



New Survey from LegalZoom Reports Entrepreneurs Use AI to Move Faster, But Turn to Human Guidance When Risk is Real

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New research of 1,000 aspiring founders and established entrepreneurs reveals AI has become a daily operating tool, but they pull back when the stakes involve legal liability, human impact, or regulatory exposure

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--May 18, 2026-- LegalZoom (Nasdaq: LZ), America's #1 online legal services company, today released findings from a comprehensive survey of 1,000 respondents — 500 aspiring founders and 500 current business owners — across the United States. The survey examined AI adoption rates, how and when founders rely on AI tools, the perceived value it provides, and what concerns remain. The results paint a picture of a business community that is rapidly embracing AI, with both enthusiasm and caution.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20260518144263/en/>



LegalZoom Survey: How Entrepreneurs Use AI -- And Where They Draw the Line

Microsoft Copilot, with additional traction from tools like Perplexity (17%) and Claude (16%). Increasingly, business owners are not relying on a single platform, but instead adopting a multi-tool approach.

When asked how they view AI's role in entrepreneurship, 27% say AI makes starting a business more accessible than ever, while another 27% say it lowers barriers, but guidance is still essential. A further 22% describe AI as helpful but not critical. Notably, the continued emphasis on the need for guidance underscores that entrepreneurs recognize AI's limits, particularly in areas such as legal compliance, tax strategy, and business structuring.

Entrepreneurs are setting clear boundaries. When asked in which situations they would not rely on AI, regardless of convenience, 38% cited high-risk legal or financial decisions, 36% said decisions affecting customers, 34% cited decisions affecting employees, and 33% said situations involving regulatory penalties. These responses reflect a pragmatic mindset. Entrepreneurs are eager to use AI for efficiency, but remain cautious about the level of risk involved.

"What we are seeing is a tectonic shift in how entrepreneurs build and run their businesses, with AI now serving as a daily operating tool for small business owners," said Jeff Stibel, LegalZoom Chairman & CEO. "But the story isn't just adoption, it's also about judgment. Entrepreneurs are using AI daily to move faster and do more, but they're also drawing clear lines about where they won't hand over the wheel. At LegalZoom, that's exactly the gap we exist to fill. When the stakes are high, you still need human judgment, guidance and expertise."

"I used AI from shaping the concept and business plan to building the website itself," said Peter Taylor, Founder of matchMor. "But I knew early on that there were places where AI wasn't enough. When it came to legal foundations like our EIN, registered agent, and ensuring the business was structured correctly, I turned to LegalZoom. Some decisions carry real consequences if you get them wrong, and that's not where I wanted to rely on a chatbot. Having those foundations in place gave me the confidence to focus on what matters most. As a first-time founder, I'm proof that the tools available to entrepreneurs today have genuinely leveled the playing field. You no longer need a big team or deep pockets to build something real, but you do need to know when to bring in people who know what they're doing."

AI Usage Patterns

Among current business owners, adoption varies considerably by company size and sector. Larger companies are leading the way, with 73% of businesses with 50 or more employees reporting regular AI use, compared to 42% of those with 2–9 employees and 39% of solo operators. Industry adoption is similarly uneven. Consulting and professional services (54%), healthcare and pharmaceuticals (57%), and manufacturing (61%) rank among the highest-adoption sectors. Adoption is notably lower in arts and entertainment, where just 29% of current business owners report regularly using AI tools, likely due to concerns about authenticity and intellectual property.

High confidence, high cost savings

Confidence in AI is nevertheless sky-high, which may surprise some AI skeptics. Sixty-seven percent of respondents say AI has increased their confidence in making business decisions, including 24% who say it has done so significantly. Only 4% say AI has decreased their confidence.

However, entrepreneurs also report a range of frustrations, including concerns about accuracy or errors (32%), cost (29%), lack of trust in AI-generated advice (24%), time required to learn or set up tools (22%), legal or compliance risks (21%), and difficulty applying outputs to real-world situations (19%). Even so, AI is proving to be a cost-saving tool for many: 18% say it has significantly reduced their costs, and 34% say it has somewhat reduced them.

AI is handling more and more

When asked at what stage they've used or plan to use AI, entrepreneurs cited a broad range of use cases. Forty-three percent use AI for day-to-day administrative tasks, and 42% use it for building a website, app, or online customer experience. Thirty-eight percent turn to AI for planning or researching a business idea, 37% for marketing or customer acquisition, and 34% for scaling or growing the business.

One of the most significant findings is the extent to which entrepreneurs are using AI as a replacement, or partial replacement, for professional services. When asked how complete the substitution is, just 19% say AI fully replaces the professional service, and 31% say AI handles most of the

work with minimal human involvement. Thirty-six percent say AI handles part of the work but that humans remain essential, while 11% say AI provides limited support, with humans doing most of the work.

As artificial intelligence transforms how legal work gets done, LegalZoom is leading the next evolution of legal services through a human-in-the-loop approach that pairs AI efficiency with licensed professional accountability and qualified support. LegalZoom's suite of AI-powered tools and human support help individuals and small businesses identify risk, maintain compliance, and navigate complexity faster than ever before, while its nationwide independent attorney network and proprietary law firm ensure that a qualified professional is available to review, advise, and act when it matters most.

About LegalZoom

LegalZoom is a leading online platform for legal services, transforming how individuals and small businesses navigate the legal system. By combining intuitive technology with access to experienced attorneys—whether through our vast independent attorney network or our own law firm—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.

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