

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 October 21-27, 2021.

November 3, 2021

Small Business Startup Sentiment Index™ (SSI)

Great Resignation Underway: Record Percentage of Aspiring Business Owners are Leaving Full-Time Jobs

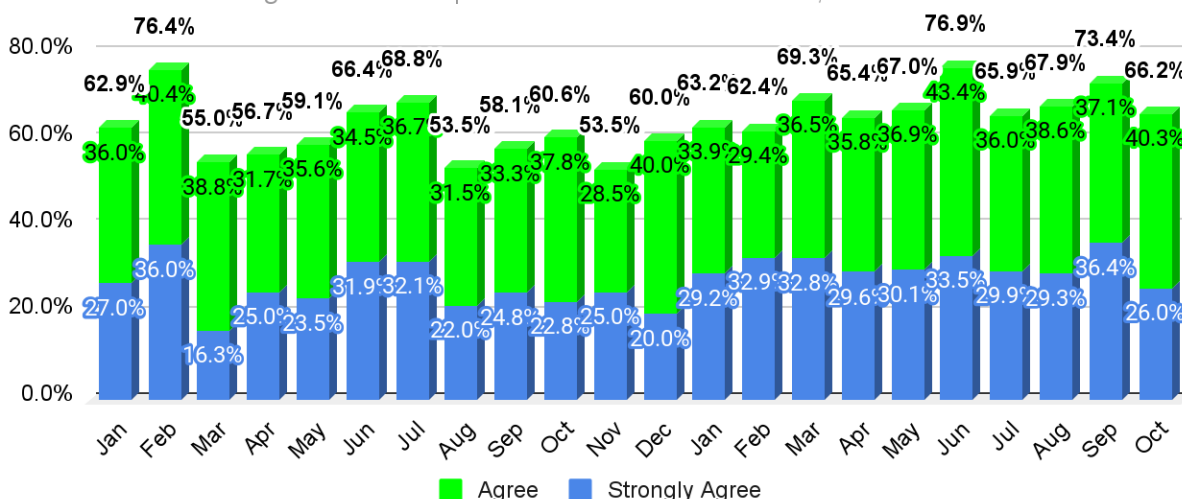
Record 83.1% See Business Conditions the Same or Getting Better

SENTIMENT: NOW IS STILL A GOOD TIME TO TAKE THE LEAP

Over two-thirds (66.2%) of entrepreneurs who agree or strongly agree that "now is a good time to start a business" in October 2021, a significant drop from September's high at 73.4%. Aspiring owners who anticipate starting their businesses in the "next month" dropped to 16.2% in October 2021, in contrast to the record 36.1% seen in the prior month. [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™ October, 2021



These results parallel the ongoing [surge in new business applications](#) reported in September by the US Census Bureau. These optimistic views on conditions for business startup come along with an increase in [The Conference Board's Survey of Consumer Confidence](#) after three months of lower confidence. The survey was conducted October 21-27 as US financial markets recovered to new highs, concerns

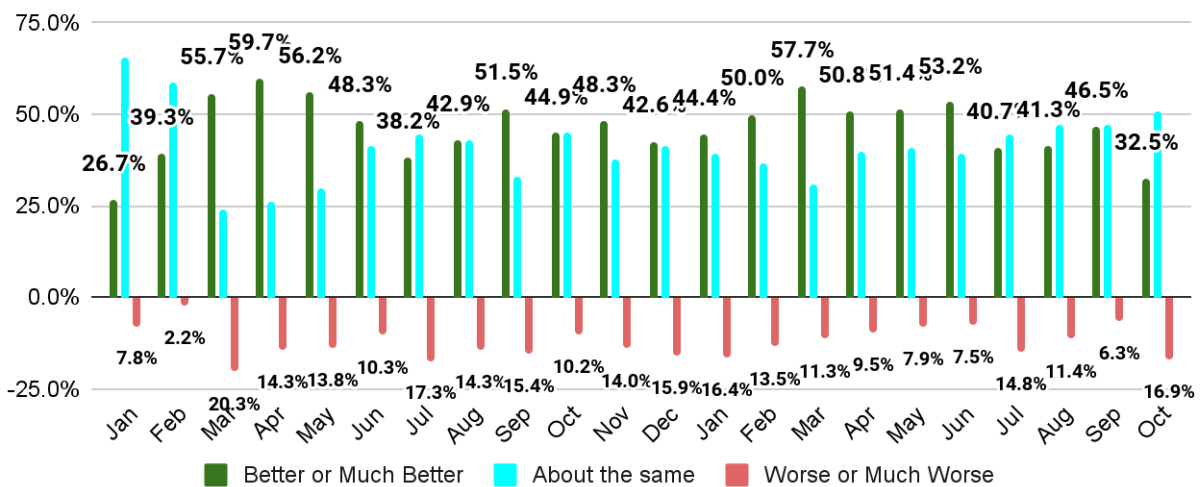
about the Delta Covid faded, Congress stood at impasse over multi-trillion-dollar legislation, and key elections were just days away.

