



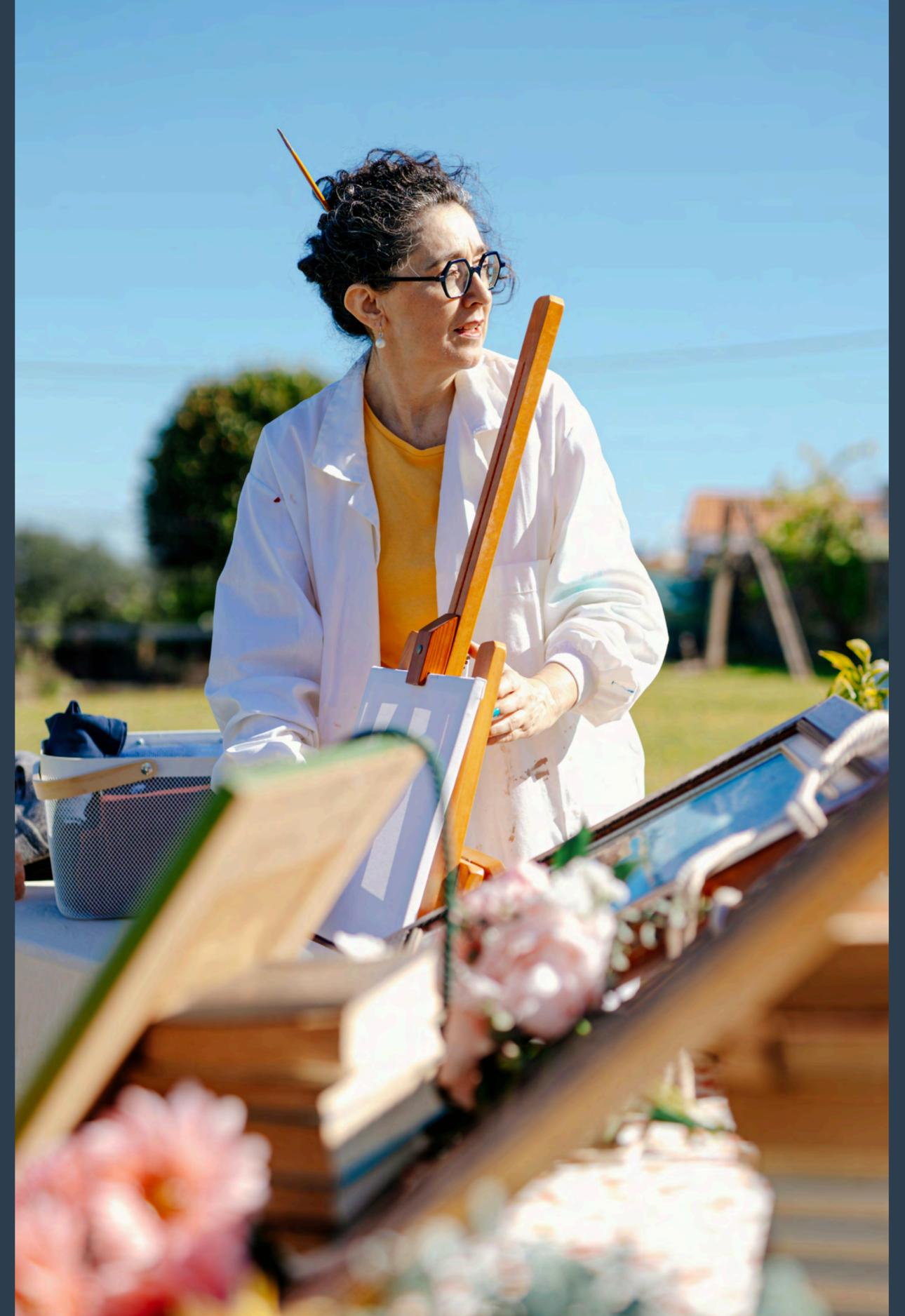
ACT 2026 Small Business Creatives Outlook Report

A Look at the Artists & Crafters Economy



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Executive Summary

As the independent creative economy enters 2026, artists, makers, and vendors are navigating rising material costs, shifting sales channels, and an increasingly complex risk environment. Growth opportunities remain strong, but success will depend on balancing expansion with protection.

To better support this community, Artists, Crafters & Tradesmen Insurance (ACT) presents the *2026 Small Business Creatives Outlook Report*. This report combines first-party survey insights from ACT policyholders with ACT's internal perspective on risk trends affecting creative businesses. It provides a practical, data-driven view of the forces shaping the year ahead, highlighting emerging challenges, documenting how creators are adapting, and identifying the strategies that support resilience in 2026.

ACT remains committed to helping art businesses and vendors operate with confidence through specialized coverage, education, and resources designed specifically for creative entrepreneurs.

