



Middle Market Snapshot

One Big Beautiful Bill Act (OBBBA)

Executive summary

Our latest Middle Market Snapshot survey captures the views of 392 senior executives from middle market companies, defined as firms earning between \$25 million and \$1 billion annually, on how the One Big Beautiful Bill Act (OBBBA) may shape business decisions in the months ahead.

Most leaders expect the act to strengthen cash flow, encourage investment, and create more certainty in planning. Others remain cautious given the pace of policy rollout and broader economic conditions.

Taken together, the data paints a picture of a middle market leaning forward. Leaders are weighing opportunity against risk, preparing to invest where incentives align with strategy, and watching how these changes ripple across the broader economy.



Middle market leaders show high awareness of OBBBA provisions

Strong familiarity suggests executives are already thinking about how to act, not just what the law means. Many are weaving OBBBA provisions into capital and growth planning. This level of awareness points to a market where companies won't wait for full clarity but will move early to capture advantages as guidance becomes concrete.

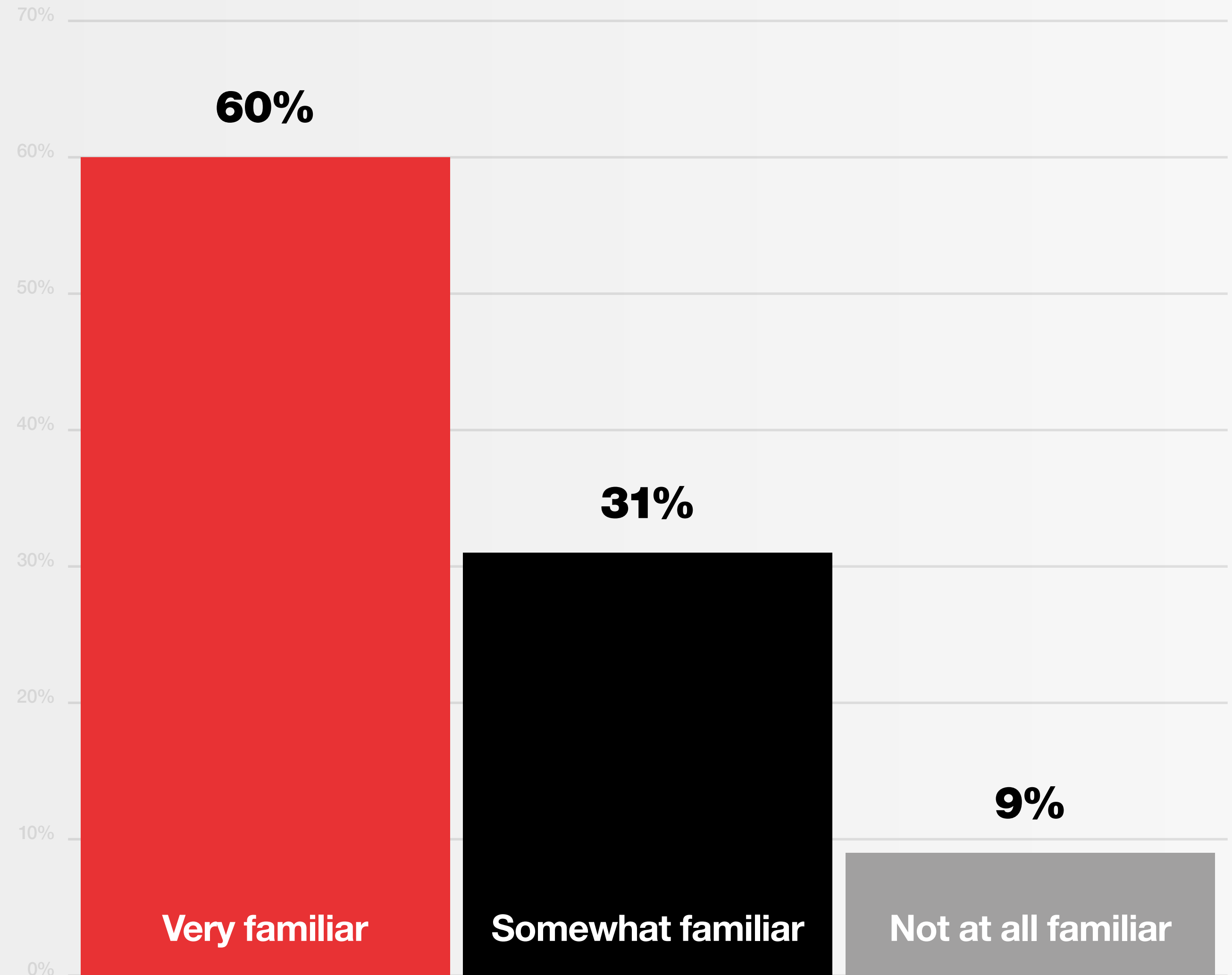
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We're seeing a real shift in how the middle market approaches policy. Leaders are connecting the dots early, translating new rules into strategy before the ink dries. That level of engagement sets the stage for smarter decisions and faster growth.”



