

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 24-31, 2024.

## Norfolk, Virginia – Released November 6, 2024

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

## Aspiring Business Owners See Clear Skies Ahead

*Record 92% plan their startup launches within twelve months, and 77% within six months.*

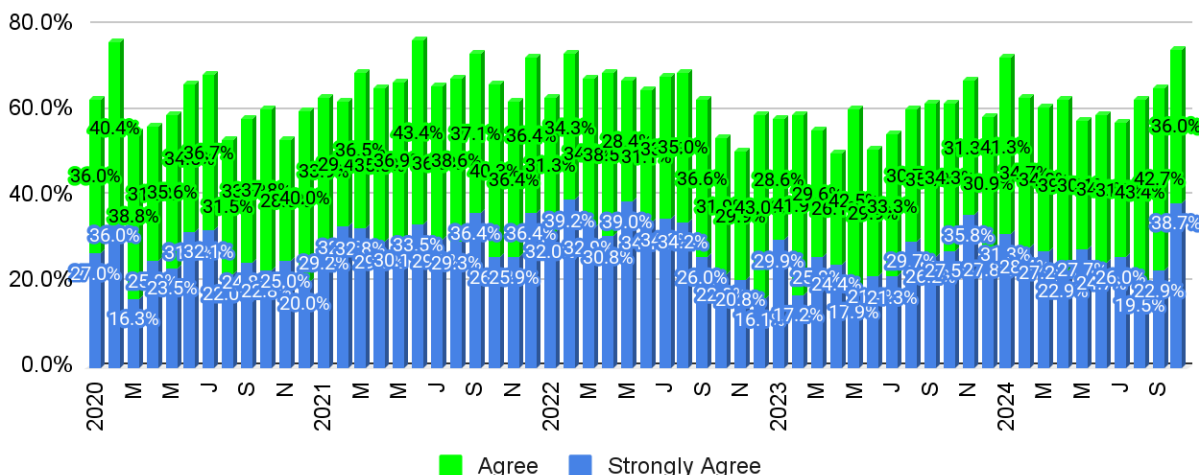
### STARTUP SENTIMENT: 75% SAY “NOW” IS A GOOD TIME

Now 75% 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 October 2024 survey, 90.7% of respondents see conditions for business and franchise startups “*the same or better in three months*.” Of this month’s respondents, 54.7% of entrepreneurs planned their startups within the next three months. Further, 64% 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.

### 75% of Prospects Agree Now a Is Good Time for Startup

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



The survey was conducted October 24-31, 2024. These upbeat views on conditions for business startup are consistent with October readings from the [Conference Board's Survey of Consumer Confidence](#), with its highest increase since March 2024.

## OPTIMISM ABOUT CONDITIONS THREE MONTHS OUT STILL HIGH

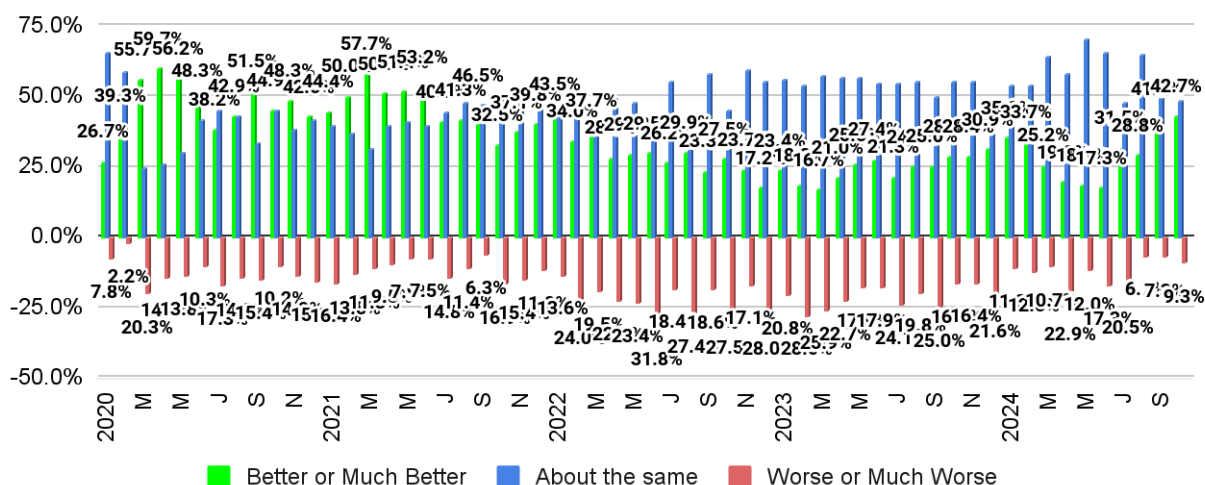
Reversing a multi-year downtrend in sentiment about future business conditions, **90.7% of respondents see conditions no worse – staying the same or getting better in three months**– with 48% seeing conditions “about the same.”