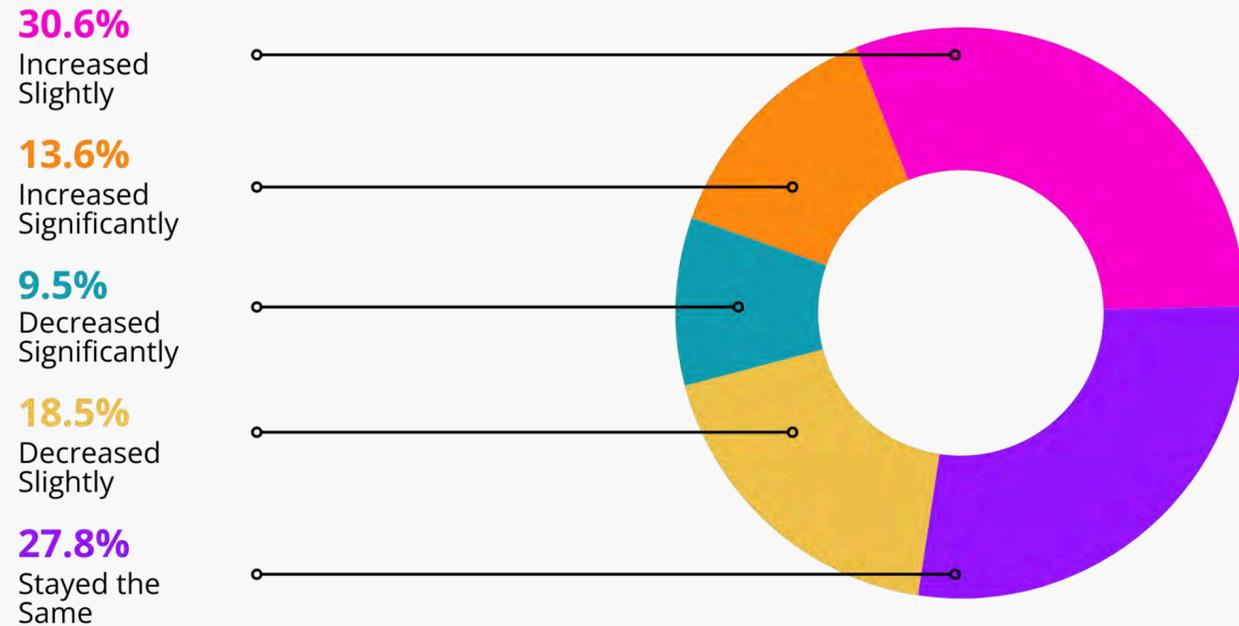
State of the Industry

Small business creatives are operating in a stabilizing but constrained economic environment. Survey findings indicate most businesses report steady or modestly improved performance, but profitability remains sensitive to costs and event performance.

2025 – A Year of Mixed Performance

Creative business owners were split on business performance in 2025. While the majority reported sales remaining about the same or slightly increased, nearly a third saw a decrease.

2025 BUSINESS PERFORMANCE

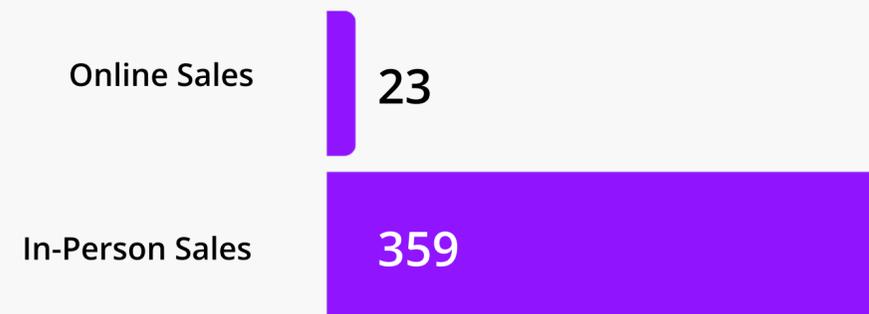


Events Remain the Core Revenue Engine

In-person events continue to be the primary revenue driver for makers and creative sellers, anchoring how most businesses connect with customers and generate sales. Online channels play a supporting role for many, contributing a smaller share of overall revenue.

ONLINE VS. IN-PERSON SALES

Number of Businesses Generating 75-100% of Revenue



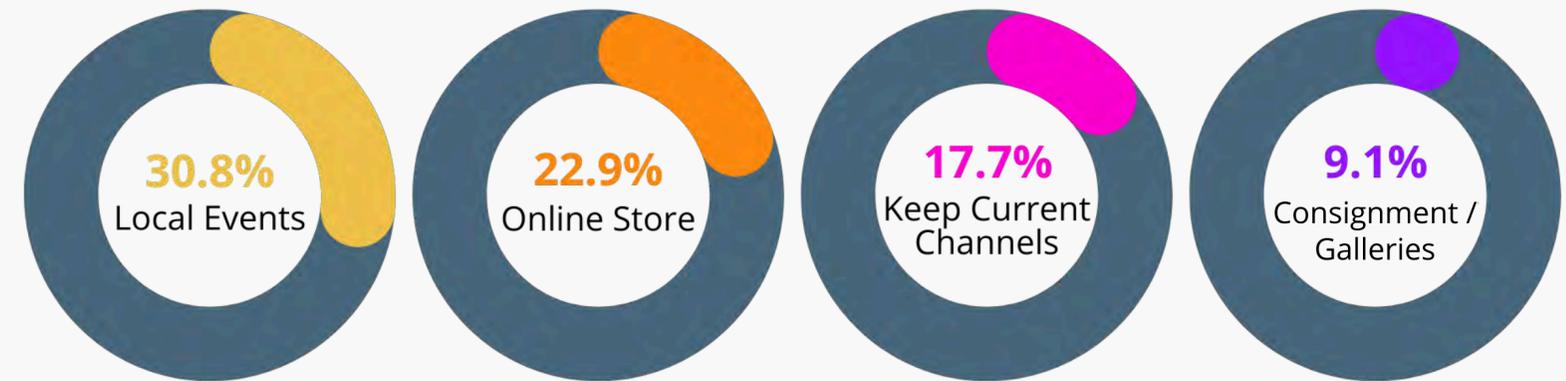
KEY TAKEAWAY: Among 563 respondents, 359 said in-person sales made up 75% to 100% of their business, compared with 23 who said the same about online sales.

