

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](https://www.franchiseventures.com). This survey was conducted November 23-30, 2021.

**December 2, 2021**

## Small Business Startup Sentiment Index™ (SSI)

### Startups Planned for 2-3 Months Out Reach Highest in Twelve Months in November Survey

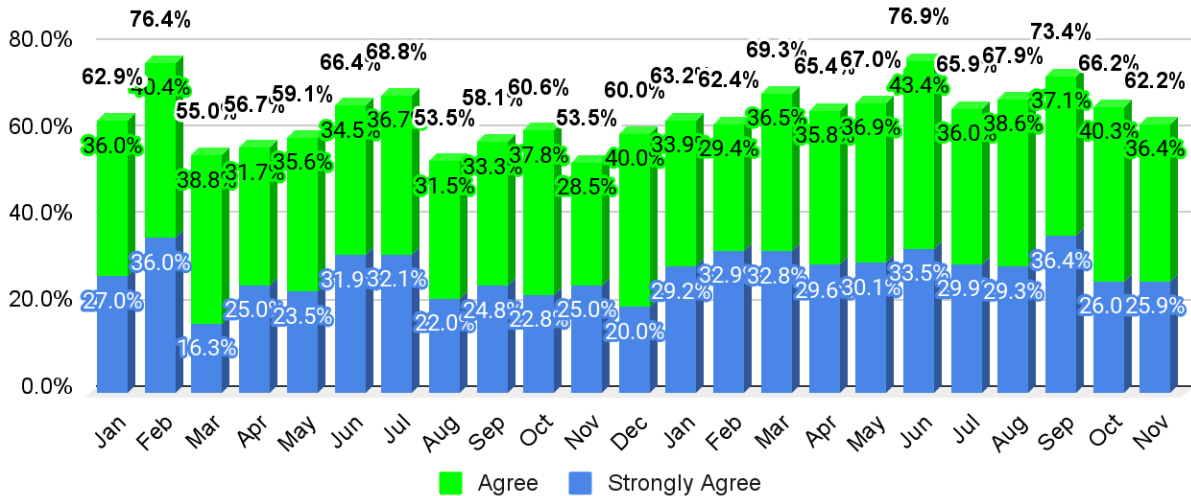
- Now 84.6% of Aspiring Business Owners See Conditions the Same or Getting Better for Startup
- Boomers Edge Out Millennials in November

#### STARTUP SENTIMENT: A GOOD TIME TO TAKE THE LEAP

Almost two-thirds of entrepreneurs (62.2%) agree or strongly agree that "now is a good time to start a business" in November 2021, a second month of descent from September's high at 73.4%. Aspiring owners who anticipate starting their businesses in the "2-3 months out" range reached the highest level since October 2020 as the Delta variant emerged.. [FranchiseInsights.com](https://www.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™ November, 2021



The survey was conducted November 23-30, spanning the long Thanksgiving holiday weekend as well as the breaking news and financial market reaction to the Omicron variant. Entrepreneur optimism parallels the ongoing [surge in new business applications](#) reported in September by the US Census Bureau. These optimistic views on conditions

