

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 July 22-29, 2021.

August 4, 2021

Small Business Startup Sentiment Index™ (SSI)

July Survey Shows Pandemic Boosts Desire for Business Ownership

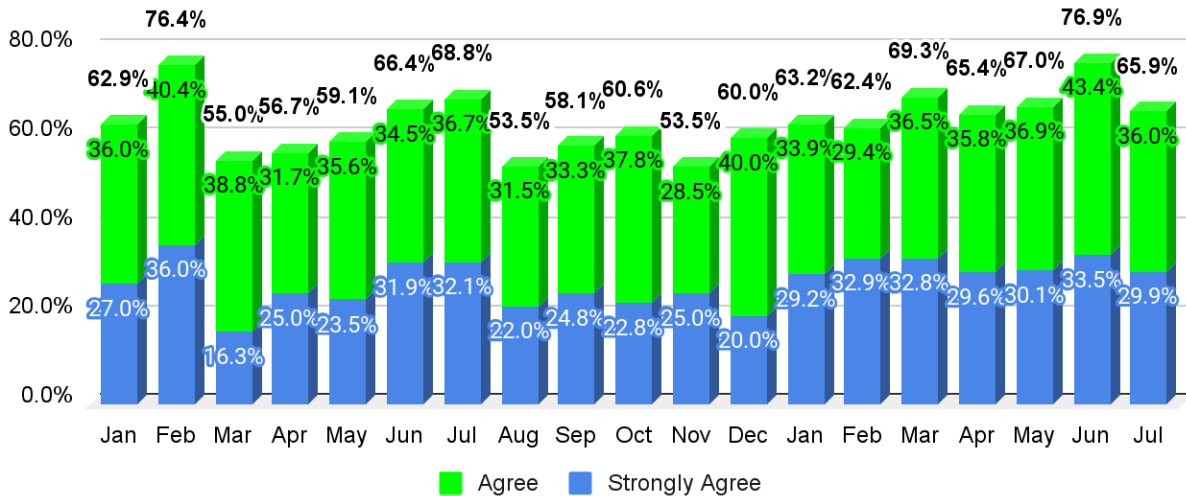
Record Percentage of Current Business Owners Participating

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 65.9% in July, down from the record level of 76.9% reached in June 2021. Nonetheless, 44.4% of respondents report that the pandemic increased the desire to control their own destinies through business ownership. [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™ July 2021



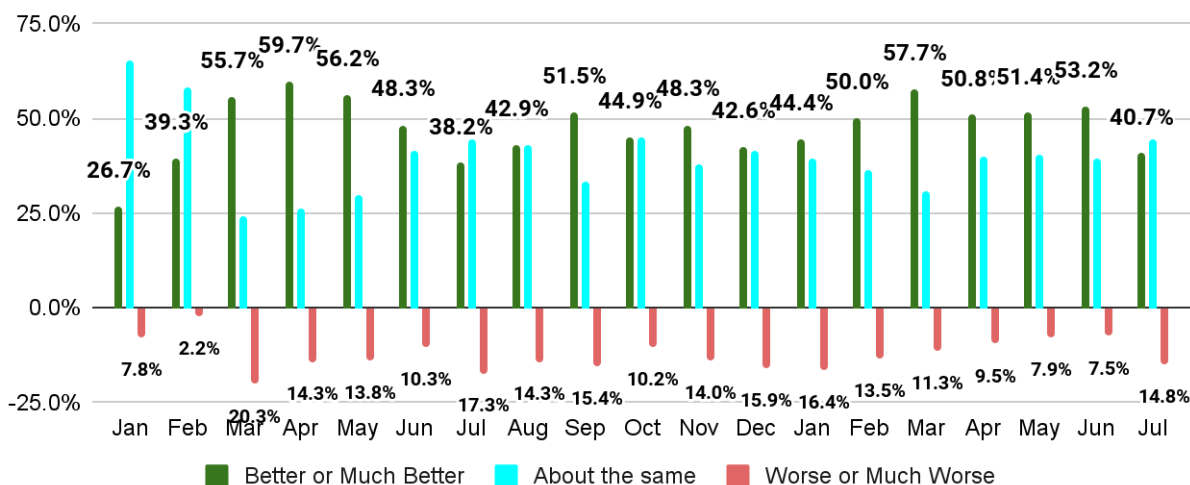
These results mirror the ongoing [surge in new business applications](#) reported in July by the US Census Bureau. In addition, the [Conference Board's Survey of Consumer Confidence](#) moved slightly higher in July to the highest level since February 2020 before the pandemic was widespread.

