AMERICAN INVESTMENT COUNCIL

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Supporting Small Businesses: How PE Helps Invigorate Companies Through the Long Term

NOVEMBER 2026







Main Street Depends On Private Equity

A Message From AIC President & CEO Will Dunham

Main Street businesses are the backbone of the American economy. They create local jobs, spur new opportunities, and power our communities.

But many people don't realize that Main Street small businesses often rely on private equity for the resources and support they need to grow, innovate, and hire. Private equity is delivering results for small businesses—and their communities—nationwide.

In this new report, the American Investment Council peels back the curtain on the many ways that private equity strengthens small business. All told, 85% of private equity investments go to small- and medium-sized businesses, and the benefits for Main Street are significant and growing:

- Deal activity under $25 million has grown 77% over a decade—from 2,355 deals in 2016 to 4,186 deals in 2025.
- Direct lending to Main Street has grown in value by 1,429% over a decade—from $182 million in 2016 to nearly $2.8 billion in 2025.
- In 2025, about 50% of investment in small and medium businesses was in commercial services, construction and engineering, and food production and manufacturing.

There are so many stories that show the real-world impact of this coast-to-coast investment. In the pages ahead, you'll find 11 case studies of Main Street businesses that are flourishing thanks to private equity's support. These job creators can be found from Colorado to California, from North Carolina to New Jersey, and from the heart of the Midwest in Michigan, Wisconsin, and beyond.

- Velocity One is helping to reshore key supply chains for national defense—a critical need in a time of rising geopolitical tensions.
- Honk is connecting stranded drivers with towing services and roadside assistance—based on its founder's personal experience when his wife's car broke down.
- Aquawolf is building next-generation infrastructure for energy exploration, electric transmission, and utilities—all at a time of surging energy demand.

For small businesses like these, private equity is especially critical for upgrading technology and staying ahead of rapid change, allowing them to compete against bigger, established companies.

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Will Dunham
President & CEO, American Investment Council



When private equity helps on the back end, small businesses can focus on the front end—developing new products, creating new jobs, expanding into new locations, and giving customers a new and even better experience.

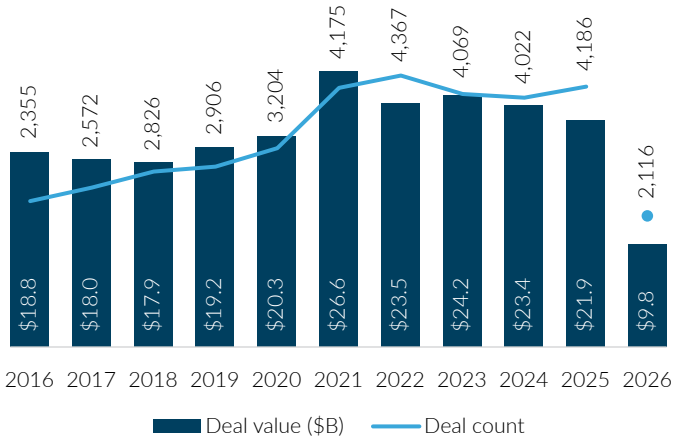
AIC is proud of private equity's strong record of results for small business. But we also know that the story doesn't end there.

When private equity provides capital and expertise to a small business, it's also investing in the community. When private equity provides technological support to a job creator, it protects and promotes the jobs that support families. Small businesses deserve all the help they can get, because when they thrive, communities rise.

As this report shows, thanks to private equity's support, Main Street's impact on our communities and our country is only growing stronger.

Trend analysis

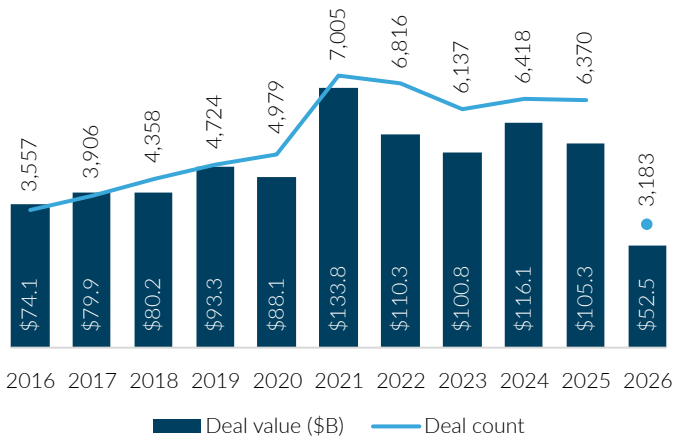
PE deal activity for deals under $25 million



