

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 21-28, 2023.

Norfolk, Virginia – Released October 4, 2023

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

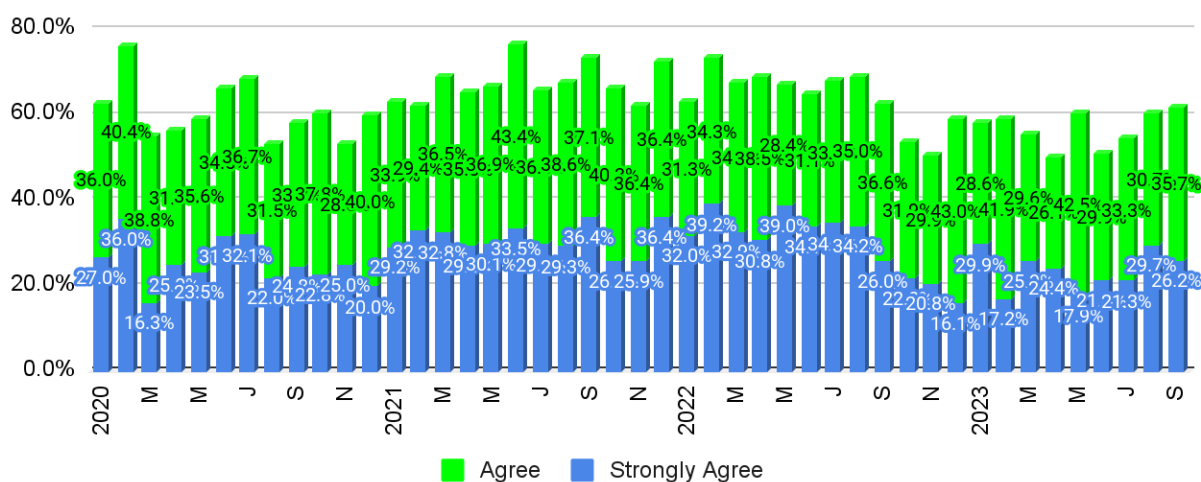
Now Is The Time to Launch Startups, Say Aspiring Franchisees

STARTUP SENTIMENT RISES

A one-year high of almost 62% of survey respondents either agree or strongly agree that ***"now is a good time to start a business"*** and 75% of respondents see conditions for business startups ***"the same or better in three months."*** In September 2023, 51.3% of entrepreneurs planned their startups within the next three months, and 69.8% within the next six months. And 69% of entrepreneurs surveyed say they are ***"more likely to launch their startups than three months ago."*** [FranchiseInsights.com](#) compiles monthly the **Small Business Startup Sentiment Index™** (SSI) of individuals who have recently inquired about franchises or businesses for sale.

61.9% of Respondents Agree Now a Is Good Time for Startup

Source: FranchiseInsights.com Startup Sentiment Index™, Sep 2023



The survey was conducted September 21-28, 2023. This continuing trend in entrepreneurial optimism parallels the ongoing [surge in new business applications](#) since September 2020 as reported by the US Census Bureau. These relatively sanguine views on conditions for business startup are consistent with long-term trends of the [Conference Board's Survey of Consumer Confidence](#) and The University of Michigan

Consumer Sentiment Surveys as seen on the [St. Louis Federal Reserve's FRED website](https://fred.stlouisfed.org/), with both measures generally improving since June 2022.