OUTLOOK ON BUSINESS CONDITIONS REMAINS POSITIVE

Perhaps as a reflection of confidence in current conditions, fewer believe that in three months, conditions will be **“better or much better”** than now, at 40.7% compared to 53.2% in June. Another 44.4% 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 rose to 14.8%, the most negative sentiment since January 2021 when deaths due to the pandemic were at their peak. The survey was taken in a week filled with news about the surge of the Covid Delta variant and its transmissibility.

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

Source: FranchiseInsights.com Startup Sentiment Index™ July 2021



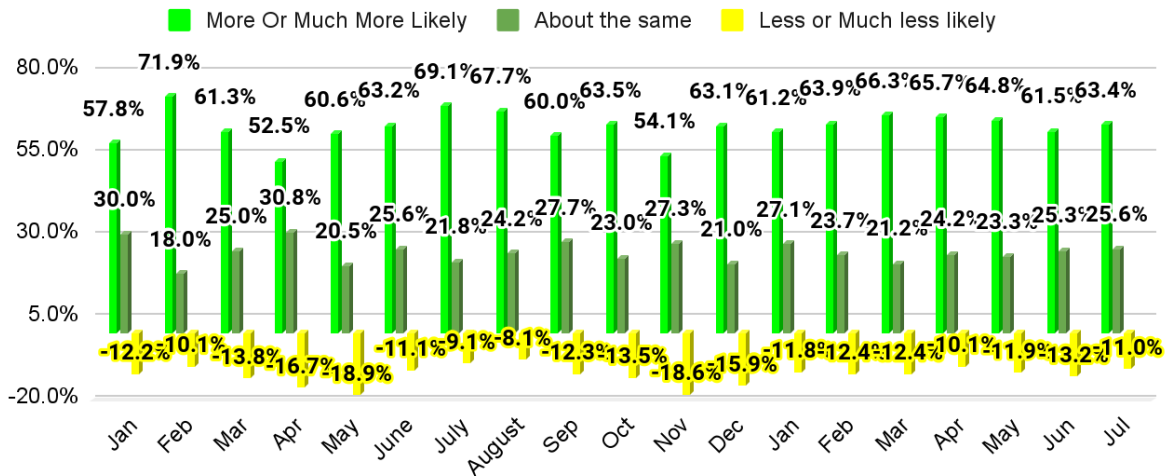
SENTIMENT NOW VERSUS THREE MONTHS AGO

Respondents continue to be sanguine about starting or buying their business now, though the percentage who are feeling better about their prospects has moderated slightly as confidence and business conditions improved. In July 2021, 63.4% of respondents indicated they were **“more or much more likely to start a business now than three months ago”**, back closer to the 64.8% in the May survey.

On the other hand, the percentage of survey respondents who were **“less or much less likely to start a business than three months ago”** at 11.0% was at the low end of the range of recent months.