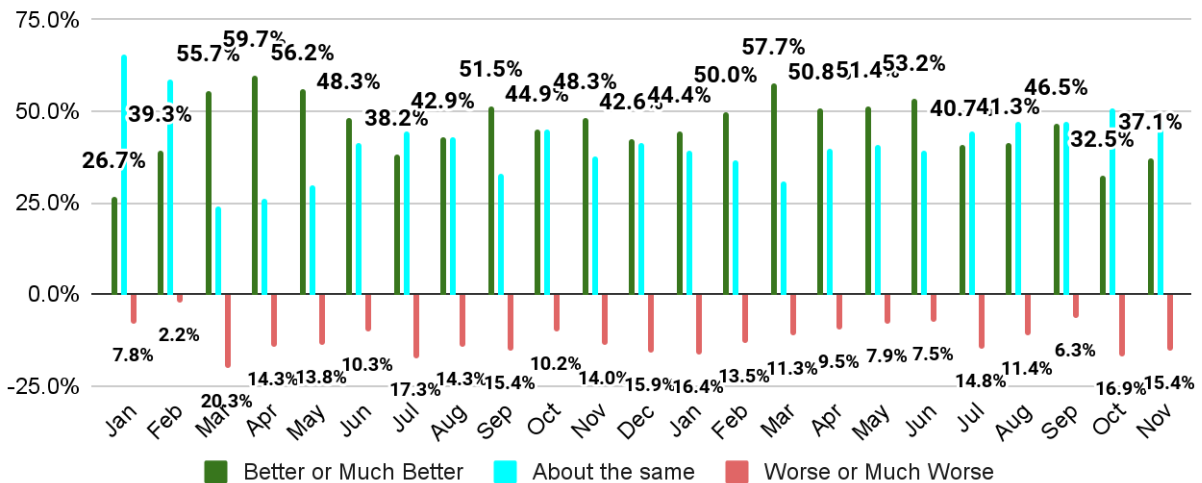
for business startup are in contrast with November’s drop in sentiment seen in [The Conference Board’s Survey of Consumer Confidence](#).

## OUTLOOK ON BUSINESS CONDITIONS: MORE POSITIVE

As a reflection of confidence in current conditions, a lower percentage of respondents believe that in three months, conditions will be **“better or much better”** than now, compared to the height of the pandemic, at 37.1% in November compared to the 50% plus readings earlier this year. A stalwart minority see conditions **“worse or much worse”** in the same time frame, at 15.4%. Over 84.6% see conditions staying the same or getting better.

### Now 84.6% See Business Conditions the Same or Getting Better

Source: FranchiseInsights.com Startup Sentiment Index™ Nov 2021



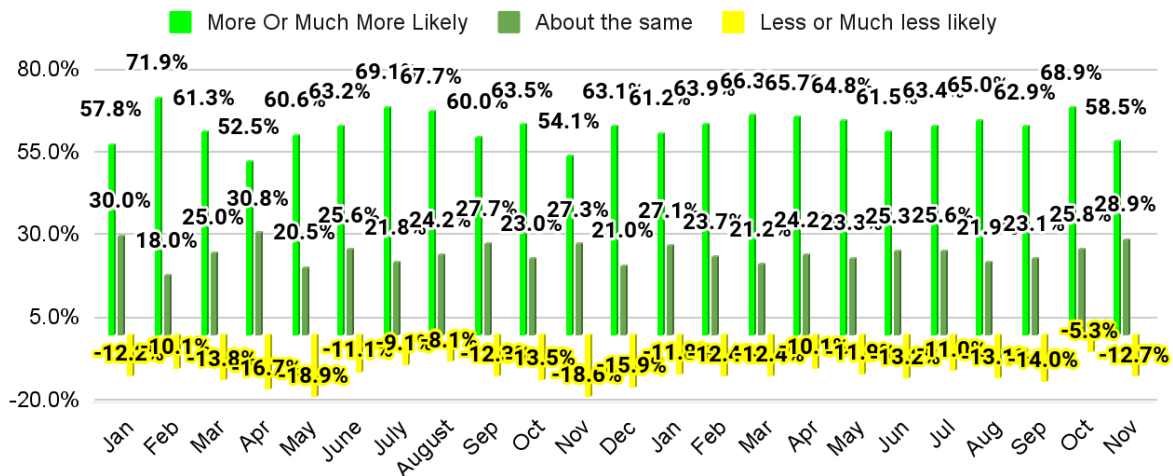
## SENTIMENT ABOUT STARTING “NOW” VS. THREE MONTHS AGO

Fewer respondents are more upbeat about starting or buying their business than they were three months ago. In November, 58.5% of those responding indicated that they were **“more or much more likely to start a business now than three months ago”** compared with 68.9% in October 2021.