Source: PitchBook • Geography: US
As of July 23, 2026

PE firms continue to back several more small businesses than would be assumed, plowing billions into thousands of small enterprises across the US

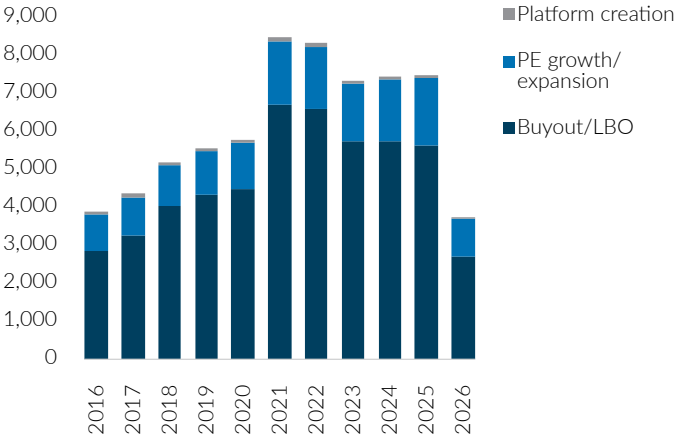
PE deal activity for deals under $100 million



Source: PitchBook • Geography: US
As of July 23, 2026

Once expanded to the "under $100 million" range, counts rise even higher for capital infusions from PE into American small-to-midsize businesses

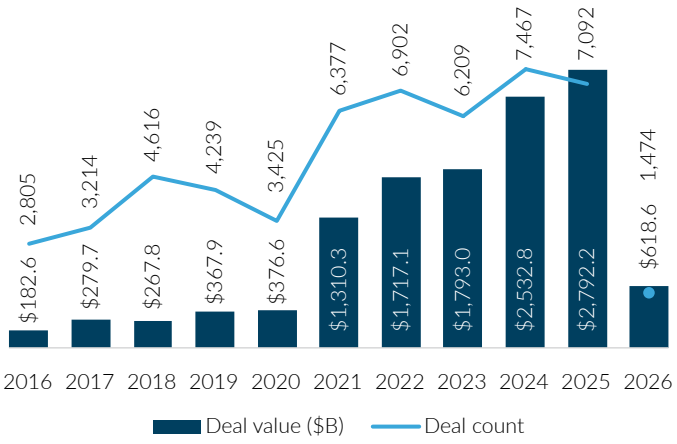
PE deal count of deals under $100 million by type



Source: PitchBook • Geography: US
As of July 23, 2026

Thousands of growth equity deals for small business development are still closing, even in a choppy economic environment

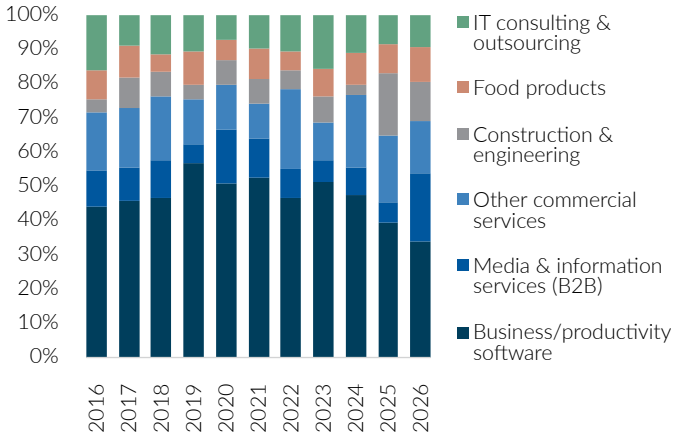
Direct lending activity



Source: PitchBook • Geography: US
As of July 23, 2026

Thanks to the rise of private credit financiers, small-to-midsize businesses that have limited access to bank funding at their scale can obtain many more bespoke types of loan packages