2026 Sales Channel Expansion

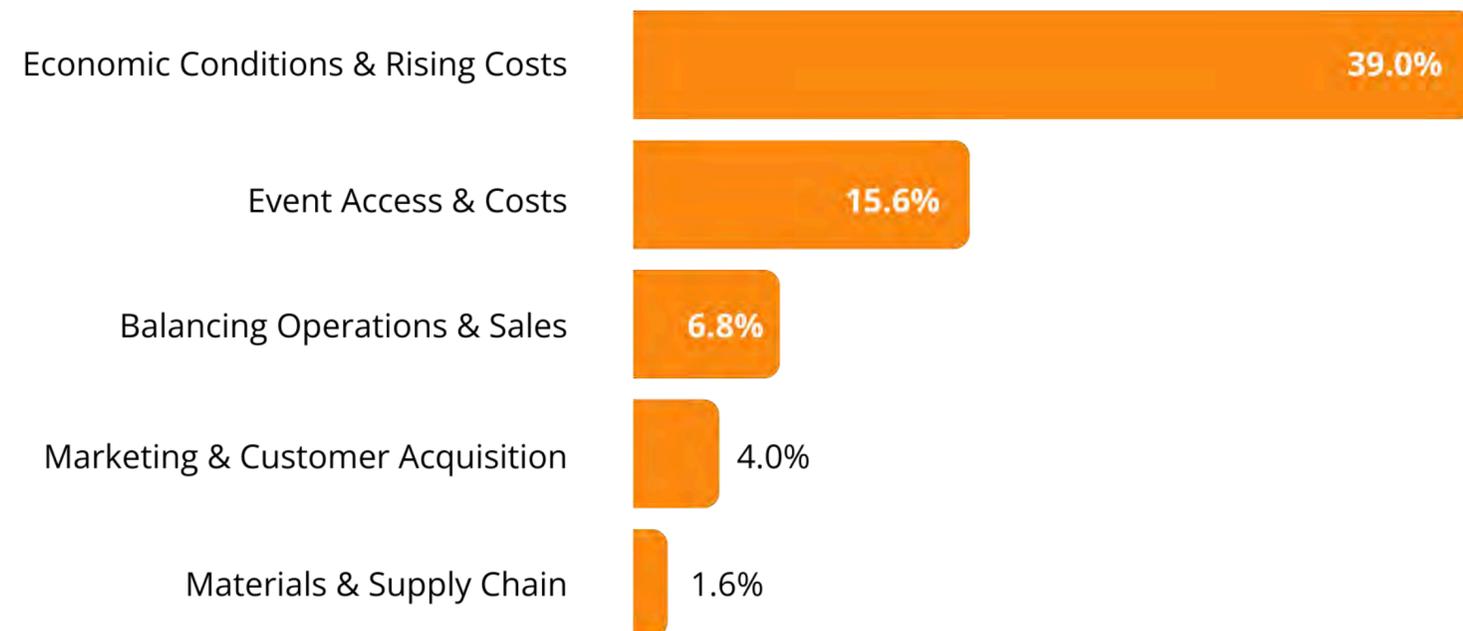
When asked where they plan to expand operations, both in-person events and online sales channels were the primary focus.

KEY TAKEAWAY: As economic landscapes evolve, creators should consider a hybrid approach that combines in-person events with digital and wholesale channels to build more consistent income streams.

