

# Tapping Opportunity

**U.S. Businesses Use App Ecosystem  
to Grow, Succeed, and Innovate**

Prepared by  
The Developers Alliance

Foreword by  
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# Foreword

## America Runs on Apps: Celebrating the App Economy and Its Developers

BY

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The rise of digital software distribution platforms, commonly called “app stores,” has ushered in an industry and opportunities we couldn’t have imagined just a generation ago. When Apple and Google launched their app stores, in 2008 and 2012, respectively, they did more than establish new marketplaces — they created entirely new ecosystems.<sup>1</sup>

By placing foundational tools — such as Application Program Interfaces (APIs), Software Development Kits (SDKs), and accessible infrastructure — in the hands of third-party software developers, app store platforms empowered millions of innovators worldwide to create transformative products and services.<sup>2</sup>

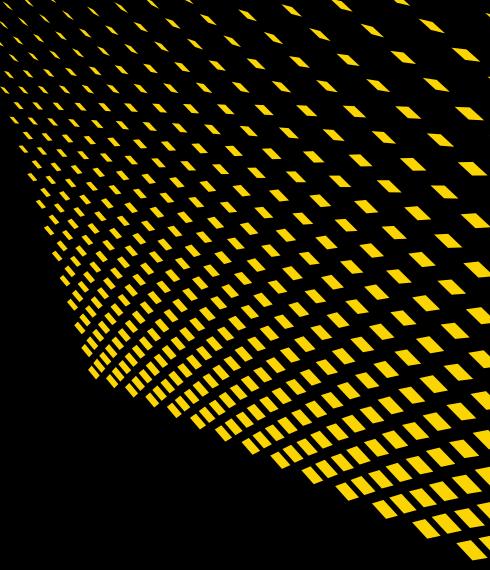
Apple and Google succeeded by recognizing the immense potential of third-party developers. Embracing openness, they fostered an environment where diverse applications flourished, responding directly to consumer- and market-driven demands. Developers capitalized on unprecedented opportunities to directly connect with millions of users, express their creativity, and carve out market niches.

For consumers, the impact is clear and profound. The app ecosystem has led to the development of apps we rely on daily, for everything from healthcare and education to shopping, travel, entertainment, social networking, gaming, and sports. Apps reshape virtually every facet of life. But any such profound shift inevitably creates winners and losers, fueling enthusiasts and critics.

For some, the initial optimism surrounding app stores has gradually shifted toward concern. Recently, technology firms have come under intense public and legal scrutiny for their consumer data privacy and security practices, inspiring new theories of competition law. While some companies have had very public breaches or missteps, the industry as a whole also deserves credit for significantly enhancing everyday life and catalyzing enormous economic growth and opportunity.

# Foreword

## America Runs on Apps: Celebrating the App Economy and Its Developers



Today, Apple's ecosystem hosts over 1.5 million apps, generating over 370 billion downloads and enabling developers to earn over \$320 billion, cumulatively since 2014.<sup>3</sup> The broader economic activity spurred by the app economy surpasses one trillion dollars annually.<sup>4</sup> Currently, the app economy supports approximately 2.6 million U.S. jobs, accounting for nearly 20 percent of non-farm employment growth.<sup>5</sup>

In partnership with an energetic and creative developer community, America's tech firms, admired globally, have built a thriving app economy. This accomplishment is rooted deeply in America's distinctive strengths: a culture of experimentation, exploration, and relentless innovation. However, one must never forget that technological breakthroughs do not inherently belong to any one nation or company and must be continually earned. The saying, "America innovates, the European Union regulates, and China imitates," may be getting outdated. China has swiftly emerged as a powerful innovator, and the EU is actively working to regain its competitive edge. America's ongoing leadership in technological innovation is hardly guaranteed.

We stand at a critical juncture, with artificial intelligence (AI) set to reshape society in unpredictable ways. To maximize AI's potential, America must leverage its core strengths: openness to ideas, free-market competition, individual creativity, and financial investment. The stakes in the AI race are high, encompassing economic competitiveness and national security.

Now more than ever, developers' voices are critically important and must be amplified in corporate boardrooms and on Capitol Hill. After all, they've built the future we live in today and the future we will live in tomorrow.