SENTIMENT: THINGS ARE PRETTY GOOD NOW – NO NEED TO WAIT

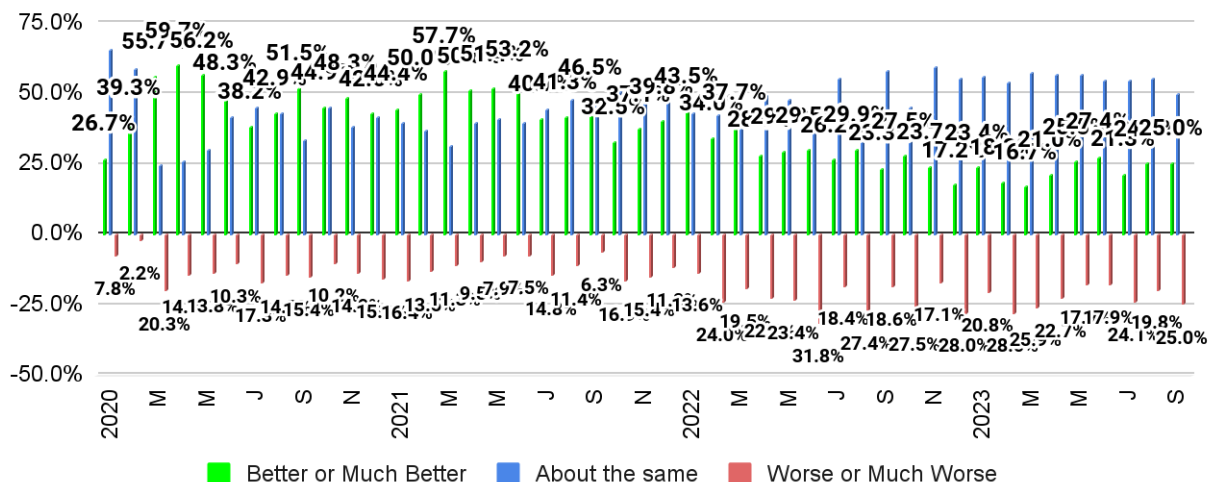
Reversing a multi-year downtrend in sentiment about future business conditions, **75% of respondents see conditions no worse – staying the same or getting better in three months**– with 50% seeing conditions “about the same.”

Now only 25% of respondents believe that in three months, conditions will be **“better or much better”** than now, down from the 50-60% readings at the height of the pandemic. This is consistent with the year uptrend in consumer confidence, and comfort with near-term business conditions. On the other hand, the same percentage (25%) see conditions **“worse or much worse”** three months ahead.

75% See Conditions the Same or Better in Three Months

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Small Business Startup Sentiment Index™ Sep 2023



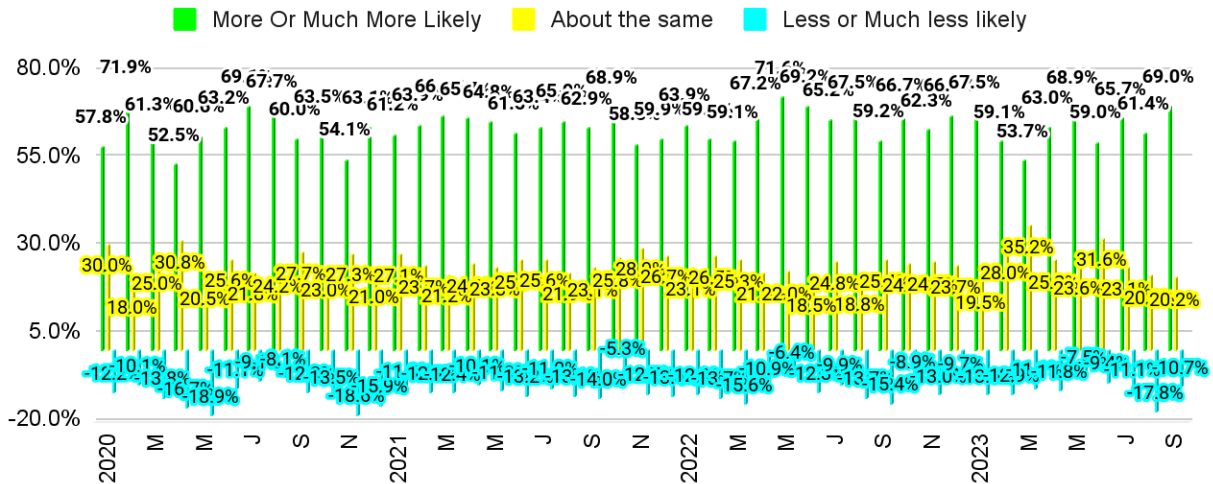
RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are more upbeat now about starting or buying their business than they were three months ago. In September 2023, 69% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 20.2% **“about the same,”** that means that 89.2% are as likely or more likely to launch their startups than they were three months ago.

The percentage of survey respondents who were **“less or much less likely to start a business than three months ago”** fell back to 10.7%, below the 11.8% average over the most recent 12 months.