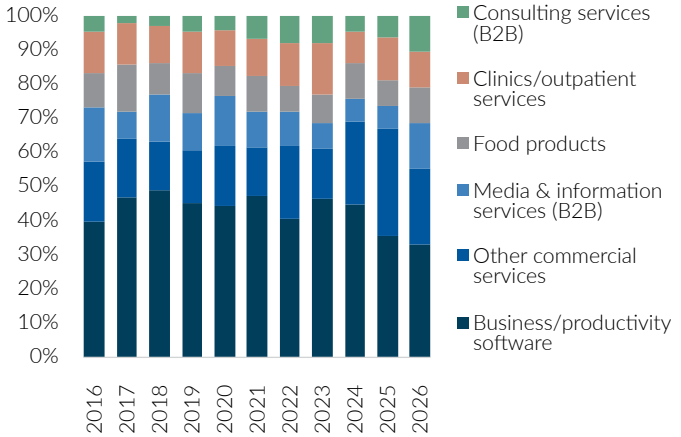
Share of PE deal value of deals under $100 million by select sectors



Source: PitchBook • Geography: US
As of July 23, 2026
Note: Only the sectors with the top deal counts YTD are included.

PE firms focus on services and software—with the latter, in particular, facing challenges from AI concerns—helping valuations recover

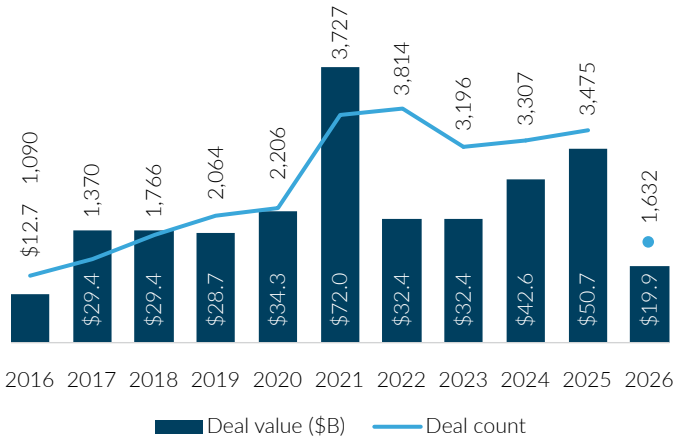
Share of PE deal count of deals under $100 million by select sectors



Source: PitchBook • Geography: US
As of July 23, 2026
Note: Only the sectors with the top deal counts YTD are included.

Demographics are contributing to significant turnover in professional services firms, leading to PE funds stepping in to back them with capital and tech stack investment to help improve economies of scale

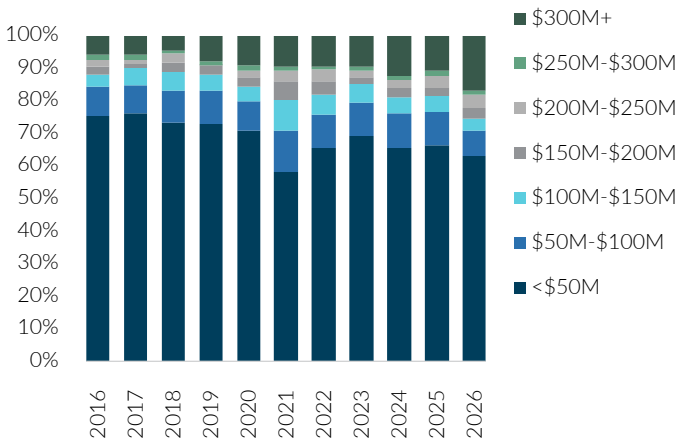
PE add-on activity by platforms with at least four add-ons



Source: PitchBook • Geography: US
As of July 23, 2026

PE firms continue to court small-to-midsize businesses to augment platforms

Share of PE growth/expansion deal count by size bucket



Source: PitchBook • Geography: US
As of July 23, 2026

Growth/expansion investing tilts toward larger, more selective capital infusions

Case studies

Often, PE firms are mentioned in headlines only when they are involved in multibillion-dollar deals. However, that ignores the bulk of what PE firms actually do across the American economy: They partner with small-to-midsize businesses to provide funding for further growth or acquisitions or equipment and tech investment, or they buy small-to-midsize businesses to integrate them into a larger platform where they can expand into new regions or new capabilities. These underrated and unheralded moves form the vast majority of actual PE activity, where firms work with founders or owners to help get them liquidity, realize ambitions, improve their options, and more.[1]

