

FranchiseInsights.com has reported Business Startup Sentiment Trends data with monthly surveys since January 2020. The Small Business **Startup Sentiment Index™** (SSI) 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 24-31, 2023.

Norfolk, Virginia – Released September 6, 2023

Small Business **Startup Sentiment Index™** (SSI)

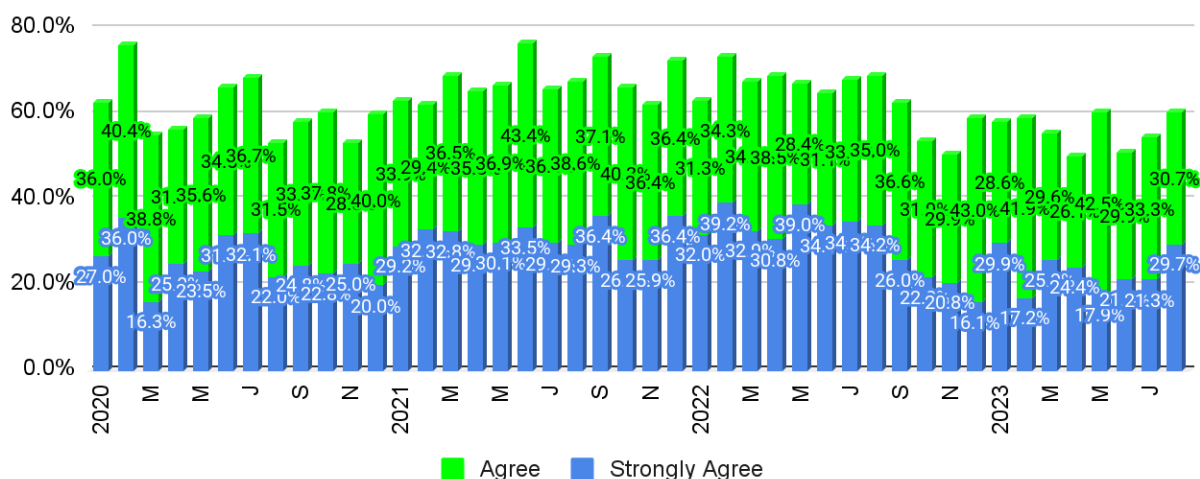
Aspiring Franchisees See September As Prime Month to Launch the Startup Process

STARTUP SENTIMENT RISES

In August 2023, 38.6% of aspiring business owners say they are planning to launch their startups **“in the next month”** reflecting eagerness to begin their journeys. At the same time, 56.4% of entrepreneurs planned their startups within the next three months, and 84.2% within the next twelve months. Now over 60% of survey respondents either agree or strongly agree that **“now is a good time to start a business”** and 80.2% of respondents see conditions for business startups **“the same or better in three months.”** And 61.4% of entrepreneurs surveyed say they are **“more likely to launch their startups than three months ago.”** [FranchiseInsights.com](#) compiles monthly the **Small Business Startup Sentiment Index™** (SSI) of individuals who have recently inquired about businesses for sale.

60.4% of Respondents Agree Now a Is Good Time for Startup

Source: FranchiseInsights.com Startup Sentiment Index™, Aug 2023



The survey was conducted August 24-31, 2023. This continuing trend in entrepreneurial optimism parallels the ongoing [surge in new business applications](#) since September 2020 as reported by the US Census Bureau. These relatively sanguine views on conditions for business startup are consistent with the [The Conference Board's Survey of Consumer Confidence](#) and The University of Michigan Consumer Sentiment Surveys

as seen on the [St. Louis Federal Reserve's FRED website](#), with both measures generally improving since June 2022.

