

ISSUE  
#2

THE ONLINE BUSINESS

# INDUSTRY REPORT

By **evolved**finance

**Evaluating the strategic and financial trends  
of the online and modern small business  
industry.**

**JAN-  
DEC**

**2025**

Hi there!

To get the most out of this report, please watch the webinar replay recording hosted by Parker Stevenson, CEO of Evolved Finance and author of the book *Profit Pillars*.

Parker shares more context about the data and provides his insights into what the report means.

The data points in this report are updated every six months with a corresponding live webinar (replay made available), so be sure to subscribe to our email list to get each update.

If you would like Parker to present this report to your audience or community of business owners, please inquire at [info@evolvedfinance.com](mailto:info@evolvedfinance.com).

Thank you!

The Evolved Finance Team



# ABOUT THIS INDUSTRY REPORT

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- The online business industry report is released yearly by the accounting firm, Evolved Finance.
- The goal of this report is to provide a snapshot of the financial and business trends in the online & modern small business industry so all business owners can better understand the challenges and opportunities in front of them.
- The data points in this report are generated by analyzing the financial and business activity of hundreds of businesses ranging in size from high five figures to low eight figures.
- While we do our best to provide helpful insights from the data, please know this is not a scientific or academic statistical study, nor do we claim it to be.

# ABOUT EVOLVED FINANCE

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Evolved Finance, established in 2010, is the premier accounting firm for online & modern small businesses. We provide bookkeeping, tax planning, tax preparation, and business advising services.

## **Evolved Finance Supports:**

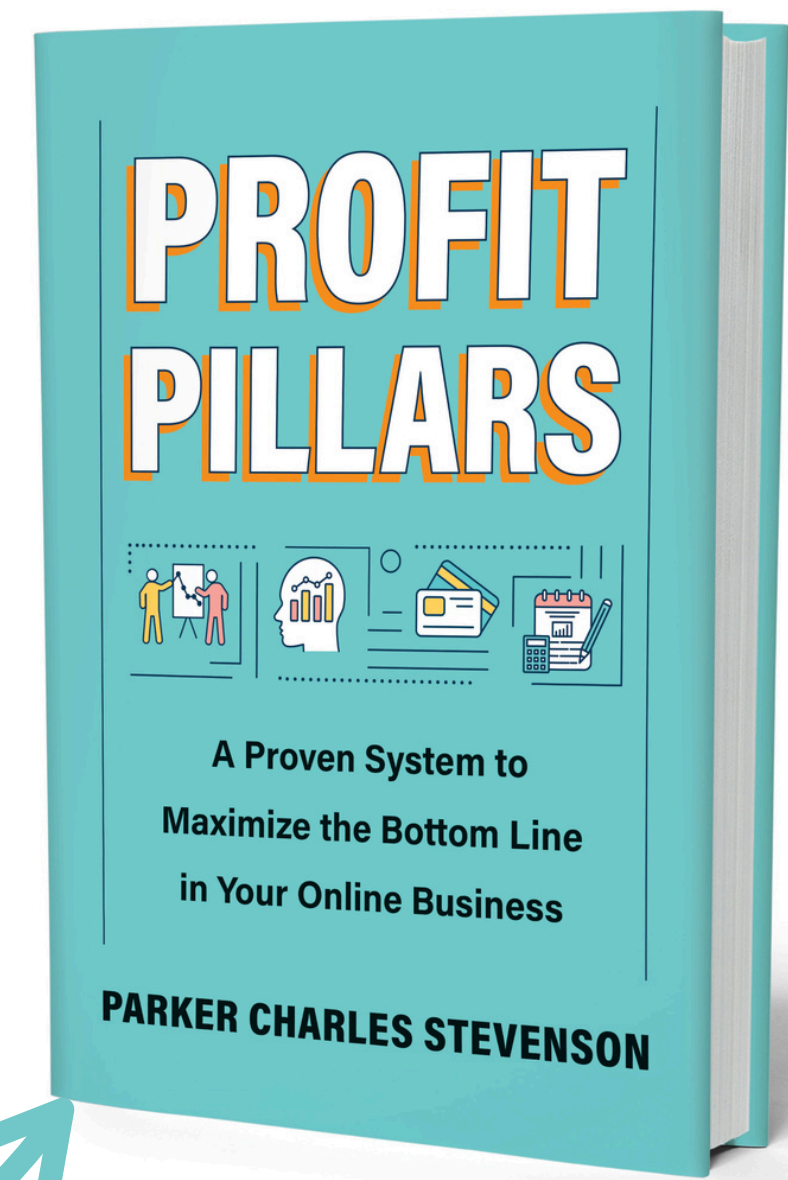
- Online educators
- Service providers
- Content creators
- Influencers
- Coaches
- Consultants
- Authors & speakers
- Freelancers
- Agency owners
- Podcasters
- Self-funded SaaS companies

# ABOUT PROFIT PILLARS

Many of the data points in this industry report revolve around the Profit Pillar system, so if you would like to gain more insights from the data please consider purchasing a copy and reading the book.

*Profit Pillars is the one book about money that every small business owner needs to read. Whether you are new to entrepreneurship or have been running your online business for years, Profit Pillars is your guide to building a more profitable and sustainable online business.*

**Available wherever books are sold online.**



**Let's see what the data says.**

# Most Used Financial Accounts

Through October 2025

1

2

3

4

5

**Bank Accounts**

Chase

BOA

Wells  
Fargo

Credit  
Unions

Mercury

**Credit Cards**

Chase

AMEX

BOA

Wells  
Fargo

Other

**Merchants**

PayPal

Stripe

Kajabi

Shopify

Square

**Checkout Software**

Kajabi

Shopify

ThriveCart

SamCart

Teachable

# Financial Accounts Breakdown

Through January 2026

**AVG # of**

2.2

Bank Accts

**AVG # of**

2.0

Credit Cards

**AVG # of**

2.4

Merchants

**More than**

26%

2+ Credit  
Cards

**% Using**

82%

PayPal

**% Using**

79%

Stripe

**% Using**

13%

EIDL

# Profit Pillars Year Over Year

		2024		2025 Through June		2025 Through Dec		Mid Year 2025 Comp
<b>Revenue</b>								
Lead & Conversion	—	12%	—	14%	—	12%	↓	2%
Offer Delivery	—	8%	—	9%	—	9%	↓	0.5%
Labor	—	35%	—	32%	—	34%	↑	2%
Operating	—	27%	—	33%	—	30%	↓	3%
<b>Profit</b>	—	16%	—	13%	—	16%	↑	3%

# Profit Pillars Revenue

## MEDIAN Monthly Rev

2024

2025

Through Dec

\$30,215



\$30,734

## AVG Monthly Rev

2024

2025

Through Dec

\$65,819



\$76,244

## AVG Offer Count

2024

2025

Through Dec

10.6



9.8

## AVG Refund Rate

2024

2025

Through Dec

2.5%



2.6%

## 1 Offer $\geq$ 50% of Rev

2024

2025

Through Dec

59%



67.7%

# Overview Lead & Conversion

All the direct costs associated with generating leads and converting them into customers.