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

Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2023

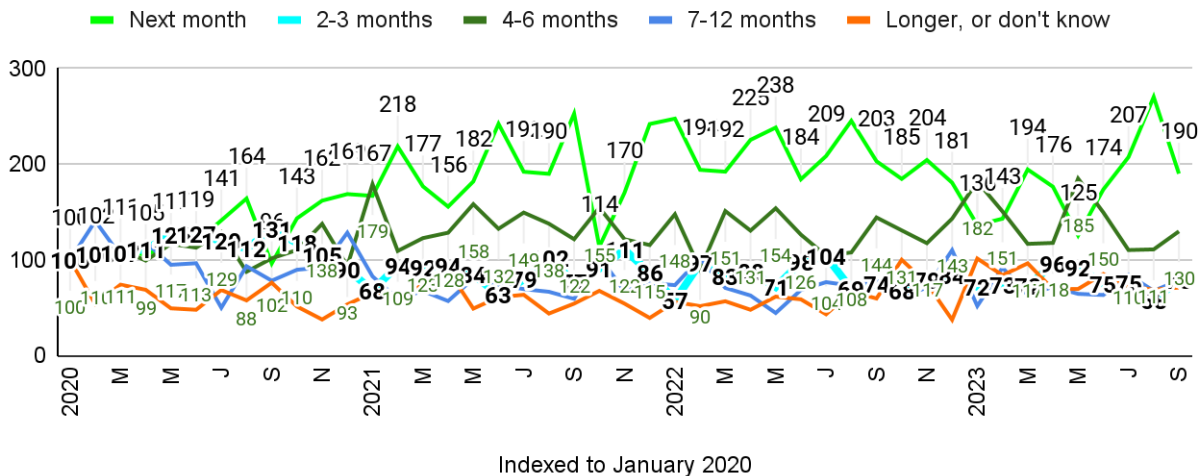


‘NEXT MONTH’ TIME FRAME RETURNS TO RECENT BASELINE

Looking back over four years of data, the index of entrepreneurs expressing intent to start or buy **“next month”** fell back to 190% of January 2020 levels. We do not have information about **why** timeframes have shortened and stayed that way since the pandemic ensued. On the other hand, the index of aspiring business owners planning startups in the **“next 2-3 months”** was below the January 2020 reference point, at 78%.

'Next Month' Most Popular Startup Timeframe

Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2023



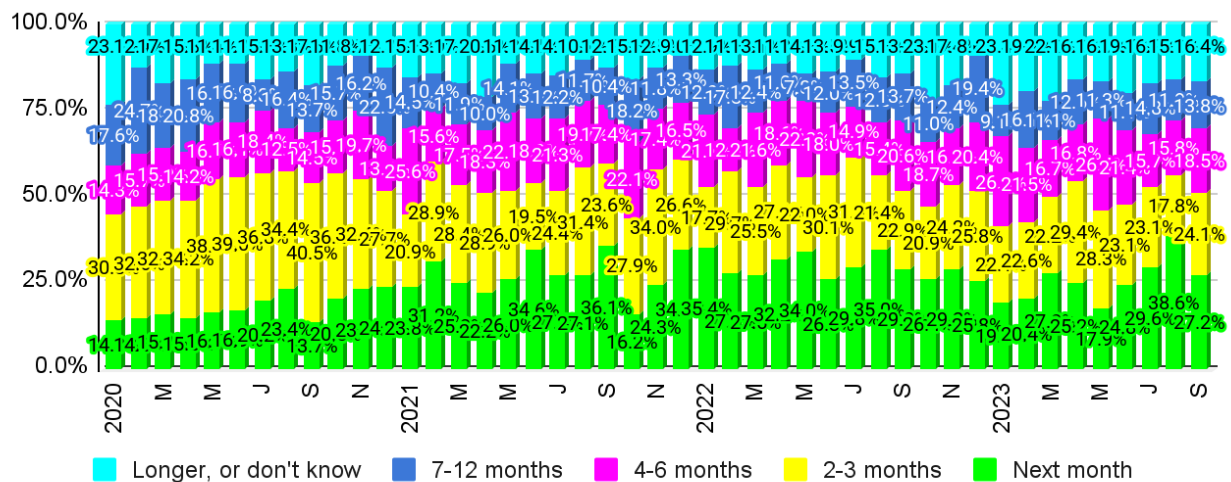
This month, 51.3% of respondents expressed **intent to start or buy their businesses within** the next three months, up from January’s record low of 41.6% and the previous record low reading of 44.2% during the height of the Omicron wave in October 2021. Startup intentions at **“4-6 months”** were 18.5%, bringing the total with intent to start within 6 months to 69.8% of respondents. Another 13.8% of respondents are planning

their startups for 7-12 months out. Only 16.4% expect to wait twelve months or longer for their business launches.

