

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 September 23-29, 2021.

October 6, 2021

Small Business Startup Sentiment Index™ (SSI)

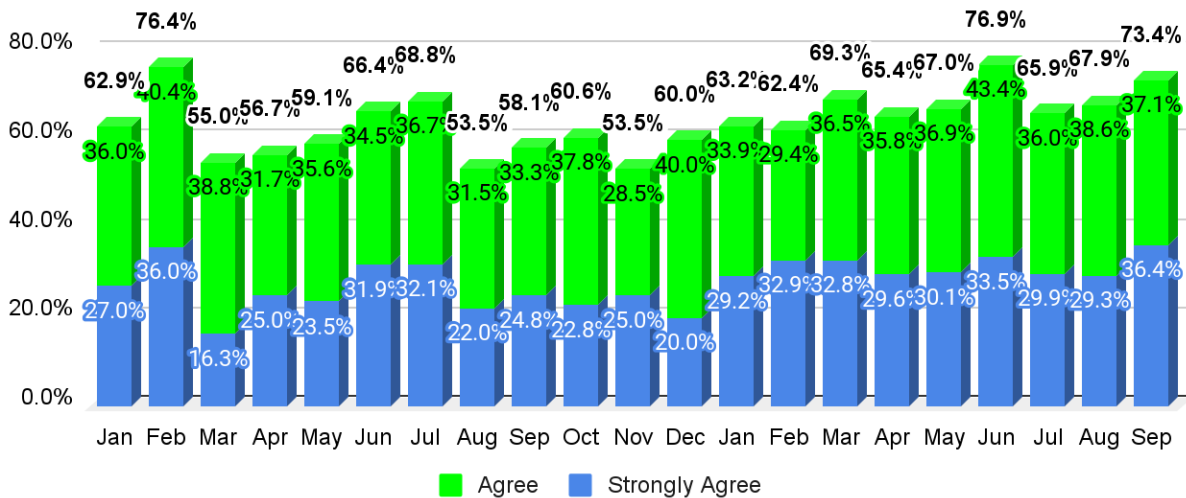
Startup Intentions Within Three Months at Record Aspiring Business Owners Consistently Optimistic

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" grew to 73.4% in September, continuing a three month uptrend approaching the record level of 76.9% reached in June 2021. A record 36.1% of aspiring owners anticipate starting their businesses in the coming 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™ September, 2021



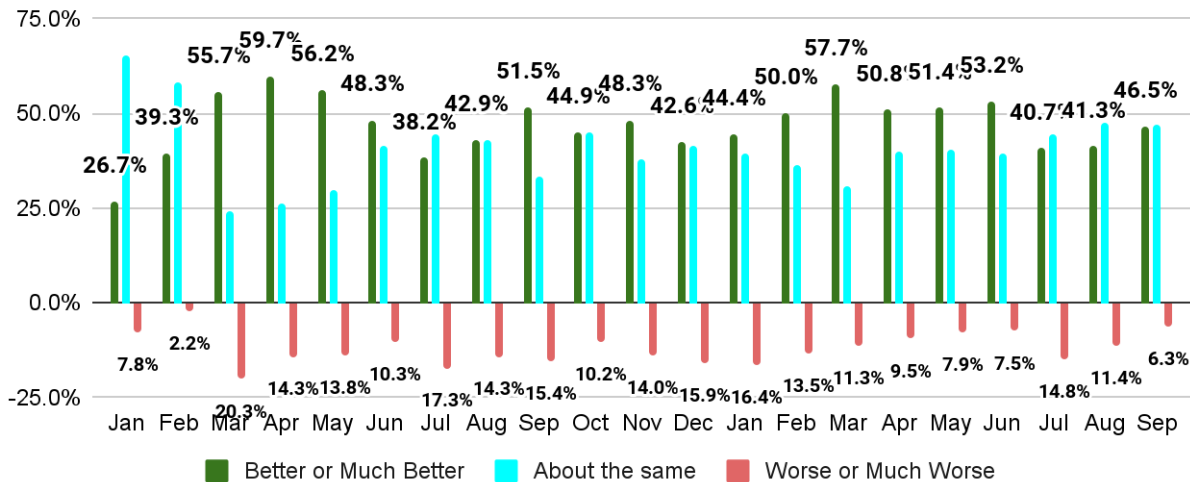
These results parallel the ongoing [surge in new business applications](#) reported in August by the US Census Bureau. These optimistic views on conditions for business startup come despite a second month's drop in [The Conference Board's Survey of Consumer Confidence](#) over concerns about the Covid Delta variant, along with decreased intentions to buy other big ticket items like homes and autos.

