

2025 Business Owner Survey
**The Current State of Online
Government Services:**
Perspectives from Small and
Midsize Businesses



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Overview

The U.S. Chamber of Commerce credits small businesses with employing **more than 61 million people** nationwide.¹ In addition to the impact on the local job market, new and established businesses bring essential revenue, offer diverse products and services, and contribute to the unique character of the communities in which they operate.

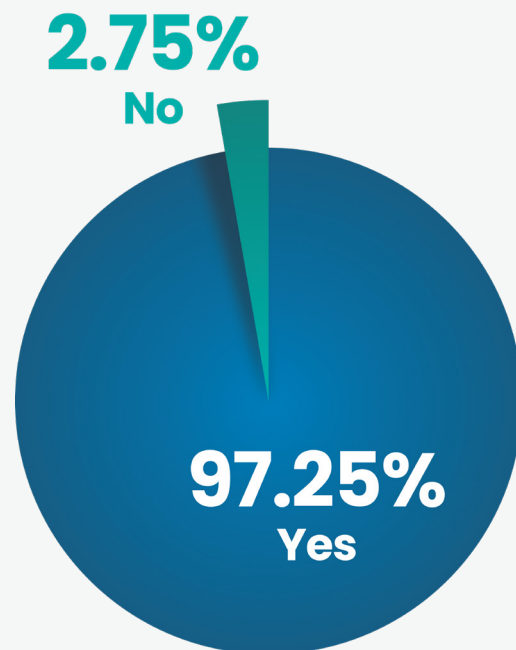
For their part, state and local governments across the U.S. have demonstrated their commitment to continually improving service delivery by embracing modernization and enabling self-service capabilities for processes like business licensing and tax filing.

The latest GovOS survey features responses from small and midsize business owners across the country. The goal of the survey was to understand the current state of online government services, uncover any gaps in processes, and explore the evolving needs and expectations of business owners.

Notably, **more than 97% of survey respondents said it is important to have government services available online**. As the survey data will reveal, continued investment in modern technology will be essential to supporting business owners now and as younger generations enter the world of entrepreneurship in increasing numbers.

The first part of this report will explore survey results that illuminate the current state of government services, while the second part will look closely at how government agencies can use this data to respond to evolving business owner expectations now and in the future.

FIGURE 1
Is it important to you to have business licensing and tax services available online?



Key Takeaways:

- Less than half of respondents say their governments communicate regularly and provide clear guidance.
- The data show that year-over-year expansion of online services has been slow across agencies.
- Understanding business owner priorities across age groups can help agencies address their diverse needs.



The Current State of Online Government Services

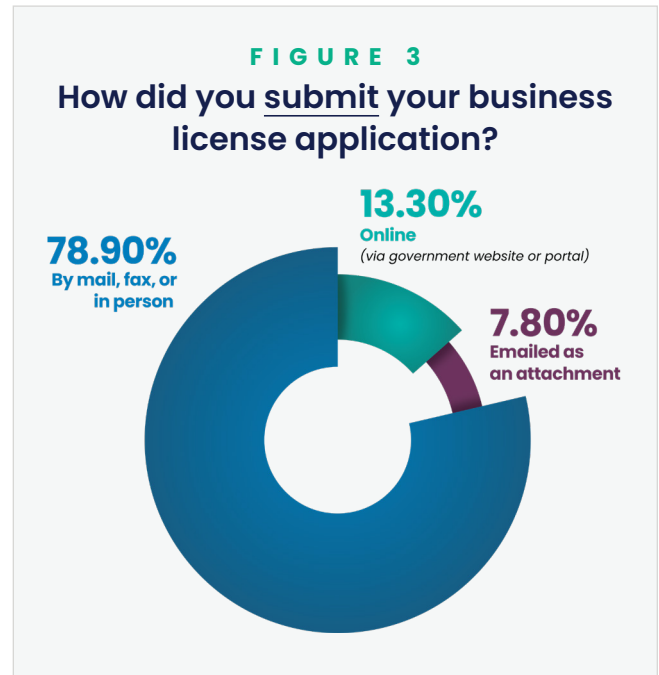
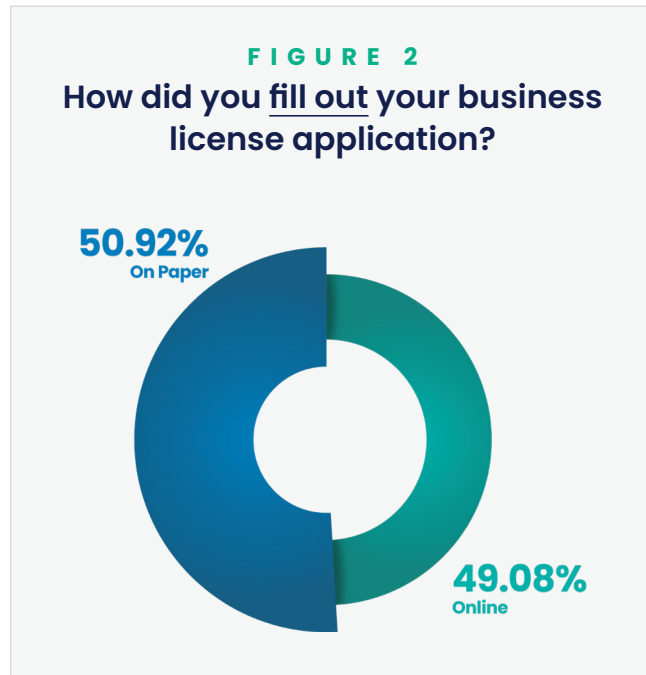
More than half of small business owners work at least 50 hours per week, with 19% reporting they exceed 60-hour work weeks.^{2,3} Ensuring online government services are easy to use and provide accuracy becomes even more important when taking into account the limited hours business owners have to dedicate to regulatory tasks and filings.

