

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 26-31, 2024.

Norfolk, Virginia – Released September 2, 2024 Small Business Startup Sentiment Index™ (SSI)

Most Business Buyers Looking Beyond the November Election for Their Startups

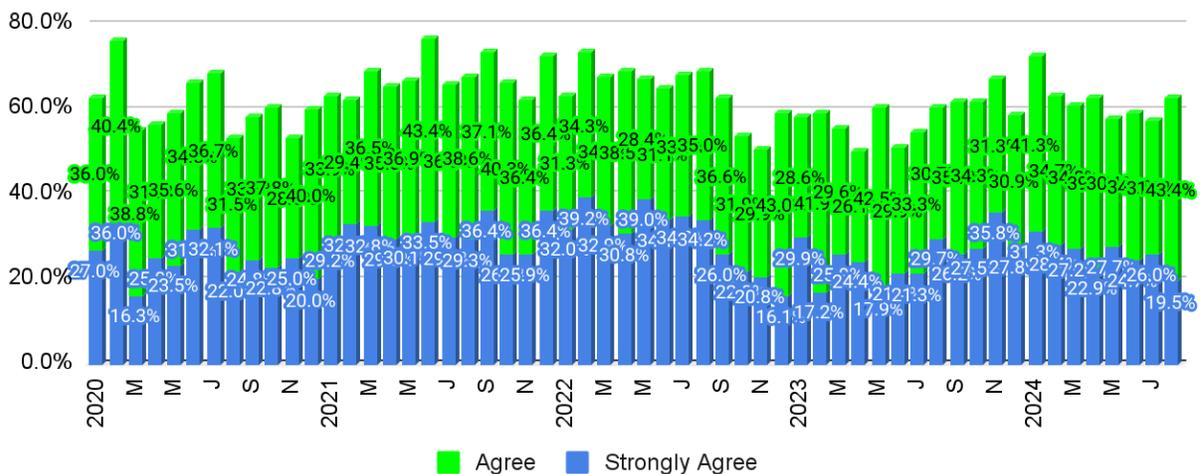
Percentage seeing conditions “better” in three months reaches 3-year high
Concerns about “political changes” elevated for the fourth consecutive month

STARTUP SENTIMENT - “NOW” IS A GOOD TIME

Almost 63% of aspiring business owners surveyed either agree or strongly agree that “now is a good time to start a business,” with optimism about conditions ahead. In the August 2024 survey, 93.3% of respondents see conditions for business and franchise startups “the same or better in three months.” Of this month’s respondents, 48.1% of entrepreneurs planned their startups within the next three months, down from 56.2% last month. Further, 63.5% of entrepreneurs surveyed say they are “more or much more likely to launch their startups than three months ago.” [FranchiseInsights.com](#) compiles a monthly **Small Business Startup Sentiment Index™** (SSI) of individuals who have recently inquired about franchises or businesses for sale.

62.8% of Prospects Agree Now a Is Good Time for Startup

Source: FranchiseInsights.com Startup Sentiment Index™, Aug 2024



The survey was conducted August 26-31, 2024. These upbeat views on conditions for business startup are consistent with trends in the [Conference Board’s Survey of Consumer Confidence](#) and The [University of Michigan Consumer Sentiment Survey](#), with both up from post-pandemic lows in June 2022. This continuing trend in