Ken Gavrity
President
KeyBank Commercial

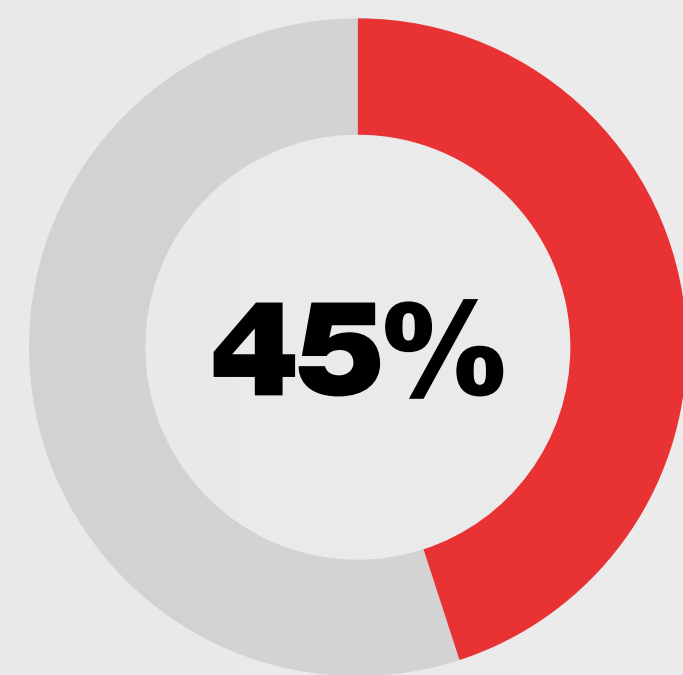
How familiar are you with the provisions to come from the One Big Beautiful Bill (“OBBBA”)?



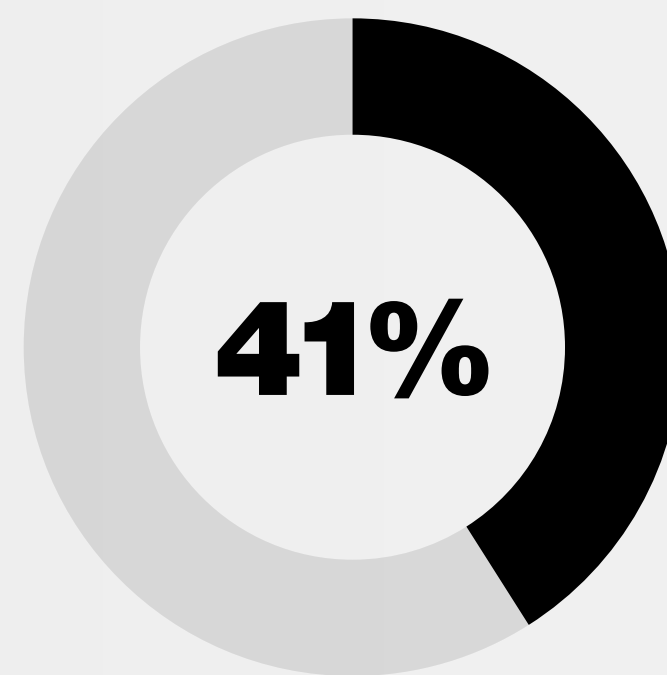
Executives anticipate broad economic lift over the next year

Leaders expect the OBBBA to show up in the macro data within a year. The clearest channels are higher equipment orders, stronger demand for business services, and selective hiring tied to productivity. Effects should be most visible in capital-intensive regions and supplier networks that serve the middle market, with results shaped by financing conditions and policy execution.