This survey underscores the developer community's overwhelming endorsement of today's technologies and the app ecosystem, offering a fresh, positive outlook amidst broader skepticism toward the leading technology platforms. Given the shifting, competitive global landscape, the U.S. — now more than ever — must strive for laws and regulations that help ensure America's ongoing economic and technological leadership.

# Executive Summary

Despite ongoing economic uncertainty, the mobile app ecosystem is remarkably strong, with those participating in it expressing overwhelmingly positive views of how the system contributes to their success.

Entrepreneurs have increasing opportunities to innovate, develop products, reach customers, and build successful businesses with mobile software applications, or “apps.” According to the most recent NAICS data, there are 232,681 computer systems-design and related services businesses in the United States, employing more than 2 million Americans.<sup>6</sup> Other data suggests the app economy alone accounts for over 2.5 million jobs.<sup>7</sup> The Developers Alliance’s survey results offer timely insights into the challenges, opportunities, and market conditions that app leaders face in 2025. As Congress and regulators consider policies affecting the app ecosystem, including data privacy laws, artificial intelligence regulations, and changing competition laws aimed at digital platforms, they must understand the app ecosystem’s value to developers and the consequences changes to the ecosystem bring.

This report examines data from a survey of 1,250 U.S.-based “app leaders” to better understand the perspectives of business leaders who participate daily in the app economy. By offering insights into how these leaders view the opportunities, challenges, and evolving role of apps in an increasingly digital marketplace, we aim to inform discussions around the economic policy, digital infrastructure, and regulations that will shape the future of the app economy.

Notably, app developers overwhelmingly approve of the current structure of the app ecosystem. Ninety-five percent say the current system empowers them to innovate and build new products and services, and 94% of app leaders agree it’s easy to monetize their apps within today’s framework.

## App Economy

The app economy refers to the growing part of the economy built around mobile apps, e.g., the software you download and use on your phone or tablet. It includes the money people spend on downloading apps, making in-app purchases, advertising, and subscription models that support them.

## App Ecosystem

The app ecosystem is the broader environment that makes mobile apps possible and ensures their accessibility to users. It includes the devices (like mobile phones and tablets) and software platforms (like Apple iOS or Android), the developers and business leaders who create and manage apps, the rules and guidelines that govern how apps are built and sold, and the users who shape which apps succeed. In short, the system of technology, businesses, and policies that supports how apps are created, distributed, and used.

## App Leaders

The decision makers at businesses where products or services are delivered through an app (app-based business) or businesses that include an app as part of their operations (traditional business with an app).

# Executive Summary

App publishing platforms like the popular Apple App Store and Google Play allow businesses to reach more customers, quickly bring new products to market, and maintain customers' security. That enables companies to thrive, create jobs, and compete in the global digital marketplace. Almost all (93%) app leaders are satisfied with the current app store options available to their businesses for app publishing, and 91% agree that app store features help them quickly bring products to market. Additionally, more than 90% said leading app stores maintain safety for their businesses and customers by rejecting malicious or abusive content, and that they prioritize privacy, security, and trust in ways that help them succeed.

Looking ahead, emerging technologies—most notably, AI—are lowering barriers to entry in the app development market and enabling more businesses than ever to build, personalize, and scale apps.

Nevertheless, app leaders voice concerns about specific risks:

- **Fragmented privacy regulations:** 84% of app leaders support a single, national data privacy law. Business owners, especially those integrating AI and handling customer data, emphasized that a patchwork of conflicting state laws would create operational inefficiencies and increase compliance costs without improving consumer protections.
- **Restrictive AI regulations:** AI is widely used in app businesses, with 89% of leaders saying they use it in some form. Seventy-two percent believe overly restrictive AI regulations would hurt their ability to develop AI-based products, and that risk is even more acute for those already using AI tools. Policymakers should design rules that address legitimate risks while preserving leaders' flexibility to integrate new technologies, improve products, and compete globally.
- **Unnecessary disruptions to the platform model:** 50% of leaders said distributing their apps through more third-party app stores would increase costs, while 84% warned that weaker platform security would directly harm their businesses. While multiple app stores and distribution systems are available, with different fee structures and models, Apple's App Store and Google Play provide resources, stability, speed-to-market, and high levels of consumer trust. Undermining their models could introduce new costs, risks, and inefficiencies, especially for small and mid-sized businesses.