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, at 32.5% in October compared to 46.5% in September. The highest percentage since the pandemic began see conditions **“about the same”** in three months at 50.6%. A stalwart minority see conditions **“worse or much worse”** in the same time frame, reaching 16.9%. Over 83% see conditions staying the same or getting better.

Record 83.1% See Business Conditions the Same or Getting Better

Source: FranchiseInsights.com Startup Sentiment Index™ Oct 2021



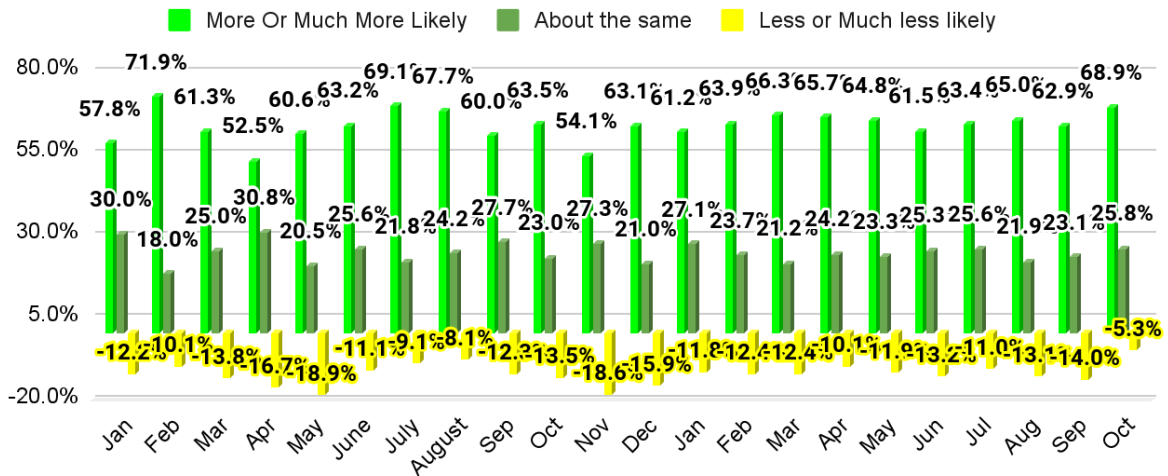
SENTIMENT ABOUT STARTING “NOW” VS. THREE MONTHS AGO

Respondents are slightly more upbeat about starting or buying their business in the September survey, with 68.9% of respondents indicating that they were **“more or much more likely to start a business now than 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”** reached an all-time low of 5.3%, compared to the 13.2% 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™ Oct 2021



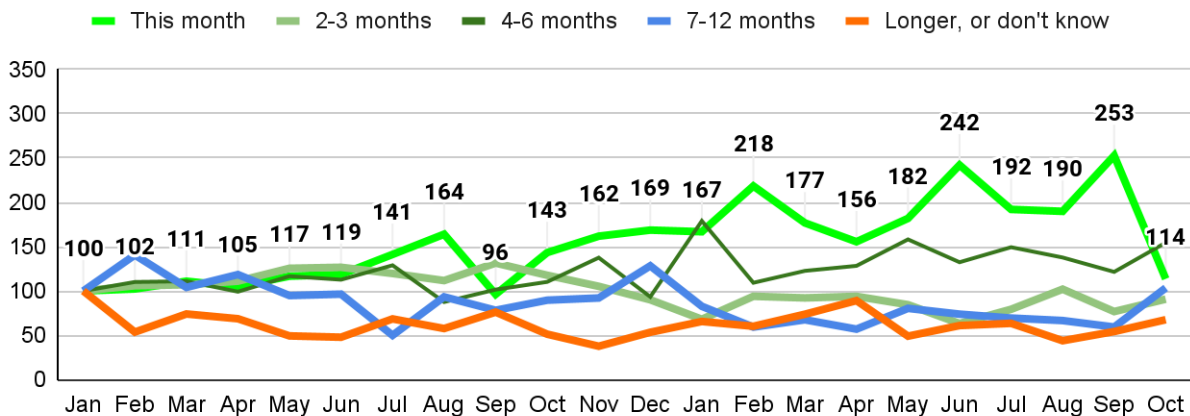
STARTUP TIMING: ENTREPRENEURS LOOK TO EARLY 2022

In October, entrepreneurs expressing intent to start or buy **“this month”** dropped precipitously to 114% of responses indexed to January 2020. Conversely, aspiring business owners planning startups in the **“next 2-3 months, 4-6 months, and 7-12 months”** grew in October. The data doesn’t reveal “why”, but the onset of a slower pace as the holidays approach was seen also in 2020.

