Business Spending Report

Introducing Ramp's Nowcast

ramp

Summer 2025

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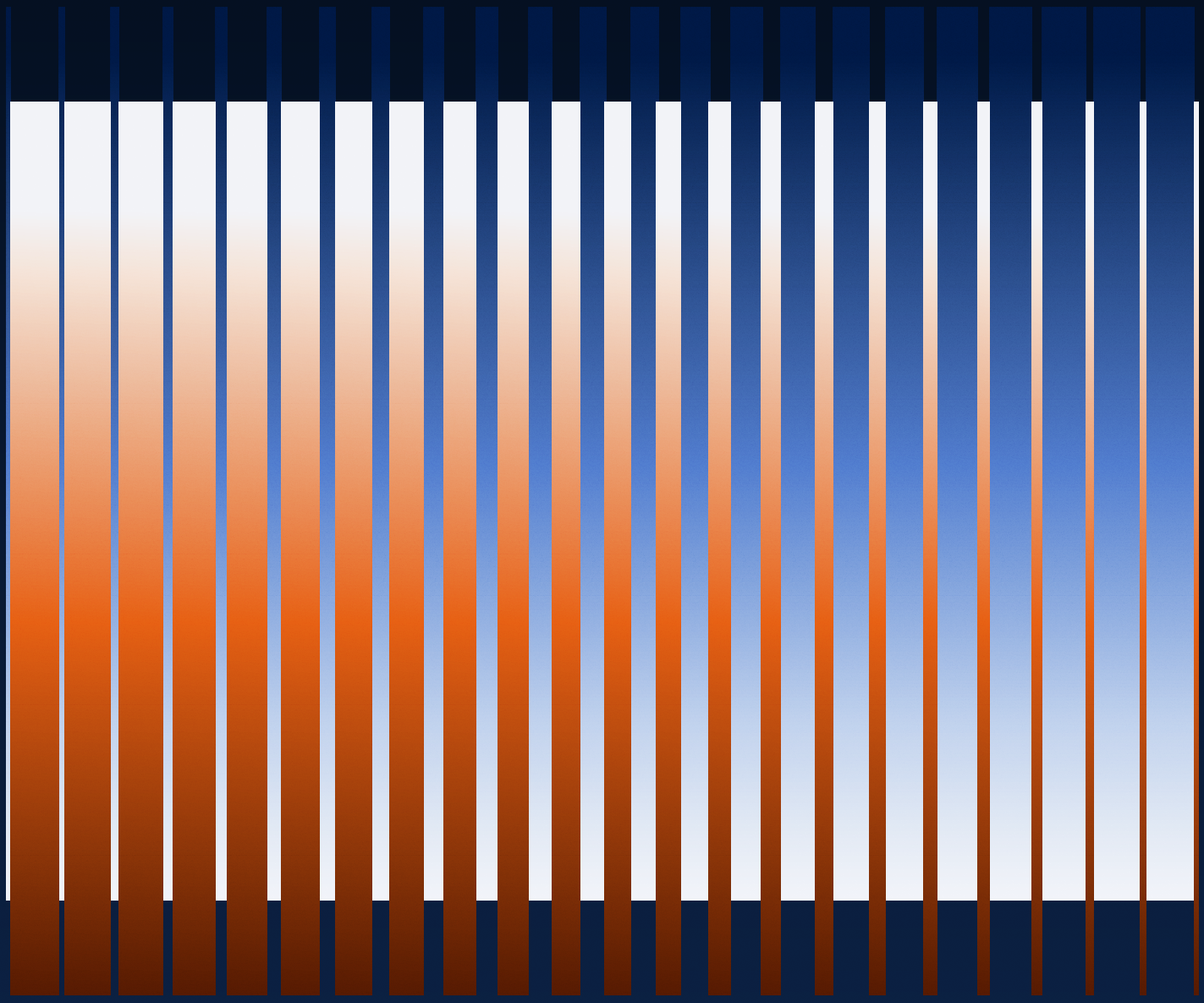


Introduction

A note from our economist

This quarter, our report reveals a clear divergence in how different parts of the economy are handling macro headwinds. In recent months, spending in construction and manufacturing (sectors of strategic and national security importance) has slowed or even stalled as firms brace for a potential recession and await trade policy clarity.

Technology and AI remain bright spots, but the breakneck pace of development relies heavily on VC funding. What happens when funding cools, requiring firms to pivot from innovation to profit? AI companies won't disappear, but their success is strategically important for the U.S. economy. The country strives to have the best AI models and the best tech, better than other competing countries. Can private markets alone sustain that pace?

It sometimes feels fashionable in tech to look down on government. But the truth is that the sector's greatest challenges won't be solved by the private sector alone. Progress needs builders and policymakers working side by side. One can't move forward without the other.

The pages that follow show where that partnership is needed. I hope the numbers help everyone who reads this find ways to support that partnership and ensure that future quarters show momentum across all sectors of our economy.

Sincerely,

Ara Kharazian

Ara Kharazian
Economist at Ramp

About this report

The Ramp Business Spending Report is a quarterly analysis of corporate spending trends based on billions of aggregated, anonymized transactions from over 40,000 businesses using Ramp Bill Pay and corporate cards.

Our transaction set is built using company models that extract line-item text from paid receipts and bills uploaded by the purchaser following a sale. We use internal and external data, alongside proprietary company models, to categorize businesses in size segments and sectors. Small businesses represent companies with 1 to 24 employees. Medium-sized businesses represent companies with 25 to 99 employees. Large companies include companies with 100 or more employees, including enterprise firms with thousands of employees. These and other report definitions are subject to change.

This report analyzes card and Bill Pay data observable by Ramp or data available from trusted third-party sources. Any conclusions should not be taken as an indication of a company's or Ramp's business performance. Data points are not inclusive of all Ramp businesses.

This report is for informational purposes only and reflects the views of Ramp's Economics Lab as of the date of publication. The data used in this report is anonymized, aggregated, and derived from Ramp's platform and trusted third-party sources. It is not intended as investment advice or an endorsement of any particular product or service. All trademarks are the property of their respective owners. Any forward-looking statements are not guarantees of future outcomes and are subject to risks and uncertainties.

See prior reports

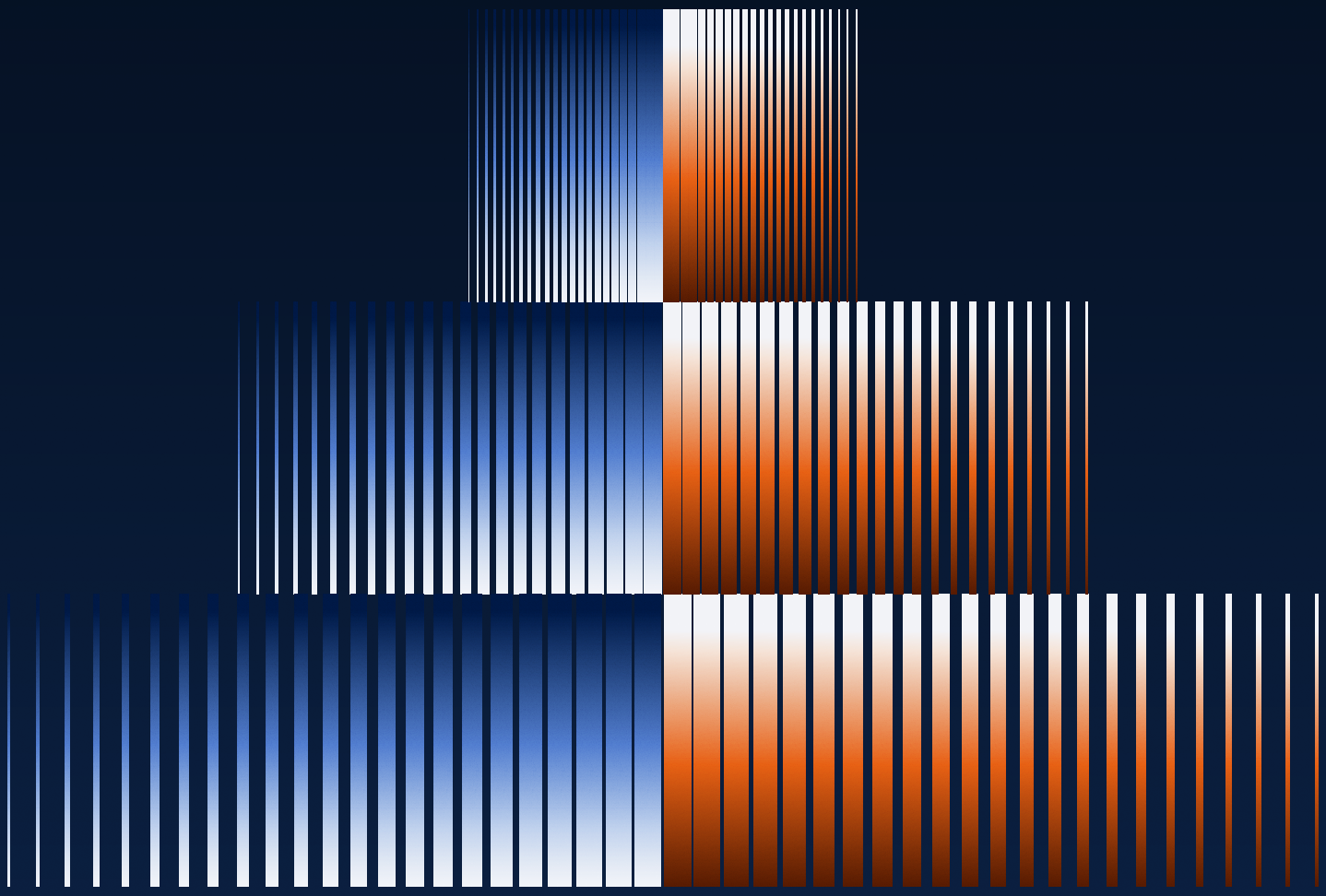
Key findings

01 AI adoption among U.S. businesses declined for the first time in 12 months. Softening adoption could reduce the capital available to domestic AI companies and harm America's strategic dominance in the space.