Now 42.7% of respondents (green bars) think that in three months, conditions will be **“better or much better”** than now, below the 50-60% readings at the height of the pandemic. We don’t know why, but getting past the election and on to potentially lower interest rates may be drivers of this sentiment. Only 9.3% see conditions **“worse or much worse”** three months ahead.

### 90.7% See Conditions the Same or Better in Three Months

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Small Business Startup Sentiment Index™ October 2024



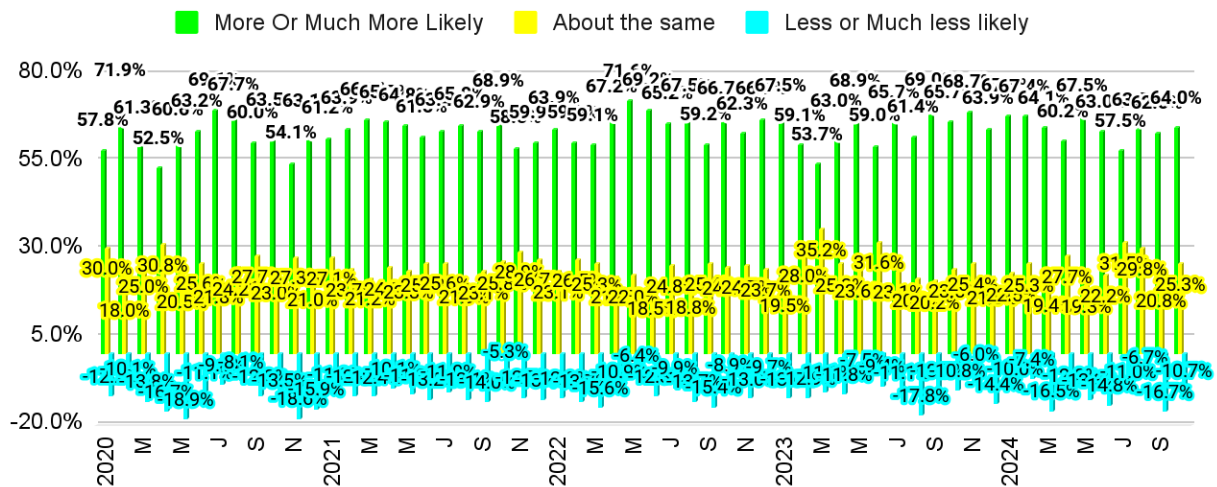
## RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are generally more upbeat now about starting or buying their business than they were three months ago. In October 2024, 64.0% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 25.3% **“about the same,”** that means that 89.3% 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 10.7%, near 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™ Oct 2024

