

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 November 22-30, 2024.

Norfolk, Virginia – Released December 4, 2024

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

Funding and Political Concerns Drop Among Aspiring Business Owners

In late November, 36.1% expected their startups in the next 2-3 months, the highest for that time window in over four years; 70.5% “more likely to start” than three months ago.

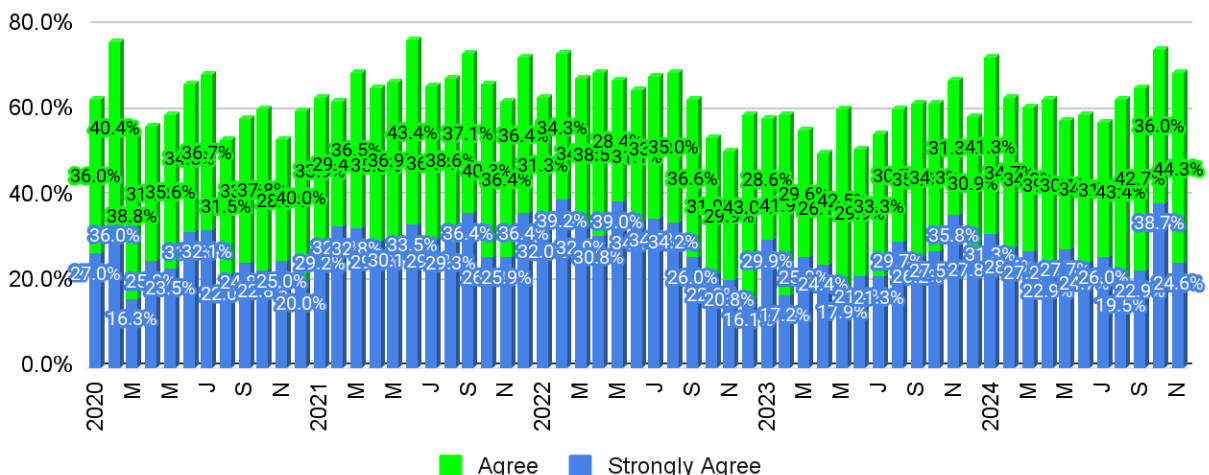
STARTUP SENTIMENT: 69% SAY “NOW” IS A GOOD TIME

Now 68.9% of aspiring business owners surveyed either agree or strongly agree that “now is a good time to start a business,” showing optimism about conditions now and ahead. In the November 2024 survey, 86.9% of respondents see conditions for business and franchise startups “**the same or better in three months.**” Of this month’s respondents, 54.1% of entrepreneurs planned their startups within the next three months. Further, 70.5% 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.

68.9% of Prospects Agree Now a Is Good Time for Startup

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



The survey was conducted November 22-30, 2024. These upbeat views on conditions for business startup are consistent with November readings from the [Conference Board's Survey of Consumer Confidence](#), showing its second straight monthly increase.

OPTIMISM ABOUT CONDITIONS THREE MONTHS OUT STILL HIGH

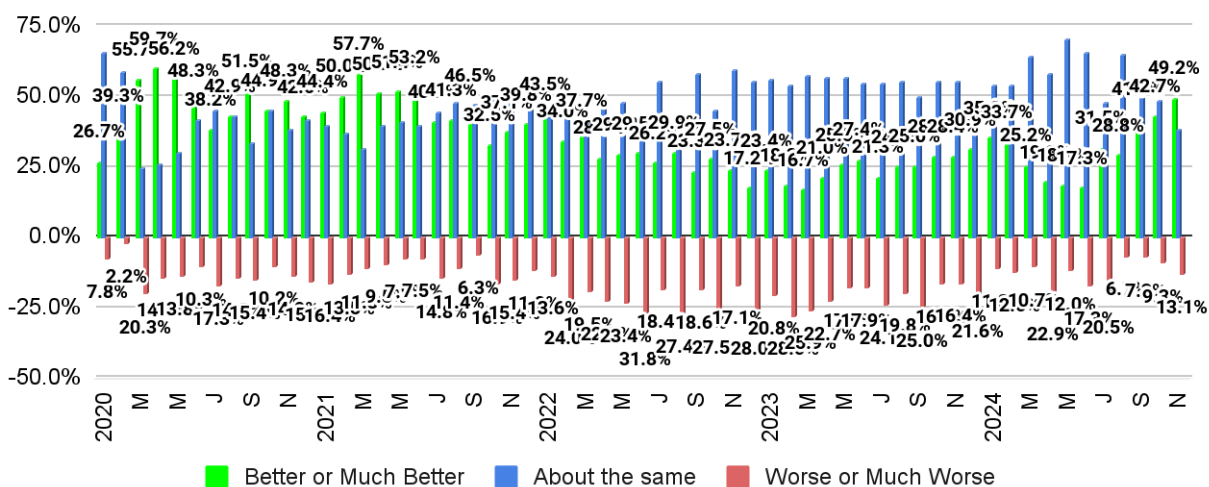
Reversing a multi-year downtrend in sentiment about future business conditions, **86.9% of respondents see conditions no worse – staying the same or getting better in three months**– with 37.7% seeing conditions “about the same.”

