The winners in 2026 will not be those who grow fastest—but those who grow smartest.

Monetary Policy and Capital Environment

Interest rates are expected to remain elevated longer than previously anticipated. While inflation continues to cool, borrowing costs will stay restrictive.

Businesses should:

- Prioritize cash flow management
- Avoid overleveraging
- Invest only in initiatives with clear, measurable returns

Cheap capital is no longer the strategy. Financial discipline is.

Inflation and Cost Management

Inflation has become selective rather than universal. Pressure points remain in:

- Labor
- Insurance
- Energy
- Technology services

Recommended actions:

- Review pricing models regularly
- Protect margins before pursuing volume
- Use technology to reduce operational friction

Consumer Spending Trends

Consumers in 2026 are value-driven, informed, and less brand-loyal.

Businesses that succeed will:

- Solve clear problems
- Communicate simply

- Deliver consistently

Clarity outperforms noise.

The Intelligent Economy: Technology and AI

Artificial Intelligence is no longer optional. In 2026, it is foundational.

AI is impacting:

- Sales and marketing automation
- Customer service
- Financial forecasting
- Hiring and workforce efficiency

AI does not replace people—it replaces inefficiency.

The Future of Work in 2026

Data from the **U.S. Chamber of Commerce Small Business Index** reinforces that workforce challenges remain one of the most persistent constraints on growth.

Key insights:

1. **Hiring and Retention Remain Difficult**
   A significant share of small businesses report difficulty filling open roles, even as overall hiring plans soften.
2. **Workforce Participation Is Uneven**
   Businesses continue to face mismatches between available workers and needed skills.
3. **Flexibility Is a Baseline Expectation**
   Hybrid and flexible arrangements are no longer differentiators—they are table stakes.
4. **Upskilling Over Headcount Growth**
   More businesses are investing in training existing employees rather than expanding payroll.
5. **Leadership and Culture Matter More**
   Retention is increasingly tied to clarity, communication, and leadership—not compensation alone.

Policy and Regulatory Environment

According to the U.S. Chamber Small Business Index, regulatory compliance and government policy continue to rank among top concerns for small businesses.

Areas to watch in 2026 include:

- Labor and employment regulations
- Healthcare and insurance mandates
- Tax policy uncertainty
- Local and state compliance requirements

Businesses that stay informed and engaged are better positioned to adapt and advocate.

Strategic Recommendations for 2026

Based on national small business trends identified by the U.S. Chamber of Commerce, successful businesses in 2026 will focus on:

1. Monitoring economic and policy indicators
2. Protecting cash flow and margins
3. Using technology to increase productivity
4. Investing in people through training and clarity
5. Improving decision speed and execution discipline

2026 Workforce Reality

What Business Leaders Must Know Now

The Headline

Workforce strategy is now economic strategy.
In 2026, growth is constrained less by capital and more by **talent, skills, and adaptability**. Businesses that fail to modernize their workforce approach will stall—even in a strong economy.

The Market Reality (Fast Facts)

- **84%** of executives struggle to find skilled talent locally
- **64%** of leaders are not confident managing ongoing disruption
- **96%** of employees report work-related stress
- **55%** of workers worry their skills won't keep up with AI
- **AI will create 78 million net new jobs globally by 2030**

Translation: The workforce problem is structural, not temporary.

The 5 Workforce Shifts Shaping 2026

1. AI Governance Becomes a Leadership Issue
AI adoption is widespread, but most businesses lack training, guardrails, and trust. Success depends on **people, policy, and leadership**, not tools alone.

2. Continuous Learning Replaces Hiring as the Growth Strategy
Skills now age faster than job titles. Companies must embed learning into daily work or lose talent to those that do.

3. Peace of Mind Is the New Competitive Advantage
Burnout, financial stress, and instability drive turnover. Employers that provide clarity, fairness, and flexibility will win the talent war.

4. Compliance Moves From Reactive to Proactive
Labor laws, pay transparency, and global hiring complexity are rising. Tech-enabled compliance is now a business necessity, not a back-office task.

5. The Talent Advantage Goes Global
Local labor shortages are permanent. Businesses that expand talent sourcing beyond borders gain resilience, speed, and cost control.