OUTLOOK ON BUSINESS CONDITIONS GROWS MORE POSITIVE

As a reflection of confidence in current conditions, a slightly higher percentage believe that in three months, conditions will be **“better or much better”** than now, at 46.5% in September compared to 41.3% in August. Another 47.2% 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 dropped to 6.3%, ironically the lowest reading since February 2020 before the pandemic began.

46.5% See Business Conditions Getting "Better or Much Better"

Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2021



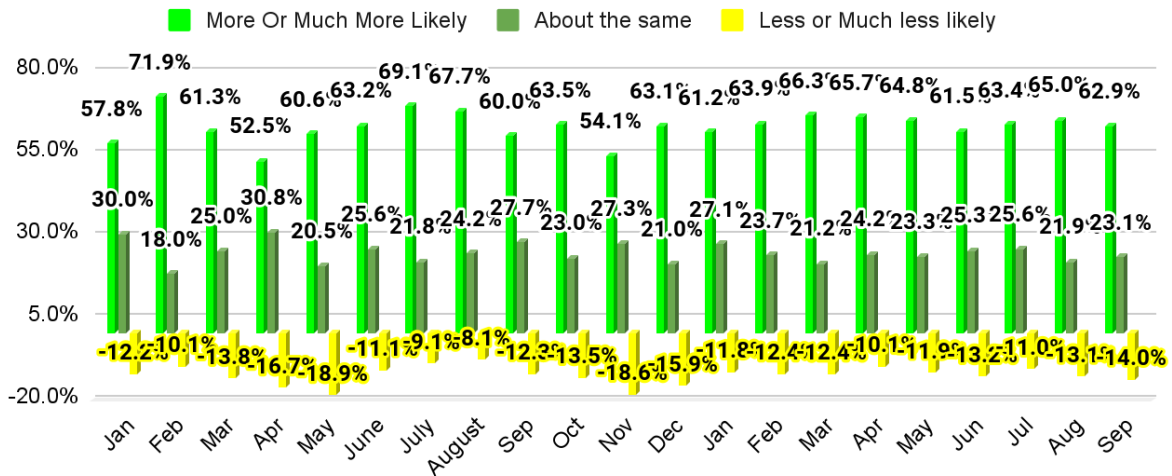
SENTIMENT ABOUT NOW VERSUS THREE MONTHS AGO

Respondents are slightly more upbeat about starting or buying their business in the September survey, with 62.9% 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”** edged slightly higher to 14%, compared to the 13.0% 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™ Sep 2021



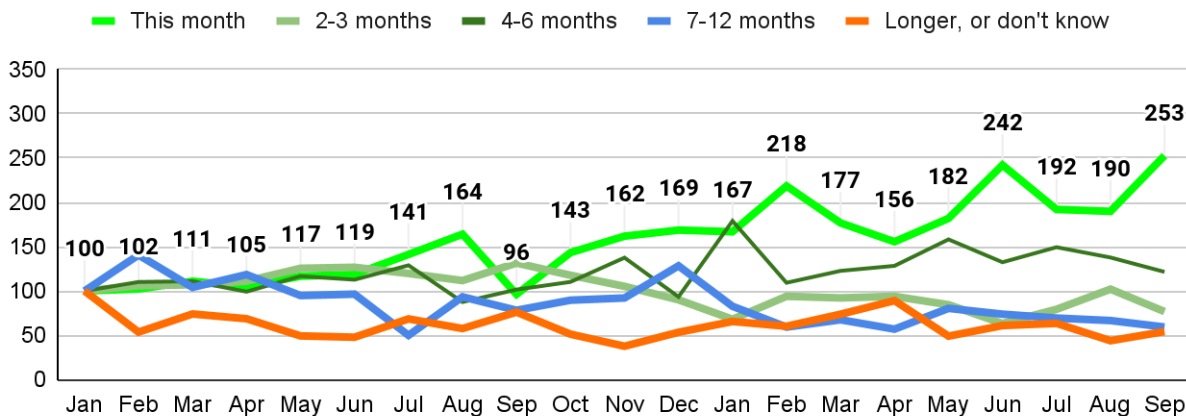
“NEXT MONTH” STARTUP INTENTIONS AT RECORD

In September, entrepreneurs expressing intent to start or buy **“this month”** soared to the highest ever, at 253% of responses indexed to January 2020. Some of this enthusiasm was taken from the **“next 2-3 months”** which dipped to 23.6% in September from the 31.4% recorded in August.