Now 49.2% of respondents (green bars) think that in three months, conditions will be **“better or much better”** than now, increasing, but still below the 50-60% readings at the height of the pandemic. We do not know why, but post-election clarity is likely to be a factor. Only 13.1% see conditions **“worse or much worse”** three months ahead.

86.9% See Conditions the Same or Better in Three Months

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Small Business Startup Sentiment Index™ November 2024



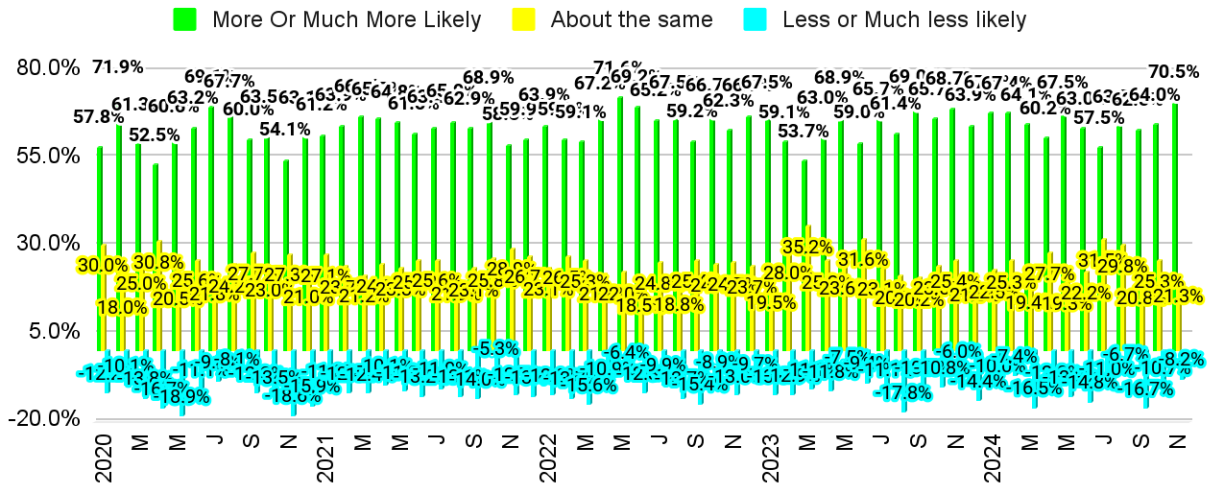
RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are generally more upbeat now about starting or buying their business than they were three months ago. In November 2024, 70.5% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 21.3% **“about the same,”** that means that 91.8% 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”** dropped to 8.2%, below the 11.6% average seen over the prior 12 months, consistent with ebullient financial markets and the prospect of lower interest rates.