This part of the report will look at survey results to show the business owner experience:

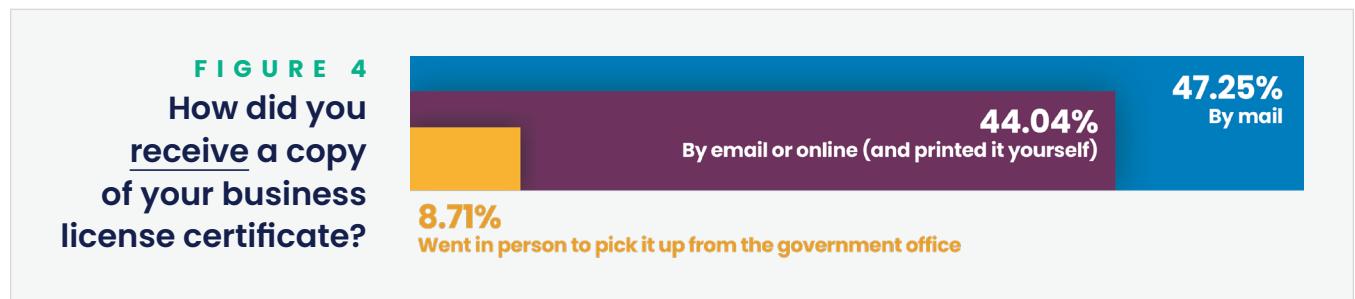
- Applying for and renewing a business license
- Filing taxes
- Communicating with government

Less than 14% of business license applications are submitted online.

Survey results indicate that while nearly half of business owners can **start** the application process online, the majority are still required to print the form and submit it by mail, fax, or in person to complete the process.