The Lead & Conversion Profit Pillar tracks expenses like:

- Ad Manager
- Advertising
- Affiliate Expenses
- Collections
- Sales Commissions
- Marketing
- Merchant Fees

% of Total Rev

IDEAL

20% or Less

SUSTAINABLE

21-35%

UNSUSTAINABLE

36% or Higher

# Profit Pillar Lead & Conversion

## AVG Monthly Spend

2024

2025  
Through Dec

\$10,959



\$11,625

## AVG % of Rev

All Businesses

2024

2025  
Through Dec

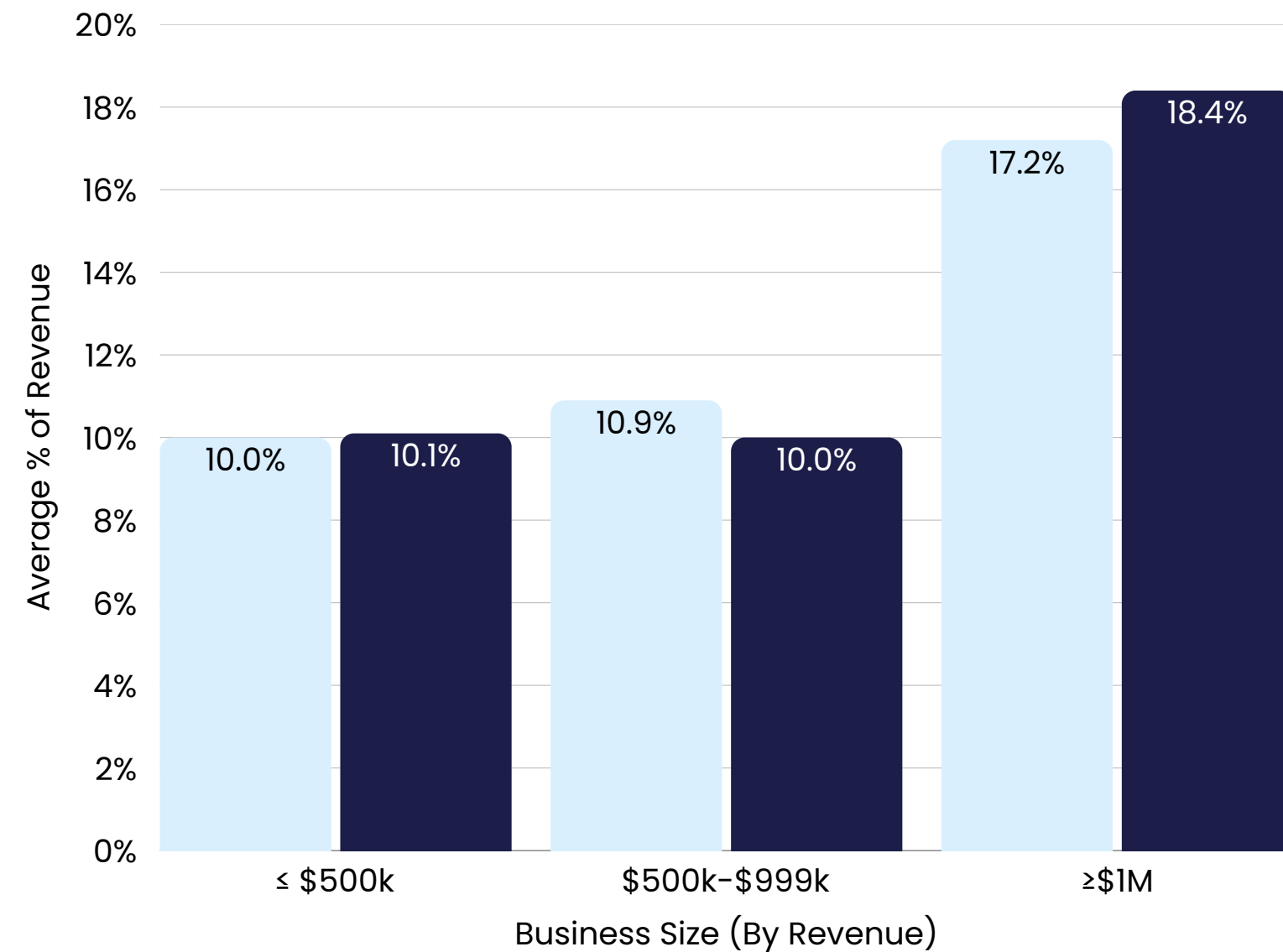
11.9%



12%

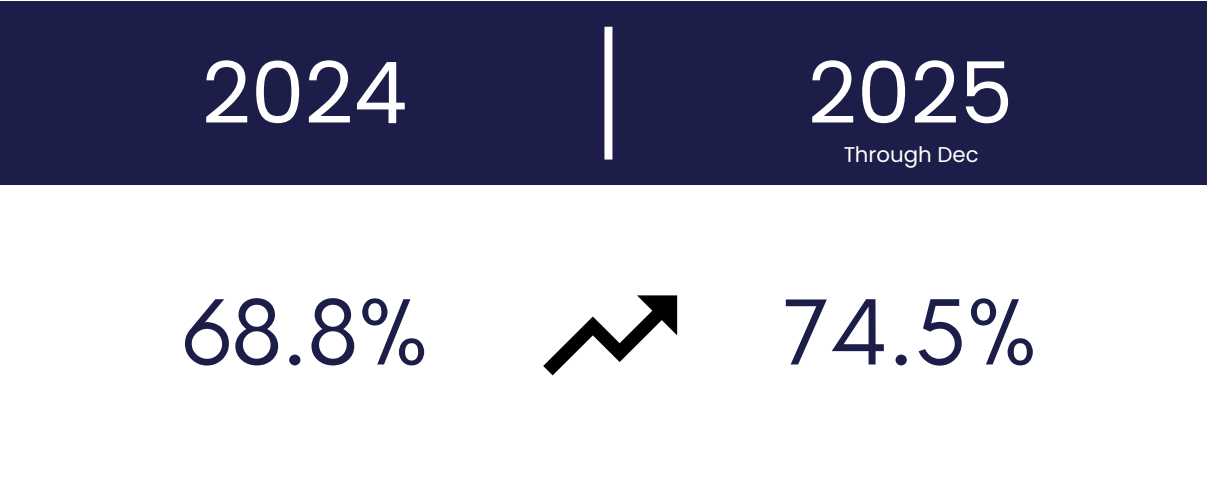
## Lead & Conversion Spend by Business Size