TOP SALES CHANNEL EXPANSION BY TYPE



Rising Costs Are the Primary Pressure Point

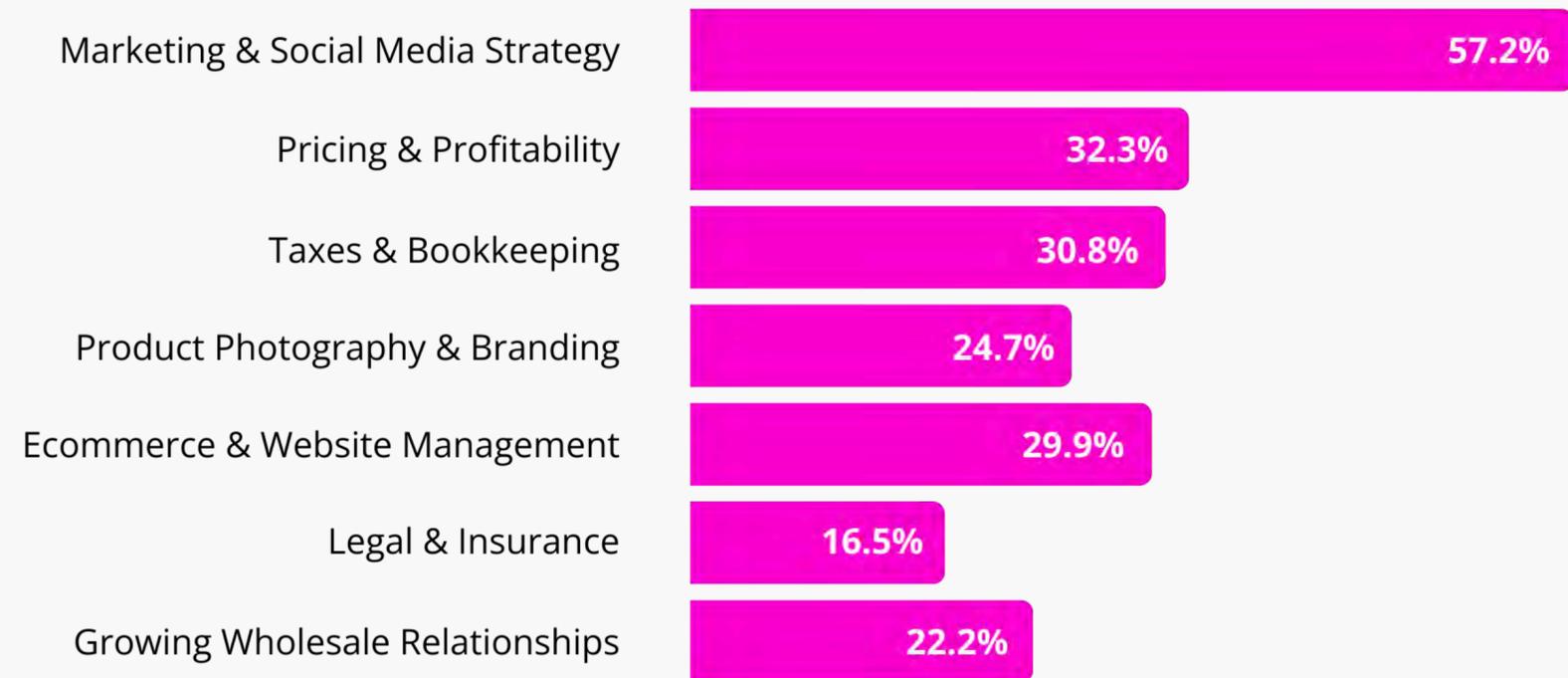




Professional Development Is a Key Focus in 2026

Professional development is emerging as a key priority for artists and crafters in 2026, with many looking to invest in skills that will support more sustainable growth

BUSINESS EDUCATION PRIORITIES





Consumer Insights

ACT surveyed consumers who had purchased from an independent artist or crafter in the last 12 months to gather insights into where they shopped, how much they were willing to spend, and more.

Demand Is Steady With Signs of Growth

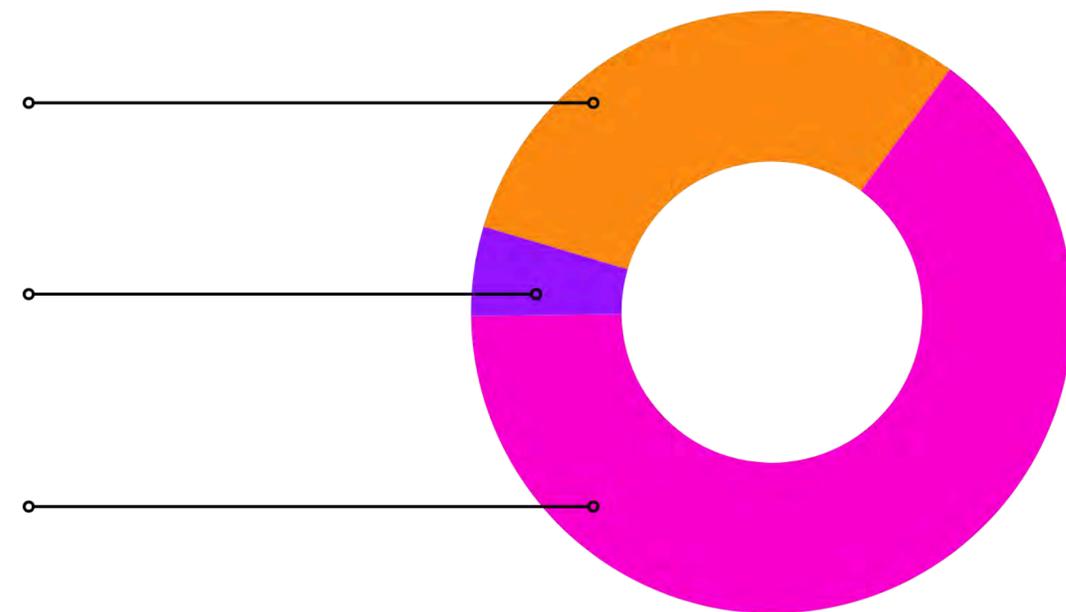
Despite broader economic pressures, consumer demand continues to hold steady. Nearly two-thirds report shopping at the same rate as before, while 30% say they are purchasing more frequently.

CHANGE IN PURCHASE FREQUENCY

30.5%
More Often

13.6%
Less Often

64.7%
Stayed the Same



Shoppers Prefer In-Person Events

While online platforms like Etsy and social media marketplaces are popular, in-person events remain the top driver for purchasing handmade or artisan products.