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

Source: FranchiseInsights.com Startup Sentiment Index™ November 2024

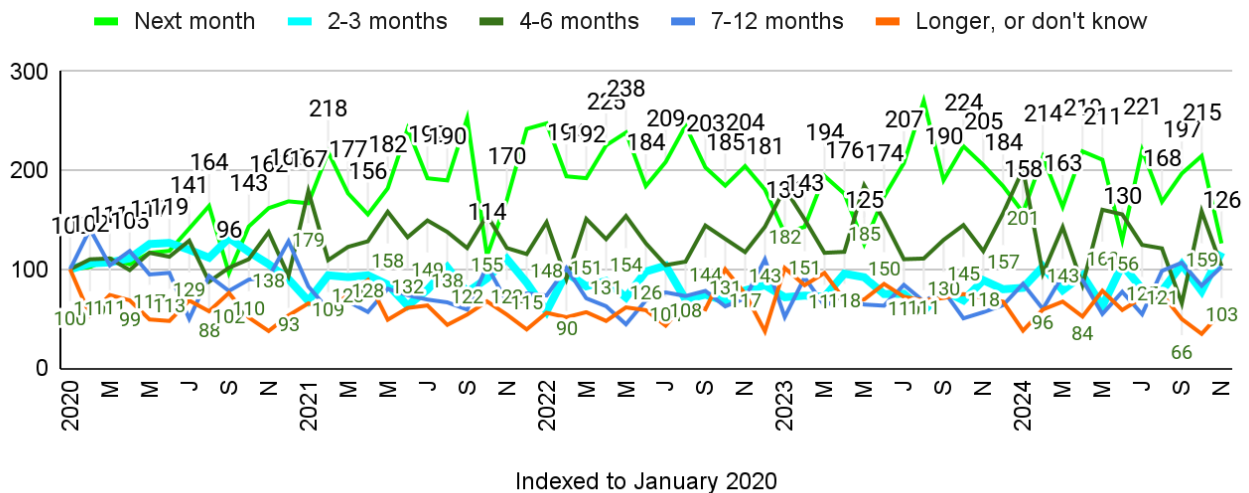


‘2-3 MONTHS OUT’ IS THE MOST EXPECTED TIME FRAME

In the November survey, a record 86.9% of respondents expected to start within the next twelve months. The index of entrepreneurs expressing intent to start or buy “**next month**” dropped to 126% of the January 2020 level, at 18% of respondents. Further, the index of aspiring business owners planning startups in the “**next 2-3 months**” grew to 117% of the January 2020 reference point, at 36.1% of respondents.

54.1% Anticipate Startups In The Coming Three Months

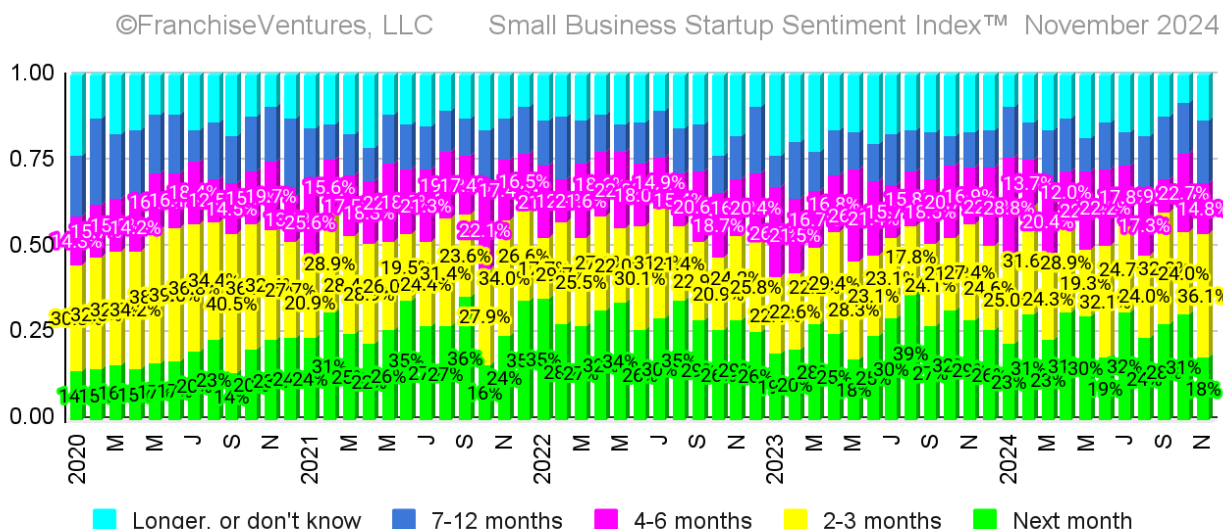
Source: FranchiseInsights.com Startup Sentiment Index™ November 2024



This past month 54.1% of respondents expressed **intent to start or buy their businesses within the next three months**, above the January 2024 record low of 41.6% and the previous record low reading of 44.2% during the height of the Omicron wave in October 2021.