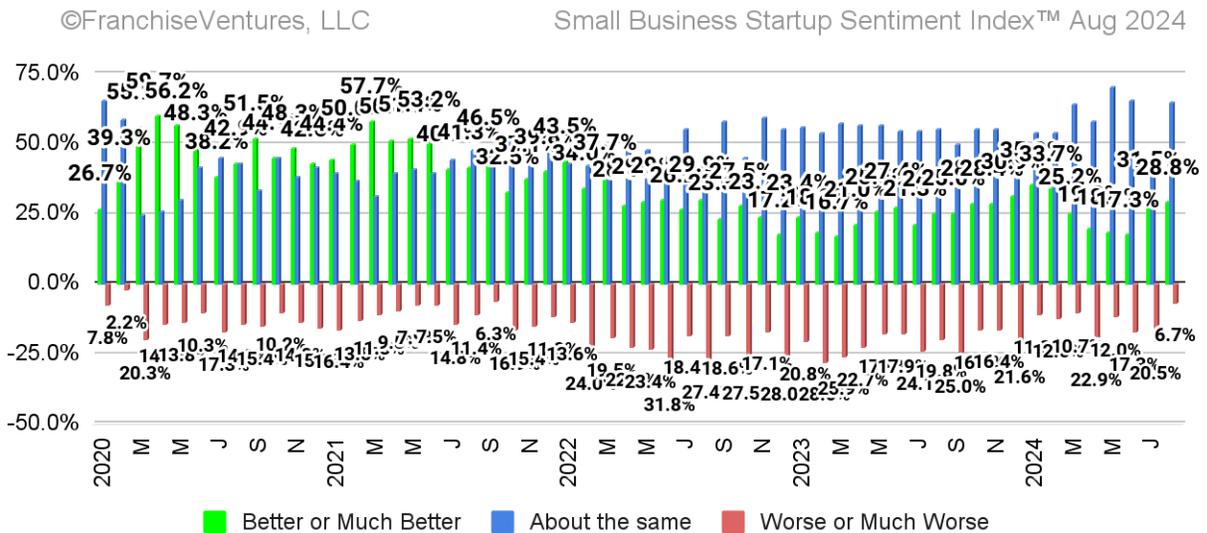
entrepreneurial optimism also parallels the ongoing [surge in new business applications](#) since September 2020 as reported by the US Census Bureau.

OPTIMISM THREE MONTHS OUT IS HIGHEST IN THREE YEARS

Reversing a multi-year downtrend in sentiment about future business conditions, **93.3% of respondents see conditions no worse – staying the same or getting better in three months**– with 64.4% seeing conditions “about the same.”

Now only 28.8% of respondents think 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 years-long uptrends in measures of consumer confidence, and comfort with near-term business conditions. Only 6.7% see conditions **“worse or much worse”** three months ahead, the lowest reading since February 2020.

93.3% See Conditions the Same or Better in Three Months



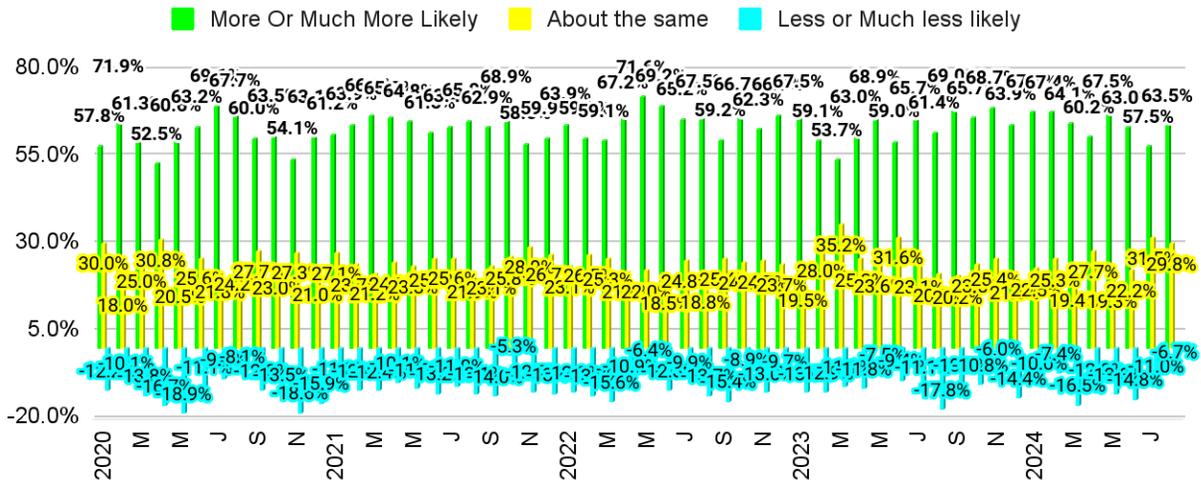
RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are generally more upbeat now about starting or buying their business than they were three months ago. In August 2024, 63.5% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 29.8% **“about the same,”** that means that 93.3% are as likely or more likely to launch their startups than they were three months ago (coincidentally the same percentage as sentiment three months from now).