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

Source: FranchiseInsights.com Startup Sentiment Index™ July 2021



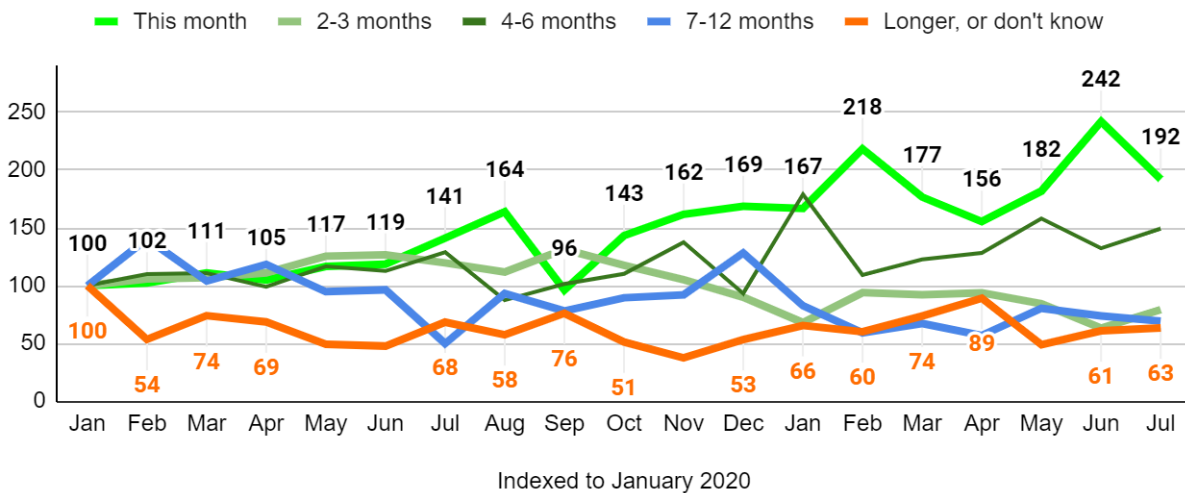
NEAR-TERM STARTUP INTENTIONS STRONG

In June, entrepreneurs expressing intent to start or buy **“this month”** backed off the record index of 242% in June, to a July index of 192% referenced to January 2020. Startups planned for the **“next 2-3 months”** bounced back to 24.4% after slipping to 19.5% in June.

A majority at 51.8% of respondents expressed **intent to start or buy their businesses within the next three months**. Startup intentions in the **“next four to six months”** grew in July to 21.3%, bringing the total with intent to start within 6 months to 73.1%.

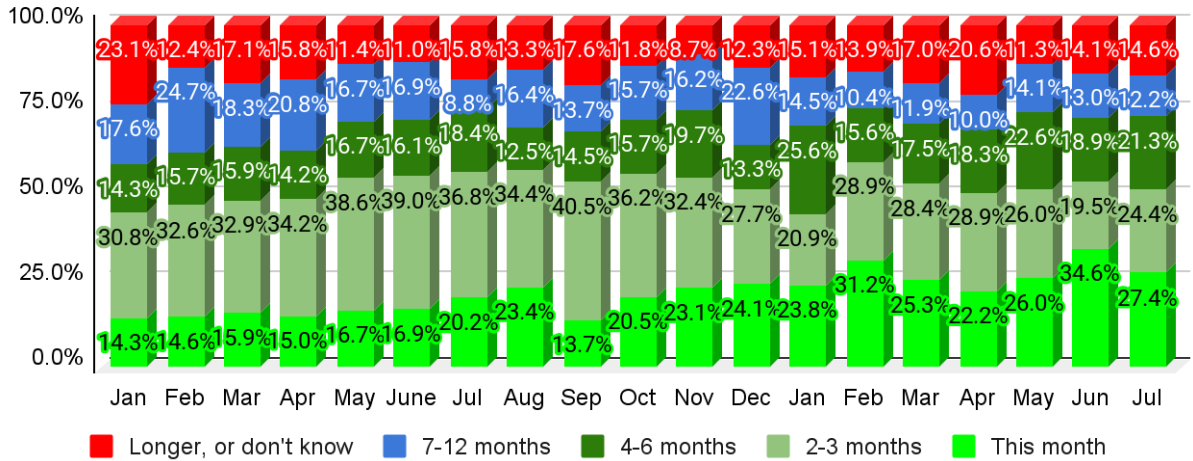
Startup Timelines Remain Focused on Near Term