● 2024 ● 2025



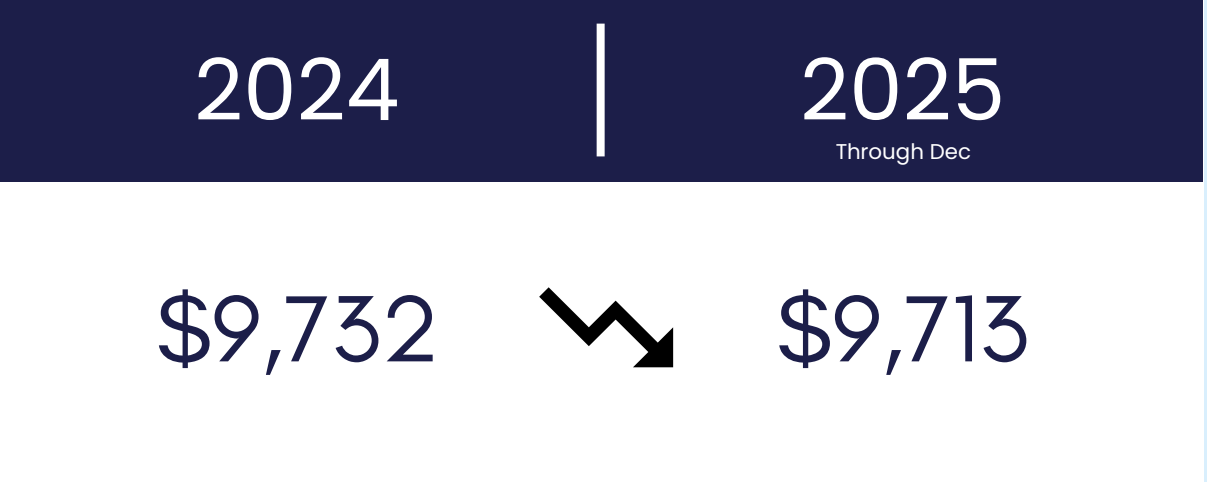
# Lead & Conversion Advertising

## % That Spent on Ads

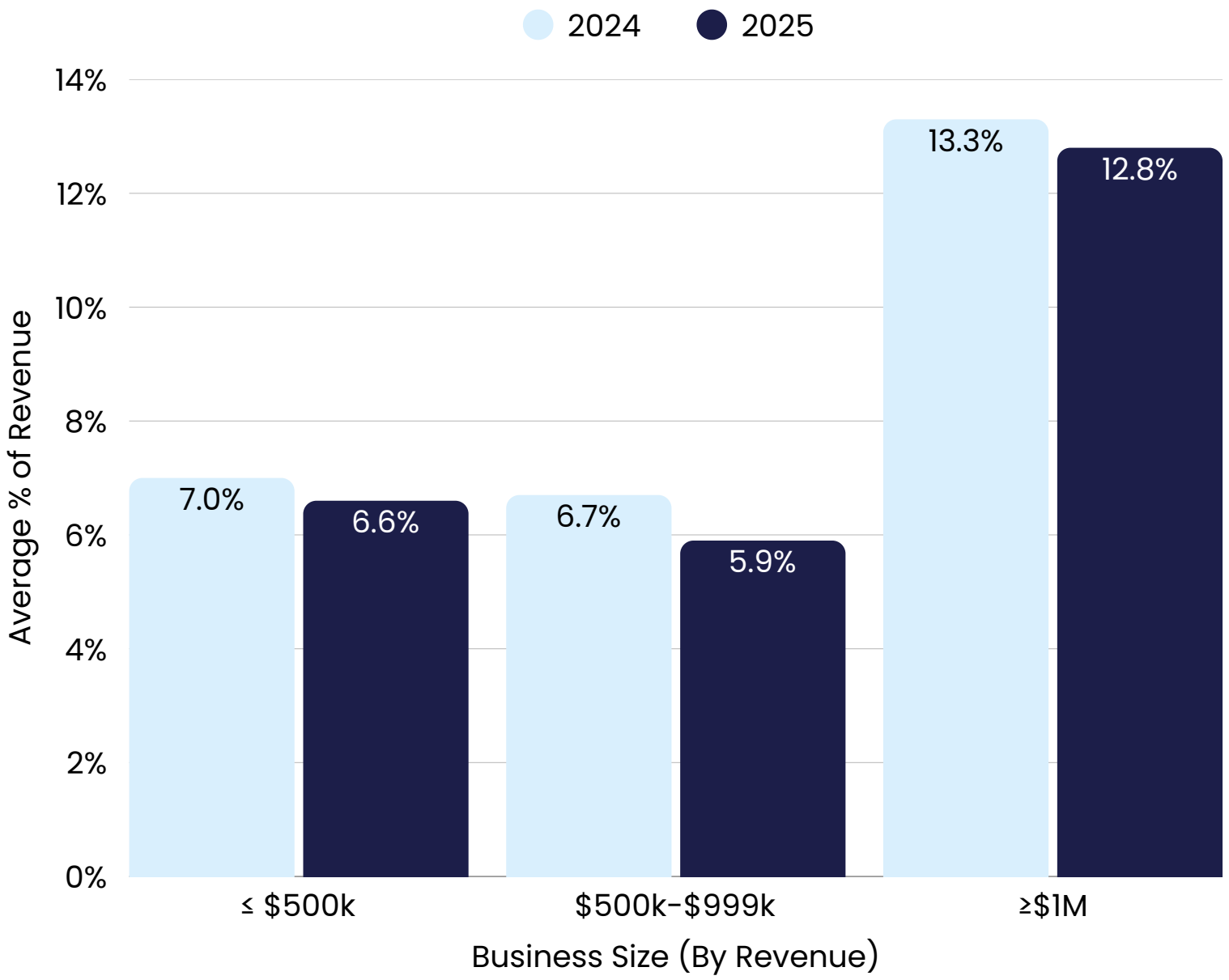


## AVG Monthly Ad Spend

All Businesses



## Advertising Spend by Business Size



# Lead & Conversion Other

## % That Spent on Affiliates

2024

2025

Through Dec

39.4%



36.7%

## AVG \$ Spent on Affiliates

2024

2025

Through Dec

\$3,870



\$6,948

## % That Spent on Collections

2024

2025

Through Dec

3.1%



2.5%

# Overview Offer Delivery

All the direct costs associated with delivering your offer(s) to your clients and customers.

The Offer Delivery Profit Pillar tracks expenses like:

- **Coaches/Teachers**
- **Live Event Expenses**
- **Printing & Fulfillment**
- **Product Development**