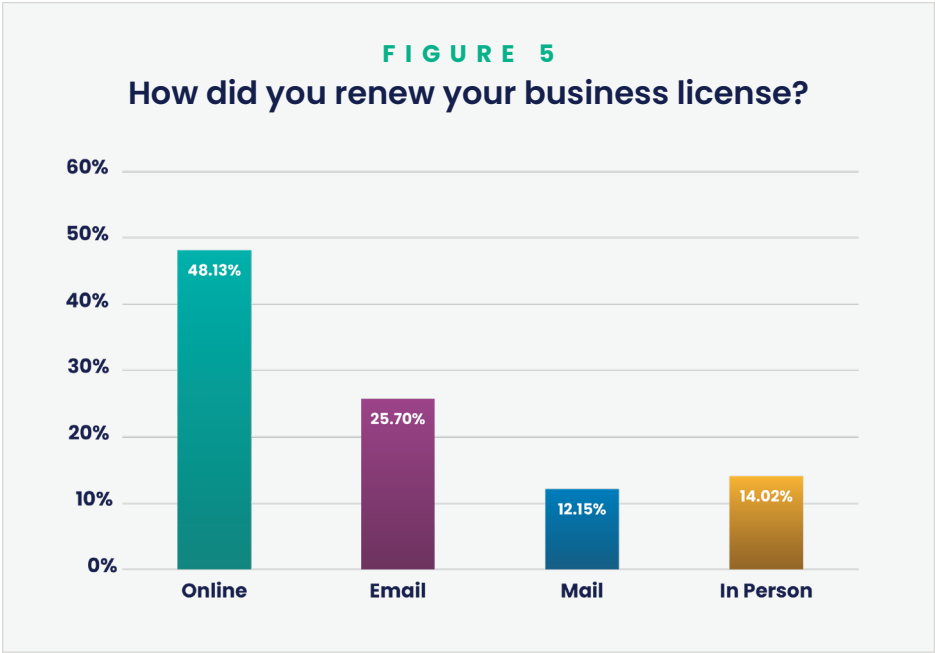


After the application was approved, a small majority of business owners say a copy of the certificate was mailed to them, with email and online delivery not far behind.



Not only do paper applications risk slowing down the process for business owners, but government staff has to spend valuable time reentering applicant information into the agency's system. Similarly, mailing copies of certificates can be unnecessarily time-consuming, with the added expense of printing and postage fees.

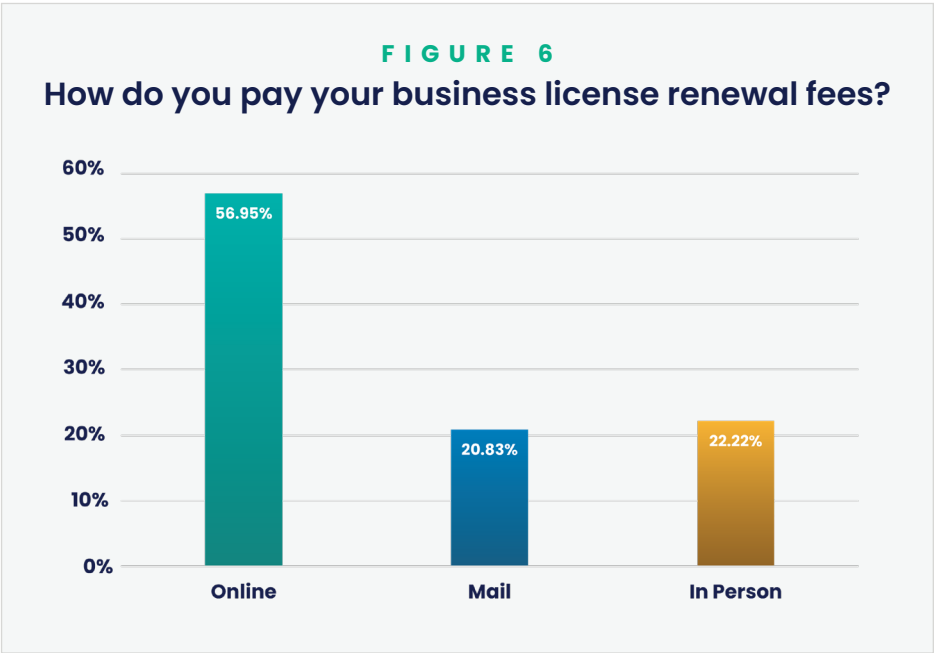
More than 1 in 4 business licenses are renewed by mail or in person.



Less than half of the business owners who are required to renew their licenses do so online via a government website or portal.