The percentage of survey respondents who were **“less or much less likely to start a business than three months ago”** came in at 12.7%, just above the 12.5% 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™ Nov 2021



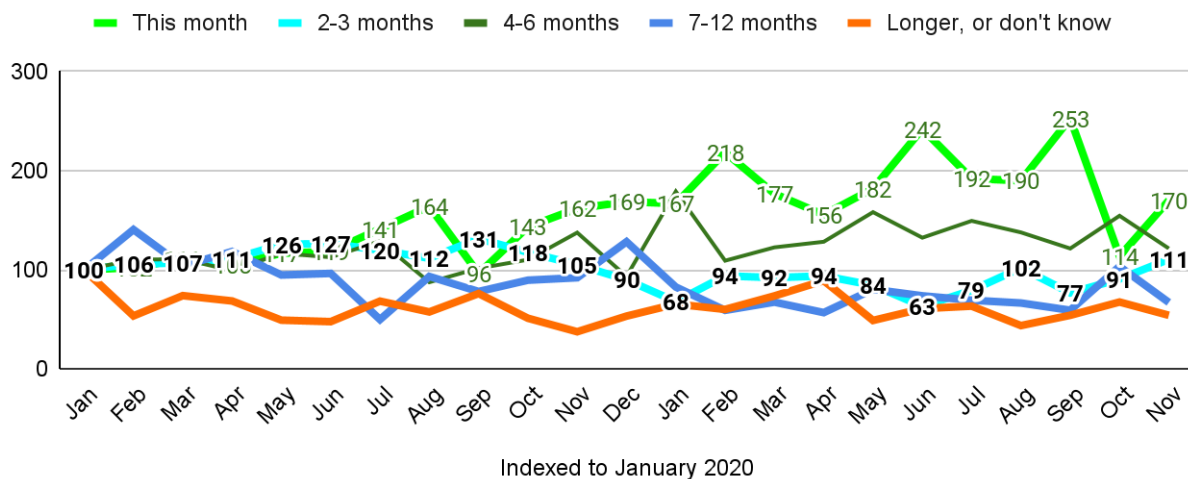
## STARTUP TIMING: ENTREPRENEURS LOOK TO EARLY 2022

In November, entrepreneurs expressing intent to start or buy **“this month”** rebounded to 170% of responses indexed to January 2020. Conversely, aspiring business owners planning startups in the **“next 2-3 months”** reached a twelve month high at 111% of January 2020. The data doesn’t reveal “why”, but a slower pace as the holidays approach with rebound in the first quarter was seen also in 2020.

Over 58% of respondents expressed **intent to start or buy their businesses “within the next three months.”** Startup intentions in the **“next four to six months”** dropped to 17.4%, bringing the total with intent to start within 6 months to 75.7%.

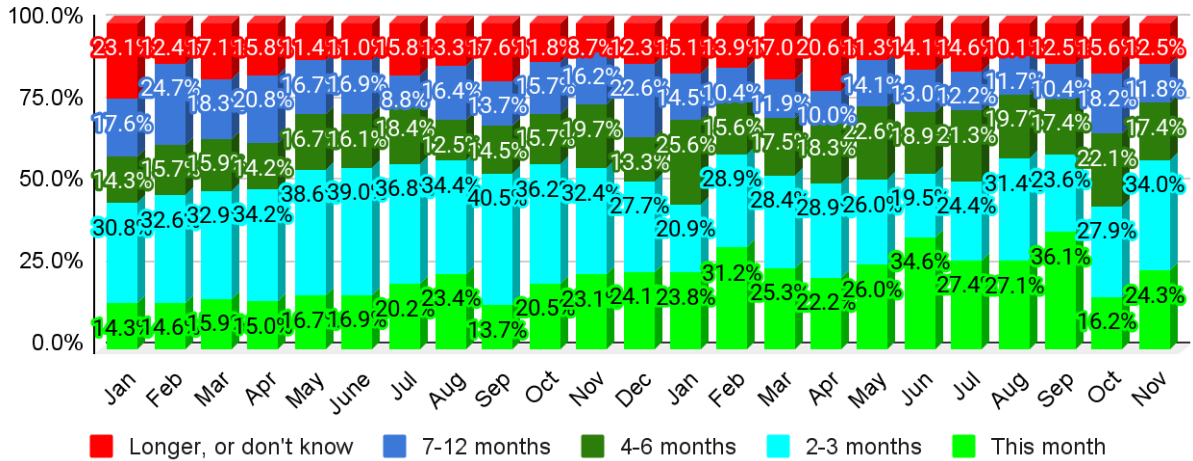
## Starts 2-3 Months Out Reach Highest in 12 Months