27.2% Say Their Startup Timeframe is "Next Month"

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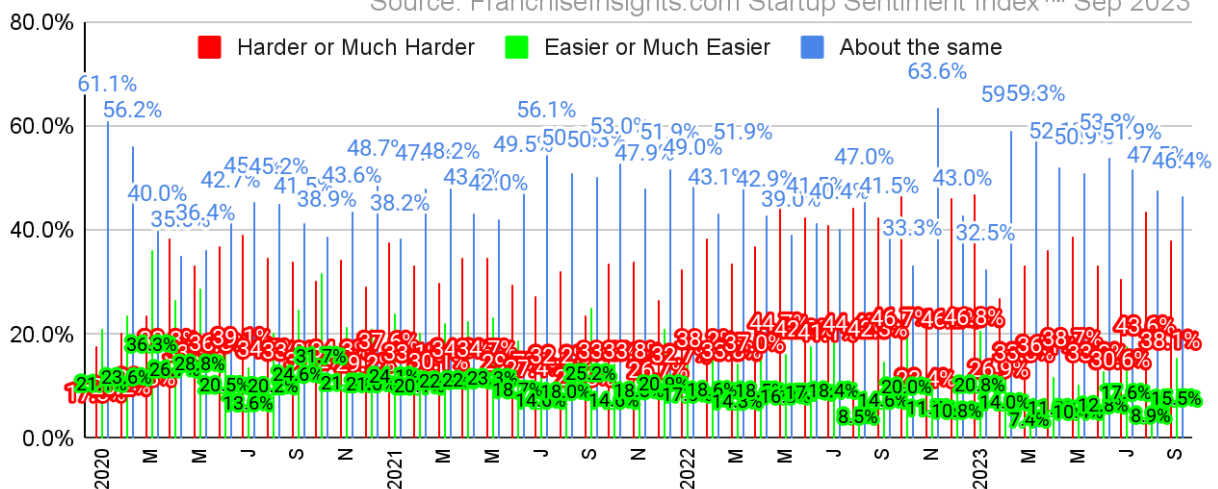
Small Business Startup Sentiment Index™ Sep 2023



FUNDING STILL KEY, BUT LEAST EVER SEE IT AS BIGGEST FACTOR

38.1% See Funding Harder in the Next 3 Months; 46.4% the Same

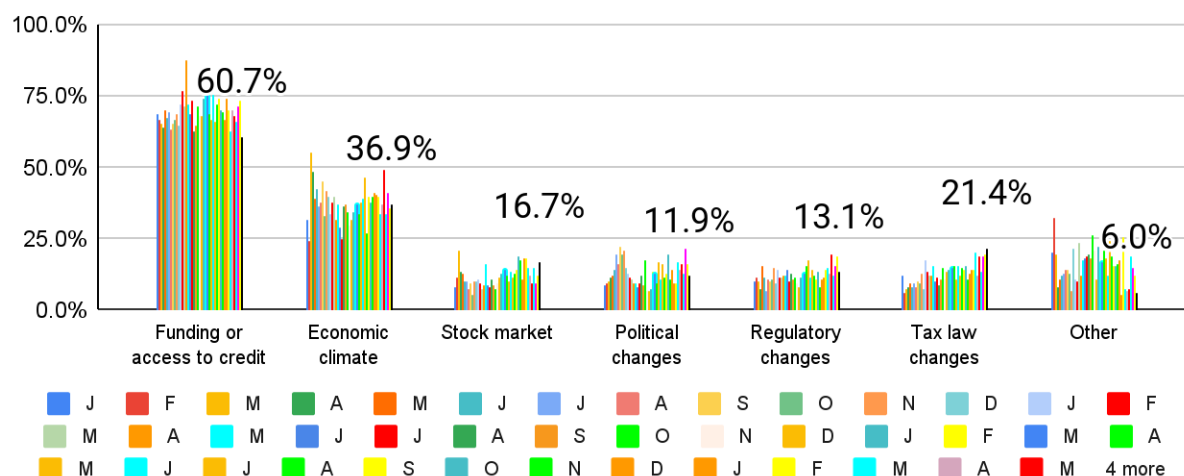
Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2023



As access to funding remains a primary startup issue, prospective business owners are showing ongoing concerns about availability of startup financing in recent months, with 38.1% seeing it getting **“harder or much harder”** three months from now. Now 46.4% see access to funding in three months being **“about the same”** and 15.5% see it getting **“easier or much easier”** as they observe higher interest rates and tightening credit.