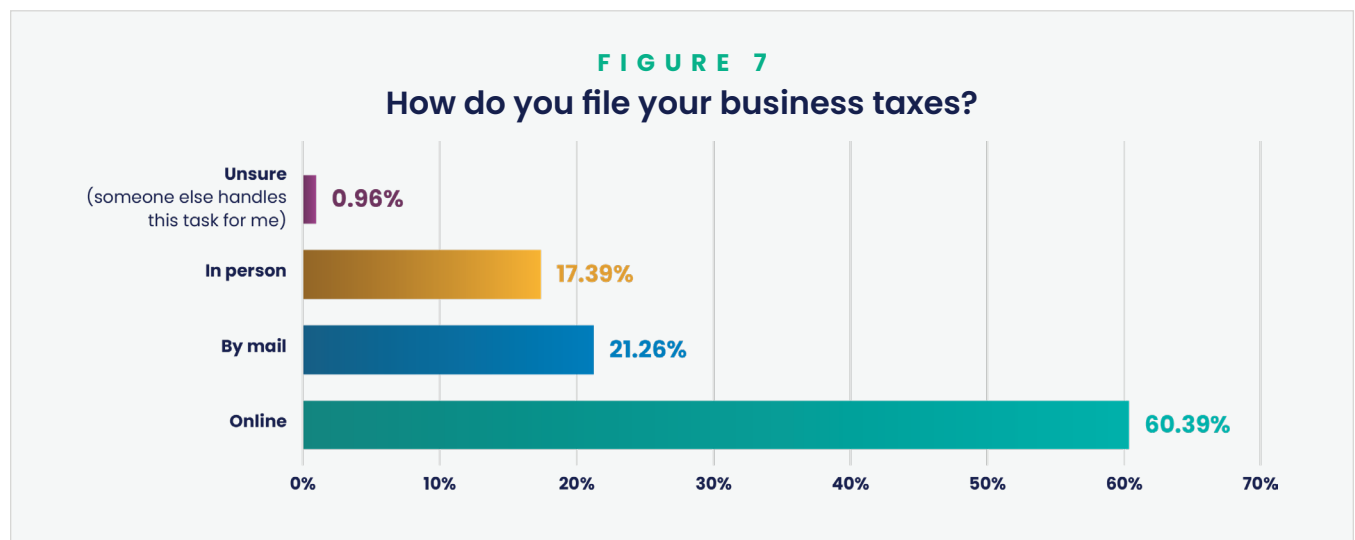
This is consistent with the findings in the previous GovOS business owner survey, indicating this is still an area in need of improvement.⁴

A follow-up question revealed that slightly more than half of business owners who are required to pay a renewal fee can do so online, with 43% paying either by mail or in person.



A record 60% of business owners now file taxes online, but the rate has only improved slightly over last year's data.

Tax filing processes have seen a small improvement of about 5% since the last GovOS survey, indicating that many agencies have been slow to change.⁴ Even so, more than 38% of business owners are still mailing payments or having to make a trip to the office. Removing obstacles—such as requiring individuals to come in person during business hours—and offering online tax filing can result in higher compliance rates since tasks can be completed at any time on their schedule.



What are business owners saying?

The subject of payments came up multiple times in respondent feedback, with one New York business owner saying agencies “should make it easy to make the payment online” and another from Washington who said the ability to make tax payments online would simplify the process. Other respondents also mentioned payment processes when asked how government agencies could improve online services.



Make it easier to submit everything without having to mail in a money order.

**Business Owner,
Retail, Mississippi**

9 in 10 business owners manually calculate their tax payments.

A considerable majority of respondents report having to manually calculate the total amount of tax they owe, with only around 10% saying their government provides that information to them.

Despite their years or experience, a small but consistent number of business owners say they don't know/ cannot calculate delinquency or penalty fees.

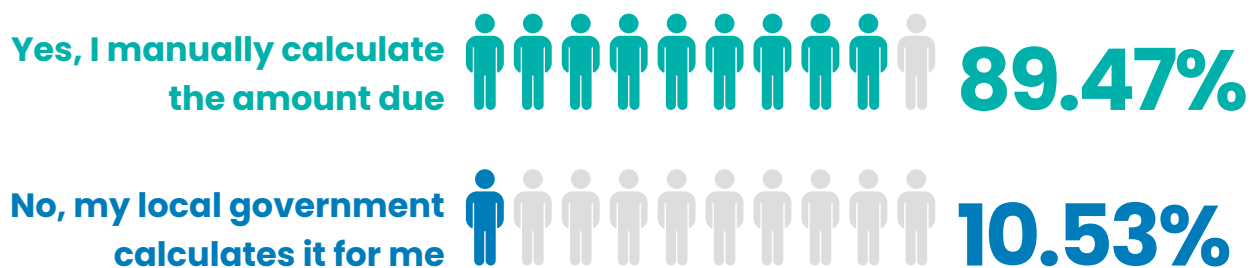
Introducing automation into tedious but necessary steps in the process can make compliance easier for business owners while also benefiting the agencies that rely on tax revenue.

Manual calculations are time-consuming, place an unnecessary burden on business owners, and increase the risk of errors.

FIGURE 8

Do you have to manually calculate the amount of tax you owe?

(including penalties, interest, etc.)