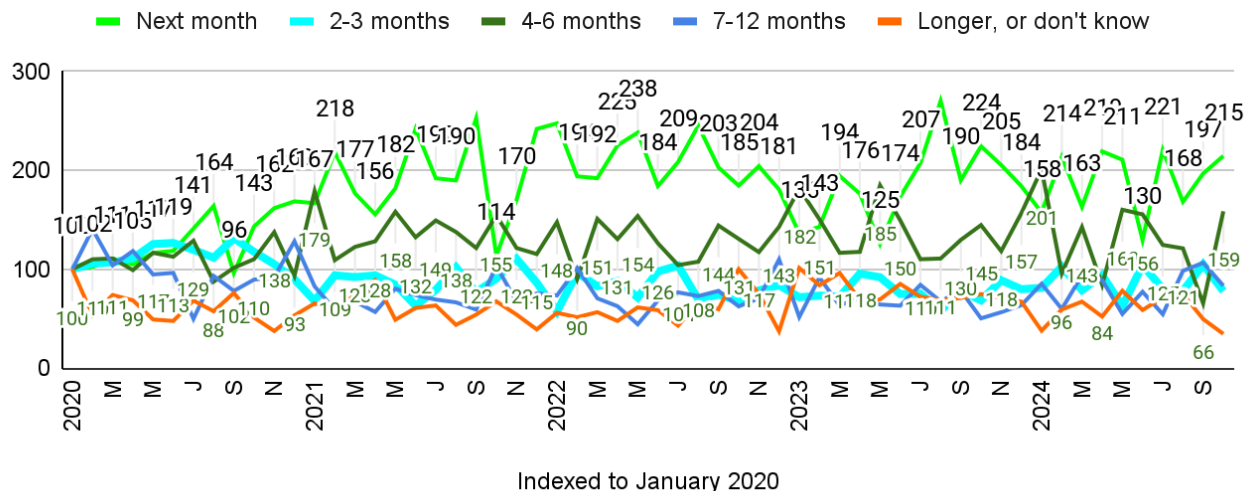


### ‘NEXT MONTH’ IS THE MOST EXPECTED TIME FRAME

In the October survey, a record 92% of respondents expected to start within the next twelve months. The index of entrepreneurs expressing intent to start or buy **“next month”** stood at 215% of the January 2020 level, at 31% of respondents. Further, the index of aspiring business owners planning startups in the **“next 2-3 months”** grew to 159% of the January 2020 reference point, at 24.0% of respondents.

### 77% Anticipate Startups In The Coming Three Months

Source: FranchiseInsights.com Startup Sentiment Index™ October 2024

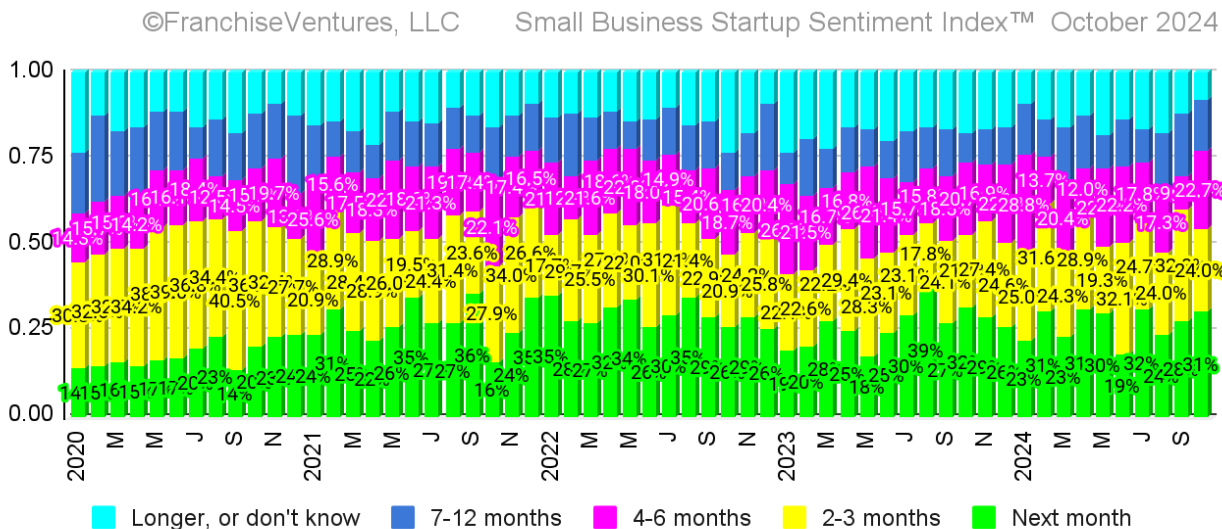


Indexed to January 2020

This past month 54.7% of respondents expressed **intent to start or buy their businesses within the next three months**, far 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.