SENTIMENT: THINGS ARE PRETTY GOOD NOW – NO NEED TO WAIT

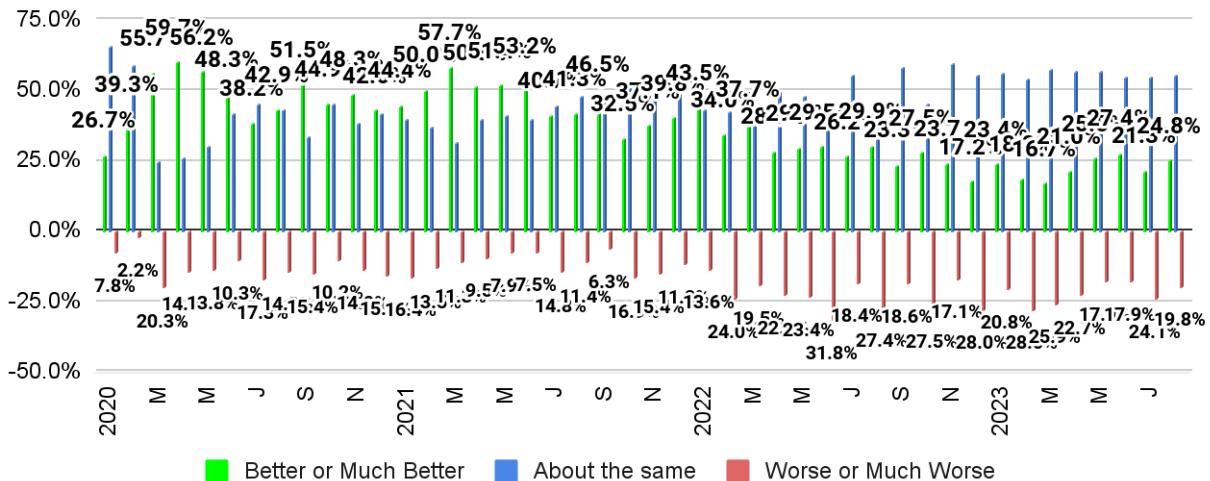
Reversing a multi-year downtrend in sentiment about future business conditions, **80.2% of respondents see conditions no worse – staying the same or getting better in three months**– with 55.4% seeing conditions “about the same.”

Now only 24.8% of respondents believe that in three months, conditions will be **“better or much better”** than now, down from the 50-60% readings at the height of the pandemic. This is consistent with improving consumer confidence, and comfort with near-term business conditions. Only about 19.8% see conditions **“worse or much worse”** in the same time frame.

80.2% See Conditions the Same or Better in Three Months

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Small Business Startup Sentiment Index™ Aug 2023



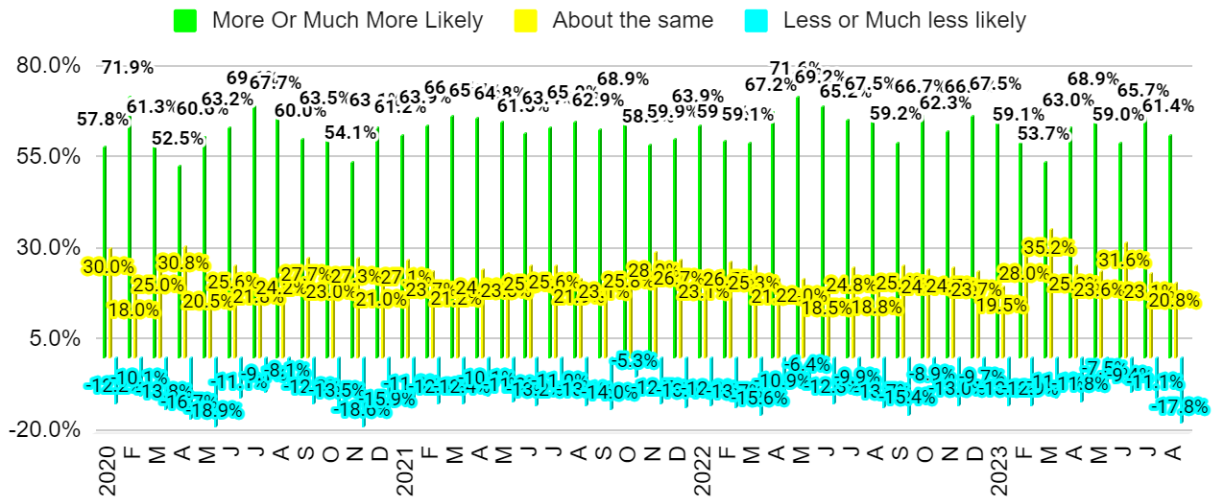
RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are more upbeat now about starting or buying their business than they were three months ago. In August 2023, 61.4% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 20.8% **“about the same,”** that means that 82.2% are as likely or more likely to launch their startups than they were 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”** rose to 17.8%, a jump from the 11.45% average over the most recent 12 months.