% of Total Rev

IDEAL

**10% or Less**

SUSTAINABLE

**11-19%**

UNSUSTAINABLE

**20% or Higher**

# Profit Pillar Offer Delivery

## AVG Monthly Spend

2024

2025  
Through Dec

\$13,837



\$22,480

## AVG % of Rev

All Businesses

2024

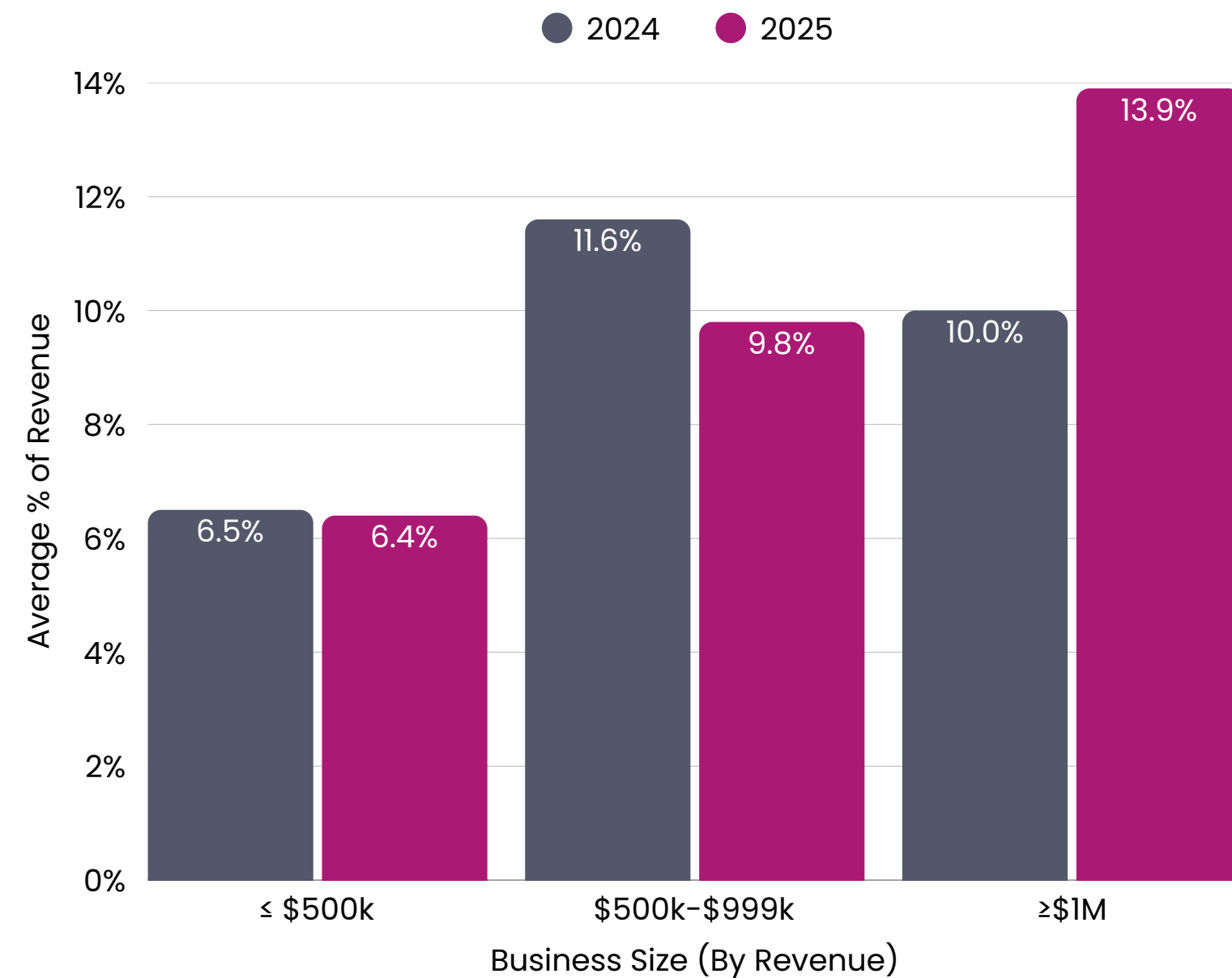
2025  
Through Dec

8.4%



8.7%

### Offer Delivery Spend by Business Size

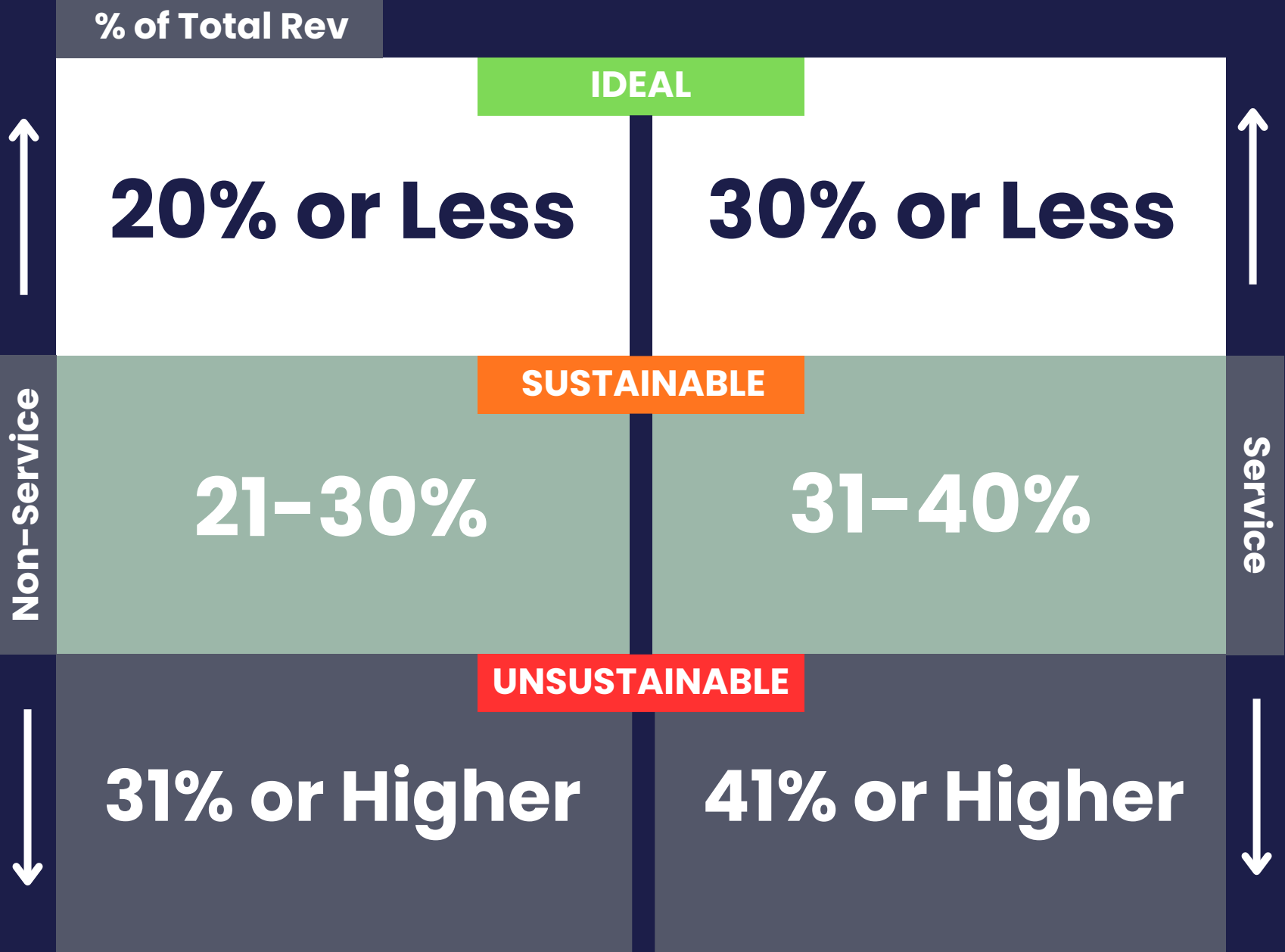


# Overview Labor

The total costs of the contractors and/or employees that support your business.

The Labor Profit Pillar tracks expenses like:

- Independent Contractors
- Payroll Expenses
- Team Morale



# Profit Pillar Labor

## AVG Monthly Spend

2024

2025  
Through Dec

\$20,960  \$21,779

## AVG % of Rev

All Businesses

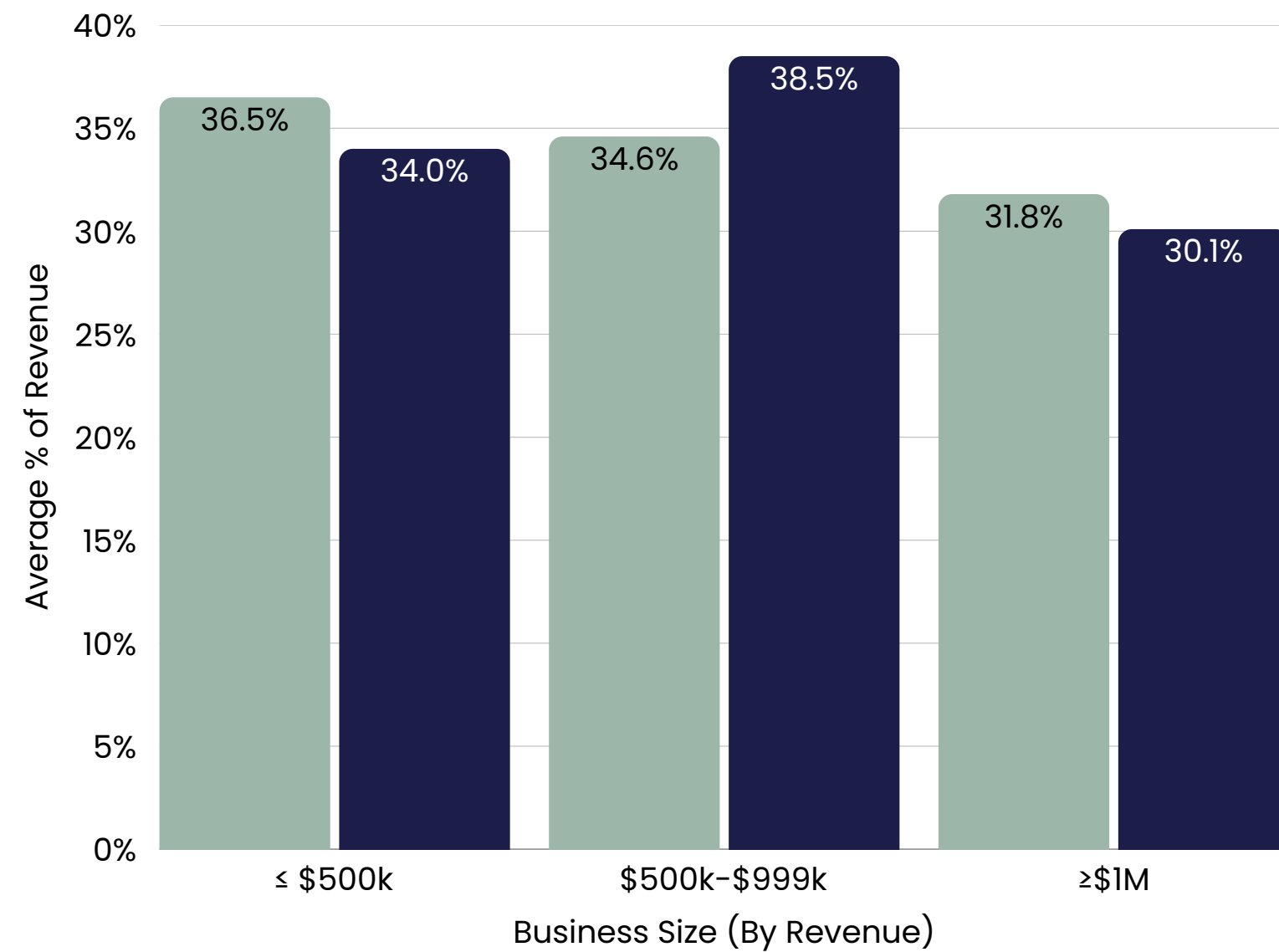
2024

2025  
Through Dec

35%  34%

## Labor Spend by Business Size

● 2024 ● 2025



# Labor Contractors

## AVG Monthly Spend

2024

2025

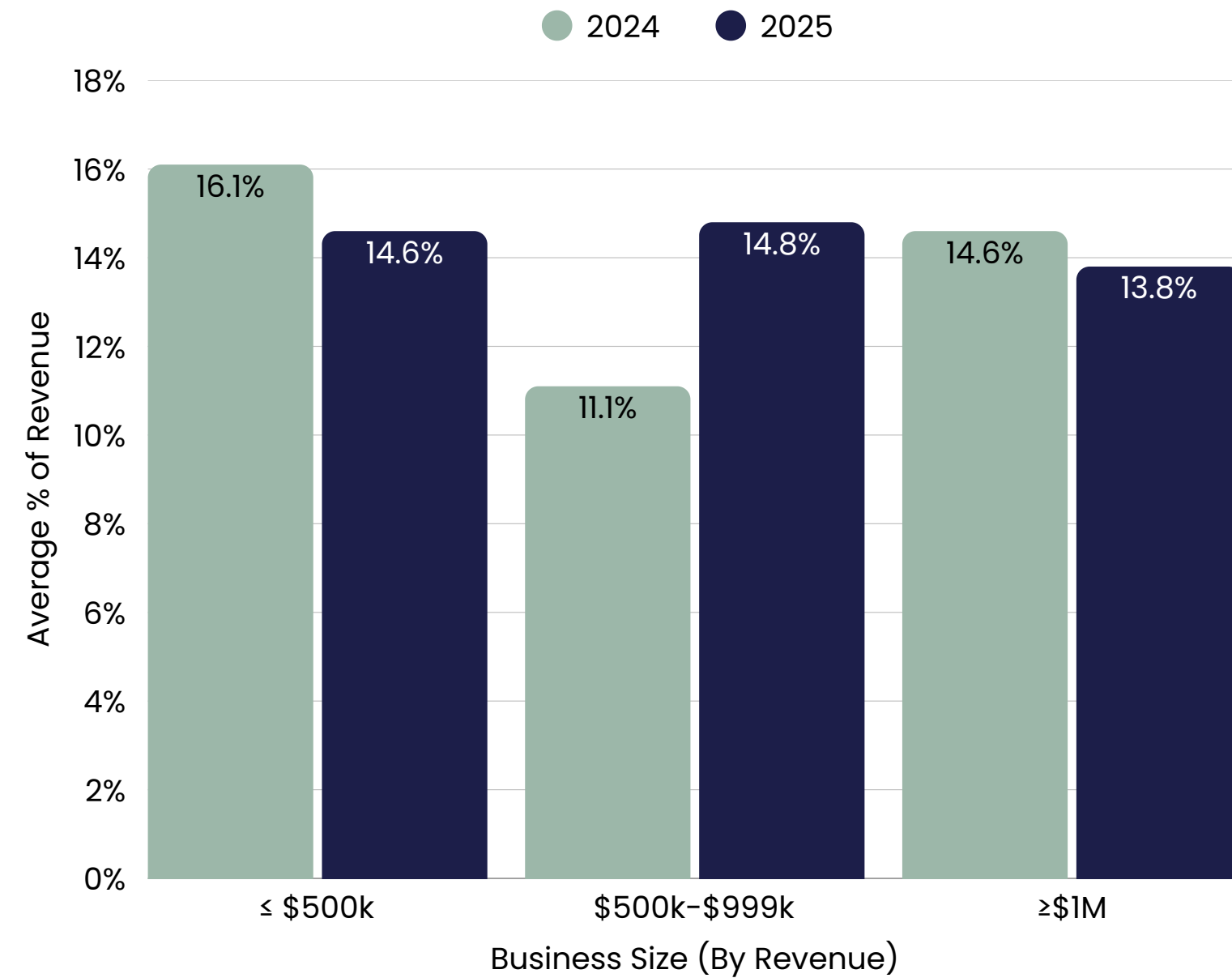
Through Dec

\$10,734



\$9,980

### Contractor Spend by Business Size



# Labor Employee Pay

## AVG Monthly Spend

2024

2025

Through Dec

\$4,917



\$5,641

## AVG % of Rev to Owner Pay

2024

2025

Through Dec

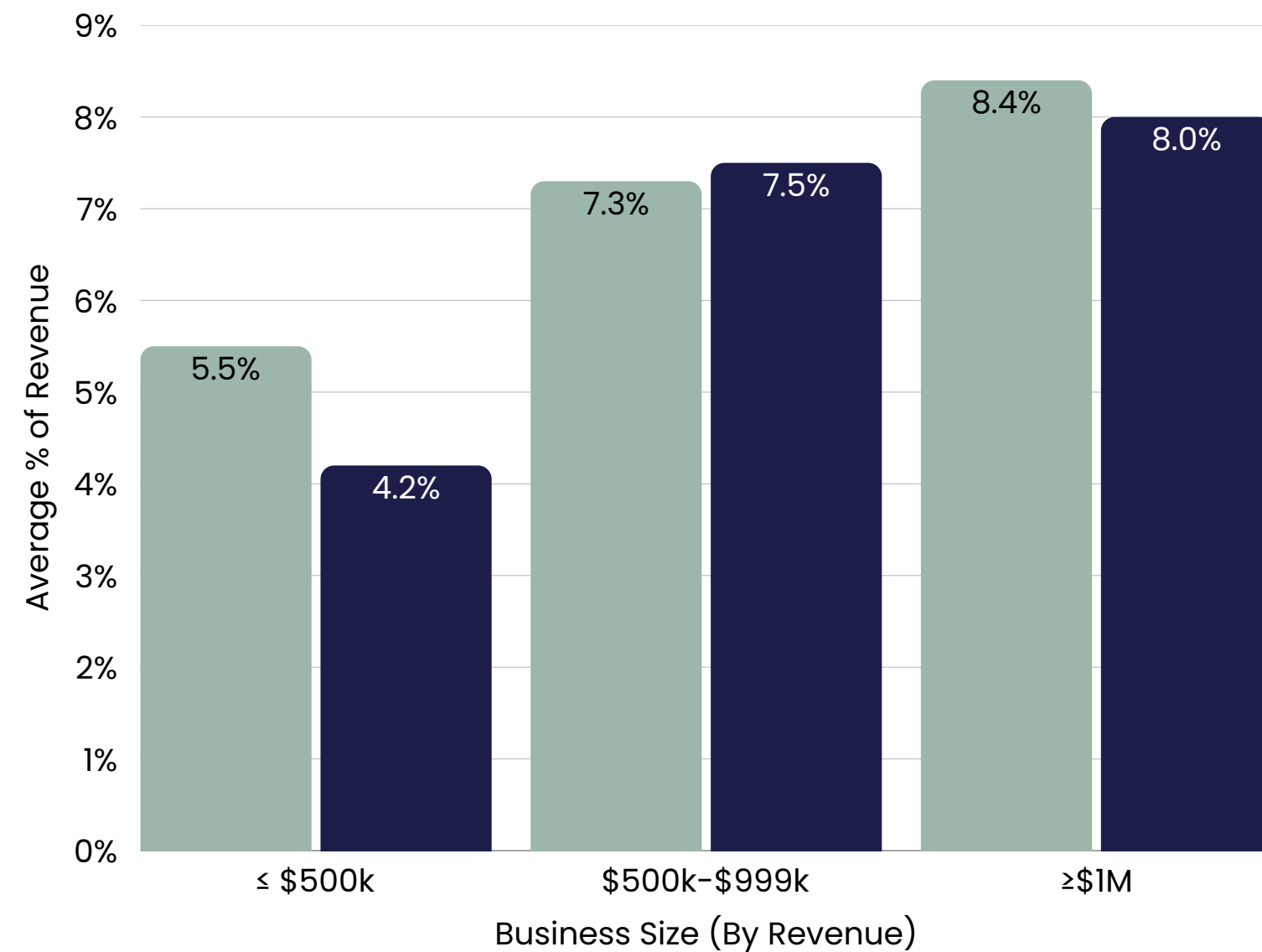
16.1%



14.9%

## Employee Spend by Business Size

● 2024 ● 2025



# Overview Operating Expenses

The total cost of all general operating expenses in your online business.

