



New Survey from LegalZoom Reveals Compliance Is Weighing on Small Businesses in 2026

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33% of small business owners say compliance requirements have prevented them from pursuing new business opportunities

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--Mar. 26, 2026-- LegalZoom.com, Inc. (Nasdaq: LZ), America's #1 online legal services company, today released a new survey revealing that 33% of small business owners say compliance requirements have prevented them from pursuing new business opportunities. The most often missed opportunities include expanding into new areas (46%), securing new partnerships or investment (44%), hiring (43%), and launching new products or services (41%).

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20260326323910/en/>



LegalZoom research shows what compliance workloads look like.

are missed. They also reveal how compliance pressures influence confidence, risk exposure, and long-term growth plans.

Business owners across the board are spending more time keeping their businesses compliant with a wide range of rules and regulations, including licensing and permits, contracts, tax compliance, employment law and everything in between. Nearly half of business owners report that compliance is taking more time than it did last year, with 32% spending up to 20 hours per month on compliance-related tasks. Forty-six percent say their compliance workload is heavier than one year ago, with 13% describing it as "much heavier." Only 7% say it is lighter. What's more, half of all business owners expect their compliance workload to increase next year.

The stakes of managing this workload are significant. One in four small business owners (25%) report receiving a compliance-related warning, fine, or citation. Most penalties totaled between \$2,000 and \$10,000, including fines, fees, and lost revenue. For small businesses, this can represent a significant unplanned expense. Beyond paying fines, businesses also had to modify internal processes, update documentation practices, or implement new tracking systems to prevent repeat violations.

What makes these consequences harder to bear is that the rules themselves aren't always clear. Nearly a quarter of business owners (23%) say they "often" or "always" feel unclear about what their compliance obligations are. Part of that uncertainty stems from varying definitions and requirements across jurisdictions. When asked what would make compliance easier, owners pointed to practical solutions: one platform to manage all compliance tasks (31%), expert support or guidance (24%), and clearer instructions from authorities (24%).

"When founders are spending hours each month on compliance paperwork and one in four are facing fines, it slows small business growth," said Allison DeSantis, LegalZoom Lawyer and Senior Director of Product Counsel. "As regulations continue to evolve, small businesses need clarity, structure, and reliable support. At LegalZoom, we provide step-by-step tools and attorney guidance to help business owners understand their obligations, stay organized, and move forward with confidence."

About LegalZoom

LegalZoom is America's #1 online legal services company, transforming how individuals and small businesses navigate the legal system. By combining intuitive technology with access to experienced attorneys, we offer the tools and guidance people need to confidently manage everything from business formation and compliance to intellectual property protection and ongoing business management and legal support.

As AI reshapes how legal work gets done, LegalZoom is at the forefront of the human-in-the-loop approach, ensuring that the speed and efficiency of AI is always backed by the judgment and accountability of qualified professionals. With over two decades of experience and millions of customers served, LegalZoom helps individuals and small businesses navigate legal needs with confidence. For more information, please visit www.legalzoom.com.

Methodology

To better understand how small businesses are navigating regulatory compliance in 2026, we surveyed 1,000 U.S. small business owners in December 2025. The sample included businesses across a range of industries, sizes, and revenue levels.

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Source: LegalZoom.com, Inc.

To better understand the current state of compliance, LegalZoom surveyed 1,000 small business owners across the U.S. The results offer a detailed view of how much time it takes, how workloads are changing, and the consequences when obligations