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

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2023



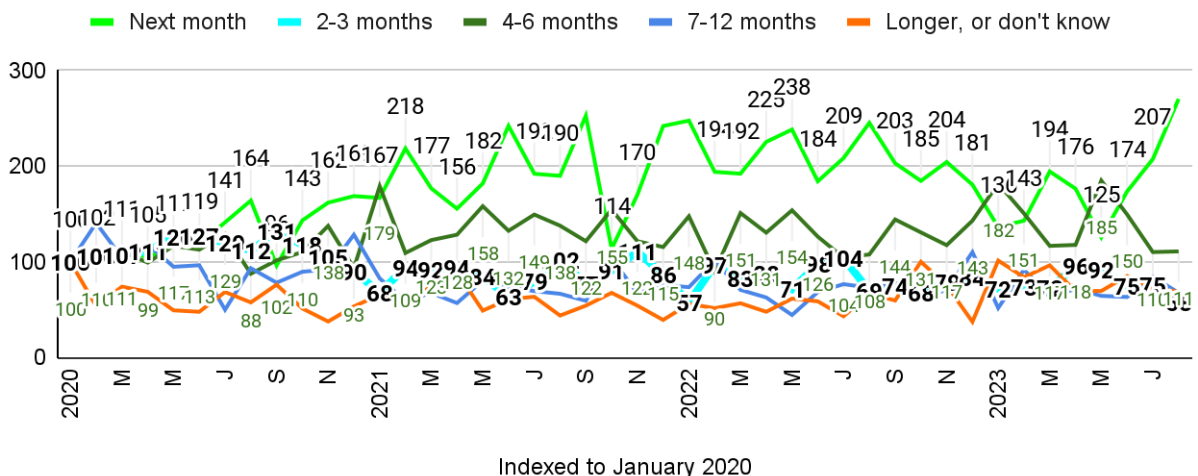
'NEXT MONTH' TIME FRAME SETS A RECORD

In August 2023, entrepreneurs expressing intent to start or buy **"next month"** indexed to January 2020 rose to 270% of responses (almost tripled). The index of aspiring business owners planning startups in the **"next 2-3 months"** was at 58% of the January 2020 reference point. Startup intentions in the **"next 4-6 months"** are at 15.8%, bringing the total with intent to start within 6 months to 72.3% of respondents. Another 11.9% of respondents are planning their startups for 7-12 months out. Only 15.8% expect to wait twelve months or longer for their business launches.

This month, 56.4% of respondents expressed **intent to start or buy their businesses within** the next three months, up from January's record low of 41.6% and the previous record low reading of 44.2% during the height of the Omicron wave in October 2021.

'Next Month' Startup Timeframe Reaches Highest Ever

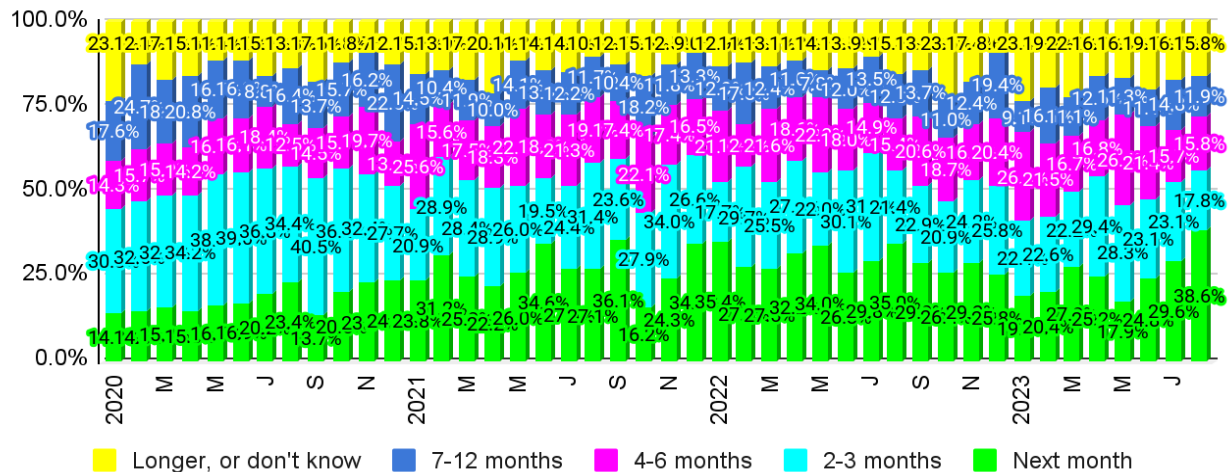
Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2023