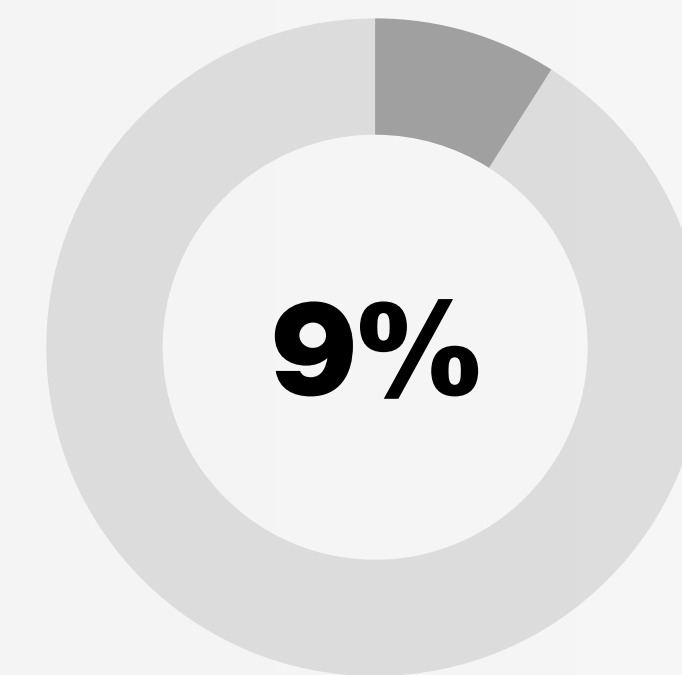
What level of impact do you expect the bill's provisions to have on the U.S. economy in the next 12 months?