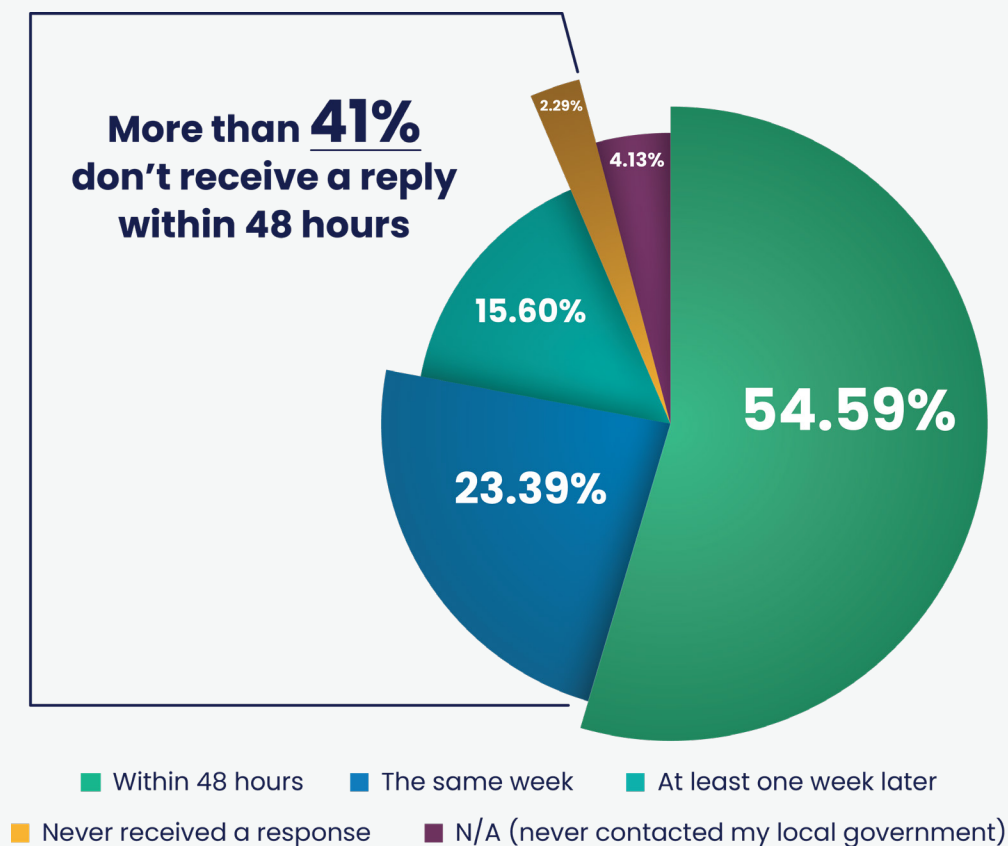
Less than half of respondents say their governments communicate in a timely, consistent way and provide clear guidance.

41% of business owners say it takes more than 48 hours to receive a response to their inquiries. In response to a separate question, only 45% of respondents strongly agree their government communicates consistently to ensure they are aware of upcoming renewals, payment due dates, and any changes to requirements.

Open and ongoing communication—including regular notifications of any changes—ensures business owners remain aware of what’s expected and have the support they need to complete required tasks.

FIGURE 9

How soon do you typically receive a response after contacting your local government?





Meeting Business Owner Expectations in 2025 and Beyond

The average number of new business applications submitted monthly in the U.S. is around 450,000, and Pew Research Center reports the number has been rising.^{5,6} This underscores the importance of collecting feedback so agencies can deliver an experience that meets the expectations of today's business owners *and* those who will be joining their ranks in the months and years to come.

The next part of this report will look at survey results to uncover:

- Current business owner expectations
- Areas of opportunity for governments
- Business owner sentiment at a broad and generational level

MEETING CURRENT BUSINESS OWNER EXPECTATIONS

A Business Licensing and Tax Filing Experience that is Fully Online

Many industries—from financial services to insurance to retail—offer online services that are available 24/7 to customers. Considering their experience with other organizations, it is not surprising that more than 97% of survey respondents say having business licensing and tax filing services online is important to them.

However, most businesses only have the ability to complete certain parts of the processes online, resulting in a cumbersome experience. Implementing software with true self-service capabilities that are accessible to business owners around the clock will be key to delivering the seamless online experience they expect.

What can government agencies do to make processes easier for you?



Make all the processes
easier online.

**Business Owner,
Construction, California**



Make everything digital.

**Business Owner,
Financial Services, California**



Go more digital.

**Business Owner,
Transportation, South Carolina**



Make it
accessible and easy.