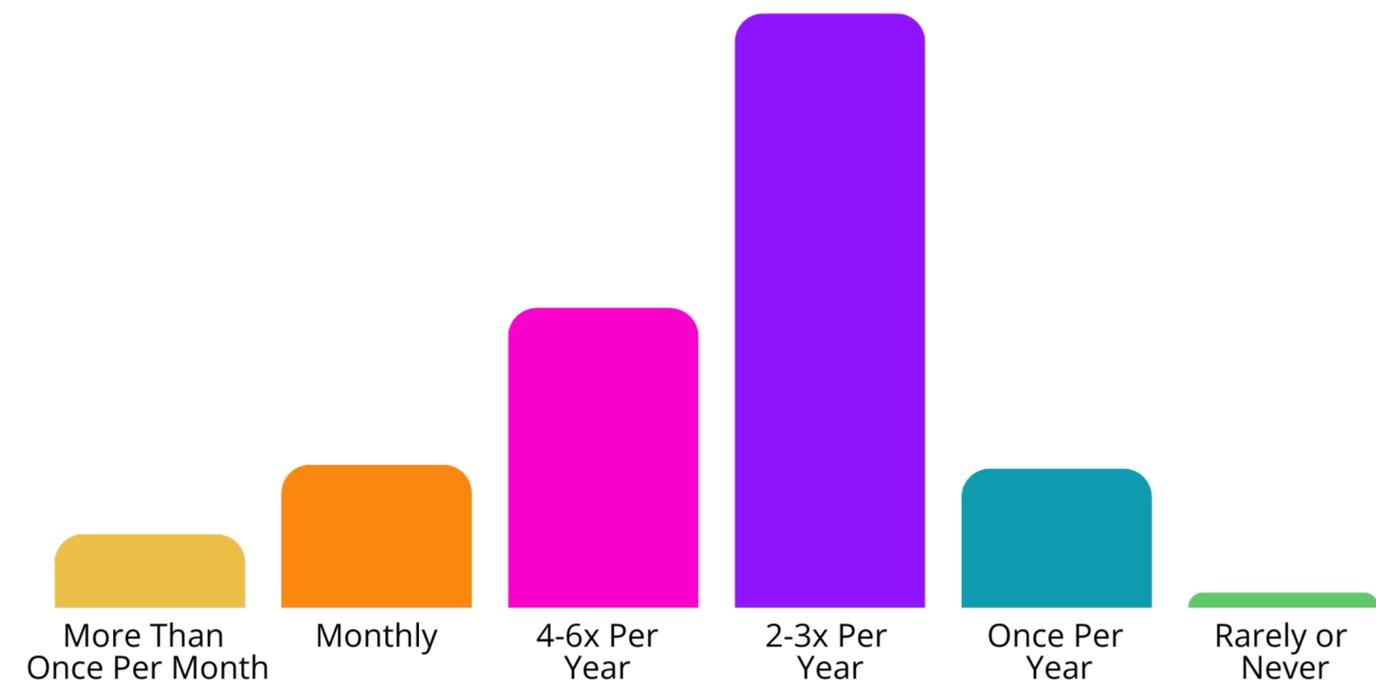
TOP CONSUMER PURCHASE LOCATION BY TYPE



Event Attendance Frequency

Most consumers attend two to three events per year, with 71% citing unique products and the ability to see and feel product quality as key motivators.

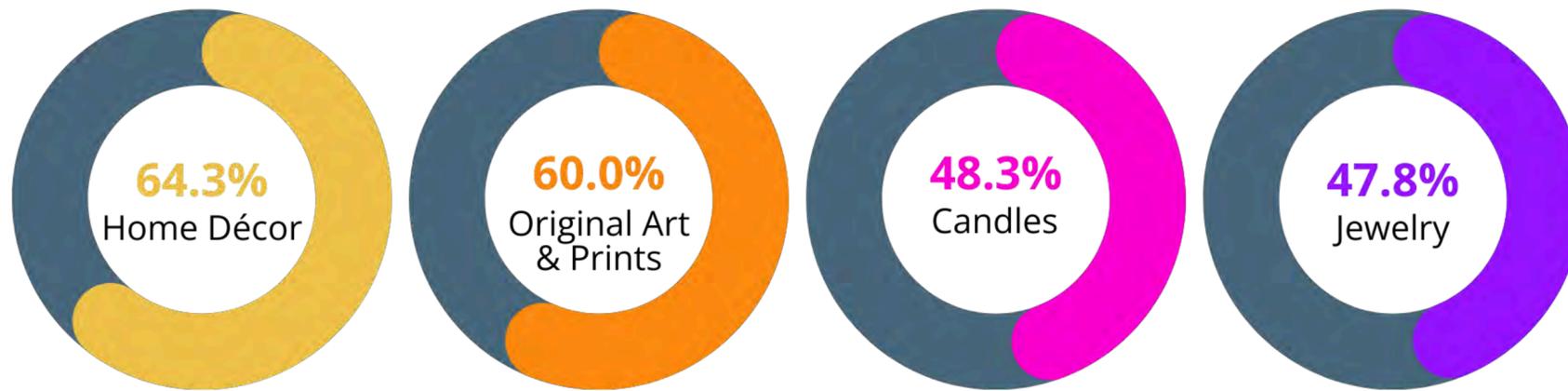
EVENT ATTENDANCE FREQUENCY



Top Product Categories

While consumer purchases vary based on individual needs and preferences, home décor and original art emerged as the most popular categories.

