

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 December 23-31, 2024.

Norfolk, Virginia – Released January 8, 2025

Small Business Startup Sentiment Index™ (SSI)

Aspiring Business Owners Enthusiastic About Startups in 2025

*Record 93% Share of Respondents Plan Starts Within 12 Months
89.3% Optimistic About Business Conditions Three Months Out
Coincides with Spike in High-Propensity Business Formations*

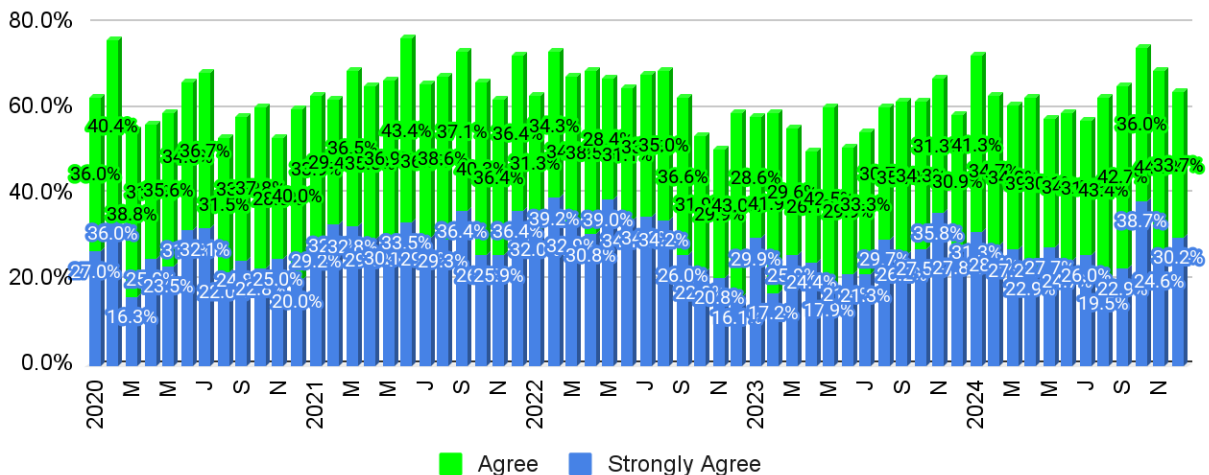
STARTUP SENTIMENT: 64% SAY “NOW” IS A GOOD TIME

In December 2024, 64% of aspiring business owners surveyed either agreed or strongly agreed that “now is a good time to start a business,” showing optimism about conditions now and ahead. In the same survey, 84.9% of respondents see conditions for business and franchise startups “**the same or better in three months.**” Of this month’s respondents, 50.0% of entrepreneurs planned their startups within the next three months. Further, 61.6% 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.

64% of Prospects Agree Now is a Good Time for Startup

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



The survey was conducted December 23-31, 2024. These upbeat views on conditions for business startup are consistent with readings from the [Conference Board's Survey of Consumer Confidence](#), showing a gently rising trend since June 2022. Note also the recent sharp upward trend in ["high-propensity" business applications](#) (deemed likely to have a payroll) as reported by the Federal Reserve Bank of St. Louis.

OPTIMISM ABOUT CONDITIONS THREE MONTHS OUT GROWS

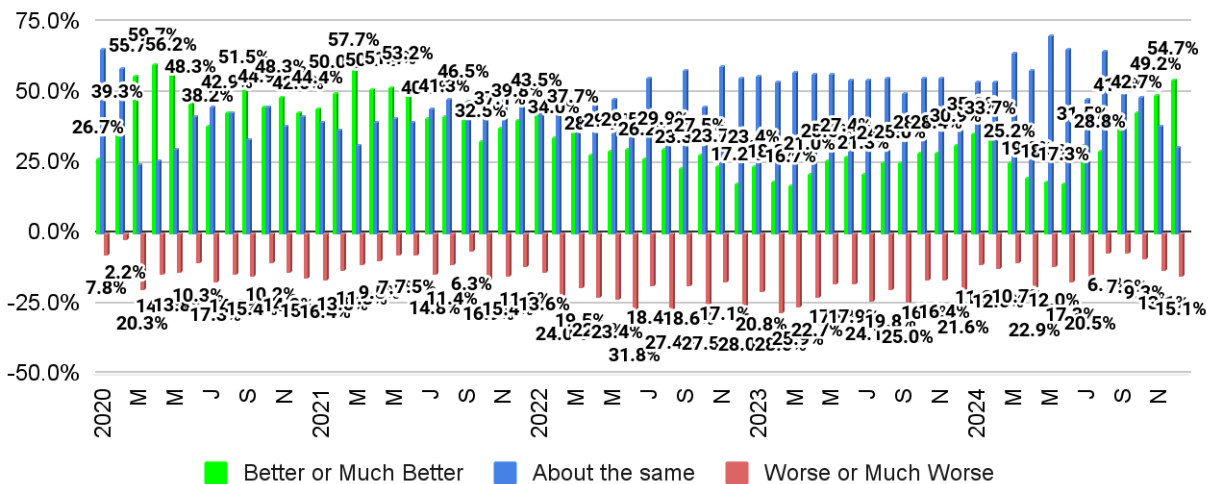
Reversing a multi-year downtrend in sentiment about future business conditions, **84.9% of respondents see conditions no worse – staying the same or getting better in three months**– with 30.2% seeing conditions “about the same.”