Over 44% 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 October to 22.1%, bringing the total with intent to start within 6 months to 66.2%.

Entrepreneurs Look to Early 2022 for Business Launches

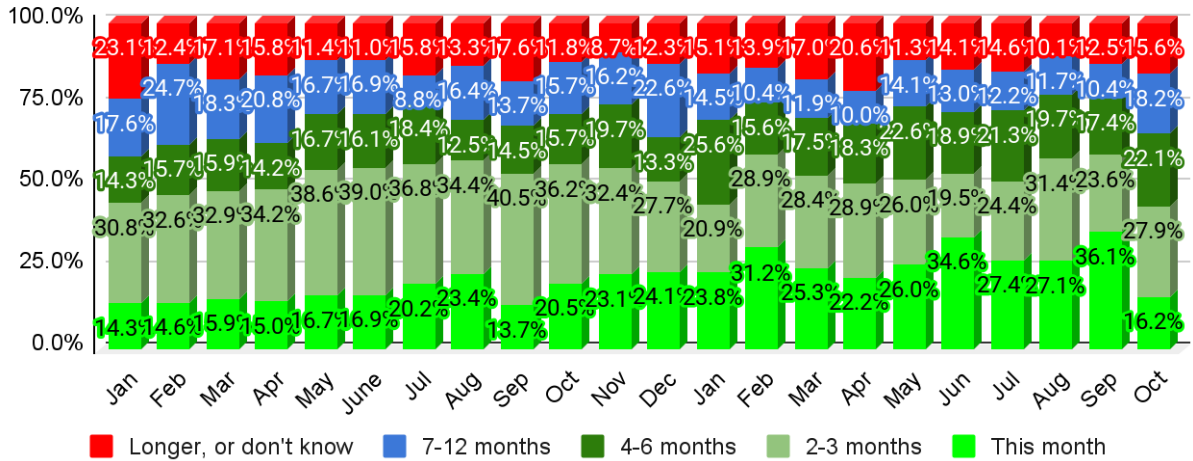
Source: FranchiseInsights.com Startup Sentiment Index™ Oct 2021



Indexed to January 2020

Startup Intentions Within 6 Months at 66.2%

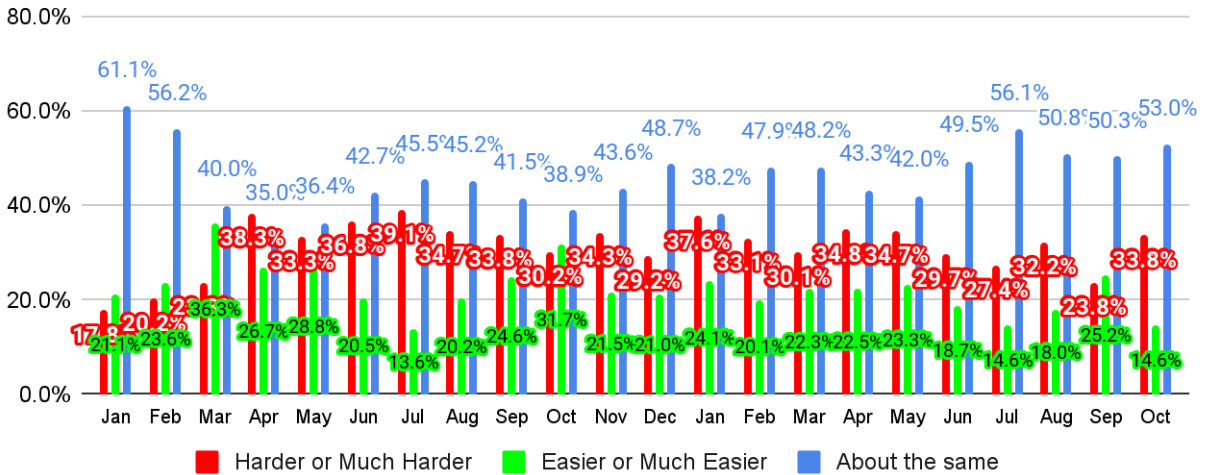
Source: FranchiseInsights.com Startup Sentiment Index™ Oct 2021