The Operating Expense Profit Pillar tracks expenses like:

- Auto
- Bank Charges
- Charitable Contributions
- Computer Expenses
- Cont. Education
- Insurance
- Legal & Professional
- Meals
- Office Expenses
- Travel

% of Total Rev

IDEAL

15% or Less

SUSTAINABLE

16–20%

UNSUSTAINABLE

21% or Higher

# Profit Pillar Operating Expenses

## AVG Monthly Spend

2024

2025

Through Dec

\$11,875



\$12,083

## AVG % of Rev

All Businesses

2024

2025

Through Dec

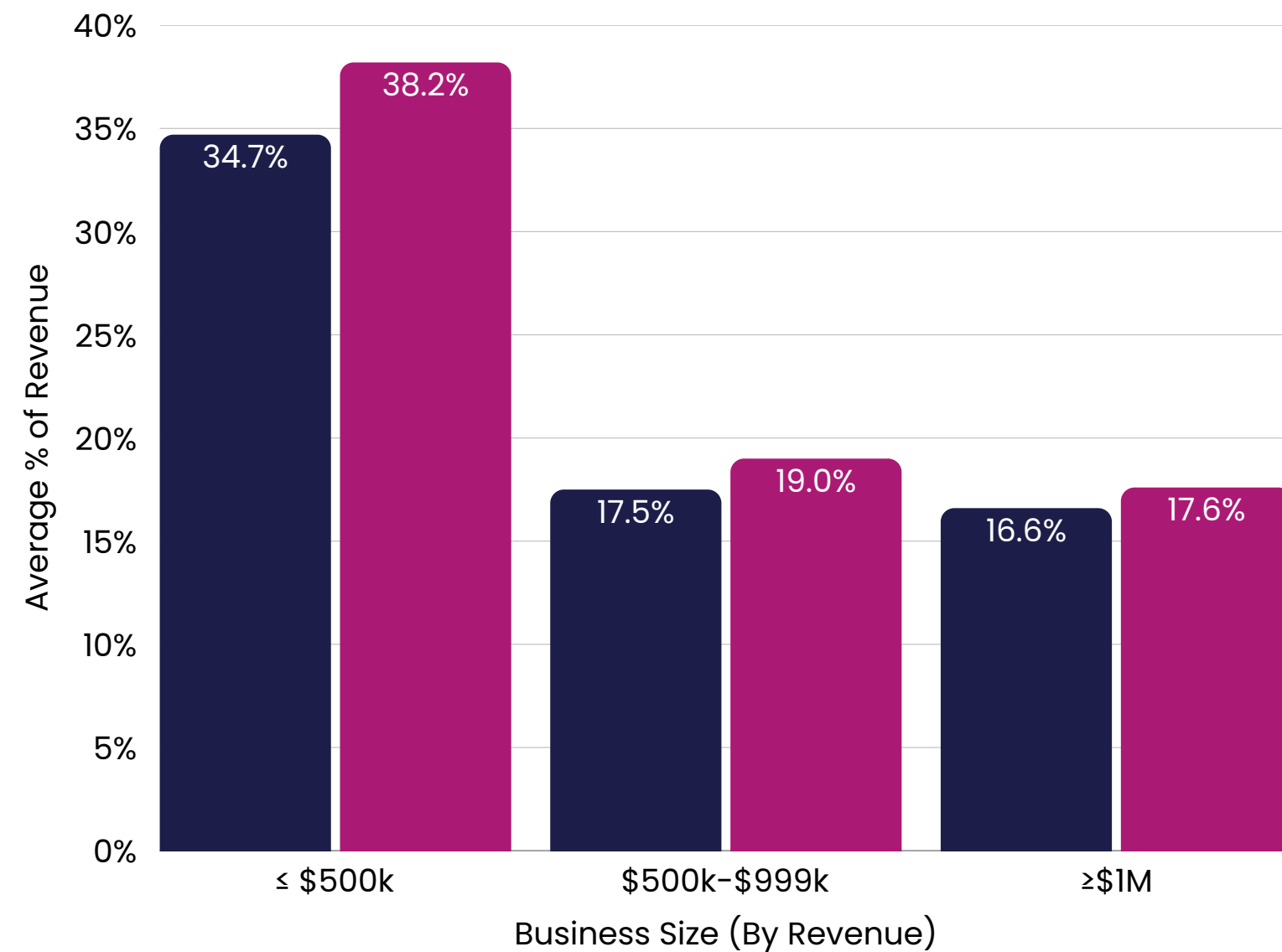
26.9%



29.7%

## Operating Spend by Business Size

● 2024 ● 2025



# Operating Expenses

# Continuing Education

## AVG Monthly Spend

All Businesses

2024

2025

\$1,791



\$2,112

## AVG % Revenue

All Businesses

2024

2025

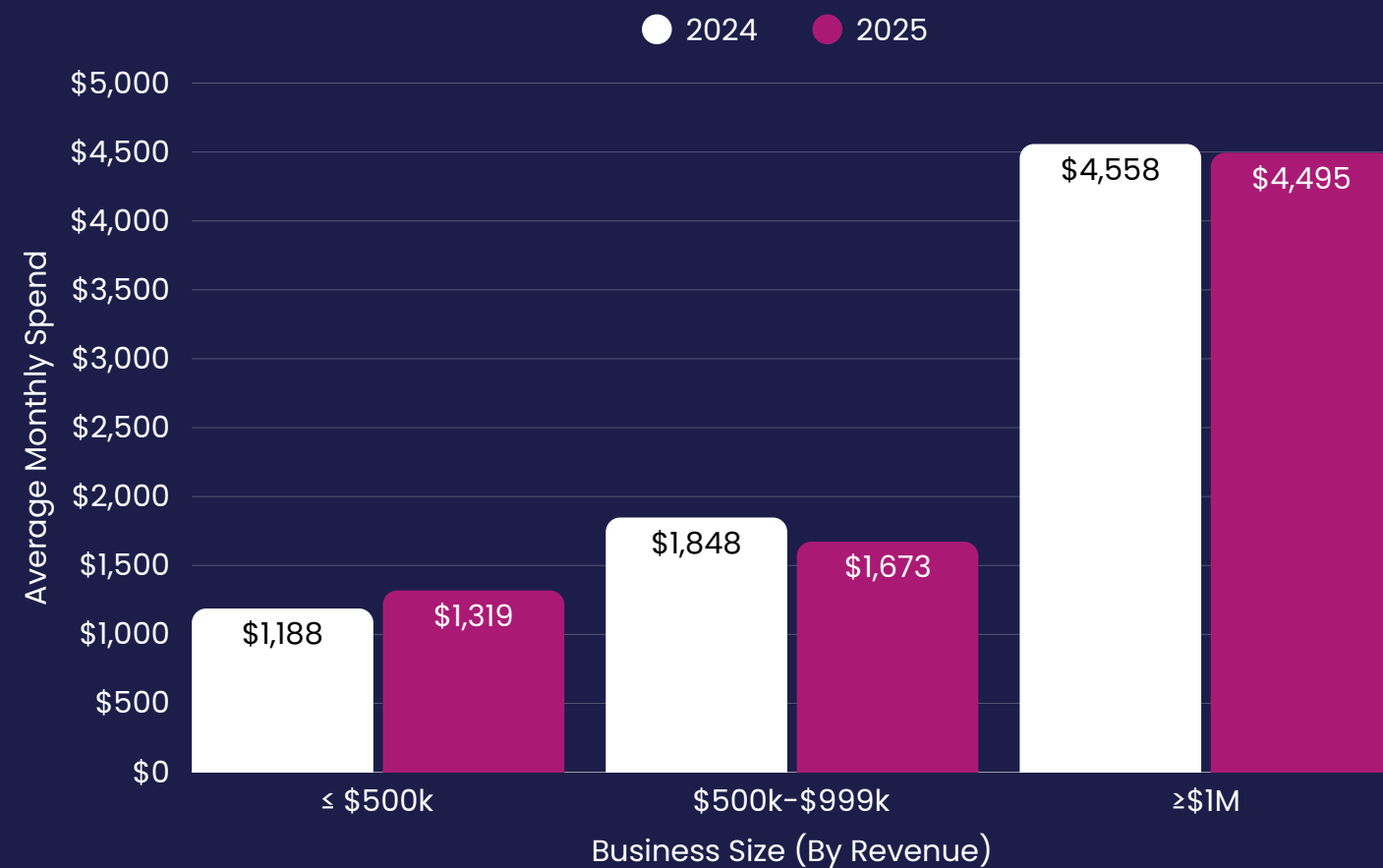
Through Dec

4.6%

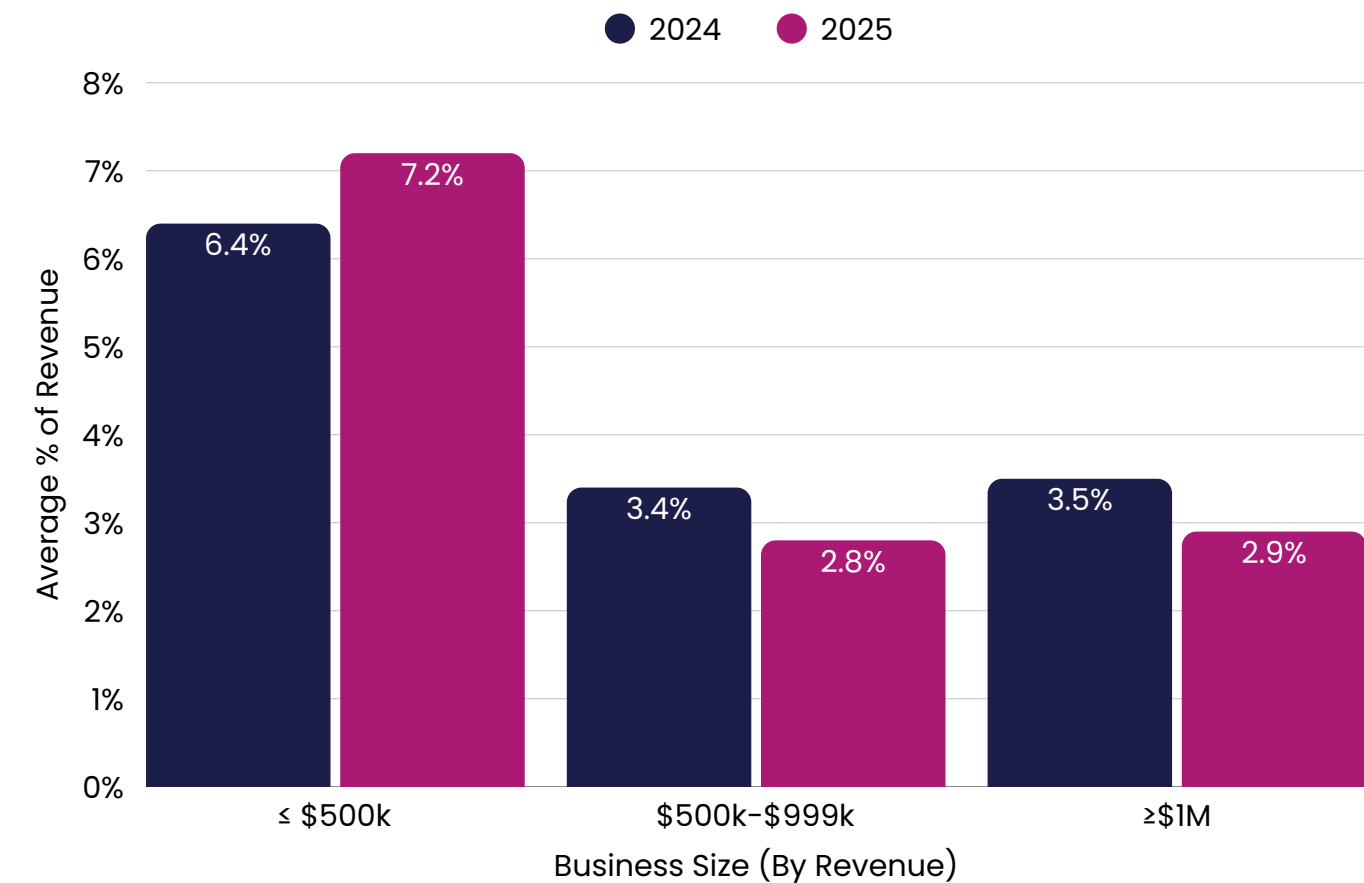


4.3%

### Continuing Education Spend by Business Size



### Continuing Education Spend by Business Size



# Operating Expenses **Travel**

## AVG Monthly Spend

2024

2025

Through Dec

\$1,535



\$1,446

## AVG % of Rev

2024

2025

Through Dec

2.9%



2.72%

# Net Income Profit

## AVG Monthly \$

2024

2025  
Through Dec

\$12,594



\$13,553

## AVG Monthly %

All Businesses

2024

2025  
Through Dec

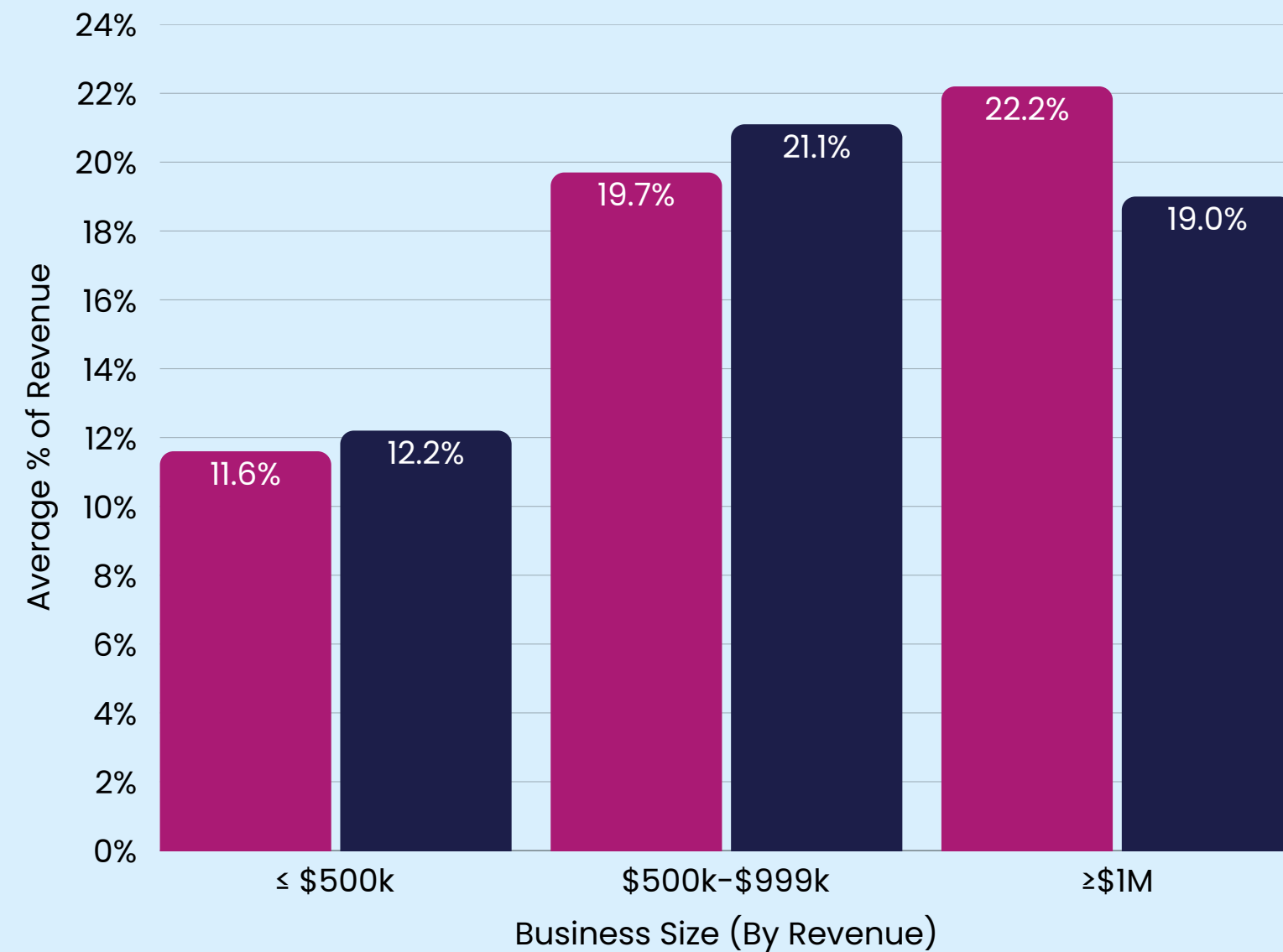
15.8%



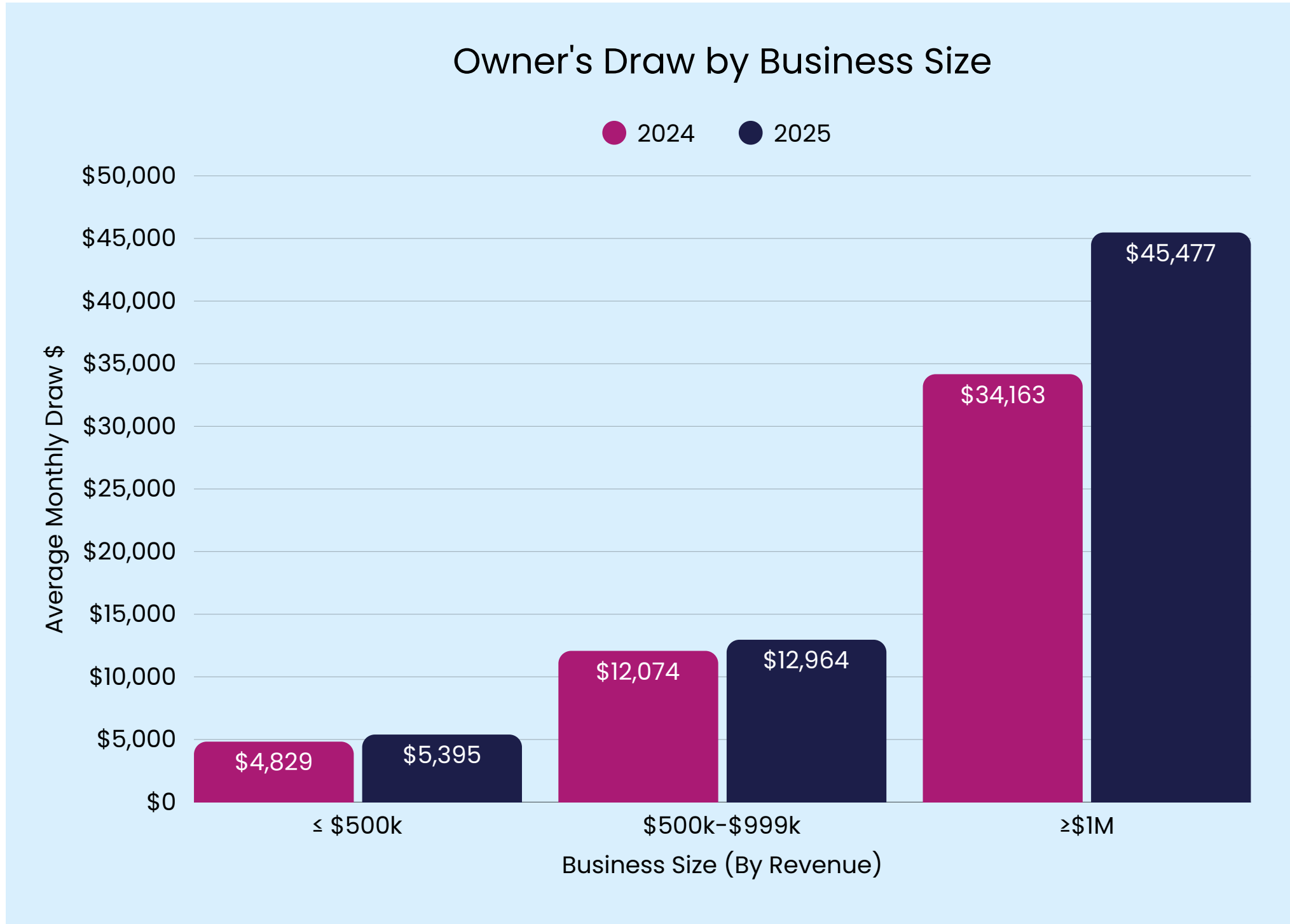
15.5%

## Profit by Business Size

● 2024 ● 2025



# Profit Distributions Owner's Draw



# FINAL THOUGHTS FROM PARKER

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Dear Readers,

The 2nd edition of The Online Business Industry Report has left me feeling hopeful.

Looking at the numbers from January - June, there were signs of 2025 being even more financially challenging for the online business world than 2024. The two years prior had already seen a sharp decline in revenue and profitability for many of our clients, and the first half of 2025 was looking like it would dip even further.

As you'll see in this year's report, the profit margins for 2025 stayed relatively flat in comparison to 2024. I see this as a victory. Small business owners of all sizes are adapting to their lower revenue levels (compared to the previous few years) and are adjusting their expenses accordingly.