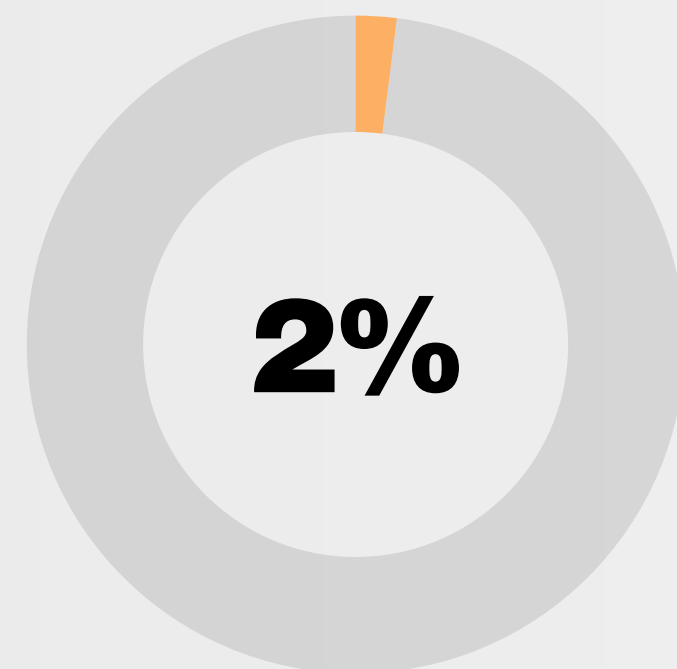
Significant
impact



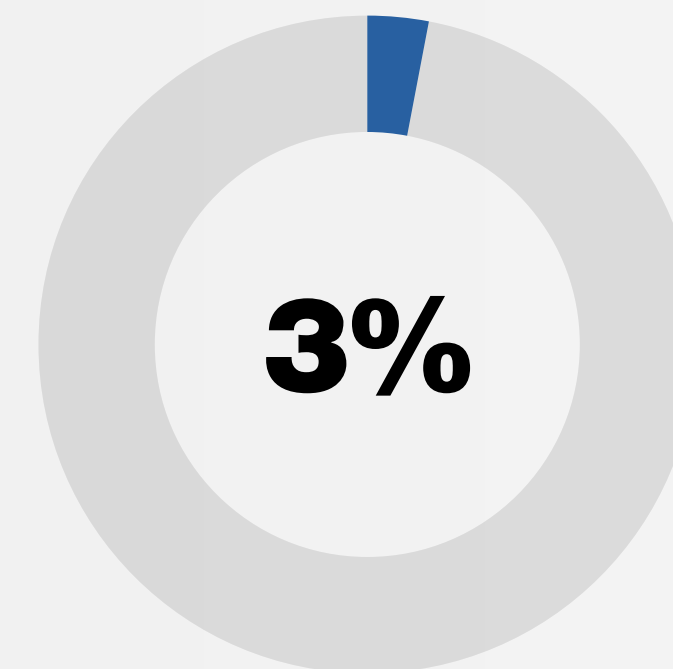
Moderate
impact



Minor
impact



No
impact



Unsure

Most businesses anticipate a positive effect on performance

Businesses that can act fast on equipment, software, and R&D see clear upside in the next two years. Others may face constraints (profitability, refinancing, or bandwidth) that limit how much value they can capture from the OBBBA. The split is likely more about readiness than sentiment. Capability and timing will decide who converts policy into results.



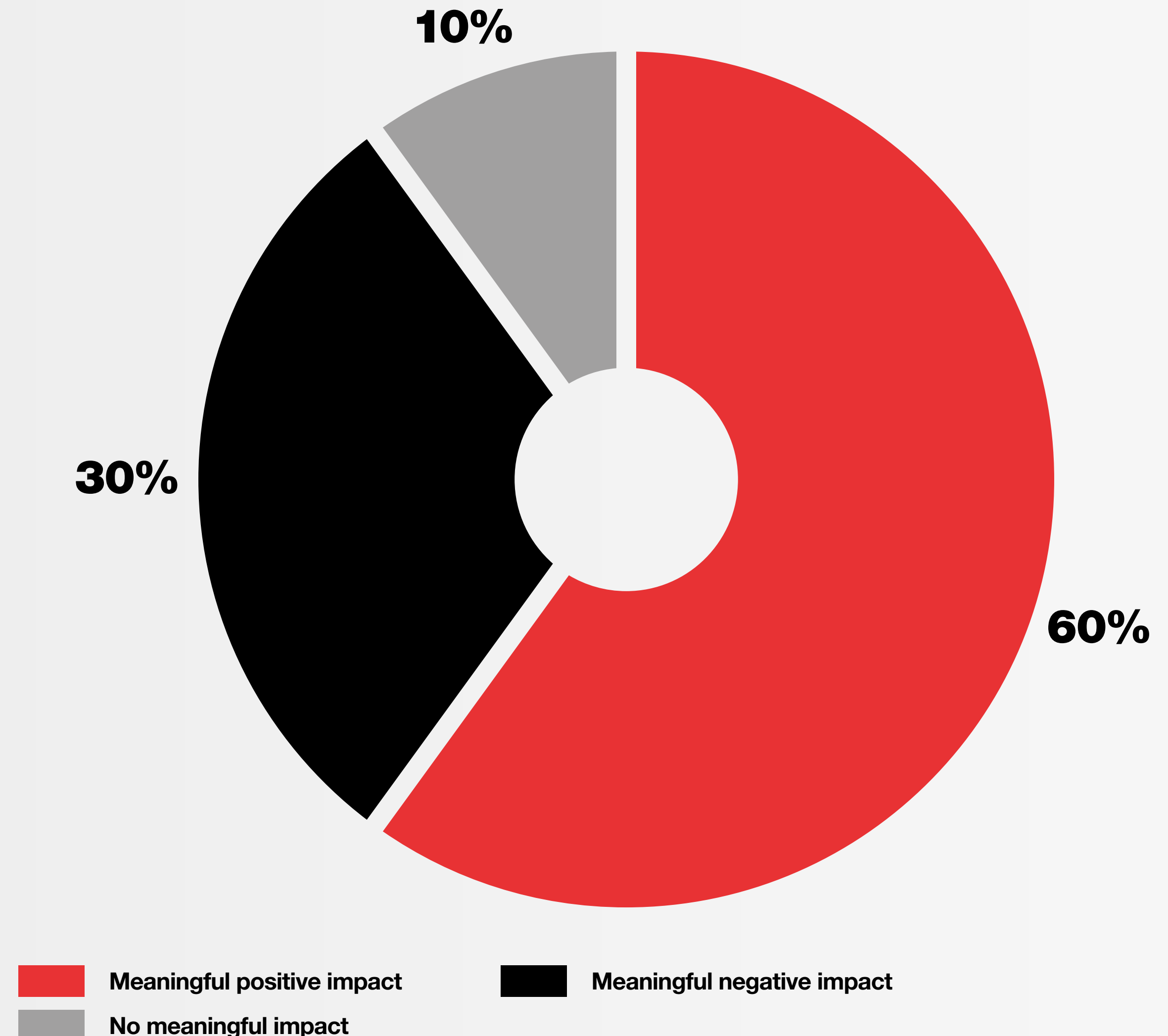
Most middle market companies are justifiably optimistic, however, the winners from the OBBBA will be those who are positioned to invest. The companies with cash and debt capacity may produce differentiated results in the coming years as a result of the near term investments they make as OBBBA is implemented.”