By considering and addressing these risks with tailored, clear, commonsense legislation, policymakers can support what's working in the app economy. Specifically, policymakers should prioritize:

- Passing a single national data privacy law that provides clear, consistent rules for businesses and consumers.
- Crafting a risk-based and flexible AI regulatory framework that allows companies to operate and innovate responsibly, while safeguarding against harms.

# Key Findings

Evaluating the risks that government intervention would have on the app ecosystem, particularly the proliferation of a wide range of models and platforms, as well as the costs and benefits for consumers and developers.

- 91% of app leaders say the United States is the best country in the world to grow an app-based business.
- 90% of app leaders say the health and status of the app ecosystem are good.
- 95% of app leaders say the app ecosystem allows them to innovate and build new things.
- 95% of app leaders say the app ecosystem is important for the future growth of their business.
- 92% of app leaders believe app stores maintain safety for their businesses and customers by rejecting malicious or abusive content.
- 90% of app leaders say app stores prioritize privacy, trust, and safety in ways that help their businesses succeed.
- 96% of app leaders using Apple's App Store and Google Play say the stores provide important tools and support for their app's success.
- 84% of app leaders pay fees to app stores beyond the cost of creating a developer account.
  - 91% of leaders who pay such fees agree that the app stores provide value equal to or greater than what their businesses pay.
- 93% of app leaders say the current app economy and ecosystem help them find customers for their businesses' app(s).
- 93% of app leaders are satisfied with the range of app stores currently available on Google Android and Apple iOS.
- 50% of app leaders say distributing their apps through more stores would raise their costs, but only 20% say they would lower their costs.
- 94% of app leaders say Apple's App Store and Google Play, along with their mobile operating systems, give their businesses a stable operating environment.
- 84% of app leaders say they need a single national data privacy law instead of multiple state laws.

# Extended Findings

## App Businesses Are Growing Fast, Helping Power U.S. Economic Growth

App businesses are increasingly significant contributors to the broader U.S. economy. As app development becomes better, faster, and cheaper, businesses in traditional industries turn to apps as an additional touchpoint with consumers. Recent estimates suggest approximately 62% of companies already have an app or are in the process of developing one.<sup>8</sup>

Our survey of “app leaders,” 52% of whom are decision makers at businesses where products or services are delivered through an app and 48% of whom are decision makers at a business that includes an app as part of its operations, measured sentiment across several business and policy issues. Most of these individuals are involved in app coding, with 91% of leaders reporting they code, oversee coding, or both.

App leaders report their businesses employ 152 individuals on average, with a median revenue of \$2 million in 2024. Nearly two-thirds (64%) of app leaders believe the U.S. economy is doing well, and the majority (82%) are optimistic about its future over the next two years. Nearly all leaders (93%) are confident about their business's growth over the next two years. Moreover, 91% believe the United States is the best country in the world to grow an app-based business. Leaders' views notwithstanding, app stores also allow businesses to reach customers outside the U.S. market. App leaders report that 60% of their downloads come from customers within the U.S., while 40% are from users abroad.



“

Today's platforms help small app-based businesses like **BetterYou** grow, compete with much bigger players, and push innovation to the limit. App stores' low barriers to entry help level the playing field – giving my company and others a chance to reach millions of potential customers. My message to policymakers would be don't take away the tools we need to compete.”