02 Despite a plateau in growth, Ramp found 42% of businesses have adopted AI, 4.5x higher than U.S. Census Bureau estimates.

03 Overall business spend beat expectations amid tariff uncertainty but varies within trade-exposted sectors. Retailers and wholesalers pulled forward spend, while spending among construction and manufacturing companies slowed. The technology sector, which isn't immediately impacted by tariffs, posted the fastest spend growth amid an investment boom.

Business Spending Report
Summer 2025



The Ramp AI Index

Timely and accurate measurement of AI adoption by American businesses

AI may be the transformative technology that breaks the U.S. out of a two-decade slowdown in labor productivity growth. If AI is going to drive economic growth, business adoption will be the first leading indicator. Many datasets attempt to track AI adoption, but none of them use actual transaction data to do so.

Ours does.

In June, AI adoption fell for the first time in 12 months

From January to April 2025, AI adoption[1] surged an average 4.5 points each month. March alone jumped 7.2 points, our steepest growth on record. But this acceleration slowed in May, growing only 1.1 points, before decreasing by half a point in June.

What happened? First, adoption rates naturally plateau; the rapid, month-over-month adoption growth we observed over the last year can't last forever. This is a common path for new technologies.

Second, increased competition has led to the proliferation of free AI tools, leading businesses to cancel paid contracts in favor of less advanced technology. For example, Google recently started integrating a limited version of Gemini Pro for free in all Workspace plans. Free tools are not tracked in The Ramp AI Index as our methodology is based on spend, a key factor in AI's economic impact.

AI is a strategically important sector for the U.S. economy and national security. The country wants to maintain technological dominance, and rapid development of AI fuels growth across sectors, driving outsized productivity gains. So if adoption continues to slow, and competition creates pressure to monetize models quickly, AI companies will need to reduce investments in research, which threatens the country's AI goals.

Meanwhile, other new headwinds hamper AI development. Companies face difficulties in acquiring chips due to uncertain trade policy, and immigration policy has affected AI talent pipelines.

Public investment in AI technology remains low, relative to that of other strategically important technologies. While our team at Ramp Economics Lab doesn't have policy recommendations to make today, we think it's worth asking: Can private markets support AI development on their own, or should AI be prioritized as a matter of national interest?

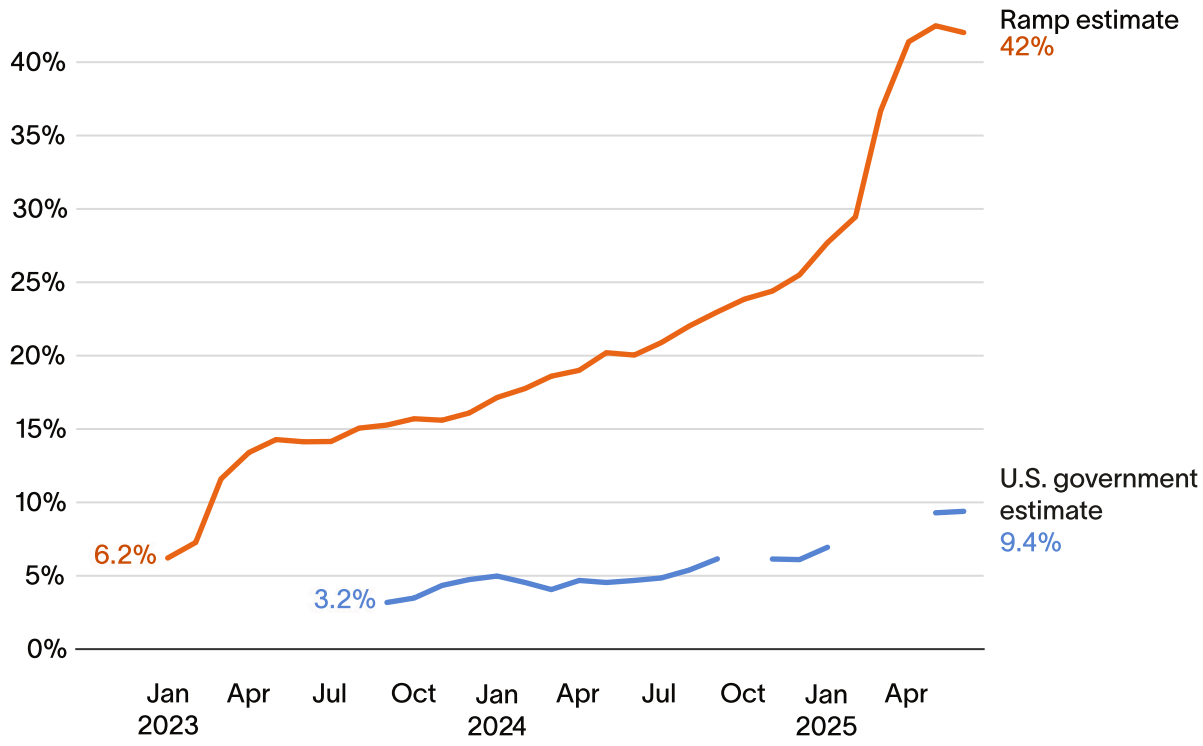
[1] Ramp AI Index measures adoption as the share of U.S. businesses on Ramp's platform with paid subscriptions to AI models, platforms, and tools.
Our full methodology is available at ramp.com/data/ai-index

Chart 01

AI business adoption plateaus but remains 4.5x higher than U.S. Census estimate

At 42%, actual AI business adoption continues to be significantly higher than the U.S. government's survey-based estimate of 9%.

Share of U.S. businesses with paid subscriptions to AI models, platforms, and tools



Why is Ramp's AI adoption estimate higher than the government's?

The Census Bureau estimates AI business adoption with a survey question: "Does your business use artificial intelligence to produce goods and services?" It's a broad and abstract question, forcing respondents to draw an arbitrary line. What counts as AI use? Sales chatbots? Software engineers coding with AI? Using AI in the literal manufacturing of goods?

On the other hand, our estimate is based on real purchases of AI software processed by Ramp. By analyzing contracts with AI services providers, it's clear a significantly higher percentage of businesses are using AI, even if they tell the Census Bureau they aren't.

Critics of this research will point out that our customers are more likely to adopt AI given they already use Ramp, an AI-oriented solution. It's a fair criticism. But it's worth noting that our results don't include usage of free AI tools or employees' personal accounts, meaning actual adoption could be even higher.

Chart 02

The technology sector leads in AI adoption, followed by finance

Tech posts a 70% AI adoption rate, while finance comes in second at 57%. The accommodation and food services sector remains the lowest adopter at 21%.

Share of U.S. businesses with paid subscriptions to AI models, platforms, and tools