Brandon Nowac

Commercial Executive, Central and East Region
KeyBank Commercial

Do you expect the bill's provisions to create a short-term meaningful impact on your business in the next 2 years?

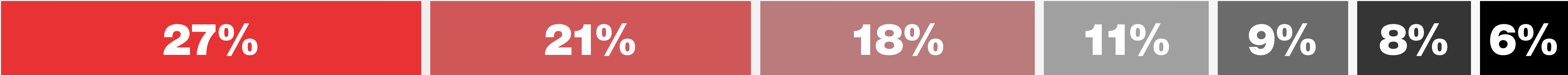


Capital investment and R&D incentives emerge as key catalysts

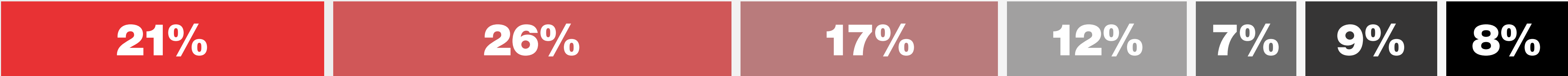
The most direct benefits are tied to how companies invest and innovate. Bonus depreciation and R&D expensing stand out as the most impactful provisions, giving businesses more flexibility to modernize equipment, fund development, and accelerate long-term projects. These incentives align with the middle market’s focus on productivity, modernization, and sustained competitiveness.

How impactful will each of these provisions of the OBBBA be on your business?

100% bonus depreciation



Domestic R&D expensing



Interest deductibility (based on EBITDA)