Source: FranchiseInsights.com Startup Sentiment Index™ Nov 2021



# Startup Intentions Within 6 Months at 75.7%

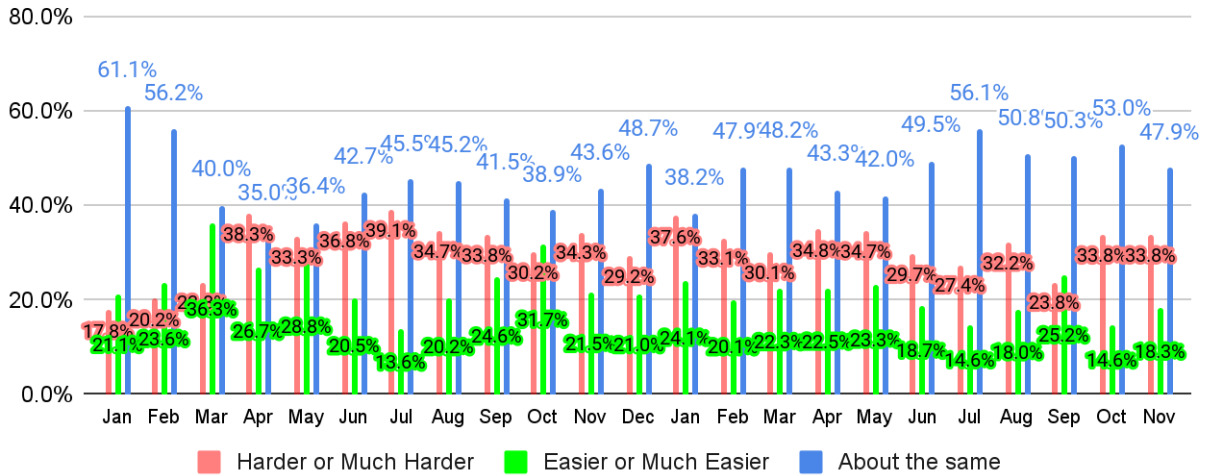
Source: FranchiseInsights.com Startup Sentiment Index™ Nov 2021



## ACCESS TO FUNDING A PERENNIAL CONCERN

### Funding Difficulty Seen as Steady in the Next Three Months

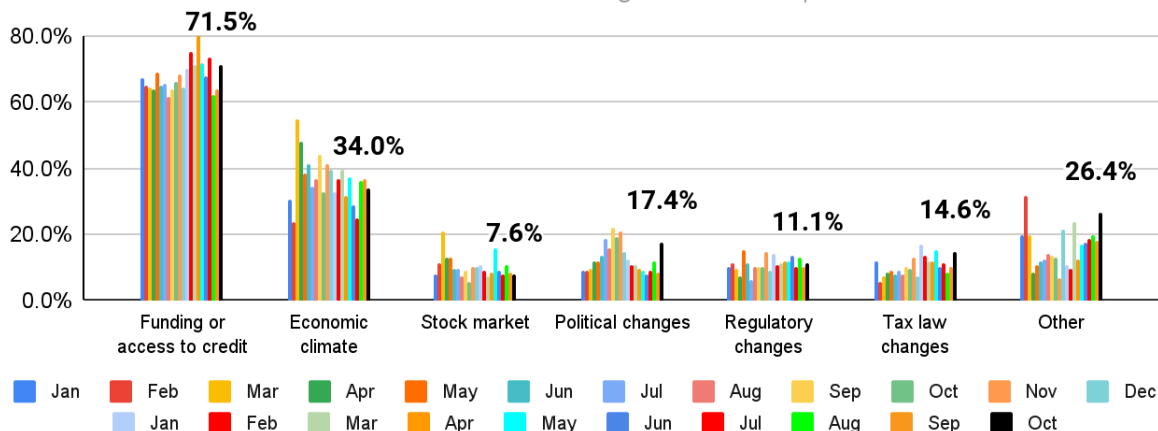
Source: FranchiseInsights.com Startup Sentiment Index™ Nov 2021