ACCESS TO FUNDING REMAINS A CONCERN

Funding Seen Slightly More Difficult in Next Three Months

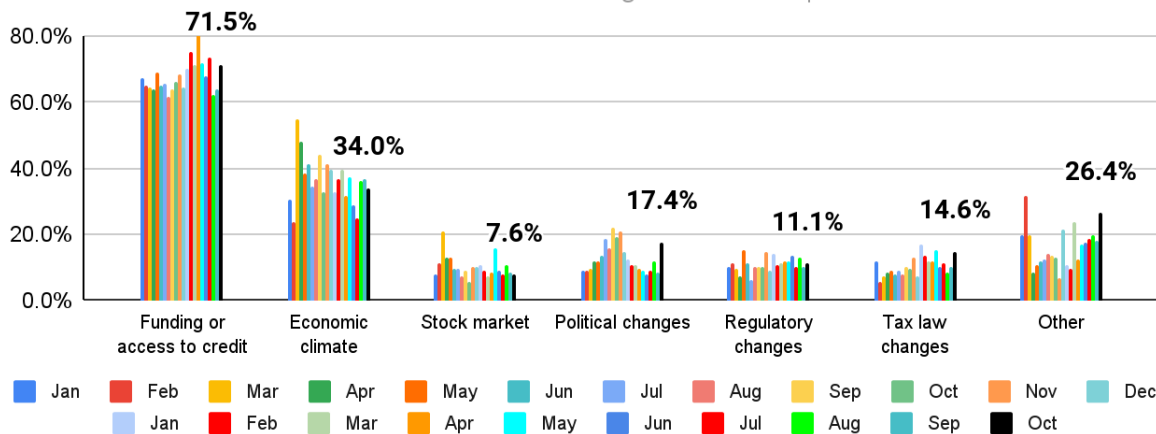
Source: FranchiseInsights.com Startup Sentiment Index™ Oct 2021



While access to funding remains an oft-cited startup concern, prospective business owners have shown decreasing concern about availability of startup financing in recent months, though 33.8% in October saw it getting **“harder or much harder”** three months from now, compared to 23.8% in August. A majority at 53% see access to funding in three months being **“about the same”** and 14.6% 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™ Oct 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 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.

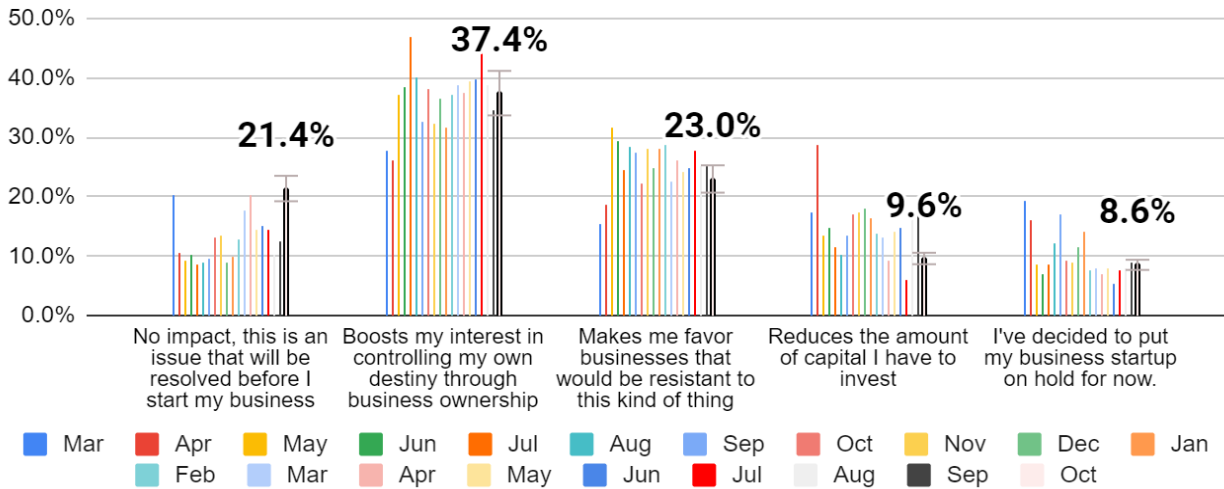
PANDEMIC DRIVES DESIRE TO CONTROL DESTINY

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 37.4% of respondents in October. At this point only 8.6% are putting their plans on hold, and despite the resurgence of the Covid Delta variant, a new high of 21.4% 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 23% in October 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™ Oct 2021