On the other hand, the percentage of survey respondents who were **“less or much less likely to start a business than three months ago”** dipped to 6.7%, far below the 12.1% 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 2024

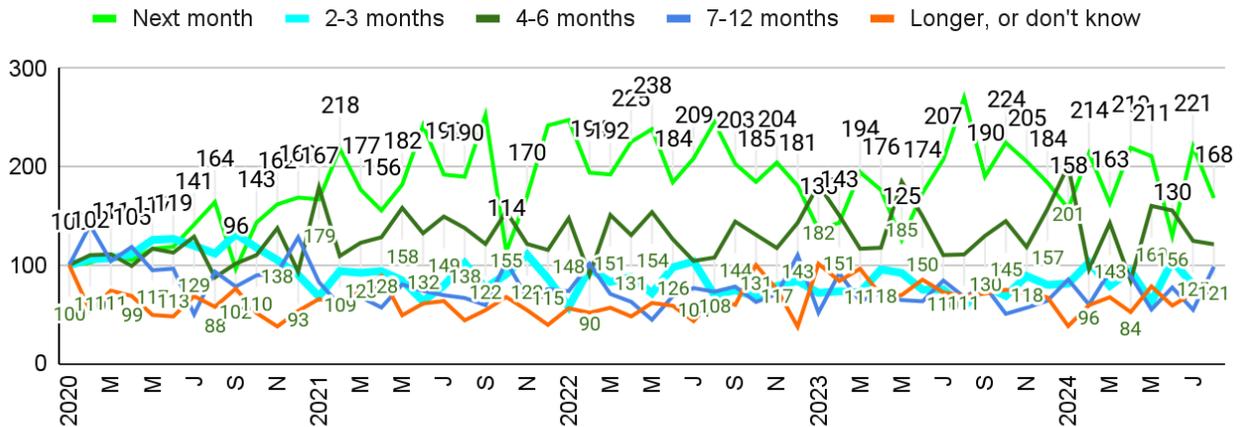


‘NEXT MONTH’ IS THE MOST EXPECTED TIME FRAME

In the August survey, 83% of respondents expected to start within the next twelve months. The index of entrepreneurs expressing intent to start or buy “*next month*” stood at 168% of the January 2020 level, at 24% of respondents. On the other hand, the index of aspiring business owners planning startups in the “*next 2-3 months*” dropped to 78% of the January 2020 reference point, at 24% of respondents.

Most Anticipate Startups In The Coming Month

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2024



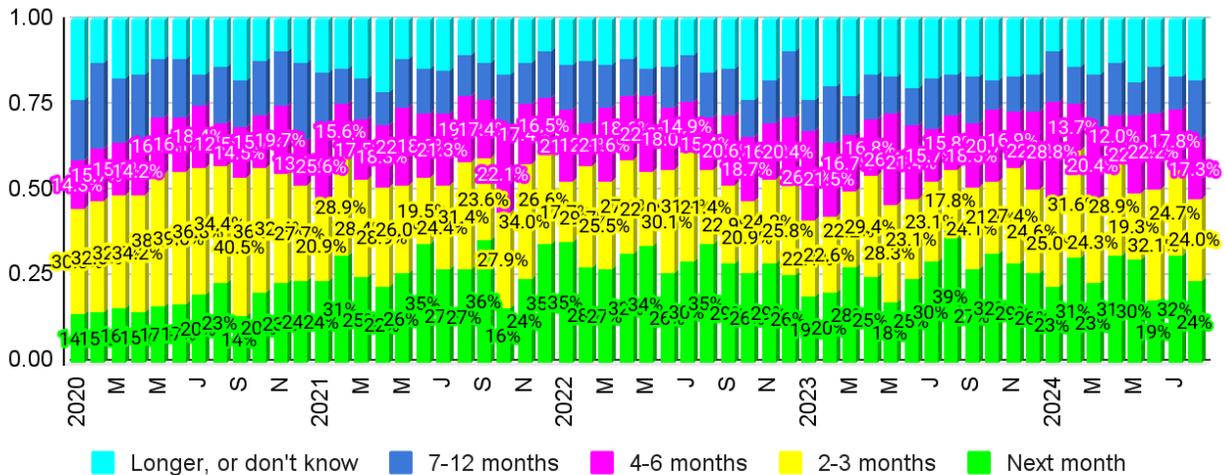
Indexed to January 2020

This past month, 48.1% of respondents expressed *intent to start or buy their businesses within the next three months*, above 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.