**Business Owner,
Food Services, New York**

MEETING CURRENT BUSINESS OWNER EXPECTATIONS

Access to Education and Resources to Complete Processes Accurately

Less than half of survey respondents strongly agree they have everything they need to apply for business licenses or specialty permits and make tax payments online.

In addition to offering an easy-to-use online portal for businesses, it is important agencies provide the right resources in the right places so business owners understand what's required and how to manage the tasks.

Building a library of relevant resources that is easy to locate will help ensure business owners have all the information they need to perform their tasks efficiently.

What can government agencies do to make processes easier for you?



Have step-by-step instructions and explanations next to processes so I won't have to run around from office to office.

**Business Owner,
Event Planning, South Carolina**



It [would] be easier if some of the answers to the questions are more direct or tell us where to get the answer as some ask for certain numbers.

**Business Owner,
Food Services, Illinois**

MEETING CURRENT BUSINESS OWNER EXPECTATIONS

Faster Service with Automation and Streamlined Processes

Automated tax form calculations can improve filing accuracy and help agencies avoid having to reach out to business owners to collect missing revenue resulting from mathematical errors.

Yet, nearly 90% of survey respondents report having to calculate their own taxes and fees.

Employing technology to automate and streamline tedious tasks like fee calculations can help agencies better support business owners who want to move quickly through the process.

What can government agencies do to make processes easier for you?



Shorten wait times.

Business Owner,
Retail, California



Move faster.

Business Owner,
Lawn Maintenance
Services, Florida



Be faster.

Business Owner,
Health Services,
Indiana



Automate the
signing process.

Business Owner,
Construction, California



Streamline the
paperwork we need.

Business Owner,
Manufacturing, Illinois



Exploring Business Owner Sentiment by Age Cohorts

The average age when starting a business is 35, but a significant number of new business owners are 55 or older.² Understanding the priorities across age groups can help agencies address the diverse needs and expectations of business owners.

In the survey, each generation offered unique insights into what is working well from their perspective and areas agencies can focus their attention on.

In the following pages, we'll dig deeper into the data to understand the business owner sentiment by four age groups:

- Generation Z (18-29)
- Millennials (30-44)
- Generation X (45-60)
- Baby Boomers (60+)

BUSINESS OWNER SENTIMENT BY AGE COHORTS

Generation Z (18–29)

Top 3 industries represented:

- 1. Food Services
- 2. Financial Services
- 3. Agriculture

Business owners aged 18–29 represent **8.18%** of survey respondents from **14** different industries.

How would you rate your government’s online portal and/or website?



What are the most important reasons to have services online?

Speed Ex: Faster application review, instant renewal and payment processing, etc.	77.78%
Convenience Ex: Ability to submit license or tax forms and payments online 24/7	61.11%
Security Ex: No paper copies of sensitive taxpayer information, not having to mail a check, etc.	50.00%
Sustainability Ex: Reduction in the amount of paper waste	16.67%

Generation Z (18–29)

Communication Woes

Those aged 18–29 expressed the least satisfaction with government communication efforts of any age group. More than 1 in 3 (38.89%) indicated their government does not communicate consistently to ensure they are aware of upcoming renewals, payment due dates, and changes to requirements.



of respondents aged 18–29 said they did not receive a response after contacting their government until at least a week later, if at all.



Make the necessary materials and information public so that those coming to handle the process know what to prepare for a quick completion.

**Business Owner,
Food Services, California**

Worth Noting:

The 18–29 age group differed the most from the others and expressed the least amount of satisfaction with government services.

Over one-third of respondents indicated that the tax filing process was complicated and that government agencies did not make it easy for them to be in compliance with regulations.

These are important insights to consider with recent data showing 50% of U.S. students aged 16 to 25 want to start their own business.⁷

BUSINESS OWNER SENTIMENT BY AGE COHORTS

Millennials (30–44)

Top 3 industries represented:

- 1. Construction
- 2. Information Technology
- 3. Arts & Entertainment

Business owners aged 30–44 represent **37.27%** of survey respondents from **21** different industries.

How would you rate your government’s online portal and/or website?



What are the most important reasons to have services online?

Convenience

Ex: Ability to submit license or tax forms and payments online 24/7

75.61%

Speed

Ex: Faster application review, instant renewal and payment processing, etc.

73.17%

Security

Ex: No paper copies of sensitive taxpayer information, not having to mail a check, etc.