Velocity One

Supporting the reshoring of key defense supply chains

Fairfield, New Jersey
Employee count: 40

Velocity One designs and manufactures custom energetic and pyrotechnic devices, including squibs, pressure cartridges, cable cutters, actuators, pin pullers, thrusters, and explosive bolts, for the defense, military, fire-suppression, and oil-field markets. Led by CEO John Borduin, an aerospace engineer by training, the company had operated on modest bank financing before drawing institutional interest. Charlesbank Capital Partners, alongside Launch Point Partners, acquired the business in a $28 million buyout in March 2025. The investment gives the specialized, fragmented manufacturer the capital and operational support to expand its capacity and pursue add-ons, positioning Velocity One as a defense and aerospace energetics platform at a time of sustained strong defense budgets and pressures to reshore supply chains.

HONK

Roadside-assistance and towing marketplace, inspired by a real-life challenge, gets digital upgrade from PE backing

Los Angeles, California
Employee count: 134

HONK was founded in 2014 to develop a mobile app that helped connect motorists with towing services and other types of roadside assistance. Born from the founder's experience helping his wife when her car broke down, the app ultimately developed into a national platform that connects motorists with a network of independent towing operators and service technicians. Frontenac Company and Monroe Capital backed HONK in a $55 million buyout in March 2026, valuing it at $110 million, after the company had received an infusion of venture capital. As the transaction closed, HONK was able to complete a strategic add-on focused on nontowing services, which will help expand its service capabilities, among other advantages. It will also help drive new business to small shops that help repair cars, tow vehicles from crash sites, and the like, increasing the potential for newer repair firms and skilled auto workers to grow their own businesses.

1: All employee counts are estimated based on recently available data from the company, job sites, or other usual PitchBook sources and are typically associated with the time of the transaction. They may not be real-time figures.

CargoTuff

Niche industrial packaging company looks to expand with PE capital

Virginia Beach, Virginia
Employee count: 51

CargoTuff manufactures dunnage airbags, lashing, strapping, and load-securement products for the rail, maritime, truck, and intermodal shipping markets, pairing vertically integrated manufacturing with a global distribution network. H.I.G. Capital acquired the company in a $66.5 million buyout in January 2026, taking full ownership in what was CargoTuff's first institutional transaction. The investment provides a growing maker of industrial shipping consumables with the capital and operating resources of an experienced middle-market sponsor. With backing from H.I.G., CargoTuff is positioned to expand its manufacturing footprint and distribution and serve as a platform for further consolidation in the fragmented load-securement market.

Aquawolf

Small construction and engineering firms are key to meeting America's energy needs

Golden, Colorado
Employee count: 51

Founded in 2019, Aquawolf provides multidisciplinary infrastructure engineering for power-delivery and natural-gas projects, including electric transmission and distribution, substations, and pipelines for utility and energy clients. Previously a subsidiary of Mammoth Energy Services, the roughly $12 million-revenue business was acquired in December 2025 by Qualus, the utility-services platform backed by New Mountain Capital, in an estimated $30 million transaction, with Mammoth receiving $23.5 million in cash at closing. The deal folds a fast-growing engineering firm into a national platform at the center of the grid-modernization and electrification build-out. Within Qualus, Aquawolf gains scale and reach as utilities providers ramp up transmission-and-distribution investment to meet surging electricity demand.

Valentine Insurance Services

A founder-built brokerage scales through a PE-backed platform

Memphis, Tennessee
Employee count: 30+

Valentine Insurance Services provides commercial, personal, and employee-benefits insurance to individuals, families, and businesses, with a focus on reference-based pricing and customized coverage. Founder and CEO Henry Lindeman II, a former Big Four CPA, launched the agency in 2018 after buying his book of business from a prior firm and grew it from two employees to more than 30. In September 2025, Valentine was acquired for $50 million by Oakbridge Insurance Agency, the brokerage platform backed by Ares Management, Audax Private Equity, and Golub Capital. Joining a larger platform gives a fast-growing independent agency access to carrier relationships, shared services, and capital for further growth. The deal illustrates how private capital consolidates a highly fragmented insurance-brokerage market, turning founder-built books of business into regional platforms.