A majority at 59.7% of respondents expressed **intent to start or buy their businesses within the next three months**. Startup intentions in the **“next four to six months”** dipped in August to 17.4%, bringing the total with intent to start within 6 months to 77.1%.

“Next Month” Startup Intentions at Record

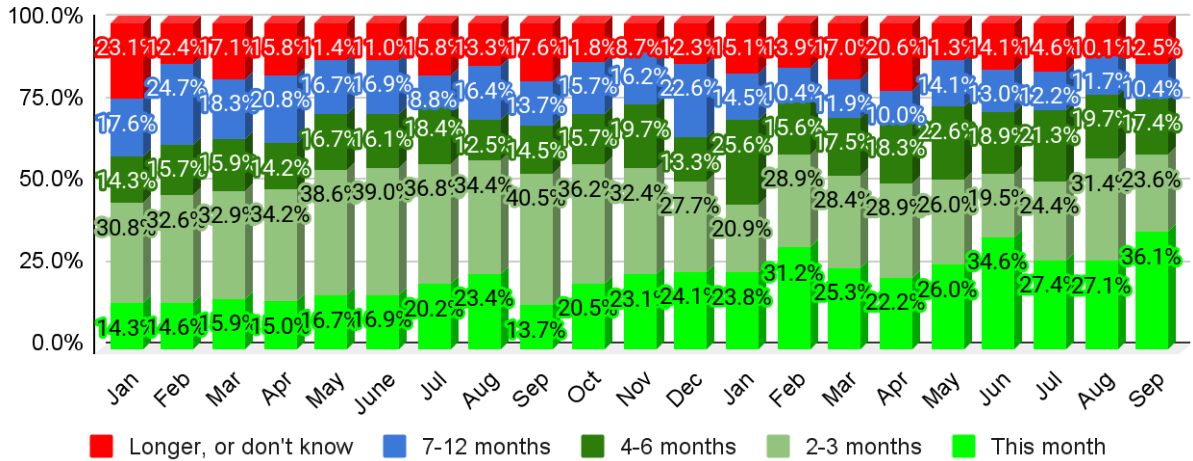
Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2021



Indexed to January 2020

Business Startup Intentions Within 3 Months at 59.7%

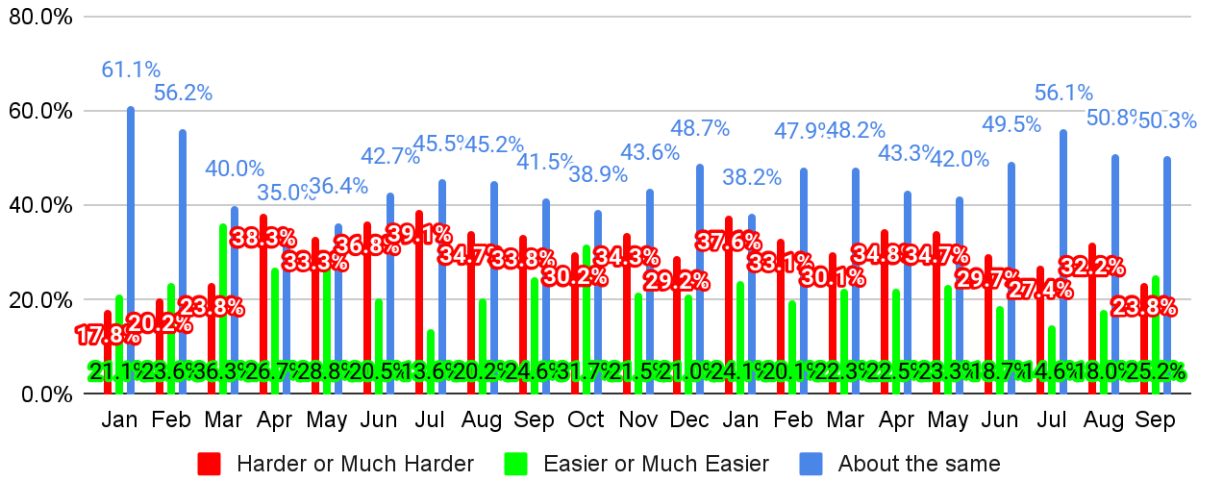
Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2021