Source: FranchiseInsights.com Startup Sentiment Index™ July 2021



Startup Intentions "This Month" Remain Elevated

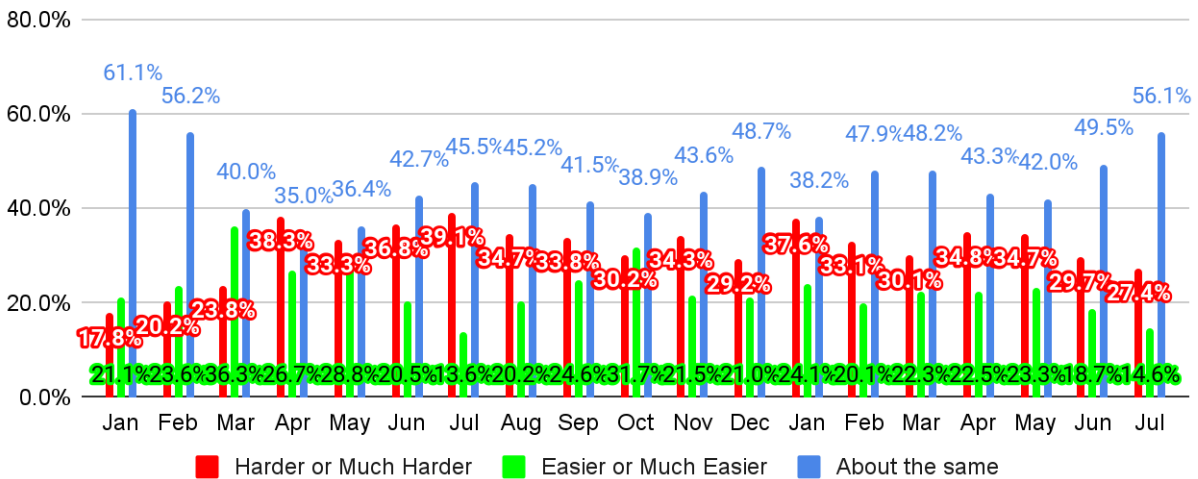
Source: FranchiseInsights.com Startup Sentiment Index™ July 2021



SOME IMPROVEMENT SEEN IN ACCESS TO FUNDING

Fewer See Access to Funding Getting Harder 3 Months Out

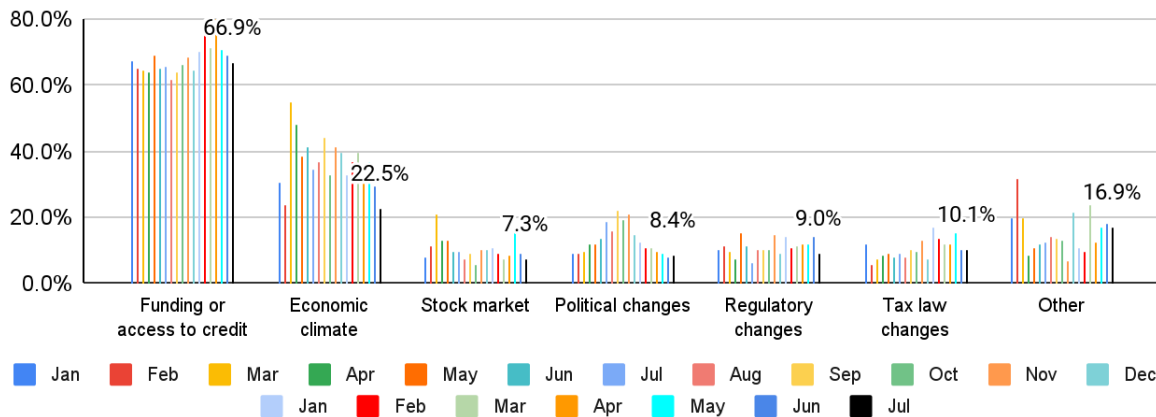
Source: FranchiseInsights.com Startup Sentiment Index™ July 2021