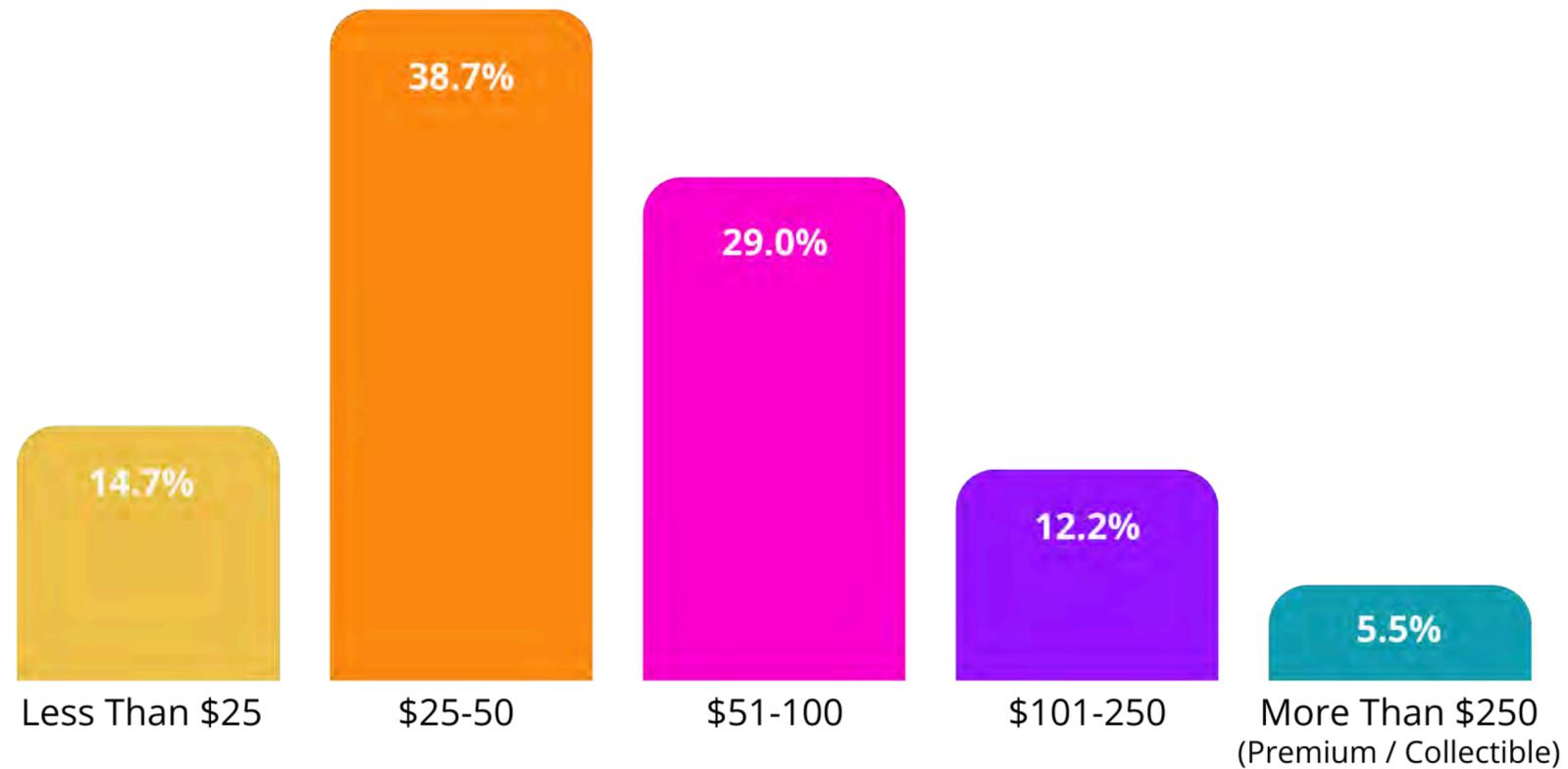
TOP PRODUCT CATEGORIES



Affordability Reigns, But Quality Still Commands a Premium

While price remains the most important factor for many consumers, buyers are still willing to spend more when they perceive higher quality and originality in a product.

Price Per Item



70.8%

of consumers said they were willing to pay more for higher quality products.

37.5%

were okay spending more to support a small business.

67.3%

said uniqueness / originality of products warranted a higher price.



Independent Artists & Crafters Economy in the News

National and local news coverage underscores the mounting cost pressures facing artists and small craft businesses. Reporting from outlets like *ABC15*, *The Daily Economy*, *Kiplinger*, *The New York Times*, and other regional publications highlights how tariffs, rising material costs, and increased event fees are squeezing margins for craft businesses and Etsy sellers alike. Creative vendors participating in major fairs and markets are also grappling with higher booth costs and shifting event policies, reinforcing how dependent many creators remain on in-person sales channels.

These themes closely align with our survey findings, where economic conditions and rising costs emerged as the top challenge facing businesses heading into 2026, followed by event-related constraints. While demand for handmade and artisan goods remains present, the broader news environment confirms that profitability is the central concern shaping how creators will plan for the year ahead.

Crafting a Crisis: The Unseen Impact of Tariffs on Artisans at Home

Tariffs raise prices on specialty materials, making many all-American handicrafts difficult to produce. Small businesses suffer.

[Cait Dexter](#) • January 13, 2025

NEWS > LOCAL NEWS



'We need help!' Arts and craft industry bracing for higher costs from tariffs

The New York Times

Artisans Weigh Whether U.S. Fairs Are Worth the Trouble

Tariffs and visa problems are among the reasons cited for a 15 percent decline in applications from international vendors at one New Mexico market.