Does this mean the industry has hit its rock bottom and blue skies are ahead? Only time will tell. I do know that inflation, a volatile American political climate, stagnant wages, and the uncertainty around technology and how it will shape our future are making it difficult for consumers to feel hopeful about the future and, in turn, open up their wallets.

Cont. →

Of course, all of this is temporary. Recessions have come and gone since the beginning of capitalistic societies, but the one you are currently in is always the one that feels the most threatening and long-lasting.

As I mentioned in the 1st edition of this report, a big part of running any type of business is adapting to what the market gives you, and we're seeing a lot of small business owners traverse their first set of challenging economic conditions in the history of their businesses. While I have seen some business owners call it quits in the last two years, I'm seeing many more grit their teeth, put aside their egos, and find new ways to push their businesses into the future.

It's been absolutely inspiring to watch.

Before we close out this year's industry report, there are four key themes that I want to mention about 2025.

1. Smaller businesses (less than \$500k a year in revenue) are continuing to be hit the hardest by the recession. While I have been seeing fewer businesses achieve the 30%+ profit margin goals we set for all of our clients at Evolved Finance, the low six-figure clients are missing that target with regularity. Managing expenses is not the issue for these businesses. Lead generation and sales conversions continue to make cash flow a struggle.

2. Speaking of lead gen, more businesses are coming to the realization that they will have to invest in marketing activities if they want to find new customers. Organic reach through social media and content marketing is proving less fruitful than in past years, which is why investing in ads, cold email traffic, and SEO is starting to pick up steam again. No single marketing channel is better than the other. The task for all business owners is to find the one that works best for your market.