Startup intentions at “4-6 months” slid to 17.3%. That brings the total with intent to start within 6 months to 65% of respondents. Another 17% of respondents are planning their startups for 7-12 months out. Only 17.3% are “not sure” or expect to wait more than twelve months for their business launches.

84% Expect Their Startups Within Twelve Months

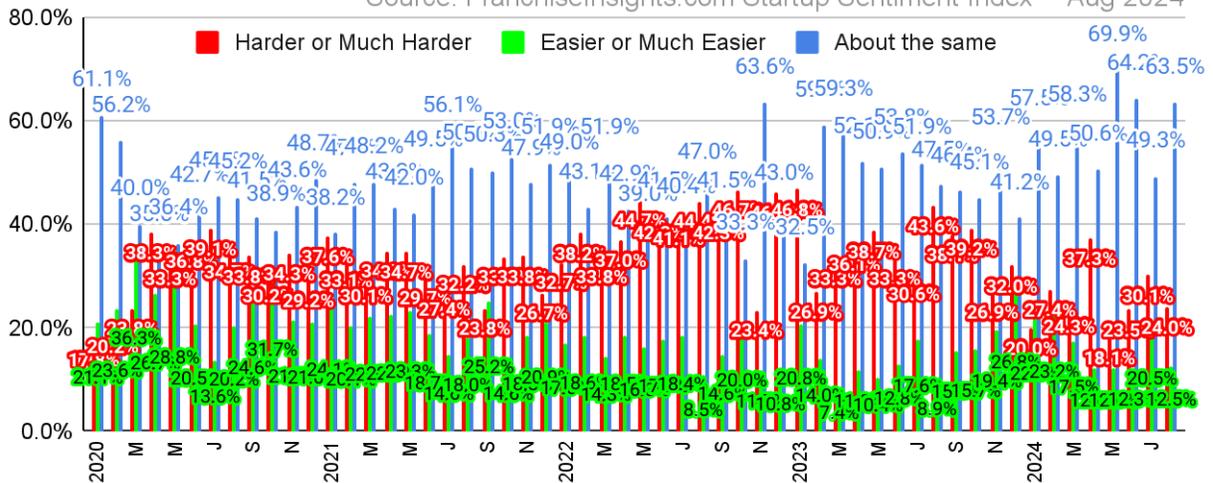
©FranchiseVentures, LLC Small Business Startup Sentiment Index™ Aug 2024



FUNDING CONCERNS EASE , POLITICAL CONCERNS ELEVATED

Only 24% See Funding Harder in 3 Months; 63.5% the Same

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2024

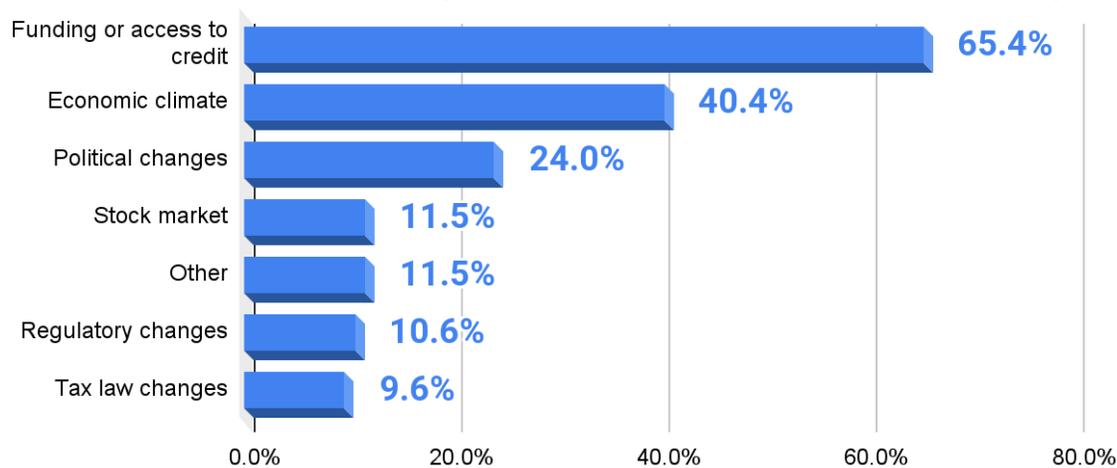


Though access to funding remains the primary startup issue, prospective business owners’ concerns about availability of startup financing have been reduced in recent months, with only 24% seeing it getting “**harder or much harder**” three months from now. Fully 63.5% see access to funding in three months being “**about the same**” and

only 12.5% see it getting “**easier or much easier**”, despite headlines about the Federal Reserve lowering interest rates in the coming months.