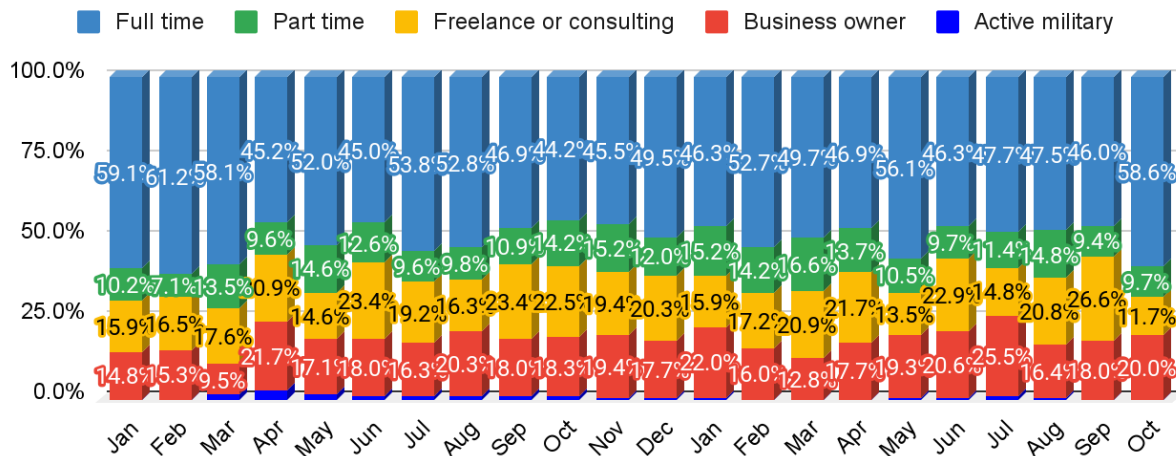
GREAT RESIGNATION SEEN IN ENTREPRENEUR DEMOGRAPHICS

Of the survey respondents, 58.6% are currently employed full-time, the highest since January 2020. Current business owners made up 20.0% of respondents in October, suggesting a desire to upgrade or diversify their businesses. Combined, full-time workers and current business owners reached 68.6% of respondents.

About 21.4% of respondents were working for themselves as freelancers or consultants. Less than 1% in the October survey were active duty in the military.

Record Share of Aspiring Business Owners Contemplate Leaving Full-Time Jobs

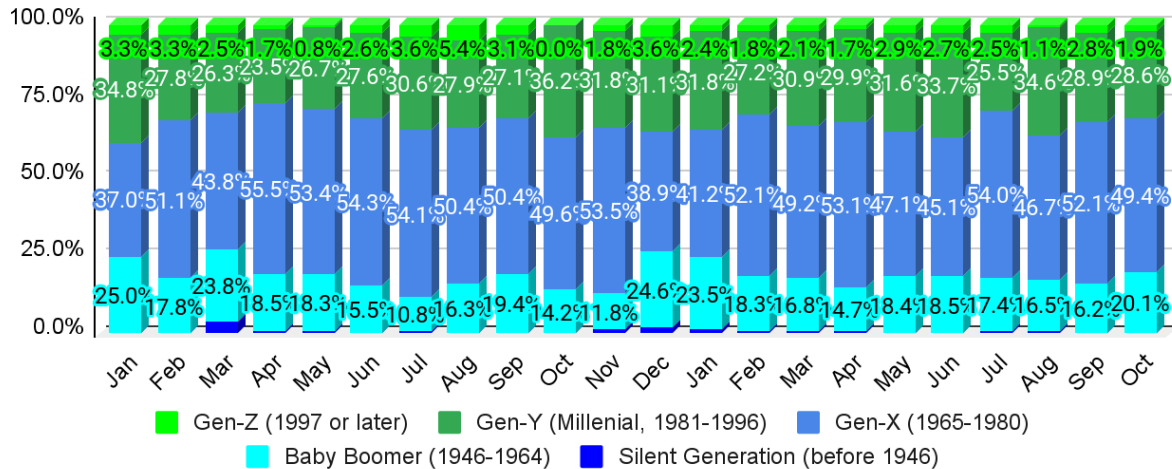
Source: FranchiseInsights.com Startup Sentiment Index™ Oct 2021



Gen-X (49.4%) and Gen-Y (28.6%) accounted for the highest percentages of survey respondents, consistent with prior surveys. Baby Boomers were 20.1% of respondents in October 2021, down from almost 25% in December 2020.

Gen-X and Gen-Y Dominate Startup Interest

Source: FranchiseInsights.com Startup Sentiment Index™ Oct 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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