STATE-FAIR

Oregon State Fair changes, rate increases impact Artisans Village

 **Capi Lynn**
Salem Statesman Journal

May 10, 2025, 4:01 a.m. PT

cleveland.com
COVERING NORTHEAST OHIO

BUSINESS

Cleveland-area Etsy artists fear tariffs could break their businesses

Published: Apr. 14, 2025, 12:50 p.m.

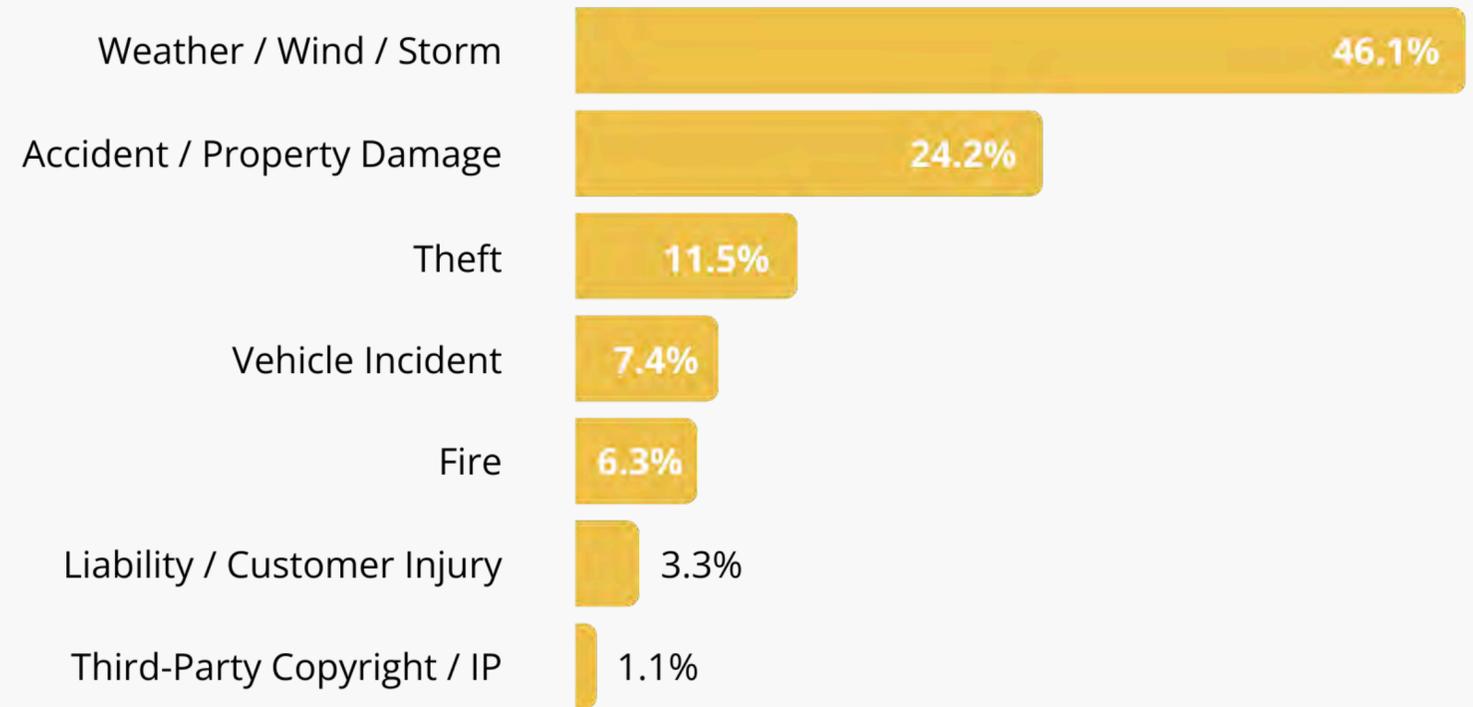


2025 Insurance Claims Data & Trends

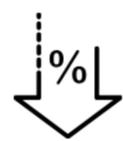
ACT saw a meaningful shift in claims activity between 2024 and 2025 across both ACT Pro and ACT Go policyholders. While overall claim frequency declined year over year (YoY), total incurred costs rose 49.4% — driven almost entirely by a sharp increase in fire-related losses.

Fire claims grew by 225%, not because of increased frequency, but because losses were more severe. Meanwhile, weather-related damage to tents and canopies remained the most frequent claim type, reflecting the outdoor nature of the art and craft market community.

2025 INSURANCE CLAIMS BY TYPE



2025 CLAIMS DATA TRENDS



28.7%

fewer claims filed in 2025.



49.4%

increase in total dollars incurred YoY.



55.0%

of claims occurred in Spring & Summer months.



25.0%

of claims were filed in California & New York.