What This Means for Businesses

- Networking alone will not solve workforce challenges
- Retention now depends on **skills, leadership, and stability**
- Small businesses must operate **smarter, not bigger**
- Workforce capability is a core growth lever

Bottom Line

Businesses that adapt their workforce strategy will grow.
Those that don’t will fall behind—quietly, then suddenly.

The Chamber exists to help businesses see what’s coming and act before it’s too late.

Chief Economists’ Outlook — January 2026

World Economic Forum

1. Global Economic Direction

- **Tilt toward weakness**: 53% of chief economists expect global conditions to weaken in 2026; 28% expect no change; only 19% expect improvement.

- Sentiment is **less pessimistic than 2025**, but downside risks dominate.
- The global economy is resilient—but fragile. Volatility, not collapse, is the base case.

2. Major Risk Factors

Asset valuations

- US AI and mega-tech stocks are highly concentrated and historically stretched.
- Economists are split: some see bubble risk; others argue profitability and real investment justify valuations.
- A sharp US equity or dollar correction would have **global spillovers**.

Debt pressures

- Global public debt reached **$102 trillion** and continues rising.
- Sovereign debt crises are viewed as **far more likely in emerging markets** than advanced economies.
- Governments are expected to manage debt primarily through:
    - Higher inflation
    - Higher taxes and tariffs
    - Limited spending cuts
    - Possible restructuring in emerging markets

3. Government Spending Priorities (Next 5 Years)

Spending is becoming **more concentrated**, not broader.

Likely to increase

- Defence
- Digital infrastructure (AI, data centers, compute)
- Energy (power generation, grid capacity)

Likely to stagnate or decline

- Education

- Transport
- Environmental protection
- Research & innovation (outside AI-adjacent areas)

This creates long-term risks around productivity, climate transition, and human capital.

4. Trade, Investment & Geoeconomics

- US–China tensions have **paused, not resolved**.
    - Tariffs remain high.
    - Tech export controls and critical-minerals restrictions are expected to persist or intensify.
- **Trade fragmentation continues**:
    - Growth in bilateral and regional trade agreements.
    - Supply chains reorganize around security and resilience.
- Global trade volumes remain strong but face rising policy uncertainty.
- **FDI is diverging**:
    - Inflows to the US expected to rise.
    - Inflows to China expected to fall.

5. Regional Outlook Snapshot

- **United States**: Improved growth outlook driven by AI and data-center investment; inflation still elevated; looser monetary and fiscal policy expected.
- **China**: Moderate-to-strong growth supported by exports and AI, but property sector weakness and deflation risks persist.
- **Europe**: Weakest outlook; demographic drag, war costs, regulatory fragmentation, and slower AI payoff.
- **South Asia**: Brightest growth region (India-led).
- **East Asia & Pacific**: Strong, supported by Japan's stimulus.

- **Middle East & North Africa**: Moderate-to-strong growth, oil + AI investment.
- **Sub-Saharan Africa & Latin America**: Constrained by debt, limited fiscal space, and slower AI diffusion.

6. AI: The Central Economic Wild Card

- AI is the **single largest upside and downside variable**.
- Productivity gains expected fastest in:
    - US (within 1–2 years)
    - China (within ~2 years)
- Europe lags (3–4 years).
- Large firms benefit first; SMEs and micro-enterprises lag.
- **Jobs outlook**:
    - Short term (2 years): modest job losses dominate.
    - Long term (10 years): polarization—both significant job losses and job creation expected.
- Outcome depends on diffusion beyond large firms and high-income regions.

Bottom Line

2026 is not a crash year—it's a sorting year.
Growth continues, but it is narrower, more capital-intensive, and more uneven. AI, debt management, and geopolitical alignment will determine whether this period produces broad-based prosperity or entrenched inequality.

2026 Action Plan

Q1: Foundation

- Assess financial health and operations

- Identify automation and AI opportunities
- Clarify growth priorities

Q2: Implementation

- Deploy efficiency tools
- Refine pricing and service models
- Strengthen customer acquisition systems

Q3: Optimization

- Measure progress against benchmarks
- Adjust strategies based on data
- Reinforce leadership and team performance

Q4: Positioning

- Solidify market position
- Strengthen partnerships
- Prepare strategically for 2027