**SEAN HIGGINS | BETTERYOU**

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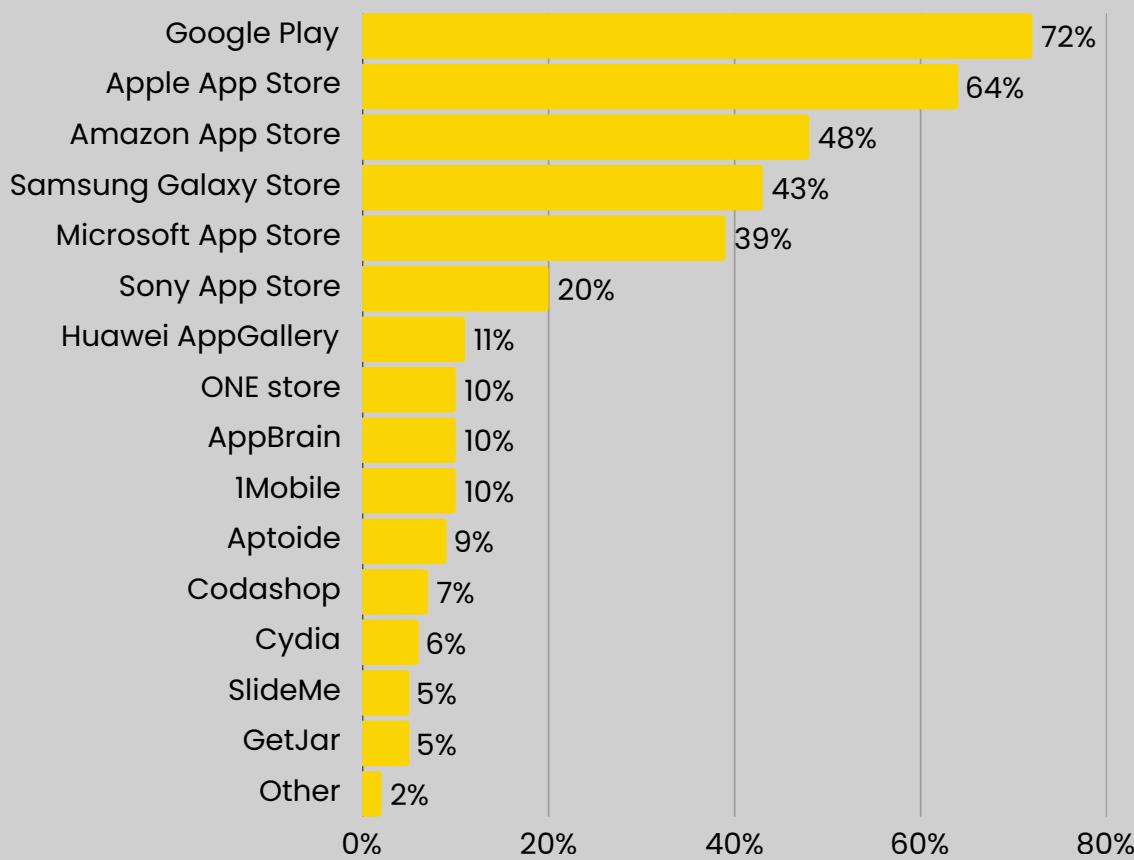


# Extended Findings

## Competitive App Ecosystem Offers Options, Fosters Innovation

Rather than being locked into any single platform, app leaders list their apps on many platforms. While Google Play and the Apple App Store are the most frequently used stores, businesses use an average of 3.6 app store platforms. Businesses that use Google Play and Apple iOS (52% of those surveyed) use an average of 4.6 app stores. There is a positive correlation between business size and revenue, and this multi-platform approach, as companies with greater revenue and more employees tend to list their apps on more platforms, maximizing their potential reach and diversifying their revenue streams (not shown). Even so, smaller app companies also tend to use multiple app stores.

APP STORE DISTRIBUTION CHANNELS



# Extended Findings

App leaders overwhelmingly endorse the health of the app economy, with 90% rating it as good or very good. Interestingly, this enthusiasm correlates with fee structures. Those who pay platform fees (84% of all leaders) express more substantial confidence in the app economy, with 93% rating it at least good (50% "very good"), compared to 79% of non-fee-paying leaders. Nearly all leaders (94%) view the app ecosystem as beneficial for society, while a similar proportion (95%) value the innovation and building opportunities it creates for developers across the board. Together, these findings paint a picture of a thriving digital marketplace that delivers business value to those who closely engage with it and broader economic benefits.

## App Stores Drive Discovery and Speed to Market

App leaders consider app stores to be enablers of business success. Ninety-four percent of app leaders say the current app economy, in which app stores play a central role, makes it easy to create an app product and bring it to market, and 91% believe app stores offer features that shorten time to market. App stores' role in customer acquisition is equally valued: 93% say app stores help them find customers, and 94% report that app stores provide a secure, trusted environment for new customers to discover their apps.

