

FranchiseInsights.com has reported Business Startup Sentiment Trends data with monthly surveys since January 2020. The Small Business **Startup Sentiment Index™** is derived from a monthly survey of individuals who have recently inquired about businesses or franchises for sale on the digital assets of [FranchiseVentures](#). This survey was conducted August 19-25, 2021.

September 8, 2021

Small Business Startup Sentiment Index™ (SSI)

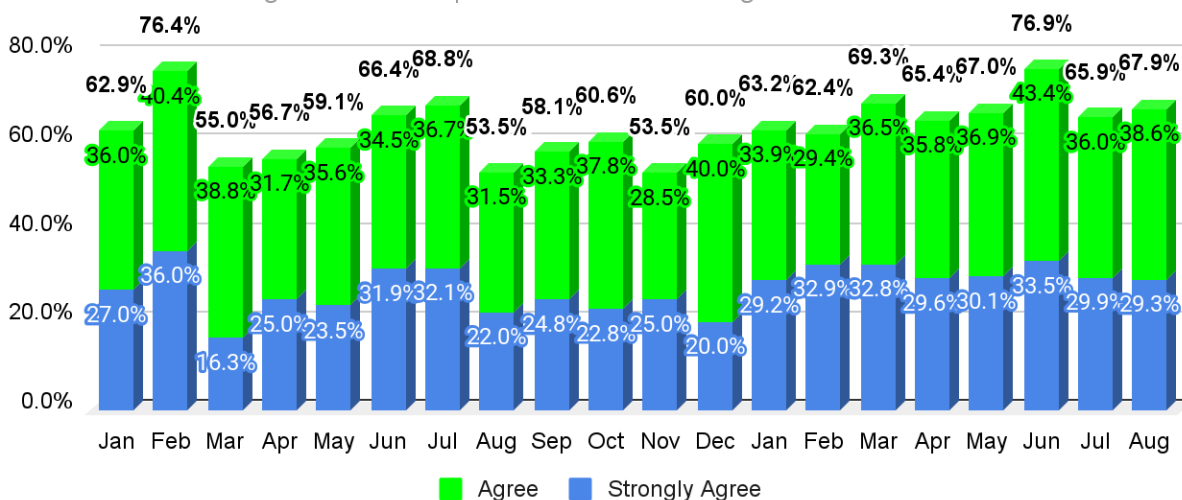
Record High Startup Intentions Within Six Months Aspiring Business Owners Consistently Optimistic

SENTIMENT: NOW IS A GOOD TIME TO TAKE THE LEAP

Entrepreneurs who agree or strongly agree that "now is a good time to start a business" were 67.9% in August, up slightly from July, but down from the record level of 76.9% reached in June 2021. Nonetheless, a record 78.2% of aspiring owners anticipate starting their businesses within six months. [FranchiseInsights.com](#) compiles monthly the **Small Business Startup Sentiment Index™** (SSI) of individuals who have recently inquired about businesses for sale.

Is NOW is a good time to start a business?

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



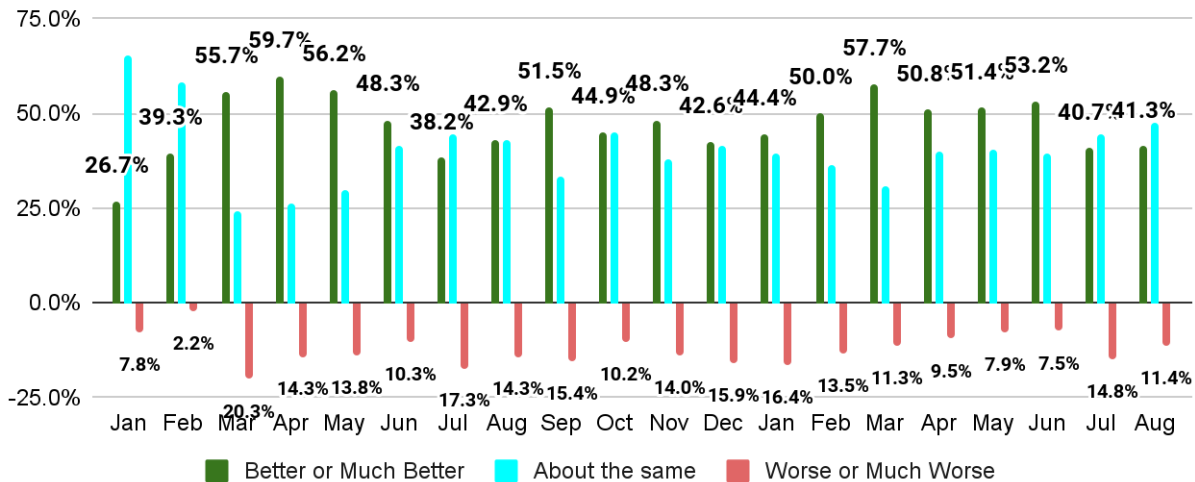
These results mirror the ongoing [surge in new business applications](#) reported in July by the US Census Bureau. On the other hand, [The Conference Board's Survey of Consumer Confidence](#) decreased in August from July's post-pandemic peak to the lowest level since February 2021, attributed to "concerns about the Delta variant—and, to a lesser degree, rising gas and food prices" according to Lynn Franco, Senior Director at the Conference Board.