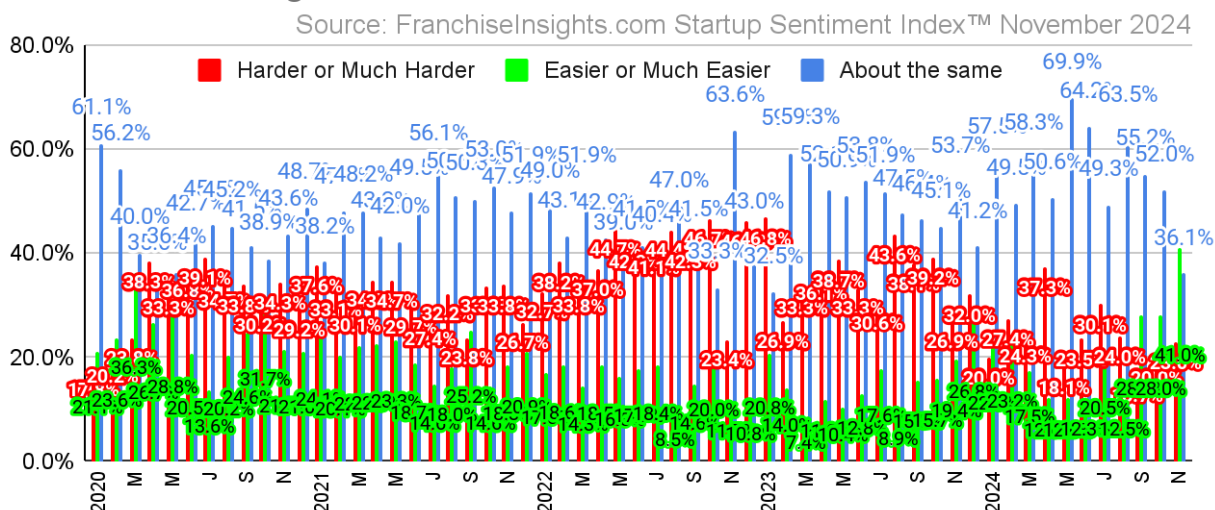
Startup intentions at “4-6 months” dropped to 14.8%. That brings the total with intent to start within 6 months to 68.9% of respondents. Another 18% of respondents are planning their startups for 7-12 months out. Only 13.10% are “not sure” or expect to wait more than twelve months for their business launches.

Startups 2-3 Months Out Are Highest at 36.1%



FUNDING AND POLITICAL CONCERNS TAKE A DIVE

41% See Funding Easier in 3 Months; 36.1% the Same

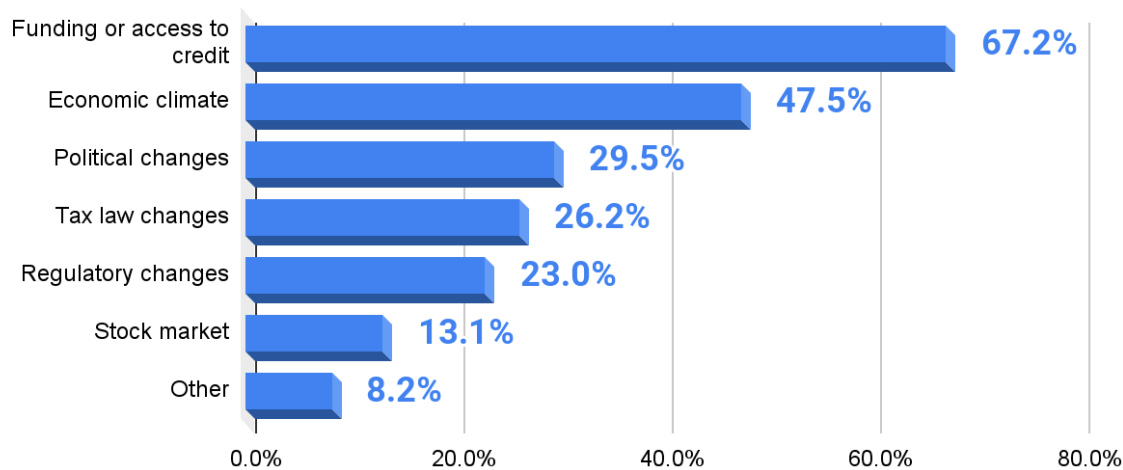


Though access to funding remains the primary startup issue, prospective business owners' concerns about availability of startup financing have been reduced in recent months, with only 23% seeing it getting “**harder or much harder**” three months from now. Now 36.1% see access to funding in three months being “**about the same**” and

now 41.0% see it getting “**easier or much easier**”, coincident with the Federal Reserve beginning a cycle of lowering interest rates in September 2024. .

