

# U.S. Small Businesses: Paying for SEO Services vs Paying for Paid Ads

Research brief with best-available survey data and transparent estimates • February 17, 2026

**What we can measure directly:** There is no single official U.S. government statistic that counts “how many small businesses pay for SEO services vs paid ads.” Most numbers come from surveys of SMB owners/marketers. This brief uses one recent, clearly quantified U.S. SMB search-marketing survey and pairs it with SBA/Census counts to build defensible estimates.

## Best-available survey signal (U.S. SMB marketers, n=272):

- **78%** report doing some form of **SEO**.
- **75%** report they **currently spend money on paid search (PPC)**.
- To approximate “**paying for services**,” the same survey reports agency usage:
  - SEO: **26% agency + 13% mixed = 39%** using an agency in some capacity.
  - Paid search: **20% agency + 15% mixed = 35%** using an agency in some capacity.

## Headline estimate (if applied to ~36.2M U.S. small businesses):

- Any SEO effort: **28.2M** businesses.
- Currently spending on paid search: **27.1M** businesses.
- Paying an agency for SEO (any capacity): **14.1M** businesses.
- Paying an agency for paid-search management (any capacity): **12.7M** businesses.

*Important caveat:* Survey respondents are “marketers working full-time for SMBs,” which likely over-represents employer firms and firms already active in marketing. Use the employer-only scenario on page 2 for a more conservative lens.

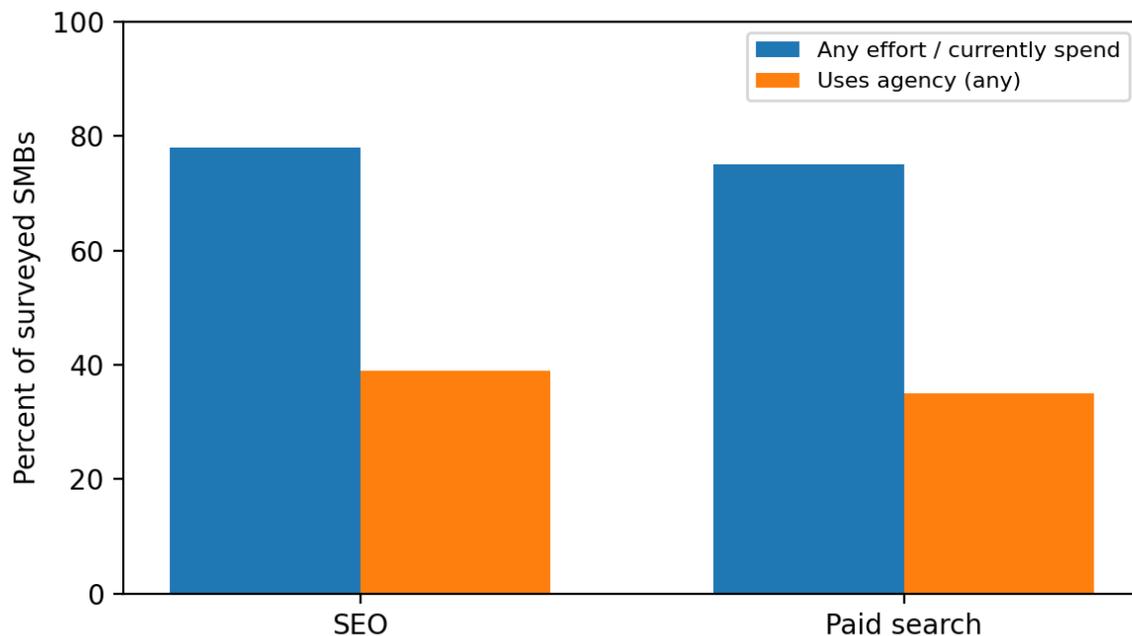


Figure 1. Share of surveyed SMBs reporting SEO vs paid-search activity and agency usage (Service Direct Search Marketing Survey, 2024).

## Methodology and definitions

### Key terms used in this brief

- **Small business:** generally an independent firm with fewer than 500 employees (SBA Office of Advocacy).
- **Paid ads:** in this brief, “paid ads” refers to **paid search (PPC)** because the most comparable survey percentages available are specifically for paid search marketing.
- **Pay for SEO services:** interpreted as **paying an outside person/agency for SEO** (either fully outsourced or mixed in-house + agency).

### Primary survey used for channel adoption

The Service Direct “State of Search Marketing for Small Businesses” survey reports channel adoption and whether efforts are handled in-house vs via agencies (U.S. SMB marketers, n=272).

### Business-population totals for scaling

To translate percentages into approximate “how many businesses,” this brief uses:

- **36.2M** small businesses (SBA report cited by USAFacts; June 2025).
- A breakdown benchmark from SBA Office of Advocacy “Frequently Asked Questions About Small Business” (July 2024): **34,752,434** total small businesses, including **6,274,916** employer firms and **28,477,518** nonemployer firms.

**Why two totals?** The SBA count of ~36.2M is more recent, while the July 2024 PDF provides a clear employer/nonemployer split. Together they allow both an “all small businesses” estimate and an “employer-only” sensitivity check.

## Findings: estimates in counts (two scaling scenarios)

| Metric   | Survey share | Est. count (36.2M) | Est. count (6.27M employer) |
|--|--------------|--------------------|-----------------------------|
| Any SEO effort (in-house or outsourced)        | 78%          | 28.2M              | 4.9M                        |
| Currently spend on paid search (PPC)           | 75%          | 27.1M              | 4.7M                        |
| Pay for SEO services (agency or mixed)         | 39%          | 14.1M              | 2.4M                        |
| Pay for paid-search services (agency or mixed) | 35%          | 12.7M              | 2.2M                        |

Notes: “Employer-firm” scaling uses SBA Office of Advocacy’s July 2024 employer-firm count (6,274,916). This is a useful lower-bound because survey respondents are marketers working full-time for SMBs, a group more likely to exist at employer firms than among nonemployers.

## Interpretation

**1) SEO and paid search are both widely used by surveyed SMBs.** In the Service Direct survey, SEO adoption is slightly higher than paid-search spending (78% vs 75%).

**2) Many SMBs do the work in-house, but agency usage is common.** For SEO, 39% report at least some agency involvement; for paid search, 35% report at least some agency involvement.

**3) “How many” depends heavily on which small businesses you mean.** Most U.S. “small businesses” are nonemployers. Many nonemployers are self-employed individuals and may have limited budgets or no dedicated marketing staff. Therefore, applying marketer-survey percentages to the entire 36M+ universe will likely overstate adoption. The employer-only scenario provides a more conservative lens.

## Limitations and how to use these numbers responsibly

- **Survey representativeness:** The primary survey is of SMB marketers, not a probability sample of all U.S. small businesses. Treat estimates as directional.
- **Channel scope:** “Paid ads” in this brief means **paid search**, not all paid media (e.g., social, display, local services ads).
- **Definition of “pay for services”:** Agency usage is used as a practical proxy for paying for SEO/PPC services. Some businesses may pay freelancers, consultants, or software subscriptions that aren’t categorized as “agency.”
- **Timing:** Small-business counts vary by year and by definition. This brief uses the most recent total count available in cited sources and a slightly older employer/nonemployer split for sensitivity analysis.

## References

- Service Direct. "Small Business Search Marketing Statistics – The State of Search Marketing for Small Businesses." (Survey of 272 U.S. SMB marketers; 2024 results). Accessed Feb 17, 2026.  
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