57.32%

Sustainability

Ex: Reduction in the amount of paper waste

23.17%

Millennials (30–44)

A Call for Transparency

Respondents in the 30–44 age group specifically expressed a desire for more transparency from government agencies. One South Carolina business owner said she wanted, “Prior proper information of any changes” while another in California said explicitly, “I would like more transparency.”



of respondents aged 30–44 strongly agree that their government ensures they are aware of upcoming renewals, payment due dates, and any changes to requirements.



Be more transparent and consistent.

**Business Owner,
Pet Care Services, Florida**

Worth Noting:

Most members of the 30–44 age group expressed some satisfaction with government services, with only a minority (15.86%) indicating the process of applying for and renewing a license is complicated.

Nevertheless, continuing to find ways to streamline processes should go a long way with this group. As one Florida business owner said, “Some improvements are definitely needed.”

BUSINESS OWNER SENTIMENT BY AGE COHORTS

Generation X (45–60)

Top 3 industries represented:

- 1. Financial Services
- 2. Health Services
- 3. Construction

Business owners aged 45–60 represent **34.09%** of survey respondents from **15** different industries.

How would you rate your government’s online portal and/or website?



What are the most important reasons to have services online?

Convenience Ex: Ability to submit license or tax forms and payments online 24/7	86.67%
Speed Ex: Faster application review, instant renewal and payment processing, etc.	74.67%
Security Ex: No paper copies of sensitive taxpayer information, not having to mail a check, etc.	65.33%
Sustainability Ex: Reduction in the amount of paper waste	21.33%

BUSINESS OWNER SENTIMENT BY AGE COHORTS

Generation X (45–60)

A Focus on Steady Improvements

Responses from the 45–60 age group revealed that small, incremental changes are still needed to make processes easier. One business owner in New York wants to see services “slightly improve in [a] short time” while another in New Jersey said he’d like government to make the process “just a little bit better.”



of respondents aged 45–60 said it is important to them to have business licensing and tax services available online.



[My government is] doing very good; just need to improvise to use AI.

**Business Owner,
Agriculture, New Jersey**

Worth Noting:

This group tied with the 60+ age group for expressing the most satisfaction with government services. One Texas business owner even praised the service offered by her local government, saying, “It is perfect.”

Even so, focusing on continued improvements will be key as multiple respondents described services as simply “OK” and nearly 10% said they are unable to do everything they need online for business licensing and tax payments.

BUSINESS OWNER SENTIMENT BY AGE COHORTS

Baby Boomers (60+)

Top 3 industries represented:

- 1. Advertising
- 2. Agriculture
- 3. Information Technology

Business owners aged 60+ represent **19.55%** of survey respondents from **10** different industries.

How would you rate your government’s online portal and/or website?



What are the most important reasons to have services online?

Convenience Ex: Ability to submit license or tax forms and payments online 24/7	79.07%
Speed Ex: Faster application review, instant renewal and payment processing, etc.	53.49%
Security Ex: No paper copies of sensitive taxpayer information, not having to mail a check, etc.	48.84%
Sustainability Ex: Reduction in the amount of paper waste	6.98%

BUSINESS OWNER SENTIMENT BY AGE COHORTS

Baby Boomers (60+)

More Automation, Please

All business owners in the 60+ age group said it is important to them to have services online. Respondents specifically mentioned how it offers “lower risk” for business owners, and one respondent from New York said that a **fully online** process would be more helpful.



of respondents aged 60+ said they strongly agree they are able to do everything they need to file for business licenses or specialty permits and tax payments online.



I have noticed that things have gotten slightly more streamlined in the last year or so, and I hope they are continuing to consider improvements.

Business Owner, Arts & Entertainment, New Mexico

Worth Noting:

This group expressed general satisfaction with services and cited “staff efficiency” and the environment among the reasons to employ technology.

Most respondents were confident in their understanding of the requirements to keep their business compliant with regulations.

Feedback suggests governments have an opportunity to further improve satisfaction by streamlining processes and payments for businesses.

Key Findings

GovOS survey results show governments are moving in the right direction with most agencies offering online services to their business owners. However, processes are still bogged down by manual steps, such as paper application processing and manual tax calculations.

Government agencies have work to do to ensure they are properly supporting small and midsize businesses. According to the owners across the country whom we surveyed:

- More than half see an opportunity for their governments to communicate regularly and provide clear guidance.
- Year-over-year expansion of online services has been slow across agencies.
- Differences in opinion of business owners by age cohort indicate that government agencies need to be making broad-based changes to online services to support diverse needs.