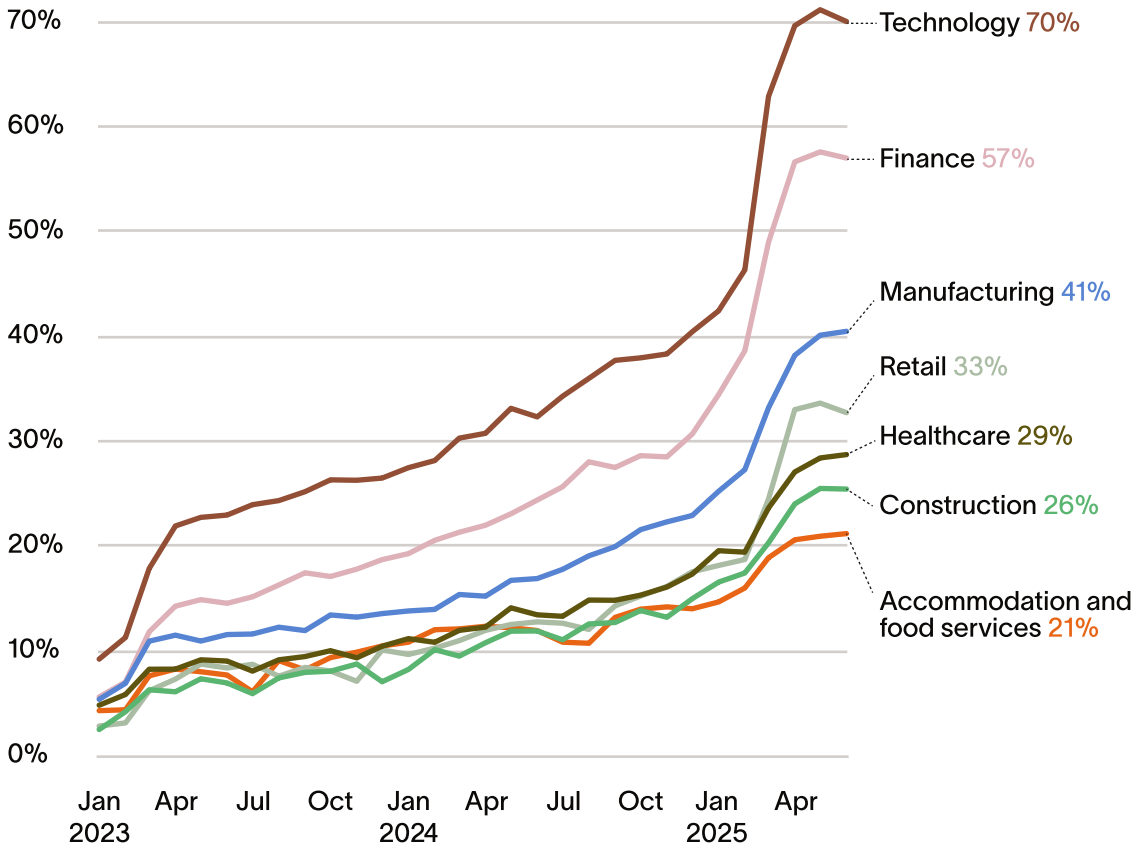


Chart 03

OpenAI is the leader among AI model companies

OpenAI continues to lead AI model companies in business adoption at 34.2%, with Anthropic a distant second at 9.9%. Google adoption remains low, but businesses are likely using Gemini Pro, integrated for free in Google Workspace. The increase in adoption of Google's AI models in recent months is driven by business spending on credits and APIs, especially since the launch of Gemini 2.5 Pro, which has been popular with developers.

Share of U.S. businesses with paid subscriptions to AI models, platforms, and tools

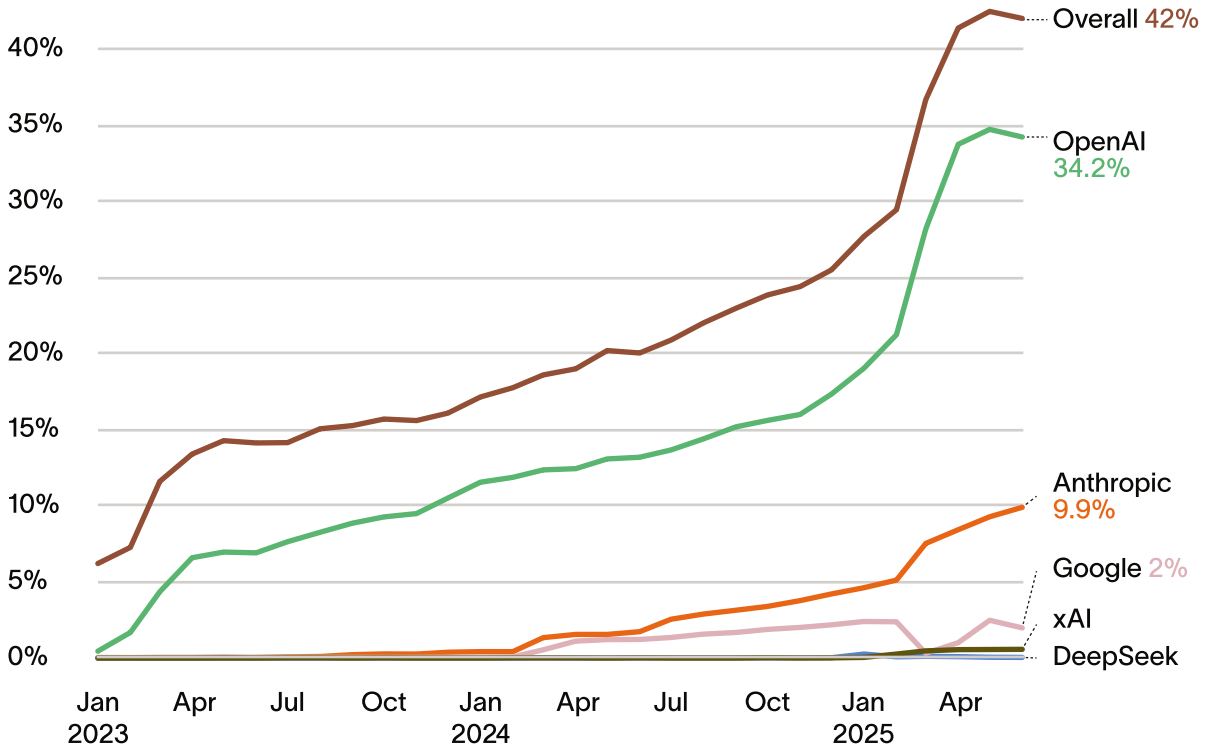
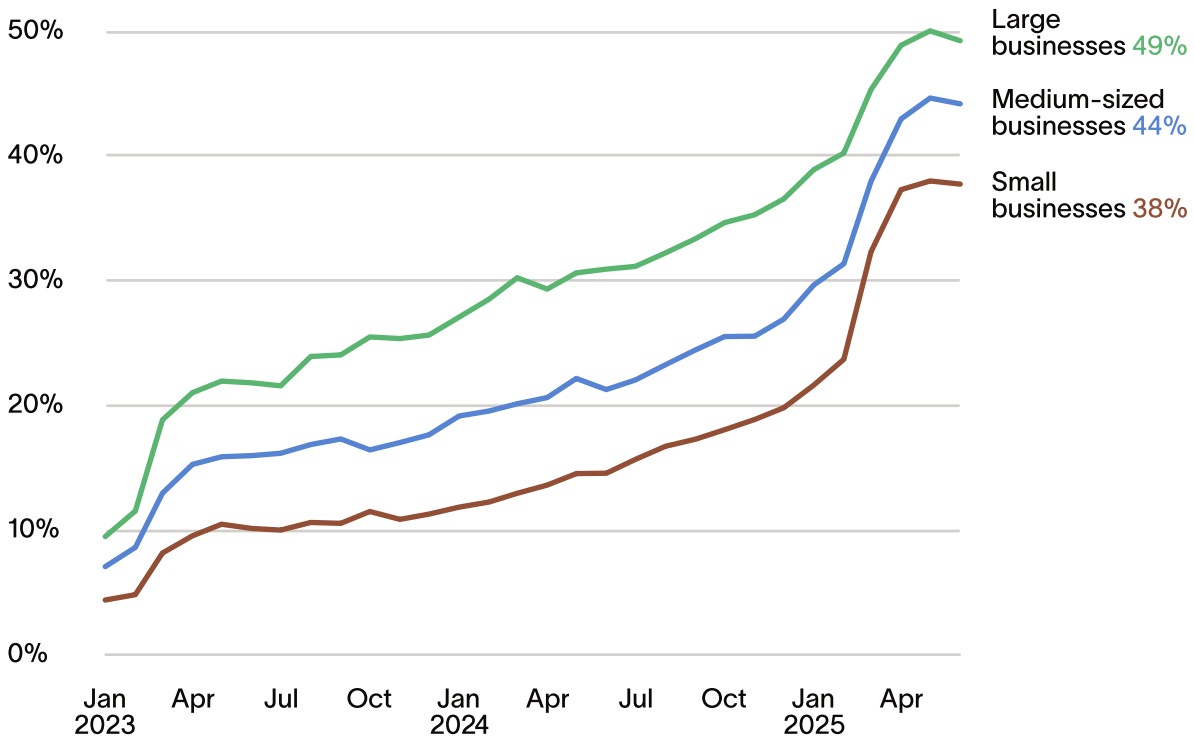