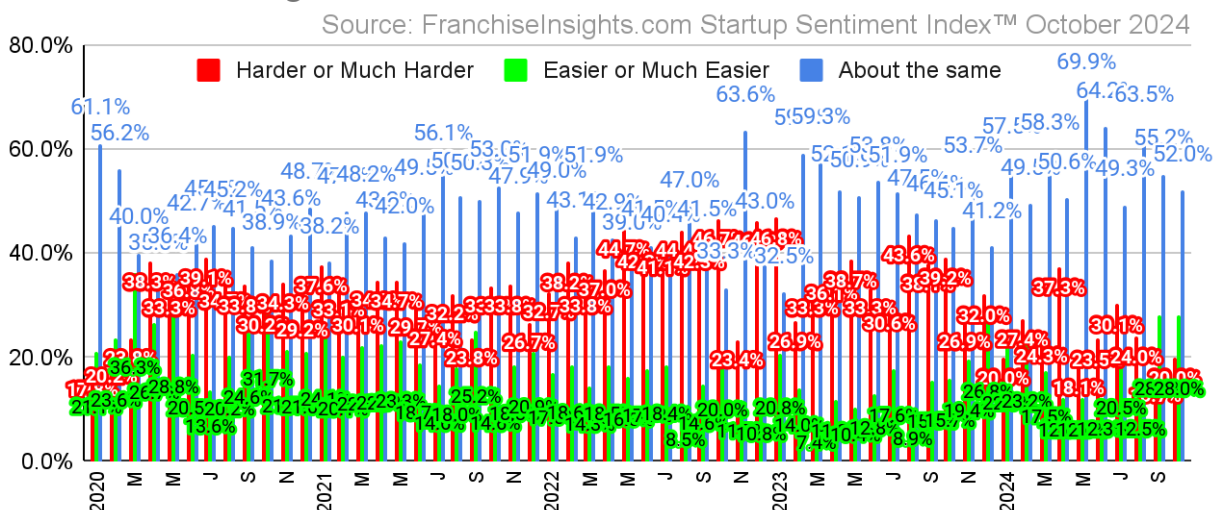
Startup intentions at “4-6 months” rose to 22.7%. That brings the total with intent to start within 6 months to 77% of respondents, the highest percentage since May 2022. Another 14.7% of respondents are planning their startups for 7-12 months out. Only 8.0% are “not sure” or expect to wait more than twelve months for their business launches.