Almost 39% Say Their Startup Timeframe is "Next Month"

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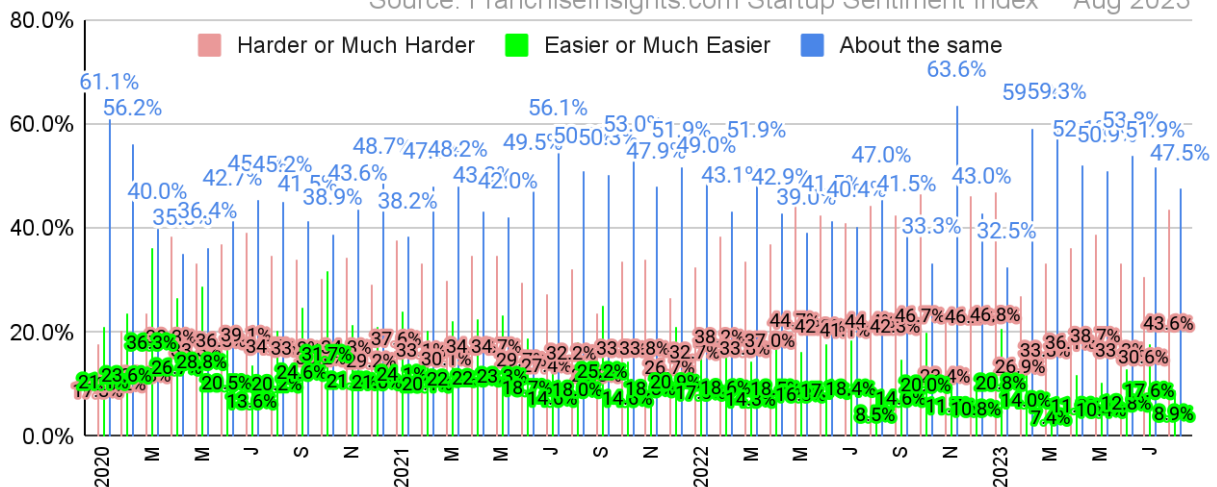
Small Business Startup Sentiment Index™ Aug 2023



FUNDING ACCESS KEY, BUT ABOUT THE SAME IN THREE MONTHS

43.6% See Funding Harder in the Next 3 Months; 47.5% the Same

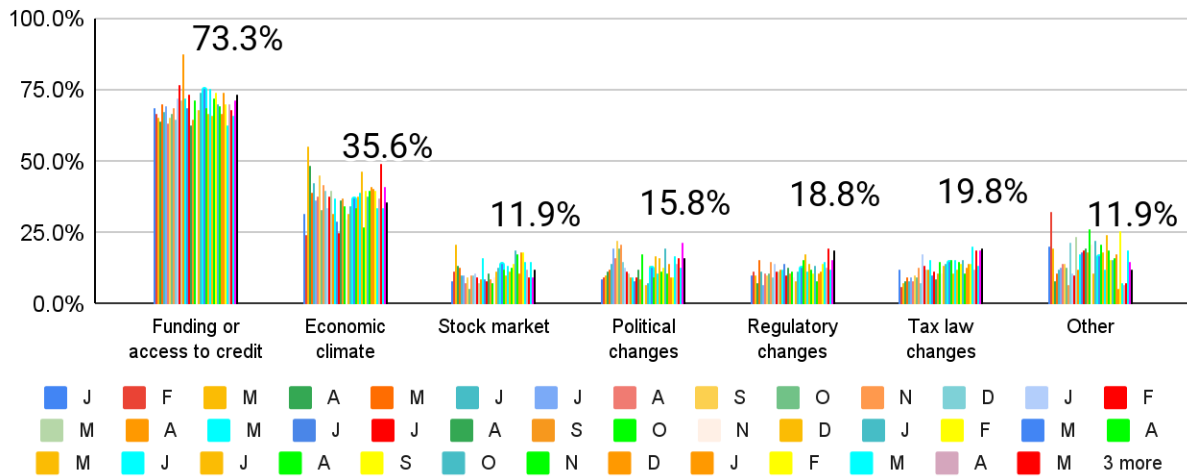
Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2023



As access to funding remains a primary startup issue, prospective business owners are showing ongoing concerns about availability of startup financing in recent months, with 43.6% seeing it getting **“harder or much harder”** three months from now. Now 47.5% see access to funding in three months being **“about the same”** and only 8.9% see it getting **“easier or much easier”** as they observe higher interest rates and tightening credit.