CONTINUED IMPROVEMENT SEEN IN ACCESS TO FUNDING

Access to Funding Seen Improving in Next Three Months

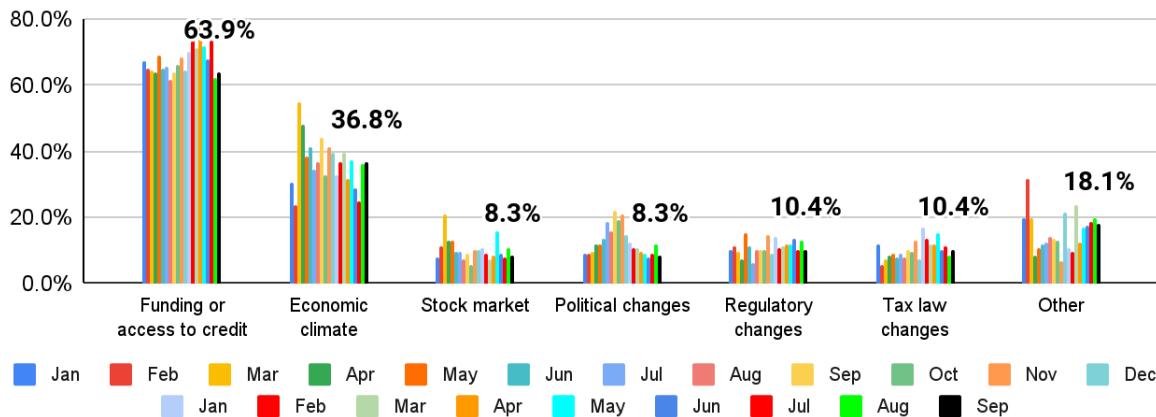
Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2021



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, with only 23.8% seeing it **“harder or much harder”** three months from now, compared to 32.2% in August. Over 50% see access to funding in three months being **“about the same”** and 25.2% 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™ Sep 2021



With other factors mostly flat or declining over the last several months, 63.9% 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 the funding concern, **“economic climate”** increased significantly to 36.8% in August.

Despite the stock market coming off to all-time highs, concerns about the Chinese real estate market, an uptick in inflation and a looming U.S. debt ceiling, only 8.3% of entrepreneurs cited the stock market as having a significant impact on their business startup plans.

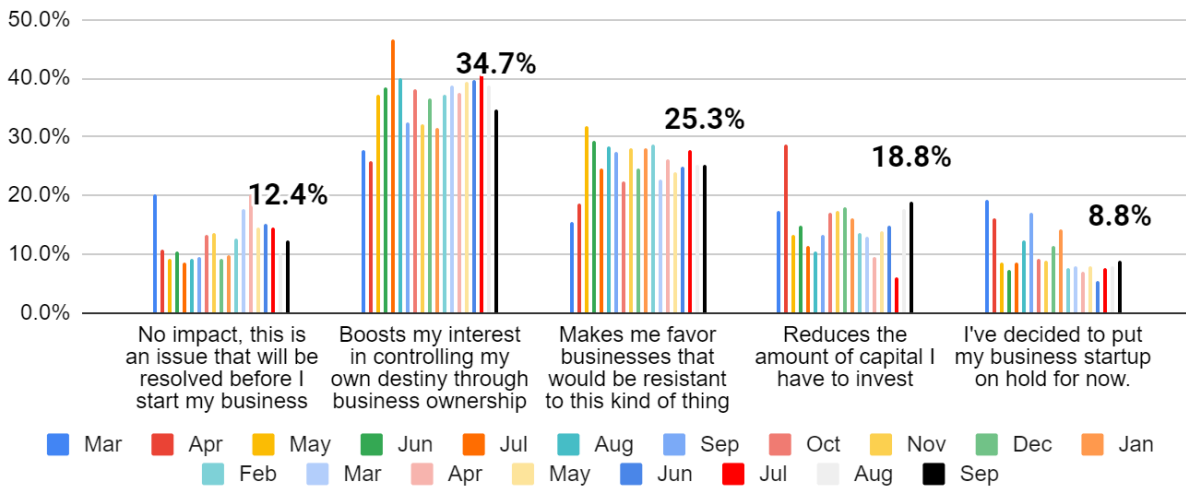
PANDEMIC DRIVES DESIRE TO CONTROL DESTINY

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 34.7% of respondents in September. At this point only 8.8% are putting their plans on hold, and despite the resurgence of the Covid Delta variant, 12.4% 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 25.5% in September 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™ Sep 2021