Rentvine

Property-management software for single-family rentals scales with growth equity

Estero, Florida
Employee count: 150+

Rentvine was co-founded by David Borden, a US Military Academy graduate and former Army helicopter pilot with deep roots in property management, to build an integrated platform for single-family rental operators spanning accounting, leasing, maintenance, customer management, and analytics. The company has raised roughly $174 million to date, including $74 million in development capital from Mainsail Partners in August 2024 and $96 million from undisclosed investors in November 2024. The latter round was aimed at ongoing product innovation to improve the property-manager experience, so even smaller landlords and rental owners can use top-notch tools to manage their properties. With growth equity behind it, Rentvine is positioned to expand its product suite and capture share in a fast-professionalizing category.

Steelhead Technologies

Shop-floor software for manufacturers receives capital injection

Calumet, Michigan
Employee count: 18

Steelhead Technologies develops a production-management and business-intelligence platform that streamlines the shop floor for manufacturers, particularly metal-finishing job shops, by digitizing production, inventory, scheduling, compliance, shipping, and invoicing. Built in Michigan's Upper Peninsula and backed in its earlier years by venture investors including C2 Ventures, the company has raised roughly $107 million to date. Mainsail Partners provided $84 million of development capital in December 2025. The investment equips a founder-led business to scale its go-to-market strategy and push its software deeper into a large, underdigitized industrial base, aligning with reshoring and factory-modernization tailwinds.

Jefferson Wells International

Specialist talent continues to grow in value in the AI era

Milwaukee, Wisconsin
Employee count: 300

Jefferson Wells is a long-established business services firm that connects individuals with skilled professionals in finance and accounting, risk and compliance, and tax services. The platform also deploys experienced consultants to help organizations manage technical finance functions and control costs. Most recently a subsidiary of ManpowerGroup, the roughly 300-person, $76 million-revenue business was carved out and acquired by Sikich, the accounting and advisory platform backed by Bain Capital, in a $100 million transaction at about 1.3x revenue in April 2026. For Sikich, the deal deepens specialist finance and compliance talent at a moment of acute demand for that expertise in a competitive dealmaking climate and as AI's ubiquity necessitates human oversight. Under Bain Capital's ownership, Jefferson Wells gains the scale, cross-selling reach, and investment of a fast-growing advisory platform, an example of private capital repositioning a corporate division for renewed growth.

SYVO

Bridal and prom retail's software backbone lands institutional capital

Austin, Texas
Employee count: 48

Founded and led by Mike Ebrahimi, SYVO built a digital-marketing and e-commerce platform tailored to the bridal and prom industries, offering mobile-friendly website design, e-commerce tools, and marketing campaigns to retailers and designers worldwide. The business grew as a founder-owned, bootstrap operation before its first institutional round. Aquiline Capital Partners acquired SYVO in a $23 million buyout in March 2026. With Aquiline's backing, the company is positioned to accelerate product development and broaden its reach across a specialty-retail vertical that has been slower than most to digitize, turning a niche tool into a category platform. With SYVO, individual proprietors such as dressmakers can help boost their business by improving their digital presence, localized marketing for sales events, and more.

Launch Labs

Permanent capital gives niche software a long-term home

Chapel Hill, North Carolina
Employee count: 25

Launch Labs is an audience-engagement platform that helps businesses turn website visitors into customers, combining real-time behavioral data, audience segmentation, personalized content, and multichannel activation across email, text messaging, and direct mail. Founded and led by Garrett Roach, the 25-person company built a focused marketing-technology tool anchored in first-party data at a time when businesses were working to own their customer relationships directly. In February 2026, Launch Labs was acquired in a $26 million transaction by Banyan Software, the long-term software acquirer backed by investors including Ares Management. Banyan's buy-and-hold model gives a small, founder-built business a permanent home, along with the capital, shared resources, and operational support to keep growing. The deal reflects a fast-expanding corner of private capital: permanent-capital platforms acquiring small vertical-software companies not to flip them, but to own and nurture them for the long run.