73.3% Say Funding or Access to Credit the Biggest Factor

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2023



With other factors returning slowly to the foreground over the last several months, 73.3% 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, but down significantly from the high seen in April 2021 at 87.6%. Beyond the funding concern, **“economic climate”** is next highest at 35.6%.

With surging stock market indexes since October, only 11.9% of entrepreneurs cited the stock market as having a significant impact on their business startup plans.

PANDEMIC WORRIES FADE

For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the [FranchiseInsights.com](#) Small Business Startup Sentiment Index™ often said that it ***“boosts my interest in controlling my own destiny through business ownership.”*** That sentiment has fallen to 26.7% of respondents, very near the record low of 26.4% set in May 2023, the same month that the US Government declared the Covid public health emergency over.

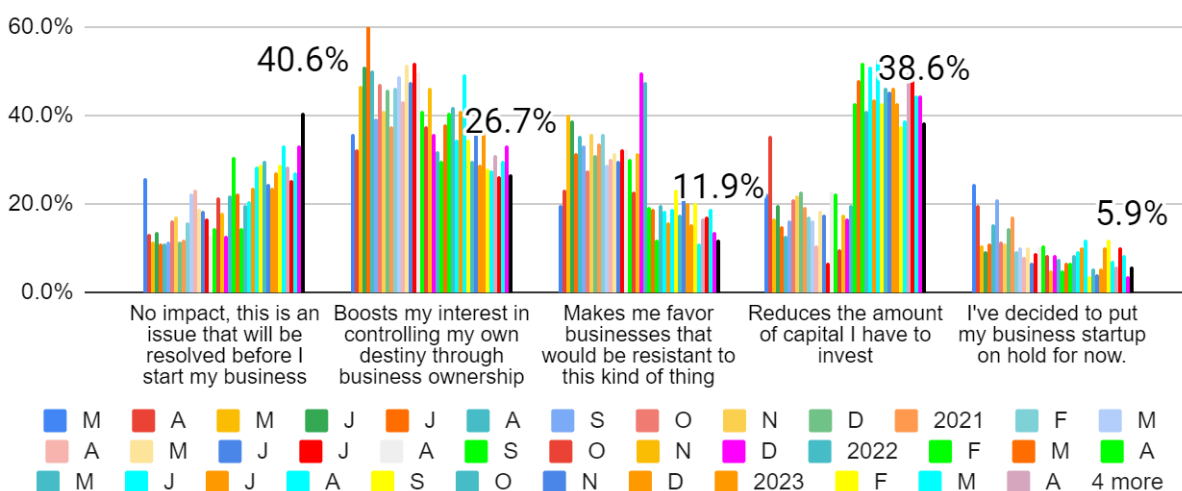
Looking back to when the pandemic emerged, more respondents began indicating a preference for ***“businesses that would be resistant”*** to shocks like Covid-19. This sentiment stood at 11.9%, just above the record low of 11.1% in March, and significantly down from the spikes in December 2021 and January 2022 during the Omicron surges.

The percentage putting their plans **“on hold”** at 5.9% was up a bit from the record low in July 2023. Conversely, those indicating that **“this is an issue that will be resolved before starting”** their businesses reached 40.6%, reaching a new record high.

As the immediate health threat wanes, the societal and business impacts and risks will no doubt be on the minds of consumers and aspiring business owners long into the future.

How does the pandemic affect your interest in business ownership?