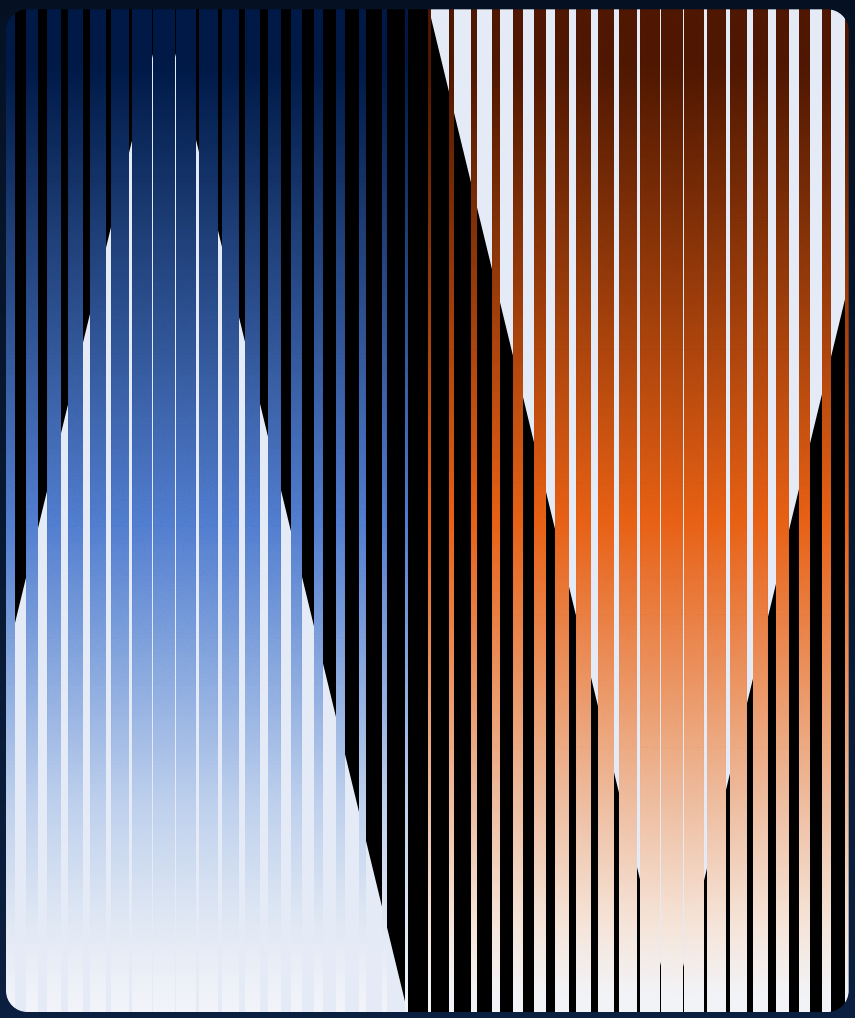
Chart 04

AI adoption grows proportional to business size

Small, medium-sized, and large businesses post AI adoption rates of 49%, 44%, and 38%, respectively.

Share of U.S. businesses with paid subscriptions to AI models, platforms, and tools





The Ramp Business Spend Nowcast

Business spend across U.S. sectors, tracked over time

Introducing our new flagship dataset: Nowcast, a pulse on American enterprise. The Ramp Business Spending Nowcast is a comprehensive, sector-by-sector and region-by-region view of U.S. business spend in real time.

When we launched the Ramp Economics Lab, our mission was to turn Ramp data into insights that help businesses, policymakers, and the public make better decisions. We knew there was no comprehensive dataset tracking real-time U.S. business spend, despite its size and status as a leading indicator of recessions and other economic trends. We knew Ramp data could fill that gap.

Ours is one of the most differentiated datasets in corporate America. Unlike other public datasets, which are limited to showing aggregate spend, Nowcast shows what businesses are spending on.

With Nowcast, we can spot trends before they even register with the Fed or Bureau of Labor Statistics. We can detect a slowdown before it appears in GDP, watch ad budgets tighten after a rate hike, see wholesalers shore up inventories ahead of tariffs, and track manufacturing capital expenditures in response to policy shifts.

Our methodology is simple. We sample Ramp businesses active over the past two years, weight them by sector, size, and region to match the U.S. business universe, and track their card spend over time. This weighting yields a granular view of how each sector reacts to macroeconomic forces. It is not indicative of Ramp's business performance.
We'll have more to share at ramp.com/data. Our first Nowcast results begin on the next page.

Chart 05

Overall business spend beats expectations despite tariff concerns

Business spend in aggregate is showing resilience despite economic headwinds. However, Nowcast shows some sectors have fared better than others.

Ramp Business Spend Nowcast, indexed and weighted, June 2023 to June 2025

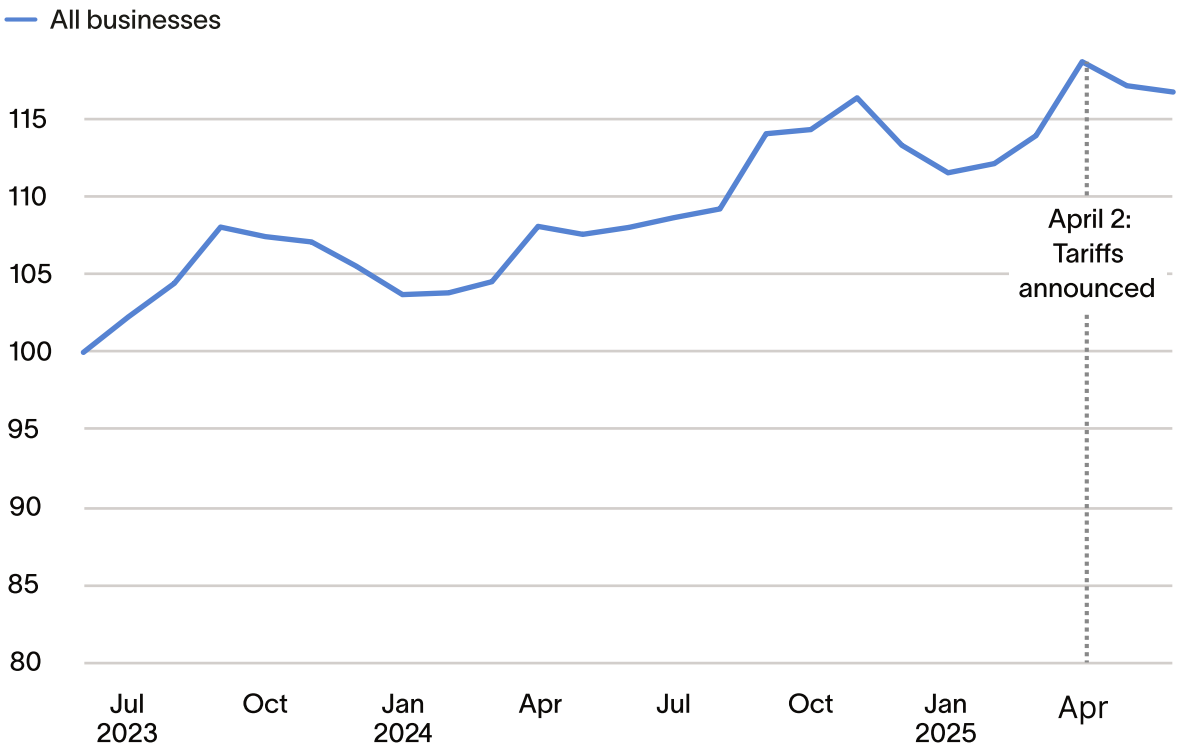


Chart 06

Retailers and wholesalers frontload spend

Retailers increased spend beginning in April following the introduction of tariffs. In anticipation of higher import costs, these trade-exposed businesses accelerated spending and front-loaded shipments of imported goods and materials. This growth is temporary and is making an outsized contribution to recent growth in business spend.

The wholesale trade sector, much of which relies on imports, saw a similar rise in spend, which then declined in June. Without knowing the exact mix of imports and where tariffs are being paid, it's difficult to say exactly why the wholesale trade sector reduced spend in June while retail spend continued to rise.

Actual enforcement of tariffs has been slow and varied, making it difficult to observe, even in our data. Wholesale traders may rely on countries where tariff enforcement has been speedier, like China. We expect retail spend to similarly soften in the coming months.

Ramp Business Spend Nowcast, indexed and weighted, June 2023 to June 2025

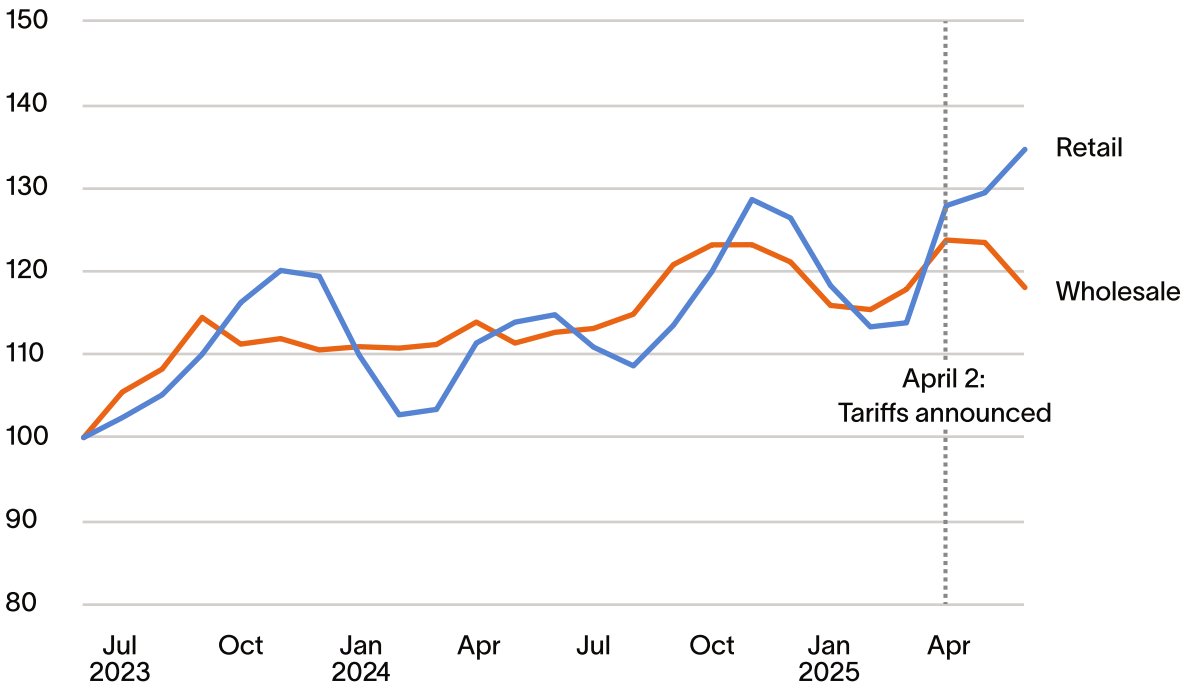


Chart 07

Construction and manufacturing spend remains depressed despite seasonal tailwind

Dampened spend in the construction and manufacturing sectors reflects how companies are scaling back in response to rising costs on materials like steel and aluminum. Construction, in particular, should have benefited from a seasonal tailwind coming out of the winter, but only saw a small and short-lived increase. Some business leaders in these sectors have told us that they're pausing capital expenditures until tariff policy is settled.