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

Source: Franchise Insights Small Business Startup Sentiment Index™ August 2024



As has been the case for over four years now, 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, at 65.4% in August. Beyond the funding concern, “**economic climate**” is next highest at 40.4% of respondents.

Noteworthy again this month were “political changes”, which remained the third highest for the fourth month in a row.

PANDEMIC BOOSTS DESIRE FOR CONTROLLING DESTINY

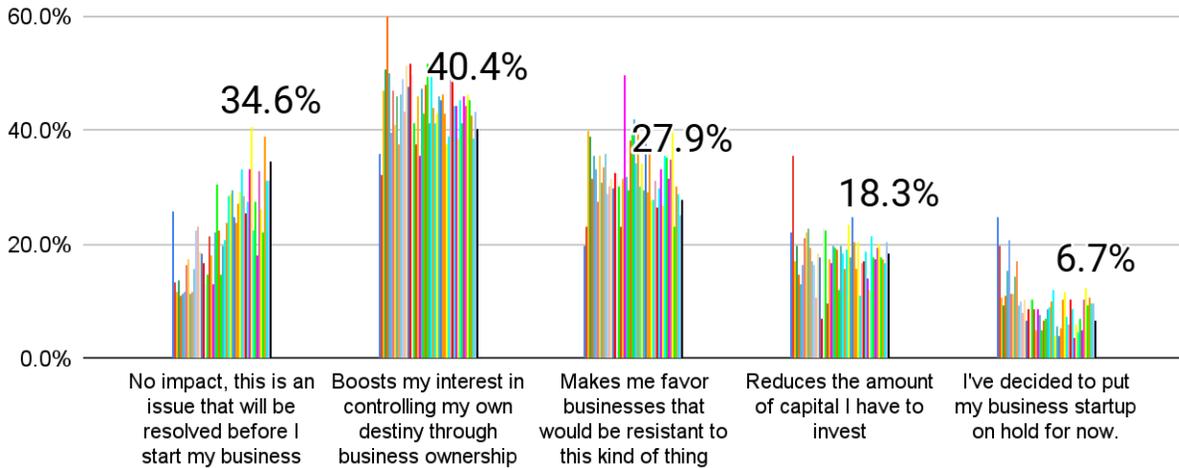
For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the FranchiseInsights.com Small Business Startup Sentiment Index™ often said that it “**boosts my interest in controlling my own destiny through business ownership.**” That sentiment fell to a record low 26.4% in May 2023, the same month that the US Government declared the Covid public health emergency over. It stood at 40.4% in August 2024.

Looking back to when the pandemic emerged, more respondents began indicating a preference for “**businesses that would be resistant**” to shocks like Covid-19. That sentiment has declined to 27.9%, significantly below the prominent spikes above 45% in December 2021 and January 2022 during the Omicron surges.

The percentage putting their plans “**on hold**” at 6.7% is only modestly above the record low of 3.7% in July 2023. Those indicating “**no impact – this is an issue that will be resolved before starting**” their businesses are at 34.6%.

How did the pandemic affect your interest in business ownership?

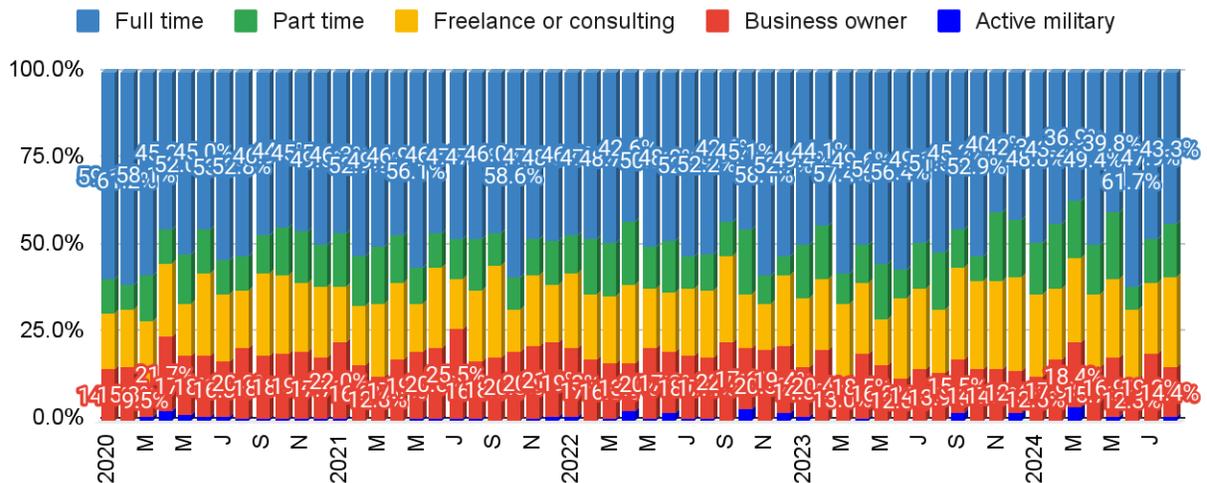
Source: FranchiseInsights.com Startup Sentiment Index™ August 2024