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 27.4% in July seeing it **“harder or much harder”** three months from now, down from 29.7% in June. On a positive note, more than 56% see access to funding in three months being **“about the same”** and 14.6% 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™ July 2021



With other factors mostly flat or declining over the last several months, 66.9% 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”** at 22.5% overshadowed all other factors cited in June.

With the stock market back near all-time highs, no doubt some entrepreneurs either see that as a source of liquid capital or an unsustainable trajectory, though only 7.3% cited this concern, down from 15.7% in May.

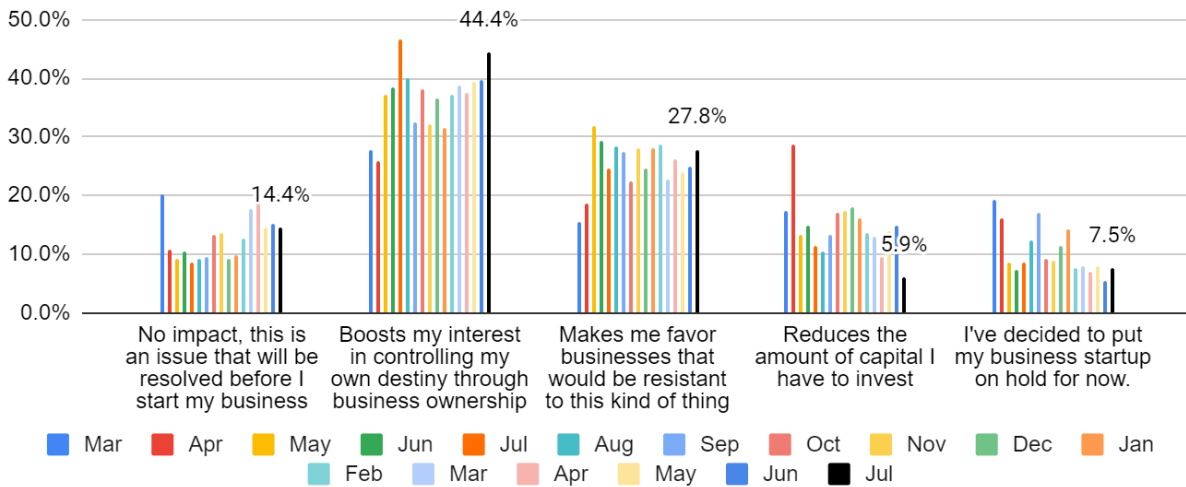
PANDEMIC DRIVES DESIRE TO CONTROL DESTINY

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 44.4% of respondents in July. At this point only 7.5% are putting their plans on hold, and 14.4% 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 27.8% in July 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™ July 2021