Construction and manufacturing drive 15% of GDP, so slowdowns in these sectors have far-reaching consequences on housing, infrastructure projects, jobs, and productivity growth.

Ramp Business Spend Nowcast, indexed and weighted, June 2023 to June 2025

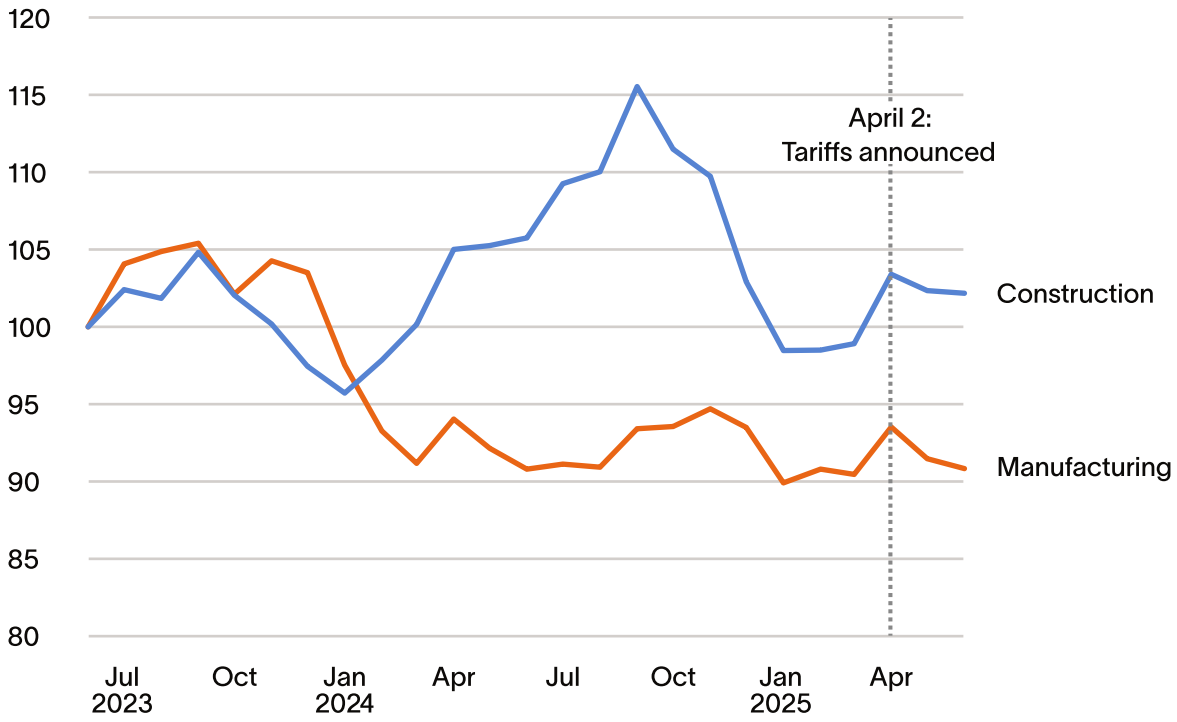


Chart 08

Non-payroll investments are growing fastest in AI-exposed sectors

AI-exposed sectors (technology, finance, and professional services) have seen the fastest growth in non-payroll spending. While spend in these sectors significantly outpaces others, public data shows employment rates are only marginally higher. The tech sector is a clear bright spot in macroeconomic trends, powering topline growth in Nowcast.

Ramp Business Spend Nowcast, indexed and weighted, June 2023 to June 2025

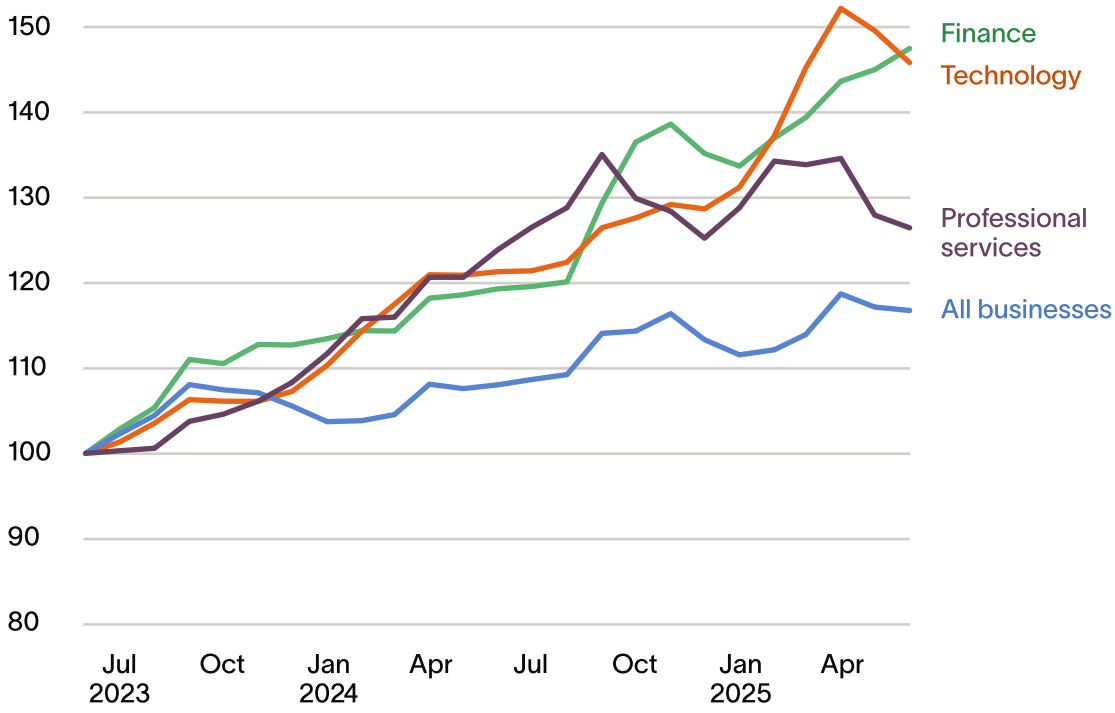


Chart 09

Technology sector spending is up broadly, especially on other tech

Fueled by the AI boom that began in 2023, tech spending is up, particularly in cloud computing (including AI hyperscalers) and software, the two fastest-growing spend categories among technology companies.

Ramp Business Spend Nowcast, technology sector only, indexed and weighted, June 2023 to June 2025