OUTLOOK ON BUSINESS CONDITIONS REMAINS POSITIVE

As a reflection of confidence in current conditions, a slightly higher percentage believe that in three months, conditions will be **“better or much better”** than now, at 41.3% compared to 40.7% in July. Another 47.3% see conditions **“about the same”** in three months. On the other hand, the percentage seeing conditions **“worse or much worse”** in the same time frame dropped to 11.4%, in line with the 12.6% average of the prior 12 months.

40.7% See Business Conditions Getting "Better or Much Better"

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



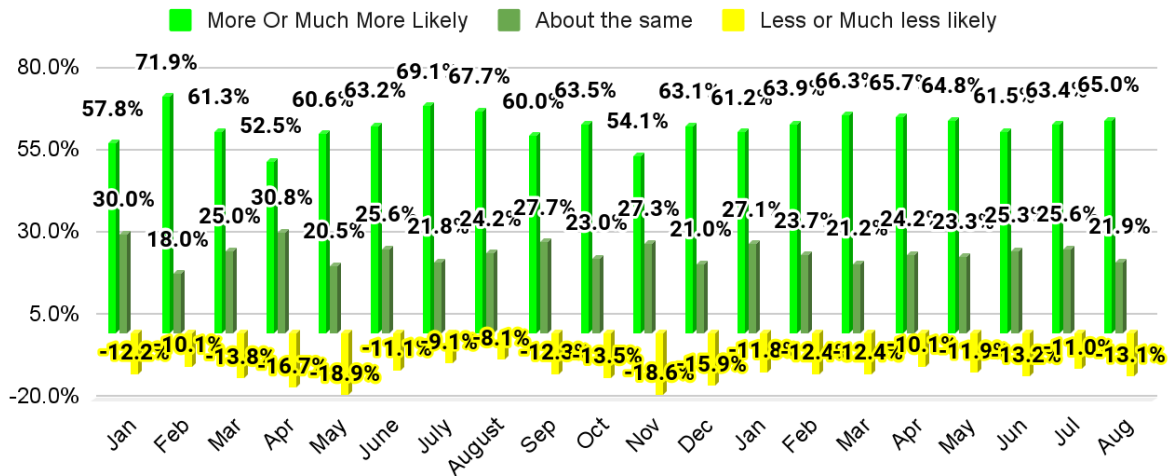
SENTIMENT NOW VERSUS THREE MONTHS AGO

Respondents were a bit more upbeat about starting or buying their business now, with the percentage who are feeling better about their prospects up to 65.0% in August compared to the 63.4% of respondents in July who indicated they were **“more or much more likely to start a business now than three months ago.”**

On the other hand, the percentage of survey respondents who were **“less or much less likely to start a business than three months ago”** edged slightly higher to 13.1%, compared to the 12.6% average over the prior 12 months.

How likely are you to start a business now compared to 3 months ago?