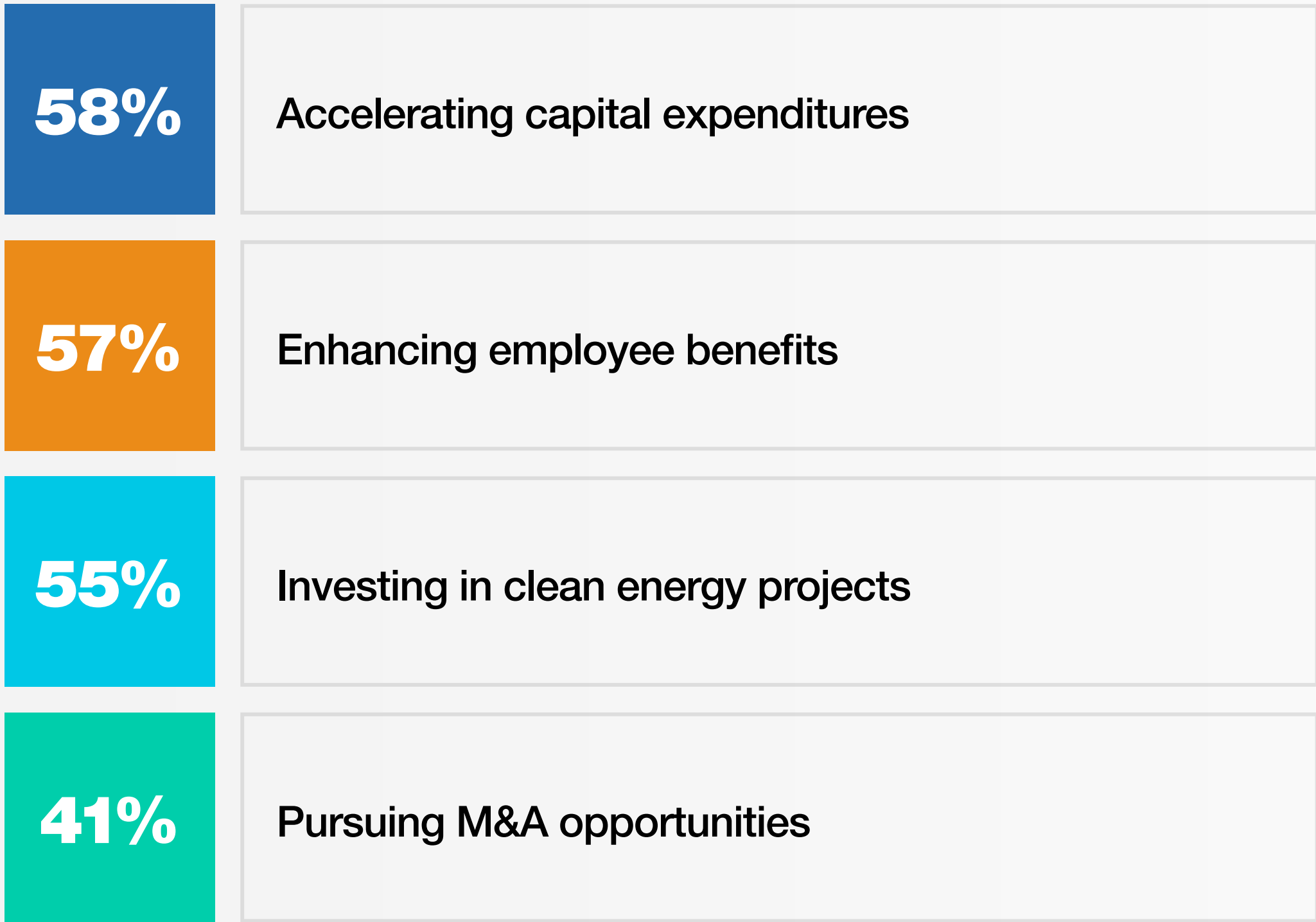