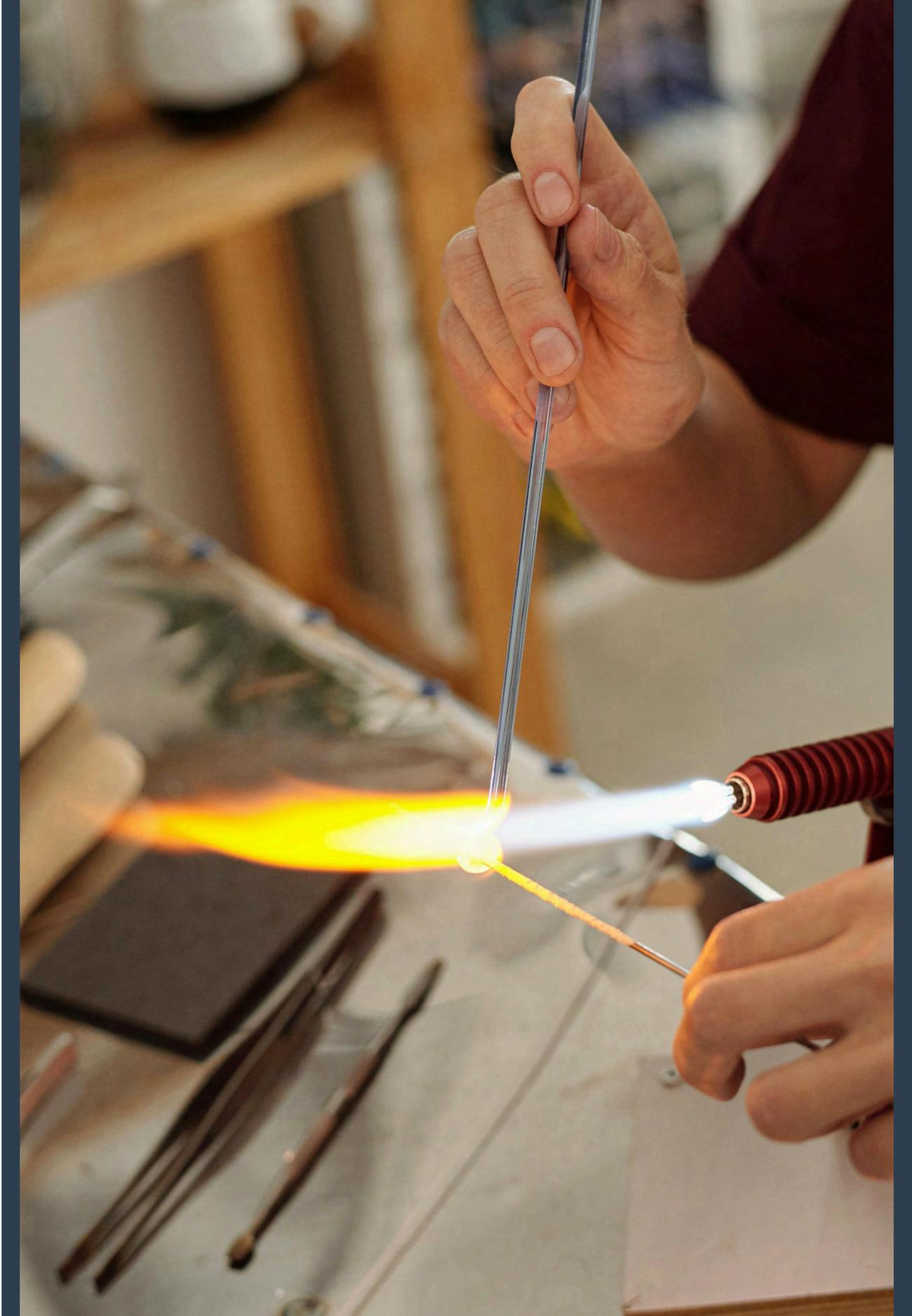
Fire Claims Surged in 2025

The cost of fire claims grew by 225% YoY. Despite lower overall frequency, fires were the leading driver of total incurred costs, with kilns, dust collectors, and propane tanks the most common sources. The average paid fire claim was \$29,699 — roughly 10 times the average for all other claim types combined.

Tents & Canopies: Most Commonly Damaged Item

Tents and canopies were involved in more than 40% of all claims filed. Wind was the primary culprit in the vast majority of these incidents. While individual losses tend to be modest, the sheer volume of tent-related claims makes this the most consistent source of losses across the ACT customer base.

INDUSTRY INSIGHT: The top three business types that experienced loss and filed an insurance claim were Crafters and Artisans, Event Vendors, and Artists & Makers — with weather-related tent and merchandise damage being the most frequently reported incident across all groups.





INDUSTRY INSIGHT: The most resilient creative businesses in 2026 will be those that grow selectively while protecting margins and managing exposure.

Looking Ahead

Survey data suggests 2026 will be defined less by demand uncertainty and more by operational discipline.

Art and craft business owners who succeed will:

- Prioritize high-performing events
- Diversify sales channels strategically
- Maintain pricing discipline
- Strengthen risk management practices

Conclusion

Artists, crafters, and creative sellers need a partner that understands their business model, risk profile, and growth challenges.

ACT is built to support creative businesses at every stage of growth. Beyond tailored coverage, we provide education, insights, and resources designed to help artists and makers protect their work and build sustainable businesses.

[Get a Quote →](#)

[Business Resources →](#)

Methodology

This report combines survey insights and proprietary insurance data from more than 500 ACT customers to provide a data-driven view of trends shaping the independent creative economy in 2026.

Survey findings are based on responses from ACT-insured businesses and 600 U.S. consumers collected in late 2025. Results are shown in summary, and percentages are calculated using responses to individual questions.

Claims analysis is based on policyholder claims filed during calendar years 2024–2025 and reflects incurred losses as of December 2025.

Findings are intended to highlight directional trends and should be interpreted within the context of evolving economic conditions.