Now 54.7% of respondents (green bars) think that in three months, conditions will be **“better or much better”** than now, increasing, in the range of the 50-60% readings at the height of the pandemic. We do not know why, but hope for pro-business taxation and policy changes under a new administration is likely to be a factor. Only 15.1% see conditions **“worse or much worse”** three months ahead.

84.9% See Conditions the Same or Better in Three Months

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Small Business Startup Sentiment Index™ December 2024



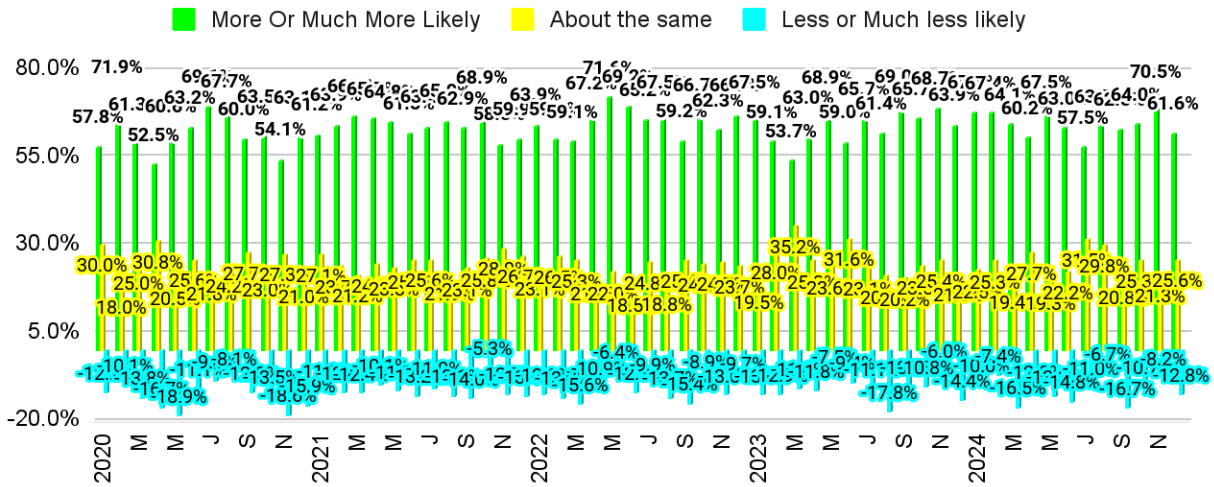
RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are generally more upbeat now about starting or buying their businesses than they were three months ago. In December 2024, 61.6% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 25.6% **“about the same,”** that means that 87.2% 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”** rose slightly to 12.8%, below the 11.8% 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™ December 2024

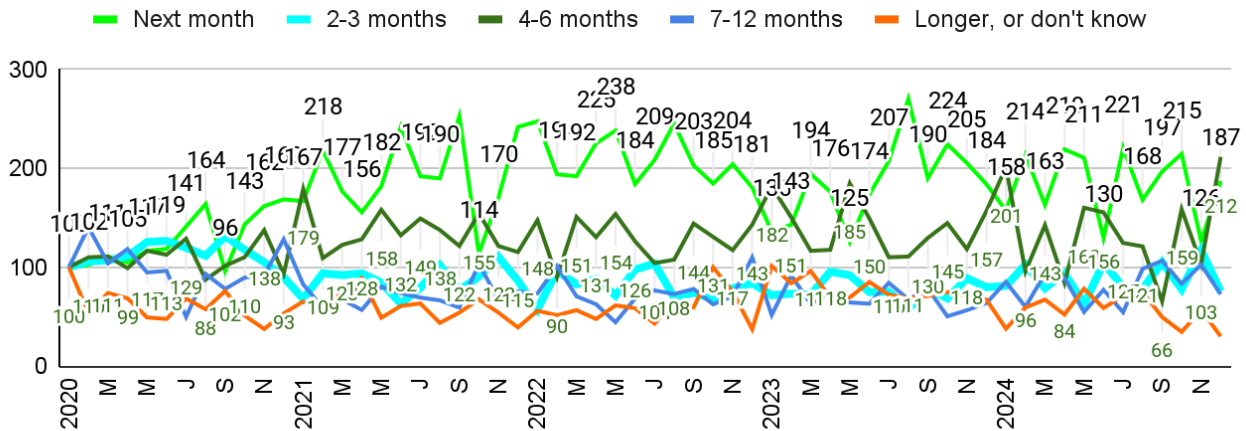


‘4-6 MONTHS OUT’ IS THE MOST EXPECTED TIME FRAME

In the December survey, a record 93% of respondents expected to start within the next twelve months. The index of entrepreneurs expressing intent to start or buy “**next month**” climbed to 187% of the January 2020 level, at 27% of respondents. Further, the index of aspiring business owners planning startups in the “**next 2-3 months**” grew to 76% of the January 2020 reference point, at 23.3% of respondents.