60.7% Say Funding or Access to Credit the Biggest Factor

Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2023



With other factors returning slowly to the foreground over the last several months, a record low 60.7% 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 significantly from the high seen in April 2021 at 87.6%. Beyond the funding concern, **“economic climate”** is next highest at 36.9%.

With stock market indexes declining since July, only 16.7% of entrepreneurs cited the stock market as having a significant impact on their business startup plans.

PANDEMIC WORRIES CREEPING BACK?

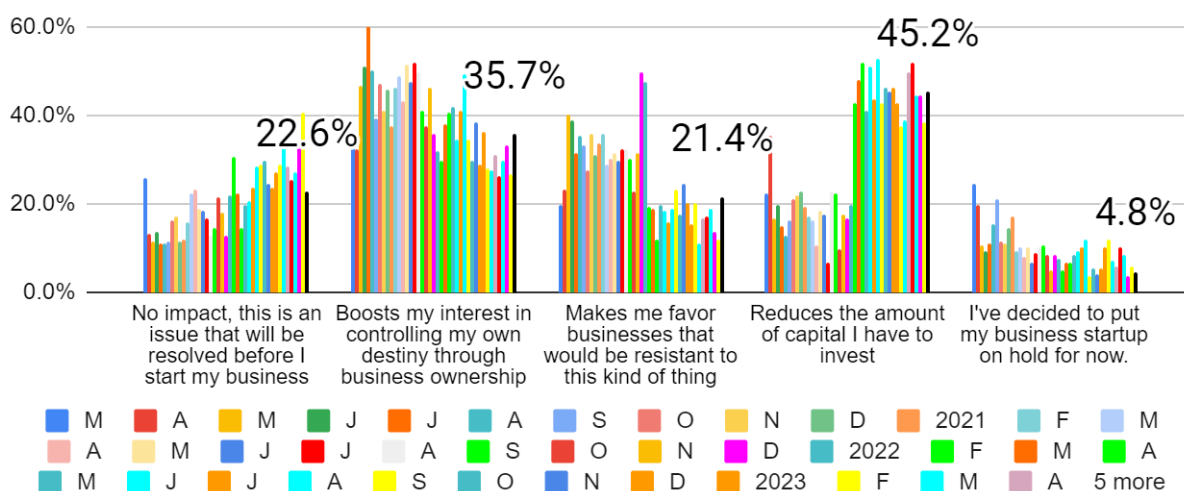
For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the [FranchiseInsights.com](https://franchiseinsights.com) Small Business Startup Sentiment Index™ often said that it **“boosts my interest in controlling my 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 has slowly crept back to 35.7% in September.

Looking back to when the pandemic emerged, more respondents began indicating a preference for **“businesses that would be resistant”** to shocks like Covid-19. This sentiment is back at 21.4%, well above the record low of 11.1% in March, but significantly down from the spikes in December 2021 and January 2022 during the Omicron surges.

The percentage putting their plans **“on hold”** at 4.8% was up from the record low in July 2023. Those indicating that **“this is an issue that will be resolved before starting”** their businesses dropped to 22.6%, down from a record high of 40.6% last month.

How does the pandemic affect your interest in business ownership?

Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2023



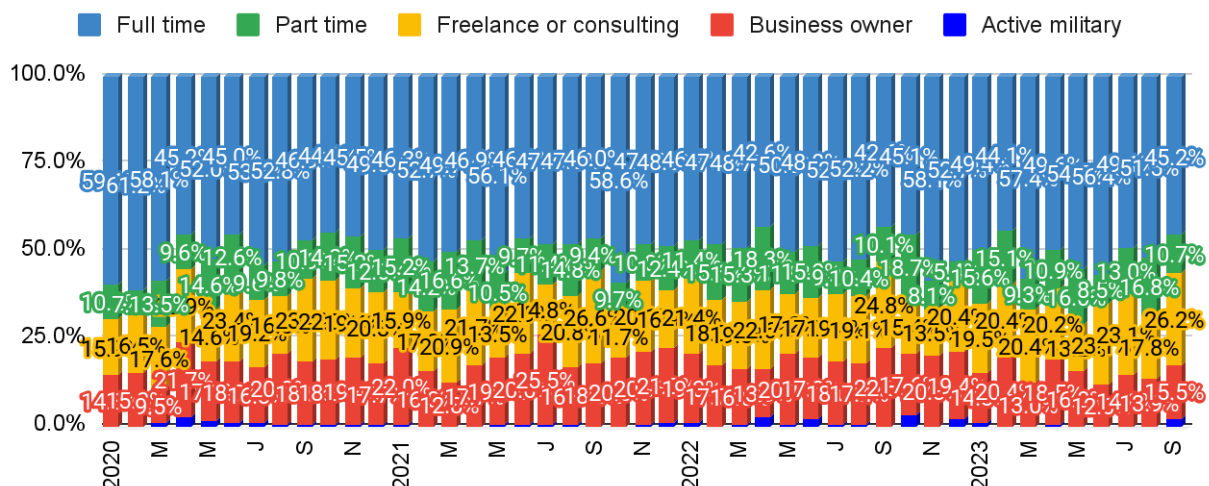
FULL-TIME WORKERS AND GEN-X DOMINATE

Of the survey respondents, 45.2% are currently employed full-time, down from the high of 58.6% seen in October 2021. Current business owners made up 15.5% of respondents, suggesting a desire to upgrade or complement their existing businesses. Combined, full-time workers and current business owners stood at 60.7%.

About 26.2% of respondents were working as freelancers or consultants, and this month less than 1% of the aspiring entrepreneurs in the survey were on active military duty.

45.2% of Aspiring Owners Leaving a Full Time Job; 15.5% are Biz Owners

Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2023

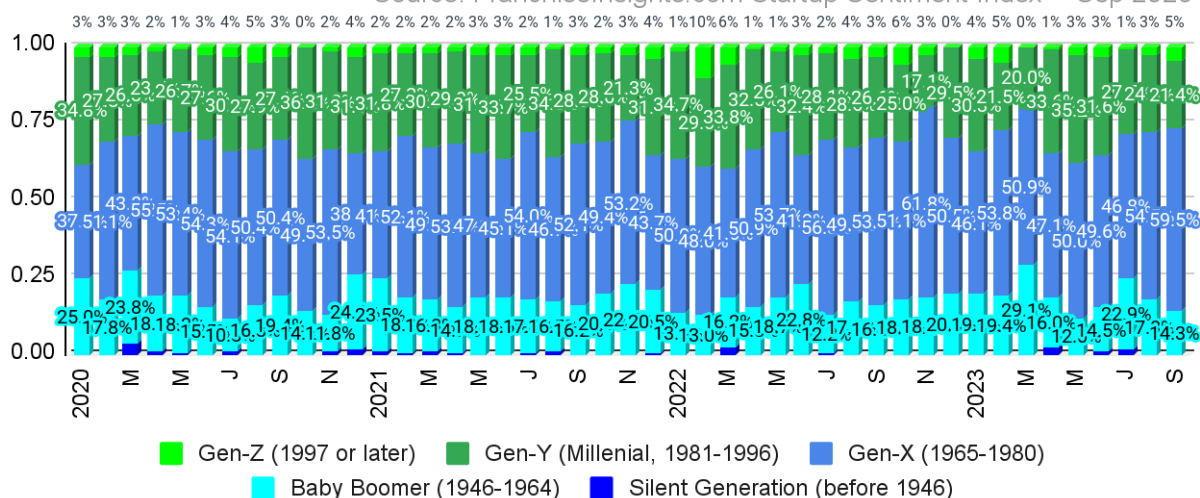


Gen-X dominated with a record 59.5% of respondents, while Baby Boomers stood at 14.3%. Millennials were 21.4% of respondents. This month, Gen-Z was 4.8% of respondents, down from the 10% peak seen in February 2022, and close to the [3.29%](#)

[share of all respondents seen in 2022](#). 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.

Gen-X Leads Age Cohorts; Gen Z Reaches Almost 5% in September

Source: FranchiseInsights.com Startup Sentiment Index™ Sep 2023



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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