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



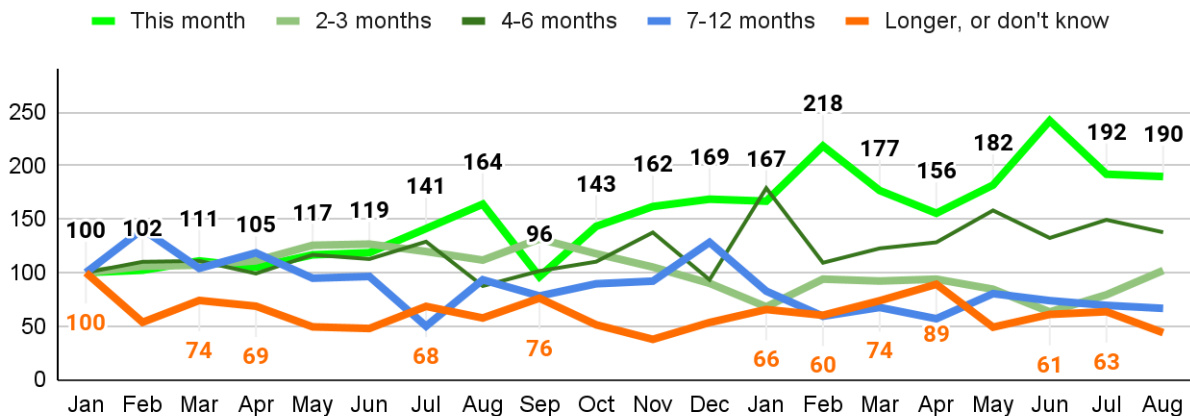
STARTUP INTENTIONS WITHIN SIX MONTHS AT RECORD

In August, entrepreneurs expressing intent to start or buy **“this month”** were a similar percentage as in July, off from the record index of 242% in June, referenced to January 2020. Startups planned for the **“next 2-3 months”** bounced back to 31.4% after slipping to 19.5% in June.

A majority at 58.5% of respondents expressed **intent to start or buy their businesses within the next three months**. Startup intentions in the **“next four to six months”** dipped in August to 19.7%, bringing the total with intent to start within 6 months to a record 78.2%.

Startup Timelines Remain Focused on Near Term

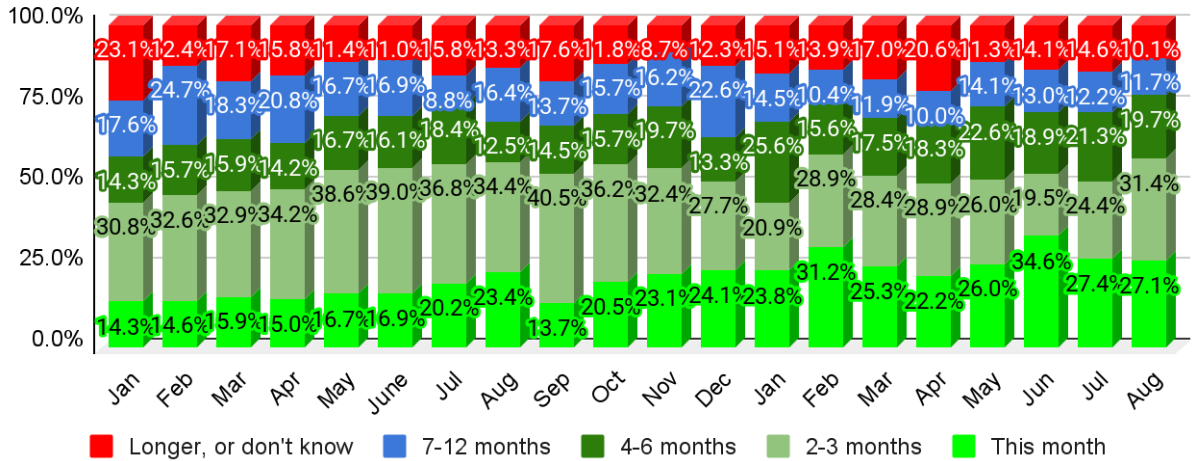
Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