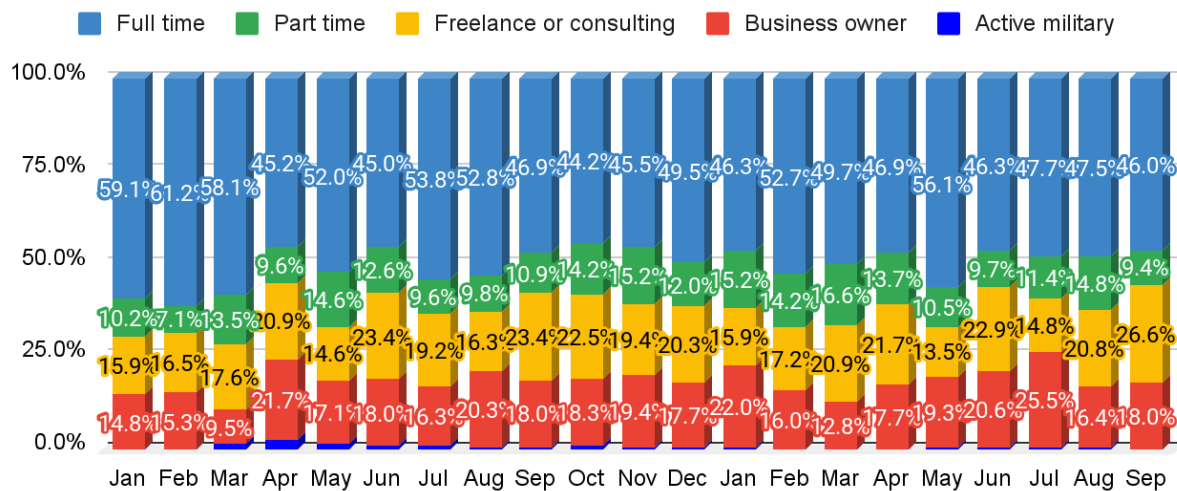
RECORD FREELANCERS/CONSULTANTS AMONG RESPONDENTS

Of the survey respondents, 46.0% are currently employed full-time. Current business owners made up 18.0% of respondents in September, suggesting a desire to upgrade or diversify their businesses. Combined, full-time workers and business owners reached 64.0% of respondents.

A record 26.6% of respondents were working for themselves as freelancers or consultants. Less than 1% in the September survey were active duty in the military.

Record 25.5% of Aspiring Franchisees Are Current Business Owners

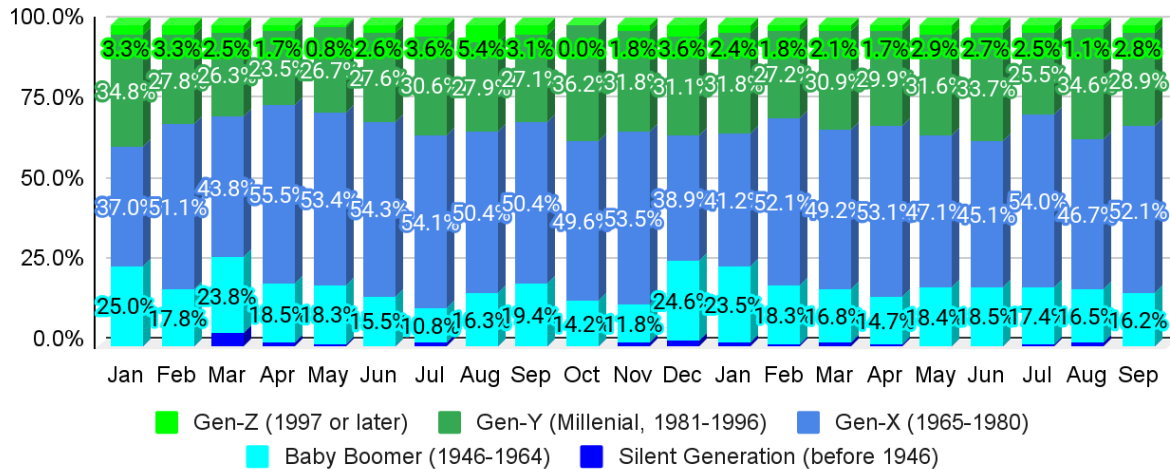
Source: FranchiseInsights.com Startup Sentiment Index™ Aug 2021



Gen-X (52.1%) and Gen-Y (28.9%) accounted for the highest percentages of survey respondents, consistent with prior surveys. Baby Boomers were 16.2% of respondents in September 2021, down from almost 25% in December 2020.

Gen-X and Gen-Y Dominate Startup Interest

Source: FranchiseInsights.com Startup Sentiment Index™ Aug 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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