Mancini Orthodontics

How even megafunds end up unlocking liquidity for owner-practitioners

Hampstead, North Carolina
Employee count: 5

Mancini Orthodontics provides braces, clear aligners, Invisalign, and related treatments to adolescents and adults in coastal North Carolina. In January 2026, the practice was acquired for $42 million by MB2 Dental, the dentist-owned dental-support organization backed by Warburg Pincus, Charlesbank Capital Partners, and Kohlberg Kravis Roberts. MB2's model pairs affiliated doctors with shared administrative, marketing, and purchasing support while letting them retain clinical autonomy and an ownership stake in the wider platform. For a single-doctor practice, the transaction shows how major PE capital reaches Main Street businesses through partnership-driven roll-ups, giving Dr. Kevin Mancini the scale and back-office strength of a national network while preserving a more rooted approach to local care.

Outlook



American small-to-midsize businesses face a demanding environment. Inflation continues to run above recent historical averages, pressuring input costs as customers hunt for bargains and trade down. Capital is dearer than it was a few years ago, and the margin for error is thinner. Yet a fortunate confluence may be taking shape, one that could direct more capital and expertise toward Main Street precisely when it is needed most.

The dynamic starts at the top of the PE market. PE has navigated a difficult dealmaking environment for several years, and the largest funds face a particular bind. Since several marquee managers went public, growing assets under management has become a core driver of their share prices, creating a standing mandate to raise ever-larger funds and to deploy capital at a scale befitting their size.[2] However, beyond placing plenty of focus on those largest shops' large-scale capital deployments, most PE firms are focused on the US middle market and raise smaller funds that have more bespoke investment theses and mandates. They back the types of small-to-midsize enterprises detailed in this report across all American regions, spanning multiple key sectors of the US economy. Given their great numbers and specific focus areas, they are able to help specific smaller companies through longer-term periods, including choppier economic conditions, such as now. In fact, middle-market funds that raise between $100 million and $5 billion have also been able to demonstrate strong returns and more ways to create value.[3]

Smaller, middle-market-focused firms can pursue companies where competition is less intense and entry multiples are more favorable, and where diligence, sector knowledge, and operating acumen, rather than financial engineering, become the differentiators that improve returns over the long run. This is not a novel proposition. For years, the prevalence of add-on acquisitions has been noted as a defining PE adaptation (add-ons' portion of all US buyouts hit 72.9% in 2025),[4] and add-ons are especially attractive in the lower middle market, where value can be built with prudent leverage and hands-on operational improvement.

The same logic applies even further down the size spectrum, toward the small-to-midsize firms that anchor local economies. For a founder weighing expansion, a family owner planning a succession, or an operator looking to professionalize and scale, PE can supply not only capital but also operational and sector expertise. Competition will not vanish, and a higher-for-longer interest rate environment will keep pressure on leverage, but the direction of travel favors businesses that have long sat just beyond the reach of institutional capital.

The companies profiled in this report are a snapshot of that shift already underway, spanning sectors and regions and ranging in size from founder-led startups to established Main Street institutions. As private capital extends its reach into the small-to-midsize business ecosystem, the beneficiaries are not only investors and the pensioners and retirement savers whose capital they steward, but also the workers, families, and communities that these enterprises, the backbone of the American economy, sustain.

2: "Diminishing Returns to Scale," PitchBook, Taylor Criswell and Kyle Walters, July 17, 2026.
3: "Q2 2026 Quantitative Perspectives: System Reboot," PitchBook, Taylor Criswell and Andrew Akers, May 13, 2026.
4: "2025 Annual US PE Breakdown," PitchBook, Jinny Choi, et al., January 13, 2026.

Methodology

Reports are prepared in accordance with PitchBook's methodology, which is described in detail on the PitchBook report methodologies page.

About AIC

The American Investment Council (AIC) is the leading advocacy and resource organization established to develop and provide information about the private investment industry and its contributions to the long-term growth of the US economy and the retirement security of American workers. Member firms of the AIC consist of the country's leading private equity, private credit, and growth capital firms united by their successful partnerships with limited partners and American businesses. More information about the AIC can be found at www.investmentcouncil.org.