Indexed to January 2020

Startup Intentions Within Six Months at Record 78.2%

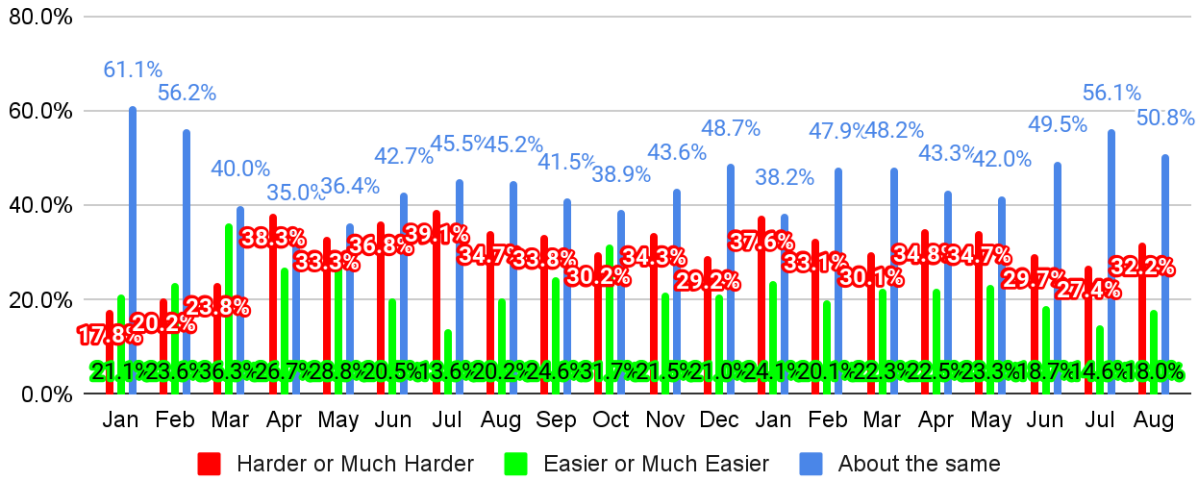
Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



SOME IMPROVEMENT SEEN IN ACCESS TO FUNDING

Access to Funding Seen Slightly Harder 3 Months Out

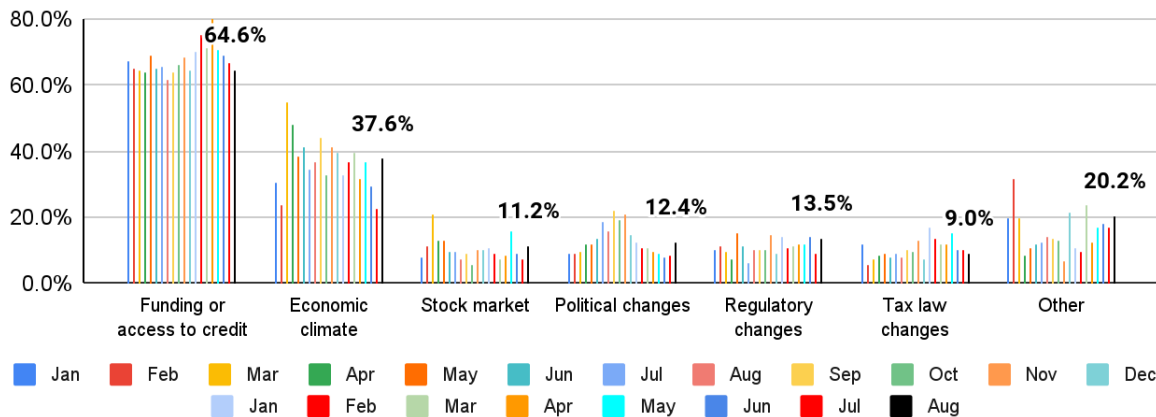
Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



While access to funding remains an oft-cited concern, prospective business startups have been slightly less concerned about availability of startup financing in recent months, with only 32.2% seeing it **“harder or much harder”** three months from now, up from 27.4% in July. On a positive note, almost 51% see access to funding in three months being **“about the same”** and 18.0% seeing it getting **“easier or much easier.”**

Which of these factors will have the biggest impact in the next six months on your decision to start a business?

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



With other factors mostly flat or declining over the last several months, 64.6% of prospective business buyers cited **“funding or access to credit”** as the factor having the biggest impact on their decisions to buy or start a business, down from the record high of 87.6% seen in April 2021. Beyond funding, **“economic climate”** increased significantly to 37.6% in August.