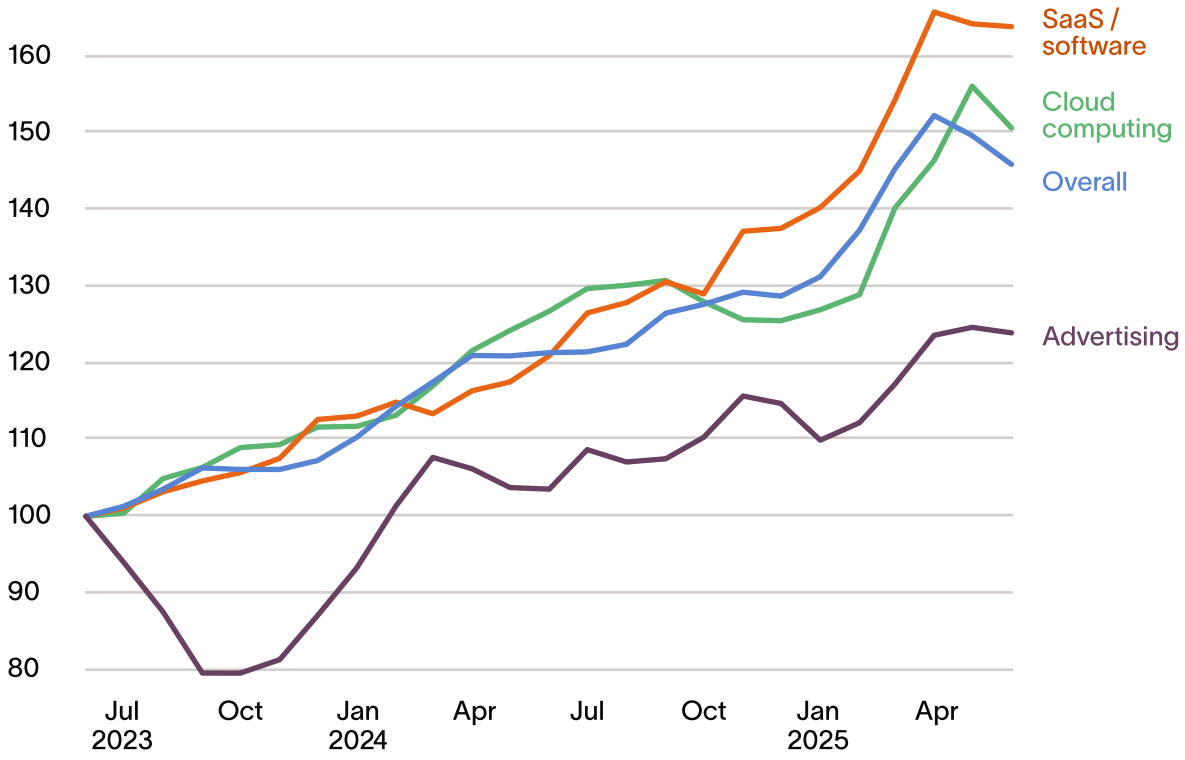


Chart 10

Large businesses and small businesses, including tech startups, lead on spend growth

We believe growth in small business spend is fueled by fast-growing startups in the technology sector.

Ramp Business Spend Nowcast, indexed and weighted, June 2023 to June 2025

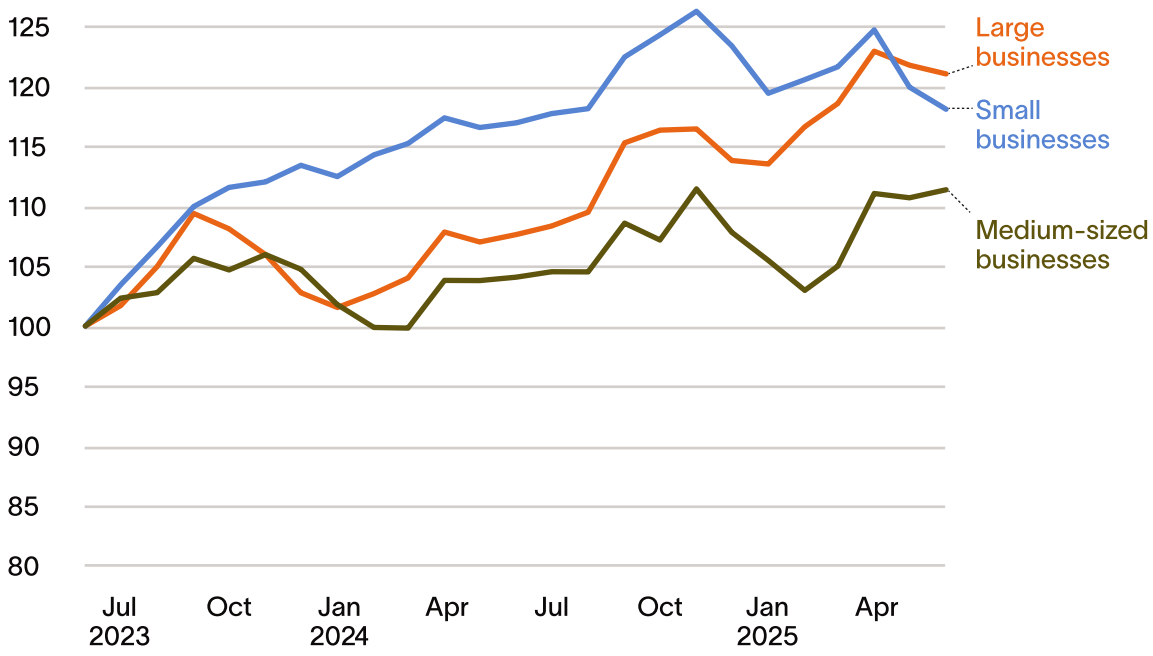
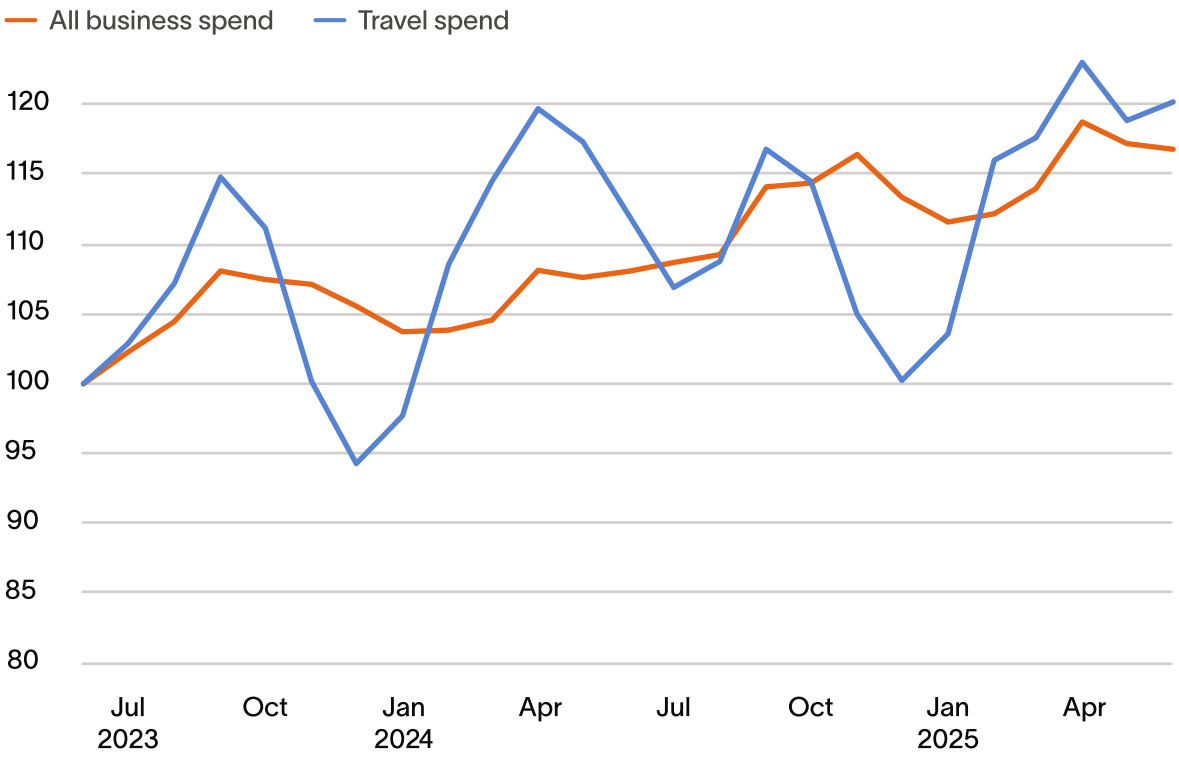


Chart 11

Corporate travel keeps pace with overall spend

Business travel falls seasonally during summer and winter holidays but otherwise remains in line with overall business spend.