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™ November 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 67.2% in November, up from a record low 53.1% in September, coincident with the first Federal Reserve easing of this cycle. Beyond the funding concern, “**economic climate**” is next highest at 47.5% of respondents.

After six months in a row at third place, “political changes” dropped to last place as the election was resolved in an orderly manner before the survey was conducted.

PANDEMIC BOOSTS DESIRE FOR CONTROLLING DESTINY

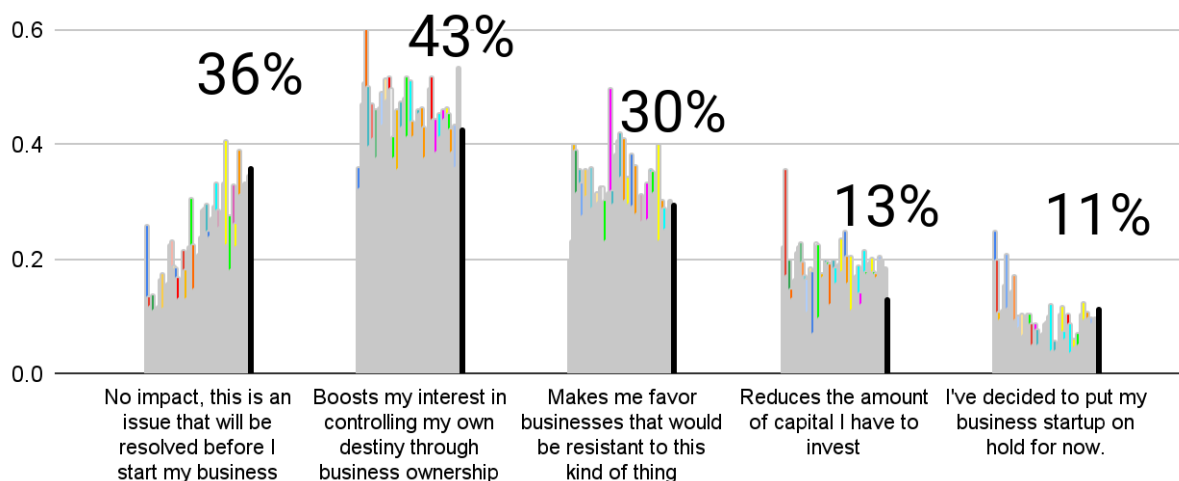
For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the FranchiseInsights.com Small Business Startup Sentiment Index™ often said that it “**boosts my interest in controlling my own destiny through business ownership.**” 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 43% in November 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 30%, 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 11% is 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 36% of respondents.

How did the pandemic affect your interest in business ownership?

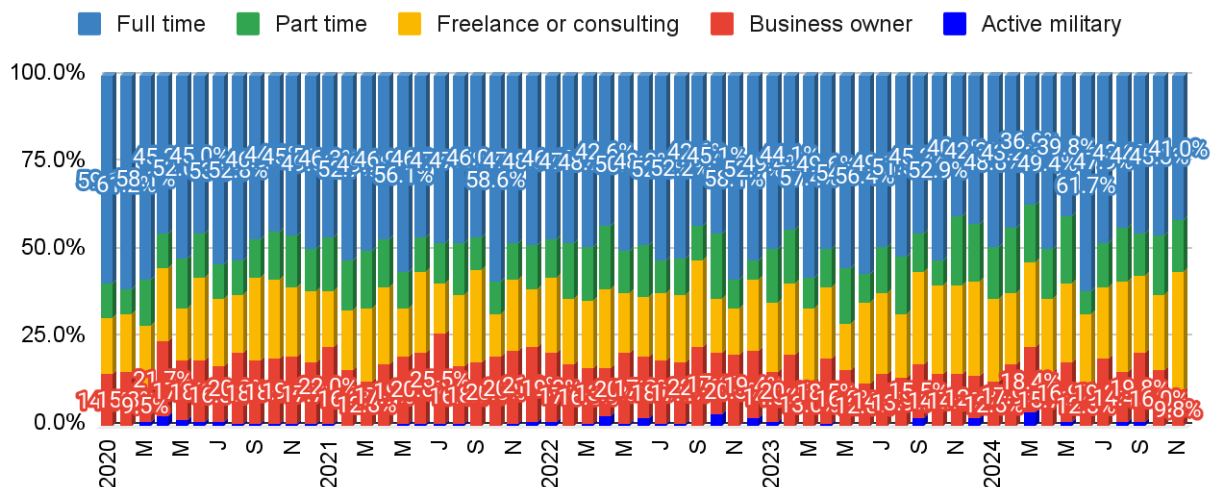
Source: FranchiseInsights.com Startup Sentiment Index™ November 2024