With the stock market inching forward to all-time highs, no doubt some entrepreneurs either see that as a source of liquid capital or an unsustainable trajectory, though only 11.2% cited this concern, down from 15.7% in May.

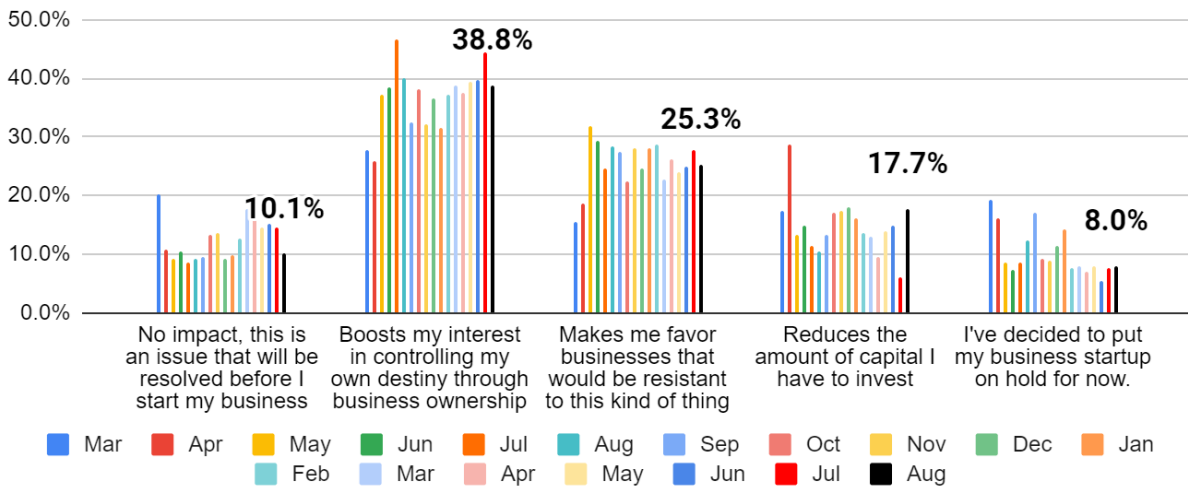
PANDEMIC DRIVES DESIRE TO CONTROL DESTINY

When asked how Covid-19 had affected their interest in starting a business or opening a franchise, respondents to the [FranchiseInsights.com](https://www.franchiseinsights.com) Small Business Startup Sentiment Index™ most often cited the desire for **“controlling my own destiny through business ownership,”** at 38.8% of respondents in August. At this point only 8% are putting their plans on hold, and despite the resurgence of the Covid Delta variant, 10.1% indicate that **“this is an issue that will be resolved”** before starting their businesses.

The preference toward **“businesses that would be resistant”** to shocks like Covid-19 has declined from the peak of 31.7% in May 2020 to 25.3% in August 2021, suggesting greater willingness to consider the franchise categories hardest hit by restrictions and social distancing as the pandemic recedes.

How does Covid-19 affect your interest in business ownership?