**“Expect Fitness exists to support pre- and post-natal women — but we can only help them if we’re able to reach them efficiently. App stores have completely democratized distribution for small companies like ours, allowing us to build global relationships and deliver life-changing fitness and pelvic floor training to moms who’d never reach a brick-and-mortar clinic — all through the phones they use every day.”**

### DARA COOK | EXPECT FITNESS

CEO and Cofounder

New York, New York

<https://www.expect.fit/>



# Extended Findings

## Trusted Platforms: The Strong Foundation of the App Economy

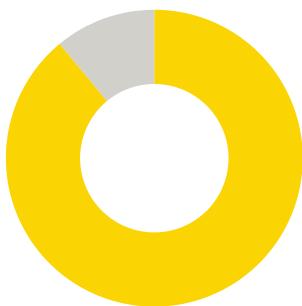
Apple's App Store and Google Play serve as trusted platforms that meet the needs of the app leaders and businesses who use their stores. Almost all (93%) app leaders are satisfied with the app stores available to them, and 94% agree these platforms offer a stable operating environment. There's broad confidence in the current level of competition, with 89% believing there's sufficient competition between Apple and Google, and the available range of app stores.

Security and content moderation are essential to this trust. Ninety percent of app leaders say app stores prioritize privacy, trust, and safety in ways that help their businesses succeed, and 92% believe app stores maintain safety for their businesses and customers by rejecting malicious or abusive content.

## AI is for App Innovators

App-based businesses have broadly adopted AI. Eighty-nine percent of app leaders say they use AI in their business and/or to create AI-based apps, underscoring the rapid integration of AI-powered tools and technologies into app development workflows and product experiences.

However, AI is also an area of regulatory concern. Seven in ten leaders (72%) say overly restrictive AI regulations would hurt their ability to develop AI-based apps. Similarly, 78% of all app leaders say restrictive regulations would make using AI in product development harder. With nearly 9 in 10 app leaders integrating AI into their businesses, future AI regulations must avoid prescriptive mandates that limit developers' flexibility or delay product innovation.



**89%**

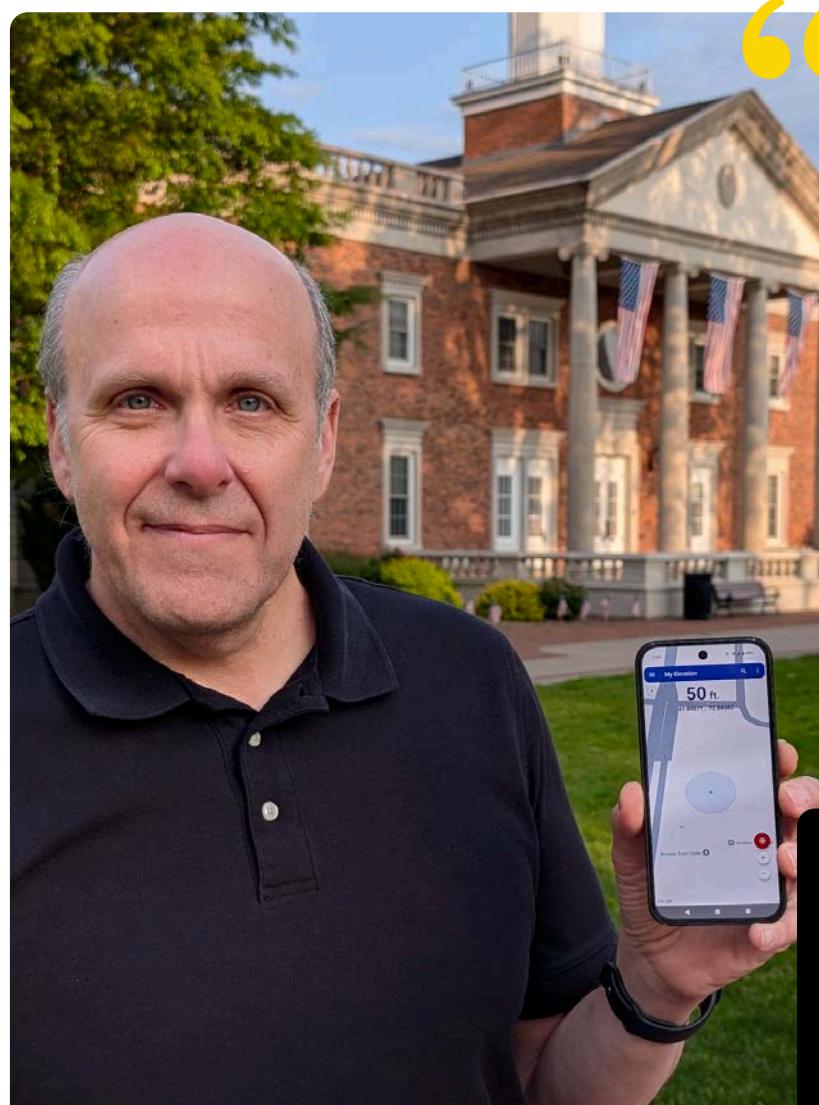
of app leaders use AI in their business and/or to create AI-based apps