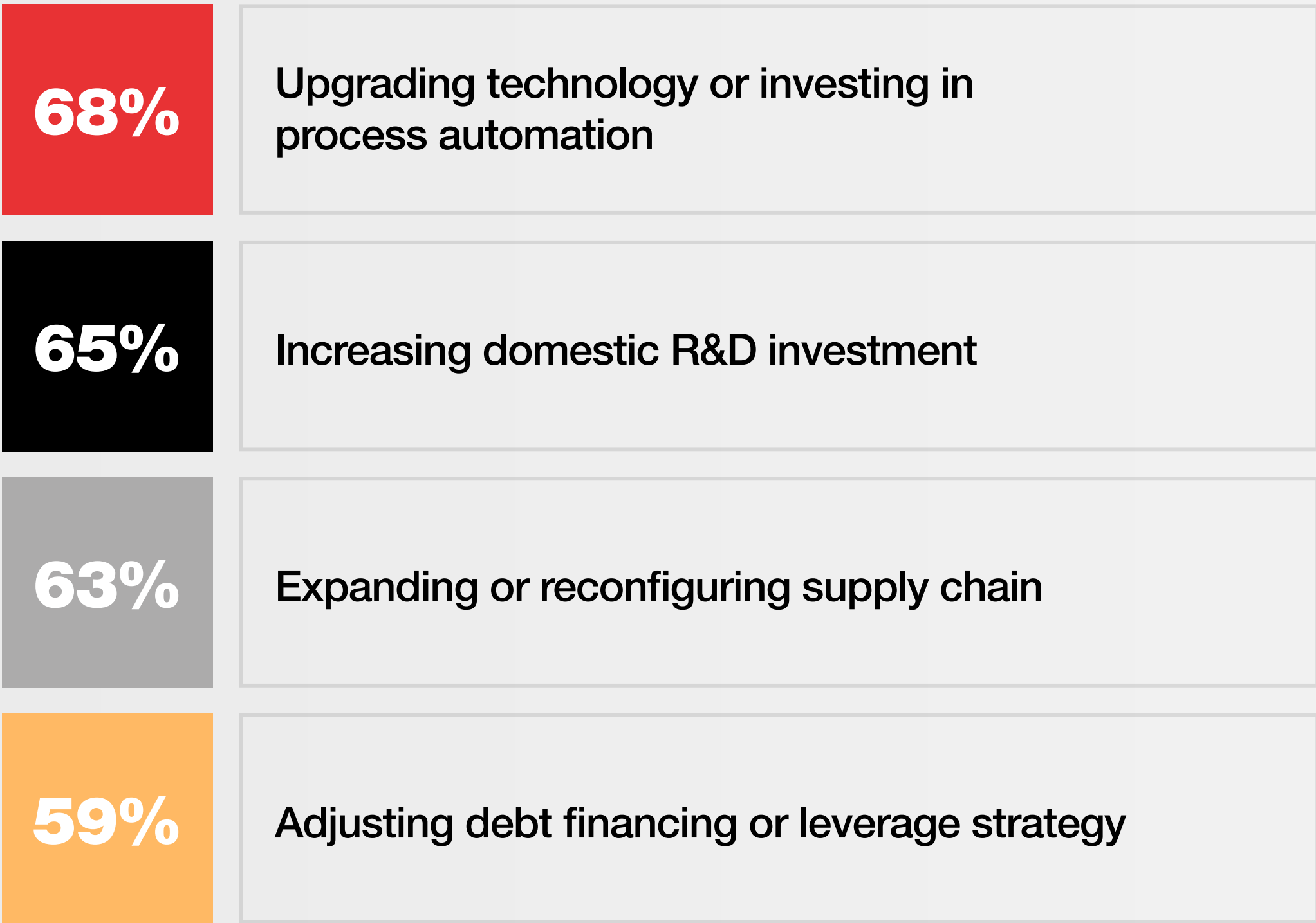