While access to funding remains an oft-cited startup issue, prospective business owners have shown decreasing concern about availability of startup financing in recent months, with exactly the same percentage of 33.8% in November and October seeing it getting **“harder or much harder”** three months from now. Almost half at 47.9% see access to funding in three months being **“about the same”** and 18.3% see 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™ Nov 2021



With other factors mostly flat or declining over the last several months, 71.5% 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 the funding concern, **“economic climate”** is next highest at 34%, though it continues a decreasing trend.

Despite concerns about the new Omicron virus variant, Fed policy changes, the Chinese real estate market, an uptick in inflation and an ongoing U.S. debt ceiling impasse, only 7.6% of entrepreneurs cited the stock market as having a significant impact on their business startup plans.

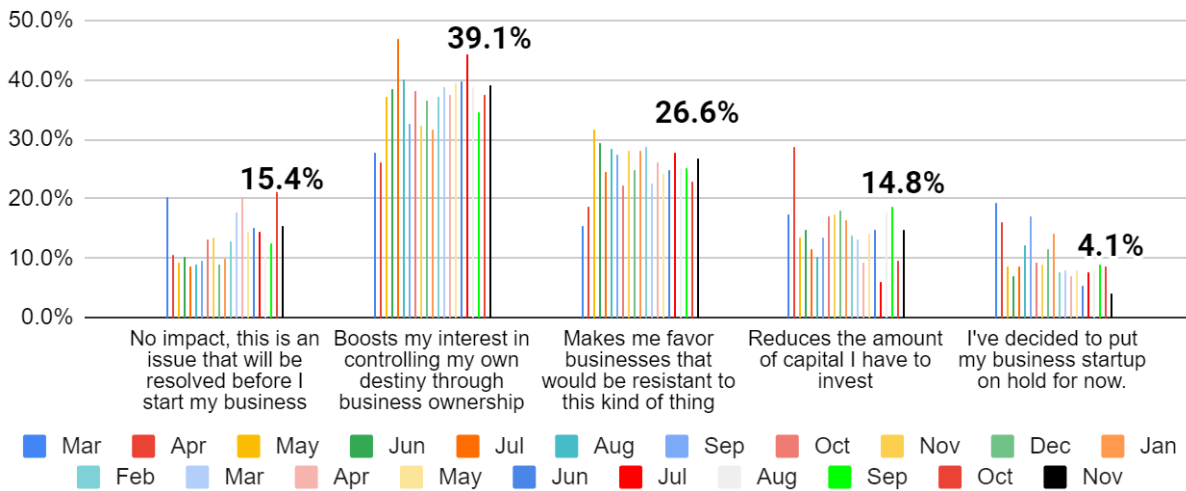
## PANDEMIC DRIVES DESIRE TO CONTROL DESTINY

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 39.1% of respondents in November. At this point only 4.1% are putting their plans on hold, an historic low. and despite the emergence of the Covid Omicron variant, 15.4% indicated in November that **“this is an issue that will be resolved”** before starting their businesses, though down from 8.6% in October.

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 26.6% in November 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™ Nov 2021