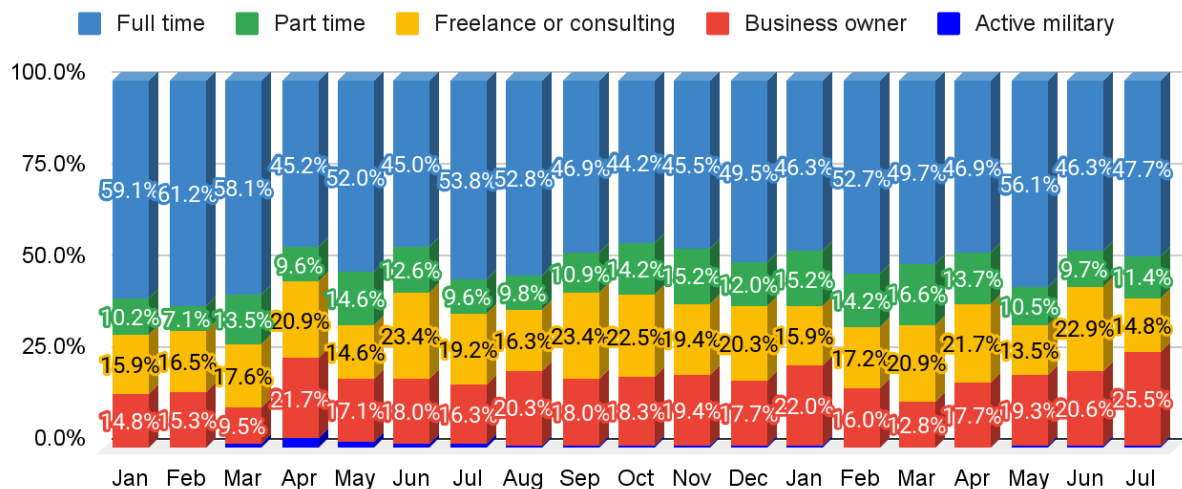
RECORD BUSINESS OWNERS AMONG RESPONDENTS

Of the survey respondents, 47.7% are currently employed full-time. Current business owners made up a survey record of 25.5% of respondents, suggesting a desire to upgrade or diversify their businesses. Combined, full-time workers and business owners reached 72.7% of respondents.

Only 26.2% of respondents were either working part-time or in a freelance capacity, down from 32.6 in June. Less than 1% in the July 21 survey were active duty in the military.

Current Employment Status of Aspiring Franchisees

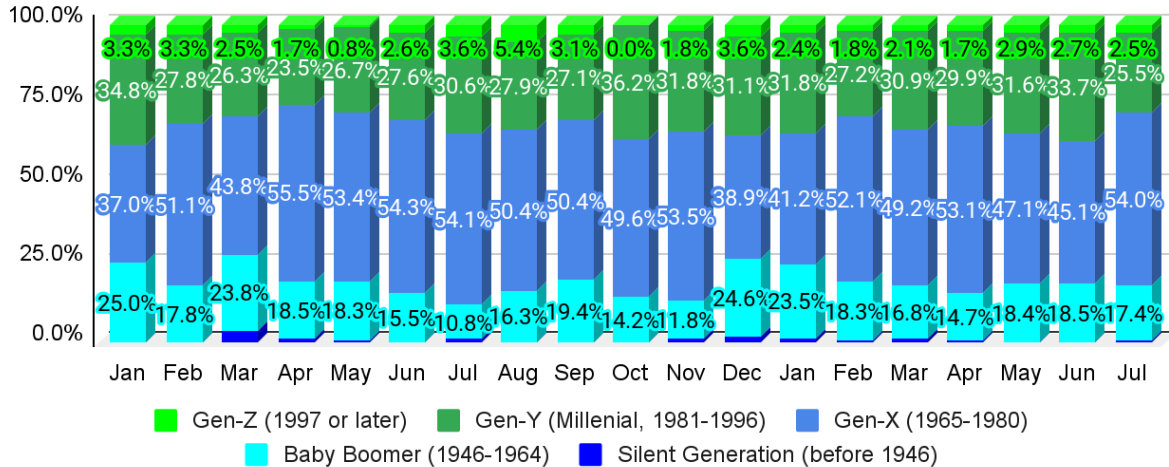
Source: FranchiseInsights.com Startup Sentiment Index™ July 2021



Gen-X (54%) and Gen-Y (25.5%) accounted for the highest percentages of survey respondents, consistent with prior surveys. Baby Boomers were 17.4% of respondents in July, down from almost 25% in December 2020.

Gen-X and Gen-Y Dominate Startup Interest

Source: FranchiseInsights.com Startup Sentiment Index™ July 2021



See also a complete profile of the [demographics of aspiring business buyers](#) from a large demographic sample for the calendar year 2020 compared to the prior full year.

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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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