3. There will always be those businesses that can sell digital products without the need for any human connection points, but with lead gen being such a struggle for a lot of online businesses, and sales conversions taking more effort than ever, I've seen more and more of our clients tweaking their offers to include more human connection points. Often, those connection points are with the business owner themselves. That looks like the owner getting more involved in client/customer delivery not only to improve margins, but to also help close more sales at higher prices. It does reduce the scalability of the business, but most small businesses aren't focused on doubling or tripling their businesses right now. They're focused on maintaining sustainable cash flows while the economy is in a downturn.
4. Understand where your customers are right now. This is important no matter what, but given all of the volatility and change that's happened in the world over the last five years, you can't market and sell like it's still 2019.

I wrote this in the first edition of the industry report and I think it's worth repeating. In today's more competitive landscape, online and modern small business owners must:

- Offer something outstanding that delivers real value in the way customers actually want it.
- Be crystal clear about who their offer is for. If your niche is too broad, the road will be steep.
- Operate professionally -- stay organized, stay efficient, and create an amazing customer experience.
- Learn how to manage people; you can only get so far alone.
- Know your numbers -- you can't build wealth by ignoring your finances.

There is always opportunity in down economies, but it demands thinking differently. The tactics that brought you success in the past may not be the same ones that will get you through the challenging market conditions. Other small business owners have figured it out and so can you.

And remember...

This industry report proves that many businesses are still making money despite today's challenges. There's always money to be made for those with great offers, a clear understanding of their customers, and a strong grasp of their numbers

Thank you again for your time and attention. All of us at Evolved Finance wish you a fantastic 2026.

To your financial success!



## **Parker Stevenson**

CEO @ Evolved Finance  
Author of Profit Pillars

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