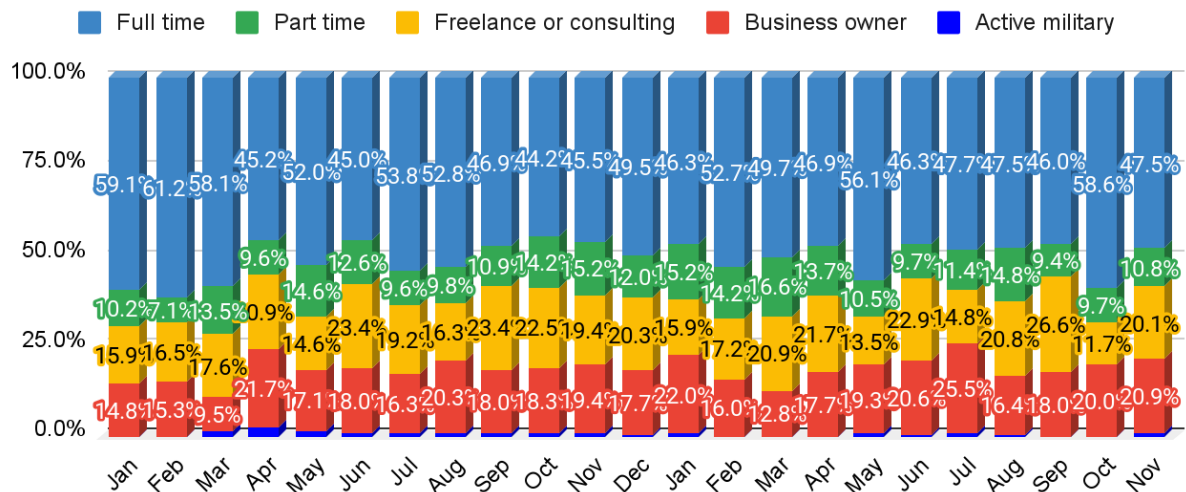
## BOOMERS EDGE OUT MILLENNIALS IN COUNTER-TREND RALLY

Of the survey respondents, 47.5% are currently employed full-time, a drop from the high seen in October. Current business owners made up 20.9% of respondents in November, suggesting a desire to upgrade or complement their existing businesses. Combined, full-time workers and current business owners reached 68.3% of respondents.

About 20.1% of respondents were working for themselves as freelancers or consultants. Less than 1% in the November survey were active duty in the military.

### Current Owners Are 29% of Business Startup Inquiries

Source: FranchiseInsights.com Startup Sentiment Index™ Nov 2021

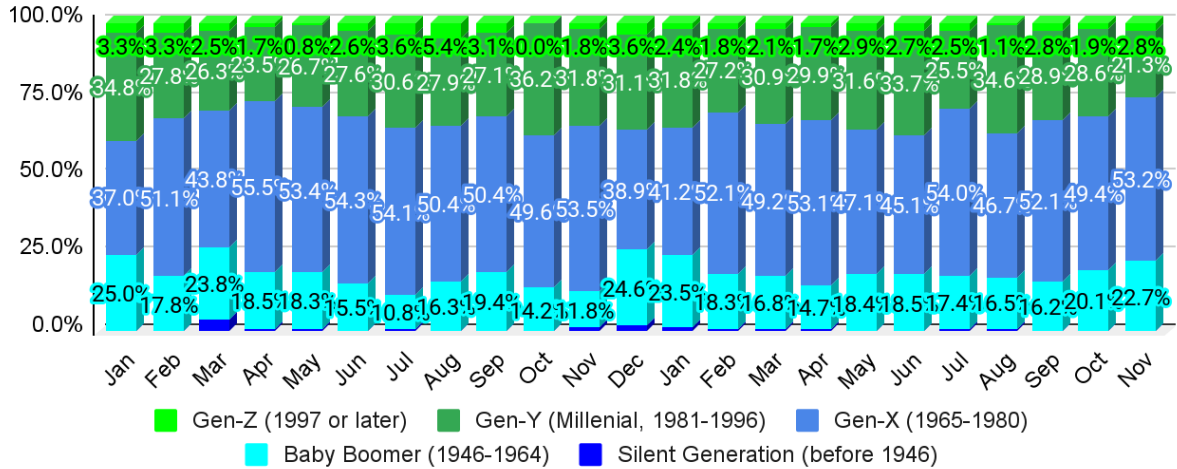


Gen-X (53.2%) and Baby Boomers (22.7%) accounted for the highest percentages of survey respondents, in a departure from surveys since January 2021. Gen-Y was 21.3% of respondents in November. This phenomenon (higher percentage of Boomers

vs. Millennials) seems to be seasonal, as can be seen in two years of data. Longer term, [Millennials will resume the edge as they reach optimum business startup age](#) and Boomers age out of the workplace.

## Gen-X and Gen-Y Dominate Startup Interest

Source: FranchiseInsights.com Startup Sentiment Index™ Nov 2021



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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