FULL-TIME WORKERS AND GEN-X REMAIN LARGEST COHORTS

41% of Aspiring Owners Leaving a Full Time Job; 34.4% are Freelancers

Source: FranchiseInsights.com Startup Sentiment Index™ November 2024



Of the survey respondents, 41.0% are currently employed full-time, down from the record 61.7% in the June 2024 survey. Current business owners made up 9.8% 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 50.8%.

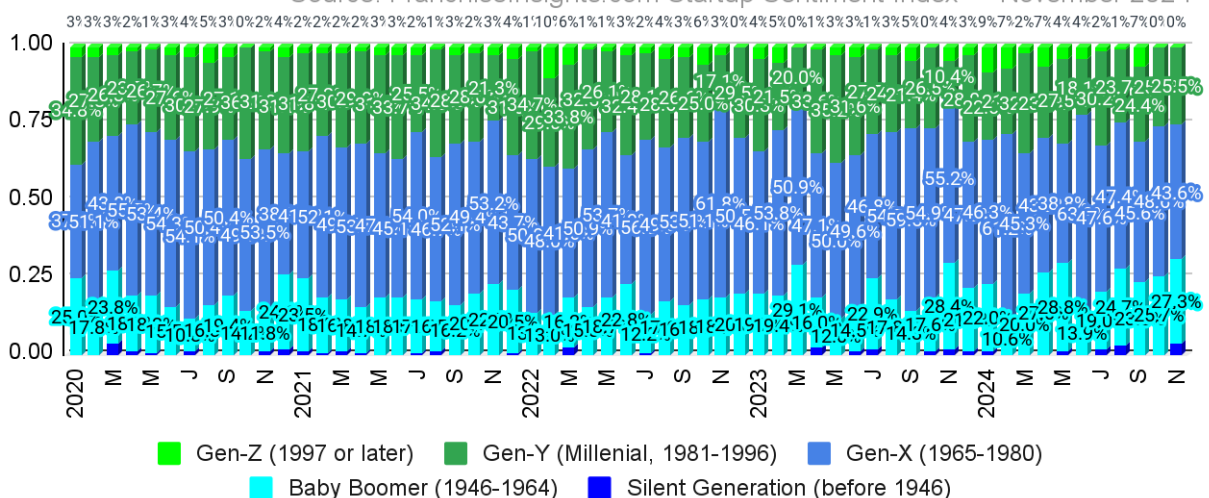
About 34.4% of respondents were working as freelancers or consultants. Part-time workers made up 14.8% of respondents. This month less than 1% of the aspiring entrepreneurs in the survey were on active military duty.

Gen-X is the largest share, at 43.6% of respondents, pulling back from the record 63.9% seen in June 2024. Boomers followed at 27.3%, and the Gen-Y or Millennial age cohort made up 25.5% of respondents. Gen-Z were less than 1% of respondents, after a strong showing at 6.7% in September. 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 to early fifties are the peak ages for budding entrepreneurs who take interest in business ownership. Gen-X (age 44-59) is the most active franchise-seeking cohort.

Gen-X Share at 43.6%, Boomers follow at 27.3%

Source: FranchiseInsights.com Startup Sentiment Index™ November 2024



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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[Franchise Ventures](#) 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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