FULL-TIME WORKERS AND GEN-X ARE LARGEST COHORTS

43.3% of Aspiring Owners Leaving a Full Time Job; 14.4% are Biz Owners

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2024



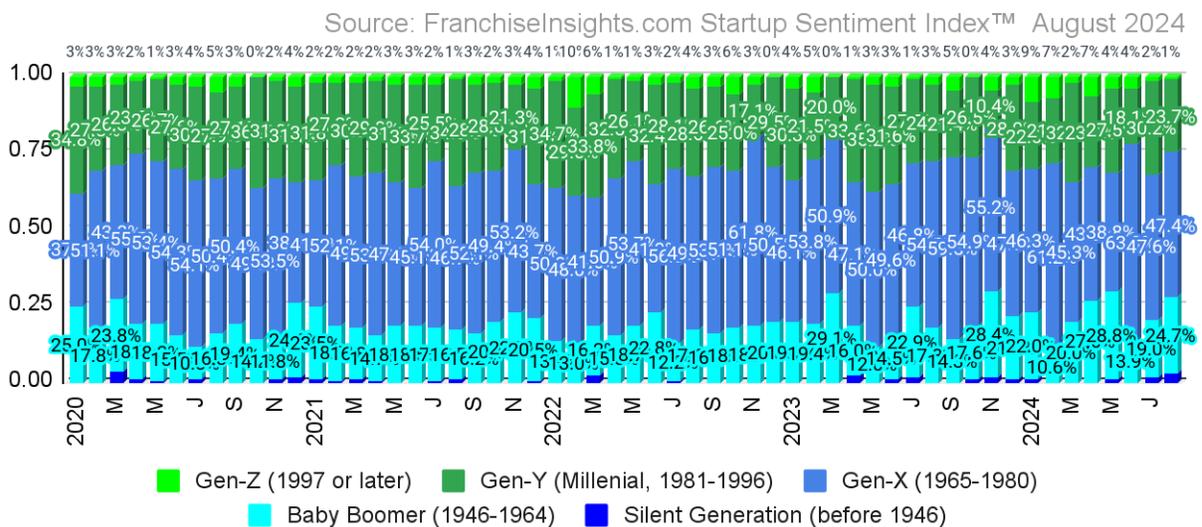
Of the survey respondents, 43.3% are currently employed full-time, down from the record 61.7% in the June 2024 survey. Current business owners made up 14.4% of respondents, who may be pursuing a desire to upgrade or complement their existing businesses. Combined, full-time workers and current business owners stood at 57.7%.

About 26% of respondents were working as freelancers or consultants. Part-time workers made up 15.4% of respondents. This month less than 1% of the aspiring entrepreneurs in the survey were on active military duty.

Gen-X is the largest share, at 47.4% of respondents, pulling back from the record 63.9% seen in June 2024. The Gen-Y or Millennial age cohort represented 23.7% of respondents, outnumbered by Baby Boomers at 24.7% in August. Gen-Z were 1% of respondents. 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.

In earlier demographic studies of aspiring franchise and business owners, we learned that the [age distribution of franchise seekers](#) varies little over time. The late forties and early fifties are the peak ages when budding entrepreneurs take interest in business ownership. Gen-X, in the 43-58 age bracket, is the most active franchise-seeking cohort.

Gen-X Share at 47.4%, Followed by Boomers at 24.7%



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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[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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