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



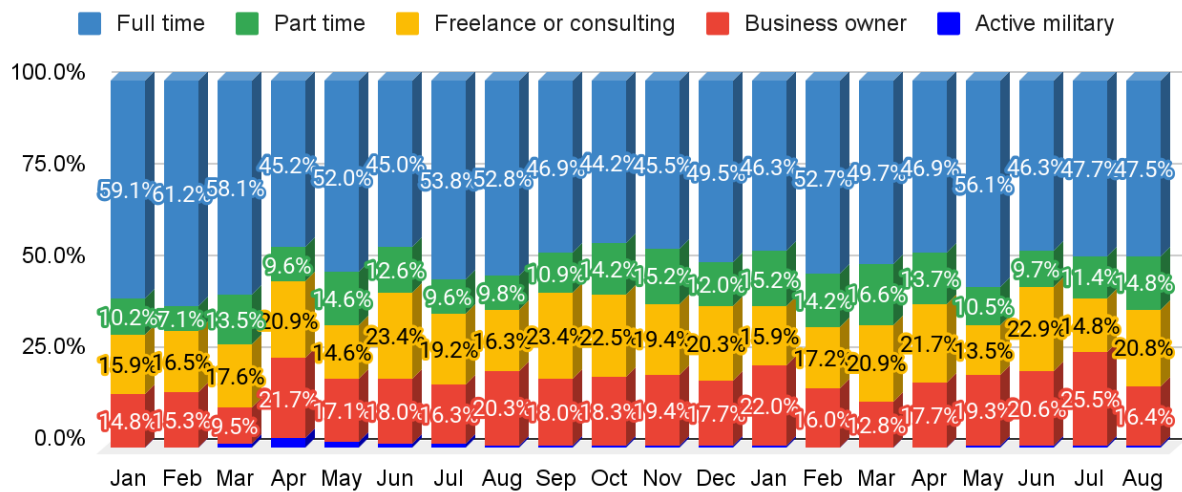
RECORD BUSINESS OWNERS AMONG RESPONDENTS

Of the survey respondents, 47.5% are currently employed full-time. Current business owners made up 16.4% of respondents in August, suggesting a desire to upgrade or diversify their businesses. Combined, full-time workers and business owners reached 63.9% of respondents.

Only 35.6% of respondents in August were either working part-time or in a freelance capacity. Less than 1% in the August survey were active duty in the military.

Record 25.5% of Aspiring Franchisees Are Current Business Owners

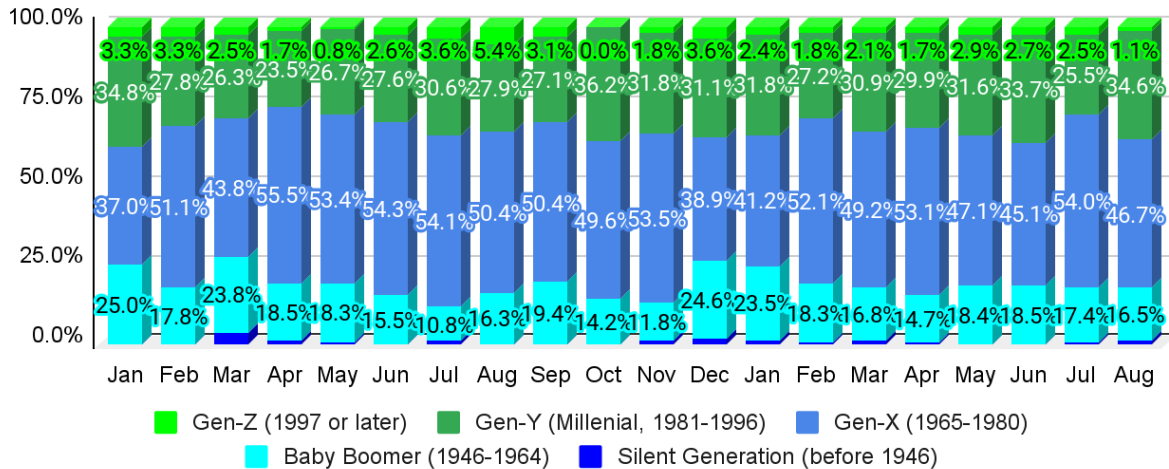
Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



Gen-X (46.7%) and Gen-Y (34.6%) accounted for the highest percentages of survey respondents, consistent with prior surveys. Baby Boomers were 16.5% of respondents in August 2021, down from almost 25% in December 2020.

Gen-X and Gen-Y Dominate Startup Interest

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



See also a complete profile of the [generational demographics of aspiring business buyers](#) from a large demographic sample spanning 2018 through the first six months of 2021. Further, analysis of [gender demographics of business buyers shows women making up an increasing percentage](#) of aspiring business owners, particularly in the post-Boomer age cohorts.

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[FranchiseVentures](#) is the leading demand- and lead-generation platform for potential franchisees to thousands of growing franchise systems in the United States and Canada. Its franchise directory brands include [Franchise.com](#), [Franchise Solutions](#), [Franchise Gator](#), [Franchise Opportunities](#), [Franchise For Sale](#), [SmallBusinessStartup.com](#) and [BusinessBroker.net](#), and together they provide the largest aggregation of prospective franchise buyers in the U.S.

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