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2023



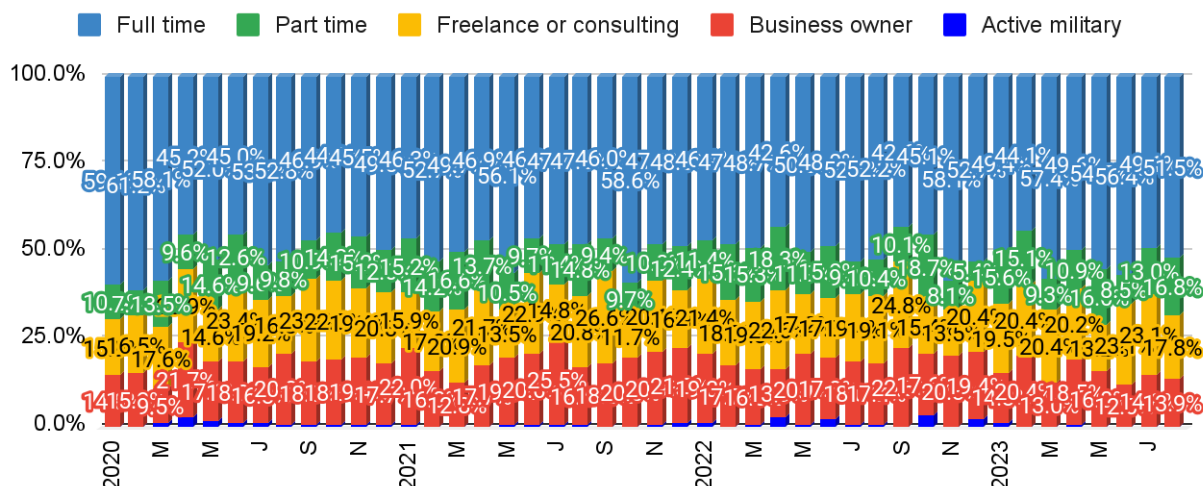
FULL-TIME WORKERS AND GEN-X DOMINATE

Of the survey respondents, 51.5% are currently employed full-time, down from the high of 58.6% seen in October 2021. Current business owners made up 13.9% of respondents, suggesting a desire to upgrade or complement their existing businesses. Combined, full-time workers and current business owners stood at 65.3%.

About 17.8% of respondents were working as freelancers or consultants, and this month less than 1% of the aspiring entrepreneurs in the survey were on active military duty.

51.5% of Aspiring Owners Leaving a Full Time Job; 13.9% are Biz Owners

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2023

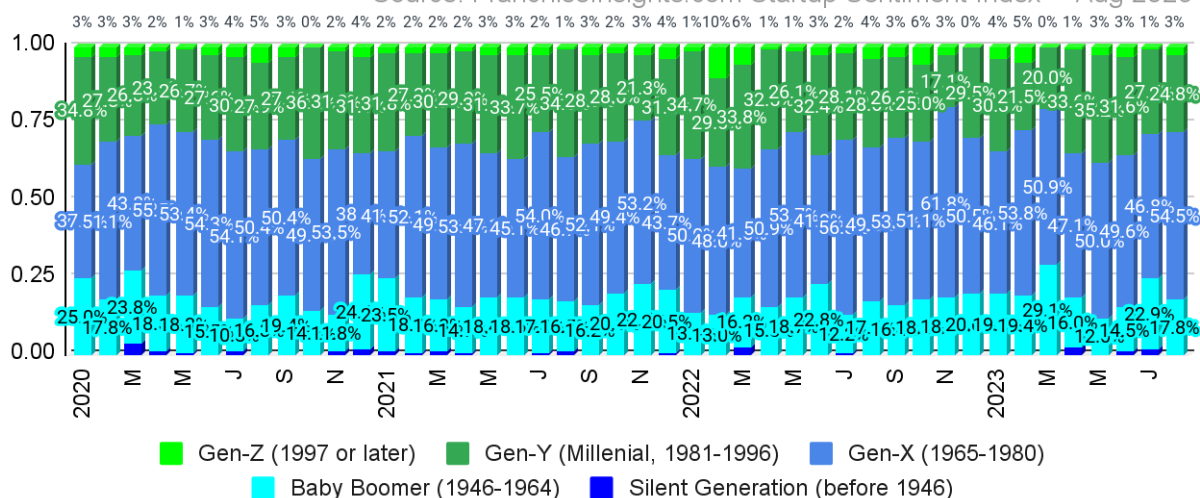


Gen-X dominated with 54.5% of respondents, while Baby Boomers stood at 17.8%. Millennials were 24.8% of respondents. This month, Gen-Z was 3% of respondents, down from the 10% peak seen in February 2022, and close to the 3.29% share of all

[respondents seen in 2022](#). For the next several years, [millennials and Gen-X will drive business startups as they reach peak business startup ages](#) and Boomers age out of the workplace.

Gen-X Leads Age Cohorts Among Business Owner Aspirants

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2023



See also a complete profile of the [generational demographics of aspiring business buyers](#) from a large demographic sample spanning 2018-2021. 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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