## Record 92% Expect Their Startups Within Twelve Months



## FUNDING CONCERNS EASE , POLITICAL CONCERNS ELEVATED

### 28% See Funding Easier in 3 Months; 52% the Same

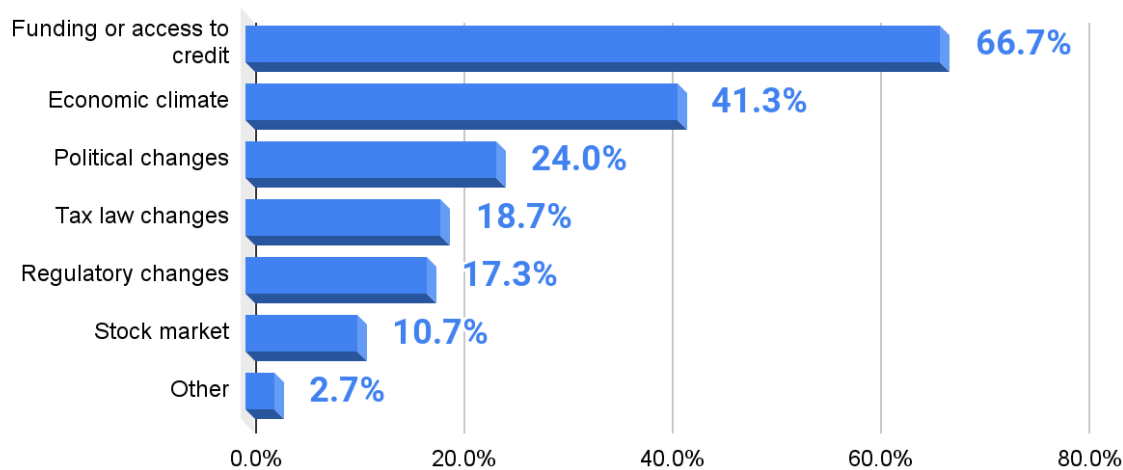


Though access to funding remains the primary startup issue, prospective business owners' concerns about availability of startup financing have been reduced in recent months, with only 20.0% seeing it getting “**harder or much harder**” three months from now. Fully 52.0% see access to funding in three months being “**about the same**” and

now 28.0% 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™ October 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 66.7% in October, up from a record low 53.1% in September. Beyond the funding concern, “**economic climate**” is next highest at 41.3% of respondents.

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

## PANDEMIC BOOSTS DESIRE FOR CONTROLLING DESTINY

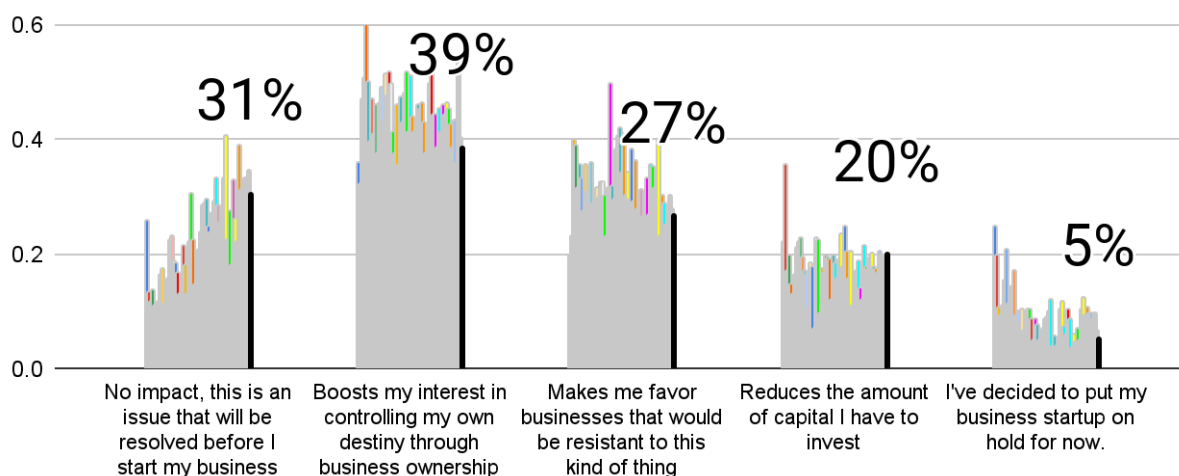
For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the [FranchiseInsights.com](https://FranchiseInsights.com) Small Business Startup Sentiment Index™ often said that it “**boosts my interest in controlling my 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 39% in October 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 31%, 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 5% 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 31% of respondents.