Positive high Positive medium Positive low No impact Negative low Negative medium Negative high

Companies plan to modernize and invest as OBBBA takes hold

Executives are using the OBBBA as a springboard for modernization. They’re upgrading systems, expanding R&D, and strengthening supply chains. Finance teams are recalibrating leverage and capital expenditure plans to align with incentives. The focus is on productivity and long-term competitiveness, signaling renewed confidence in productivity and steady economic footing.

Within 12 months post-OBBBA enactment, which actions are you most likely to prioritize?



Policy clarity sets the stage for confident expansion

Leaders view the OBBBA as a green light for long-term investment. With cash flow relief and clearer planning horizons, firms are leaning into growth — expanding capacity, modernizing assets, and sharpening competitiveness. The act's incentives may not transform every industry, but for capital-ready businesses, it marks the start of a new growth cycle built on confidence.

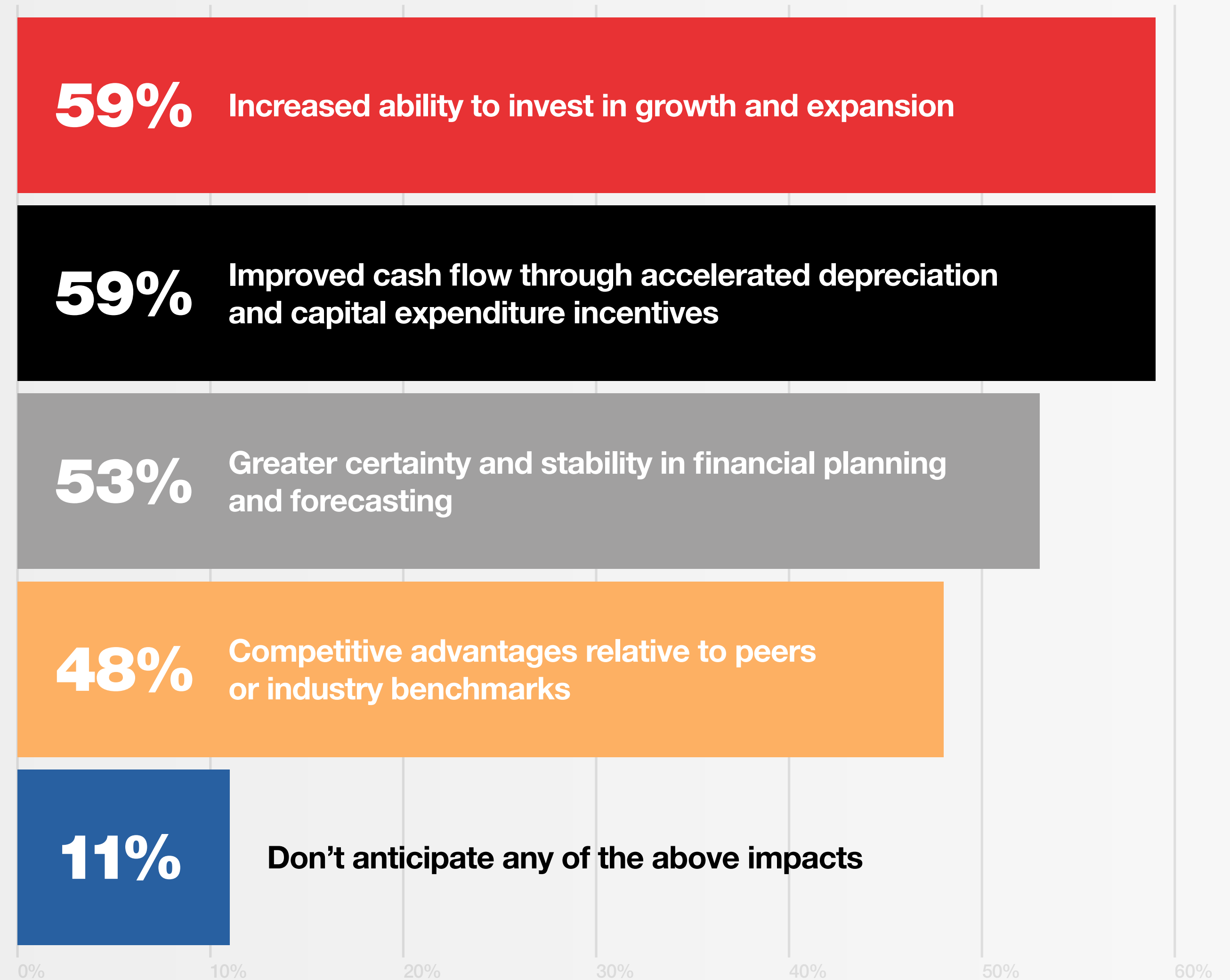
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When policy brings predictability, businesses bring ambition. OBBBA gives leaders the confidence to make multi-year decisions to expand, to hire, to innovate. That's when the middle market becomes the multiplier for the broader economy.”



Laurie Muller-Girard
Commercial Executive, West Region
KeyBank Commercial

Looking ahead, what significant long-term impacts do you anticipate from the OBBBA on your business?



With a clear view of the middle market and the forces shaping it, KeyBank helps businesses plan for what's next by turning complexity into clarity and growth into lasting advantage.

Our banking teams offer integrated solutions and strategic expertise to help your business raise capital and manage payments, liquidity, and cash flow. To learn more about KeyBank's middle market capabilities, contact a **KeyBank Relationship Manager or visit **key.com/commercial**.**

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"KeyBank Middle Market Snapshot Survey," September 18 – October 8, 2025. KeyBank's Middle Market Snapshot survey asked more than 300 owners and executives of businesses with \$25 million to \$1 billion in annual revenue about their familiarity and understanding of the One Big Beautiful Bill Act (OBBBA).

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