Ramp Business Spend Nowcast, indexed and weighted, June 2023 to June 2025



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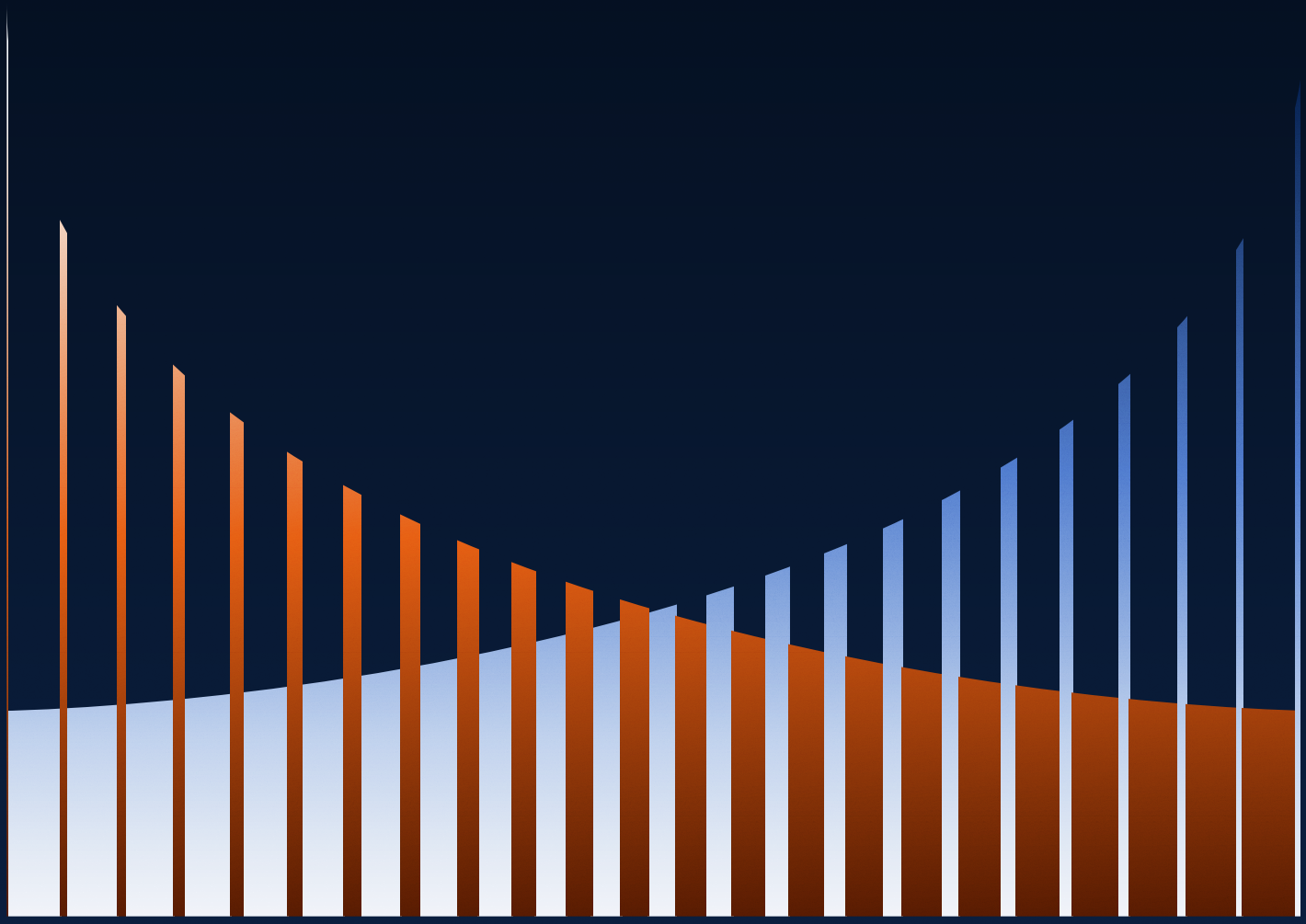


Charts from the cutting room floor

Miscellaneous data of interest

Chart 12

Retailers draw down ad spend under tariff pressure

Retailers freeze or cut advertising budgets in anticipation of weaker consumer demand and broader economic uncertainty.

Share of businesses that increased advertising spend year-over-year, 3-month moving average

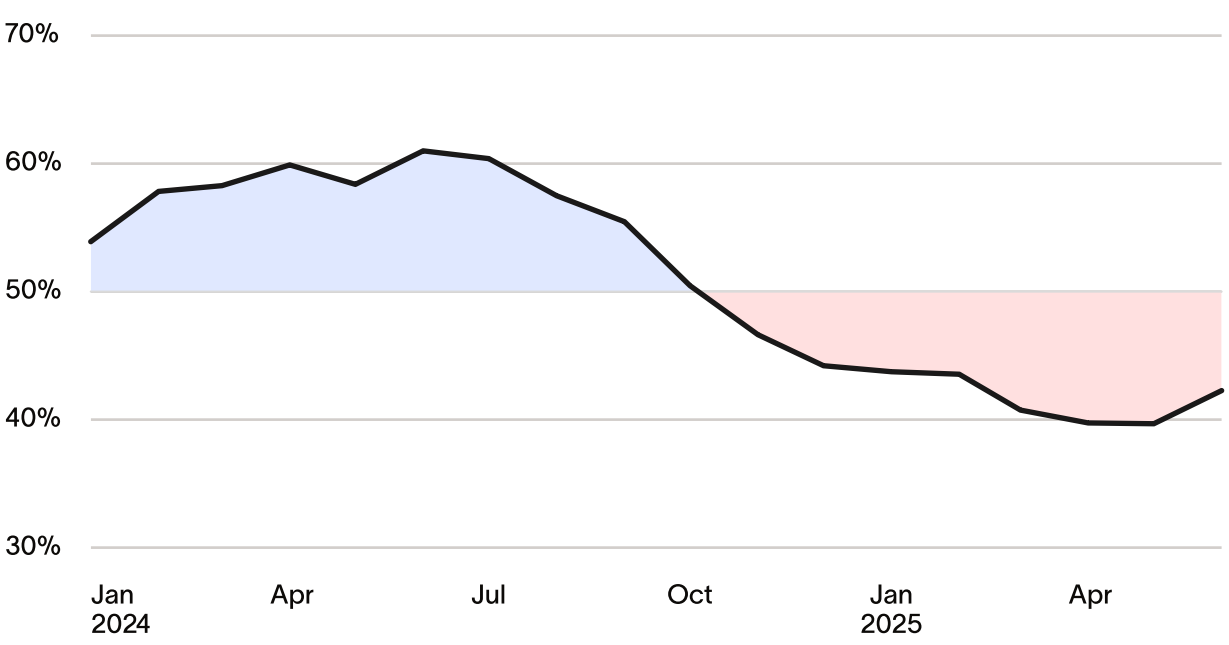


Chart 13

Large firms pare back advertising costs while increasing spend on travel and office expenses

Monthly ad spend among large businesses is trending downward, and has been since late 2024.

Card spend by category for large companies in the United States

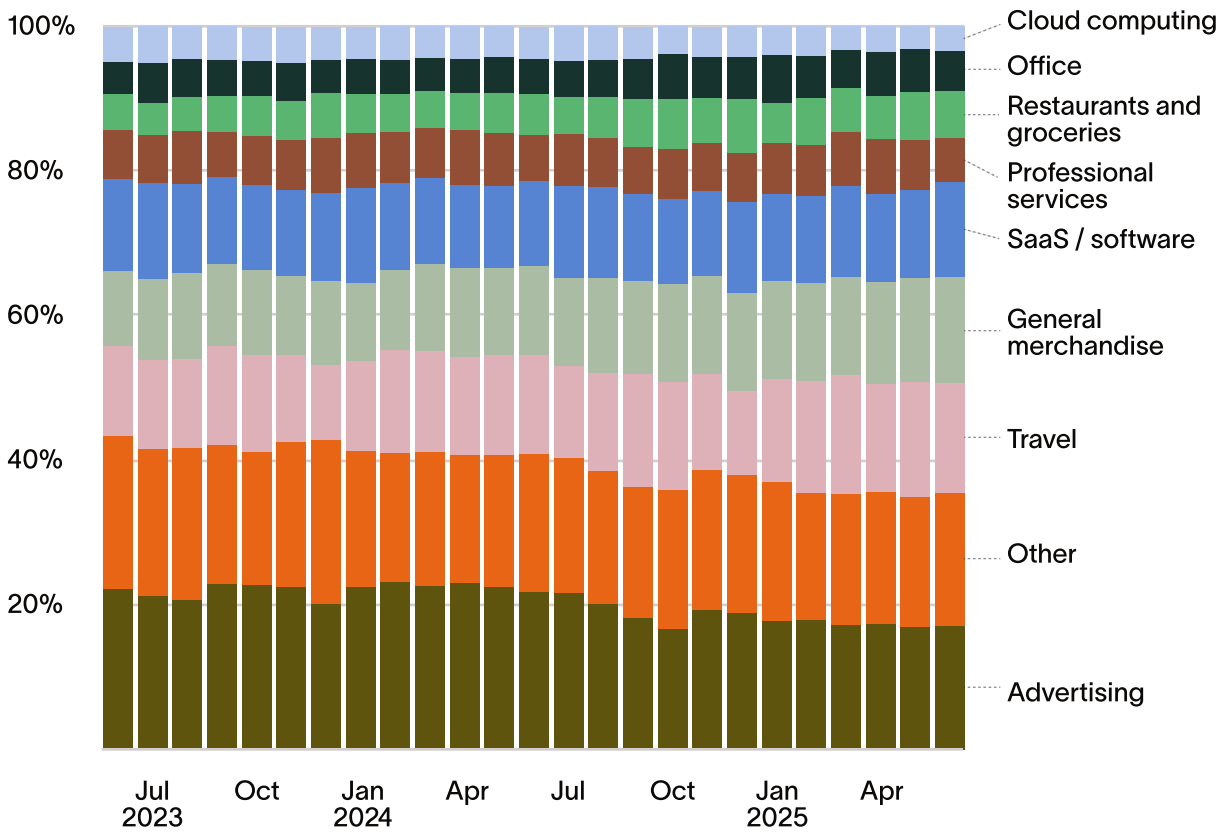
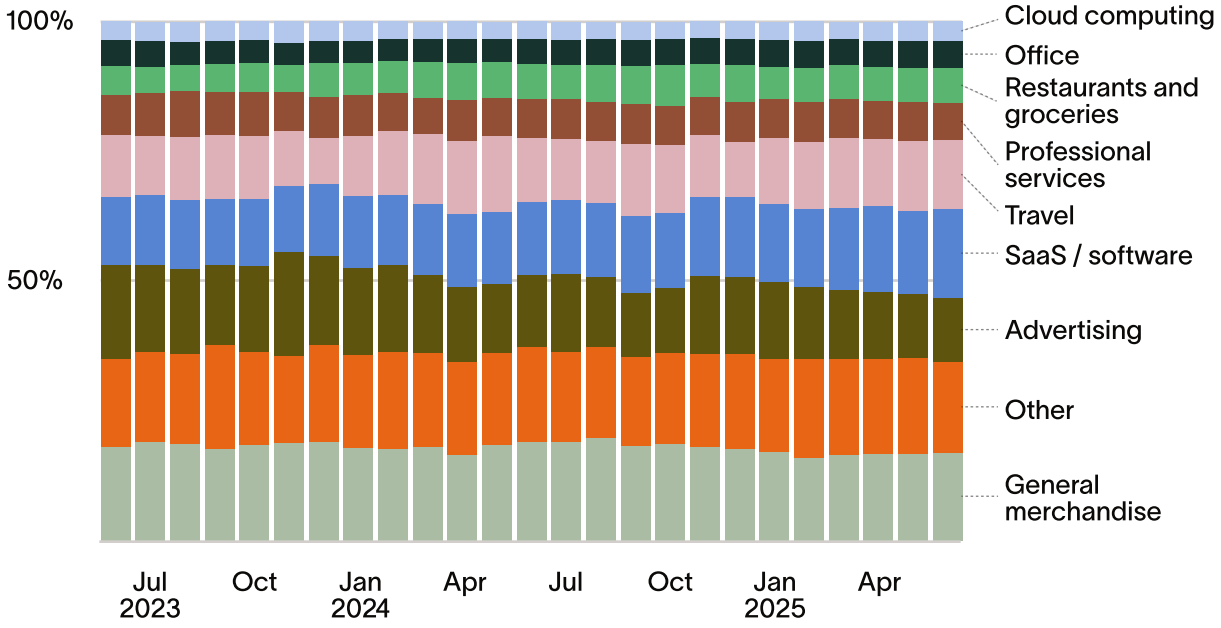