## How did the pandemic affect your interest in business ownership?

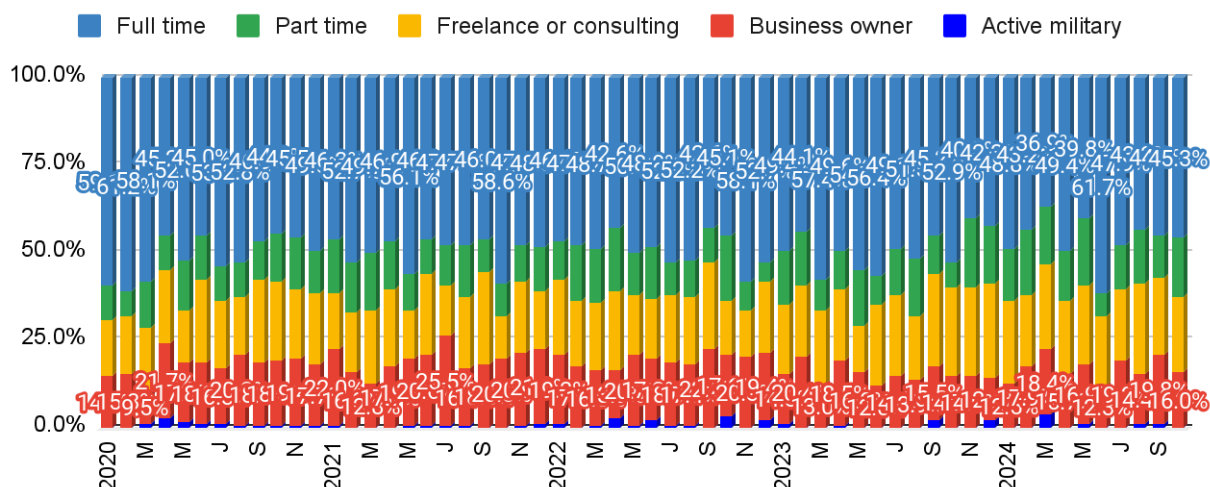
Source: FranchiseInsights.com Startup Sentiment Index™ October 2024



## FULL-TIME WORKERS AND GEN-X REMAIN LARGEST COHORTS

45.3% of Aspiring Owners Leaving a Full Time Job; 16% are Biz Owners

Source: FranchiseInsights.com Startup Sentiment Index™ October 2024



Of the survey respondents, 45.3% are currently employed full-time, down from the record 61.7% in the June 2024 survey. Current business owners made up 16.0% 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 61.3%.

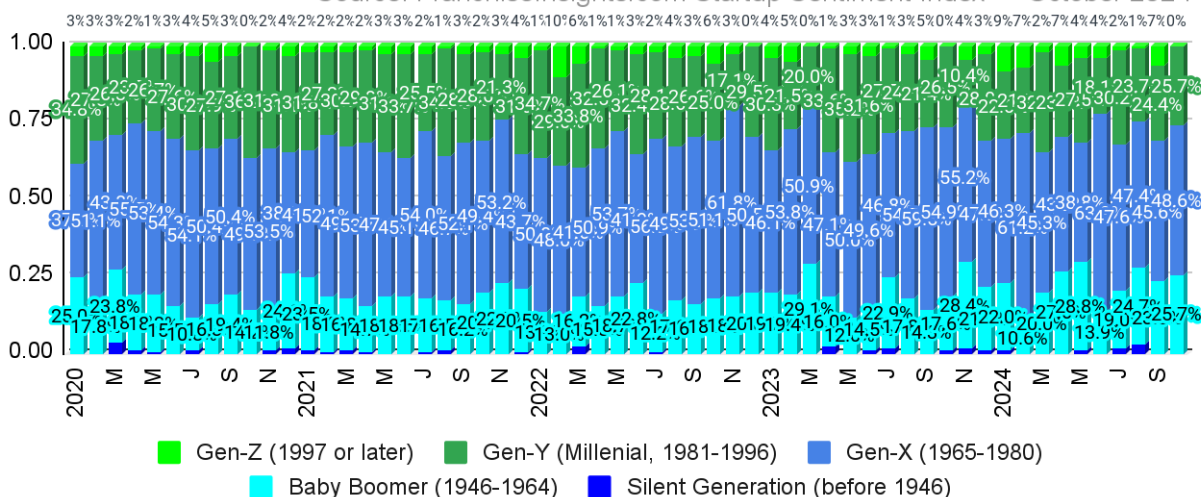
About 21.3% of respondents were working as freelancers or consultants. Part-time workers made up 17.3% of respondents. This month less than 1% of the aspiring entrepreneurs in the survey were on active military duty.

Gen-X is the largest share, at 48.6% of respondents, pulling back from the record 63.9% seen in June 2024. The Gen-Y or Millennial age cohorts each made up 25.7% 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 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 48.6%, Boomers and Millennials Tied at 25.7%

Source: FranchiseInsights.com Startup Sentiment Index™ October 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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