Critically, more than half of all respondents indicated the government website or portal they use needs some level of improvement. Additionally, business owners are asking for more transparency and better communication practices from their governments.

In the coming months, agencies can focus on building a strategy around business owner expectations for:

- A fully online business licensing and tax filing experience
- Access to education and resources to complete processes efficiently
- Faster service with automation and streamlined processes

With these changes, agencies can improve the customer experience, reduce errors, and provide the support businesses are asking of them.





Respondent Profile

Business owners from more than 25 different industries are represented in this report.

- Accommodation
- Administration
- Advertising
- Agriculture
- Arts & Entertainment
- Automotive
- Cleaning Services
- Communications
- Construction
- Educational Services
- Event Planning
- Financial Services
- Fishing & Hunting
- Food Services
- Forestry
- Health Services
- Information Technology
- Insurance
- Lawn Maintenance Services
- Manufacturing
- Pet Care Services
- Real Estate & Leasing
- Retail & Sales
- Transportation
- Utilities
- Waste Management Services
- Wholesale Trade

Methodology and References

For this research report, GovOS conducted an online survey of small and midsize business owners located across the United States. Rather than interviewing large corporations, the aim was to better understand the perspective of independent business owners who may not have a depth of resources to pull from for compliance and administrative tasks.

These are also individuals more likely to engage directly with their government and, therefore, able to share constructive feedback rooted in firsthand experience. To ensure respondents had recent experience with the license application process, only those who applied for their business license within the last three years were invited to participate.

References:

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7. Gen Z is Defining the Future of Work – on Their Own Terms, Reveals Morning Consult & Samsung Survey

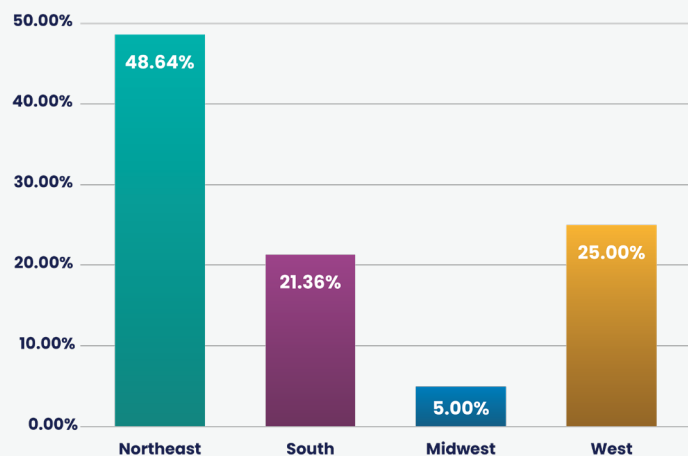
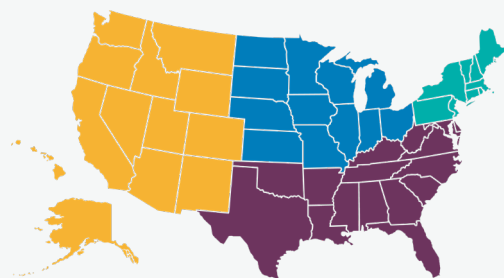
(<https://news.samsung.com/us/gen-z-defining-future-work-own-terms-reveals-morning-consult-samsung-survey/>)

Respondent Profile

FIGURE 10

Major U.S. Region

Business owners from all four major U.S. regions participated in the survey.



Number of Employees

Less than 10	10.91%
10 to 49	15.00%
50 to 99	12.27%
100 to 499	30.00%
500 or more	31.82%

Annual Gross Revenue

Less than \$100,000	11.82%
\$100,000 to \$499,999	34.09%
\$500,000 to \$999,999	28.18%
\$1M to \$5M	15.91%
More than \$5M	10.00%

Age

18-29	8.18%
30-44	37.27%
45-60	34.09%
> 60	19.55%
Prefer not to answer	0.91%

Gender

Female	28.64%
Male	70.45%
Prefer not to answer	0.91%
Non-binary	0.00%
Gender not listed	0.00%

The responses in this report are based on 220 responses from business owners across the United States.



Modernizing the Business of Government

GovOS is a leading provider of transaction and compliance software for state and local governments to streamline property, licensing, and tax interactions with businesses and constituents. Headquartered in Austin, Texas, GovOS serves nearly 850 government agencies across the United States. With the company's secure suite of cloud-based solutions, governments can maximize revenue, increase compliance, reduce costs, and meet constituent demand for modern, self-service transaction and payment services.