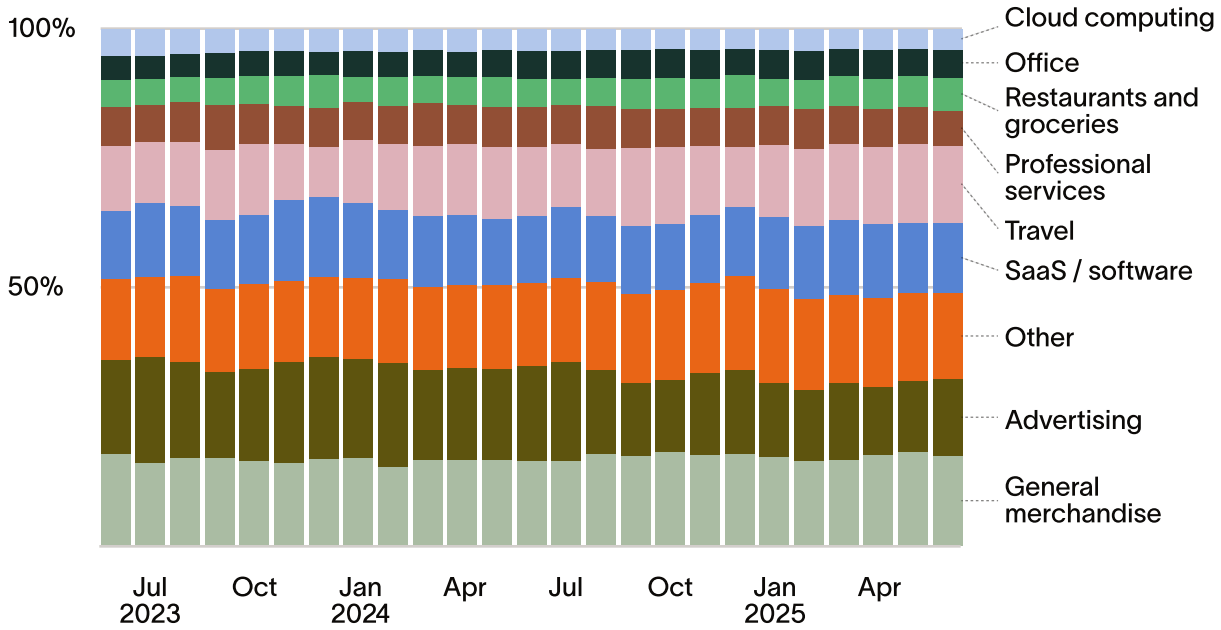
Chart 14

Cost structures hold stable at small and medium-sized businesses

Card spend by category for small businesses in the United States



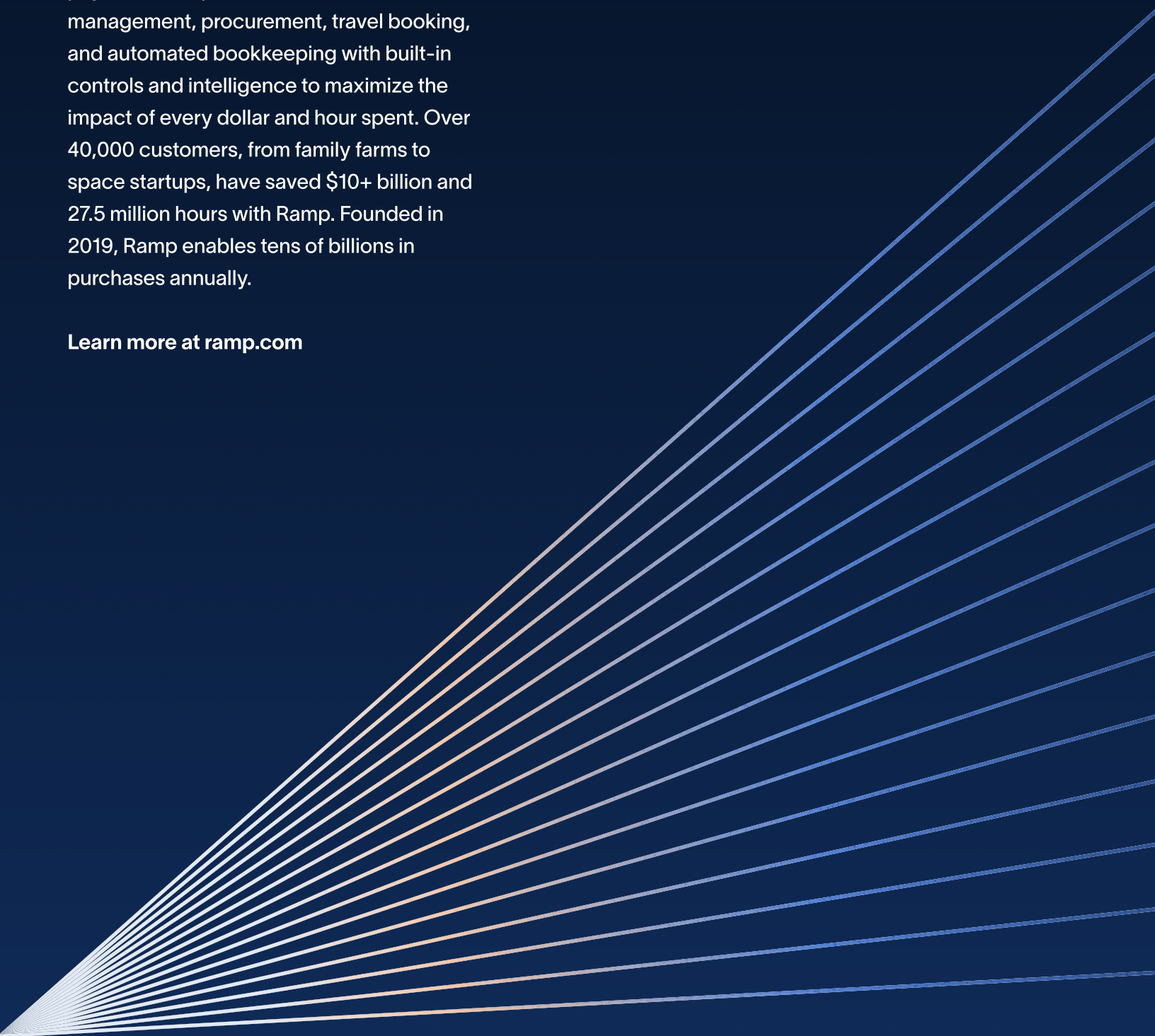
Card spend by category for medium-sized businesses in the United States



About Ramp

Ramp is a financial operations platform designed to save companies time and money. Our all-in-one solution combines payments, corporate cards, vendor management, procurement, travel booking, and automated bookkeeping with built-in controls and intelligence to maximize the impact of every dollar and hour spent. Over 40,000 customers, from family farms to space startups, have saved $10+ billion and 27.5 million hours with Ramp. Founded in 2019, Ramp enables tens of billions in purchases annually.

Learn more at ramp.com



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