# Extended Findings

## Secure Data Fuels the App Economy

Data usage is a defining characteristic of the modern app economy, and secure access to data is essential for app leaders. Eighty-four percent of app leaders say their businesses use anonymized customer data to inform business decisions, while 91% say data is critical to understanding customers and driving growth. Privacy and security are top priorities for these businesses: 74% of leaders say data security and customer privacy are a significant concern, and 84% support a single national data privacy law over a patchwork of state-level regulations.

This consensus suggests policymakers should prioritize a single national data privacy framework, providing stability and regulatory consistency for businesses and consumers. Without a federal privacy law, states have created a patchwork of regulations. Some, like Maryland, have taken a radical approach to data privacy, hurting developers' ability to collect data to learn about their users, find new users, and grow their business. Fifty-one percent of app leaders say such limits on data collection would negatively impact their ability to interact with customers. Notably, 90% say they serve customers better when they have access to more than basic user information.



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Access to basic, aggregated data allows me to more effectively help my users and run **My Elevation**. The data helps me deliver relevant content and make sure ads shown in the app reach the right audiences. I can't see any personal information about my users — I just see how they interact with my app. Unfortunately, the current patchwork of state privacy laws means I need to navigate complex, conflicting requirements that make it really hard for me to run my business.”

**MIKE FALK | MY ELEVATION**

Founder and Developer  
Windsor, Connecticut  
<https://rdhsoftware.com/>



# Conclusion

The app economy is working. App leaders say the current ecosystem helps them build, grow, and innovate, while ensuring a secure, trusted environment for customers.

However, the systems supporting this success could be destabilized by well-intentioned but overly broad policy changes. Sustaining a stable, trusted, and innovation-friendly ecosystem will keep U.S. businesses competitive, protect consumers, and preserve the advantages that make the United States the world's best place to grow an app-based business.

The research paints a clear picture: business leaders operating in the app ecosystem see the current app economy as a vital, stable, and supportive environment for innovation and growth. App leaders are optimistic about their future, satisfied with the tools available, and confident in the security and trust customers find in today's platforms. At the same time, they understand the consequences of potential risks, including fragmented data privacy laws, burdensome AI restrictions, and destabilizing changes to the app marketplace model. Policymakers have an opportunity to engage constructively on these issues, preserving the aspects of the ecosystem that work while ensuring smart, consistent rules for the next phase of digital innovation.

# Methodology

This report uses data from an online survey of 1,250 U.S. app-based business leaders ("app leaders"), defined as decision makers at businesses where products or services are delivered through an app (app-based business), or at a business that includes an app as part of its operations (traditional business with an app).

The survey was conducted from March 28 to April 13, 2025, and the main sample ( $N = 1,250$ ) has a margin of error of  $+\/-2.8\%$ . The margin of error for subgroups is higher. Topline data may be found [here](#).

# End Notes

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The Developers Alliance advocates on behalf of developers, the companies they lead, and the industries that depend on them. We help policymakers and stakeholders understand the specific needs of the developer workforce and advocate for policies that responsibly advance the broader tech sector.

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 [www.developersalliance.org](http://www.developersalliance.org)