50% Anticipate Startups In The Coming Three Months

Source: FranchiseInsights.com Startup Sentiment Index™ December 2024

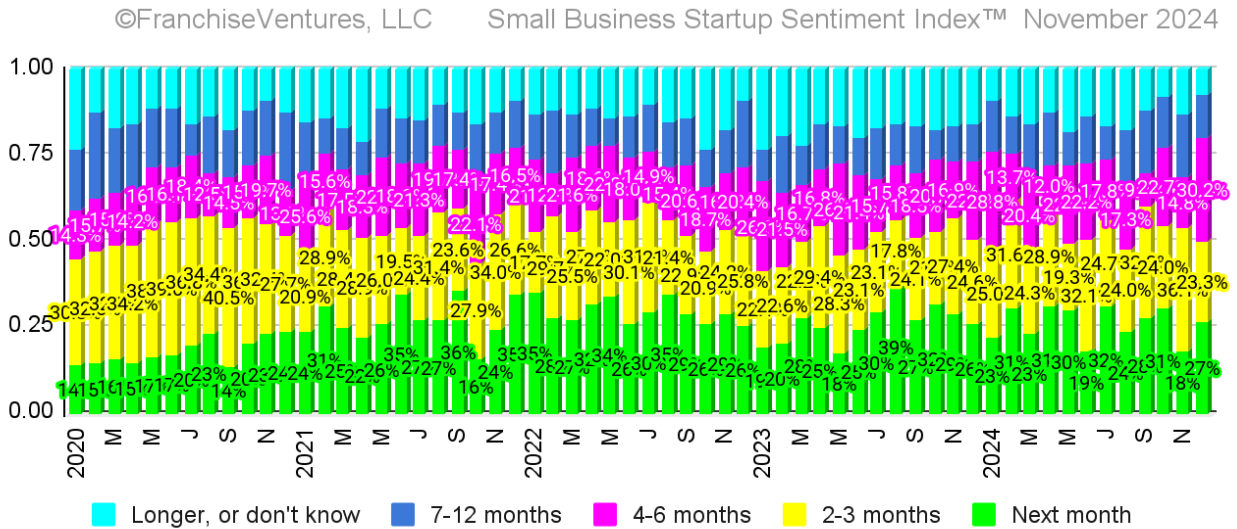


Indexed to January 2020

This past month 50.0% 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.

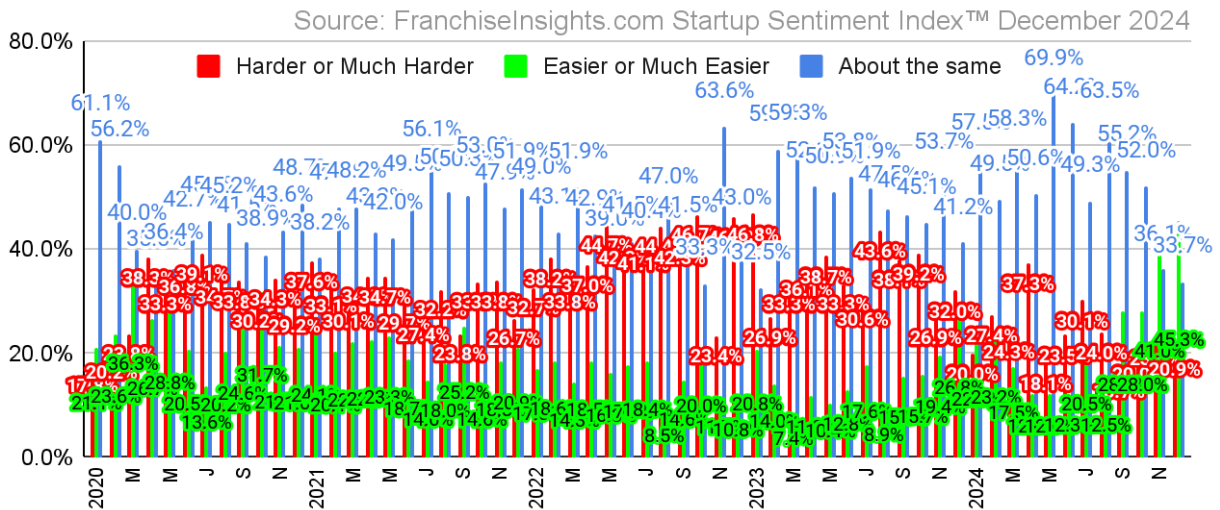
Startup intentions at “4-6 months” soared to 30.2%. That brings the total with intent to start within 6 months to 80.2% of respondents. Another 12.8% of respondents are planning their startups for 7-12 months out. Only 7% are “not sure” or expect to wait more than twelve months for their business launches.

Startups Expected 4-6 Months Out Are Highest Share at 30.2%



FUNDING AND POLITICAL CONCERNS TAKE A DIVE

45.3% See Funding Easier in 3 Months; 21% Harder or Much Harder

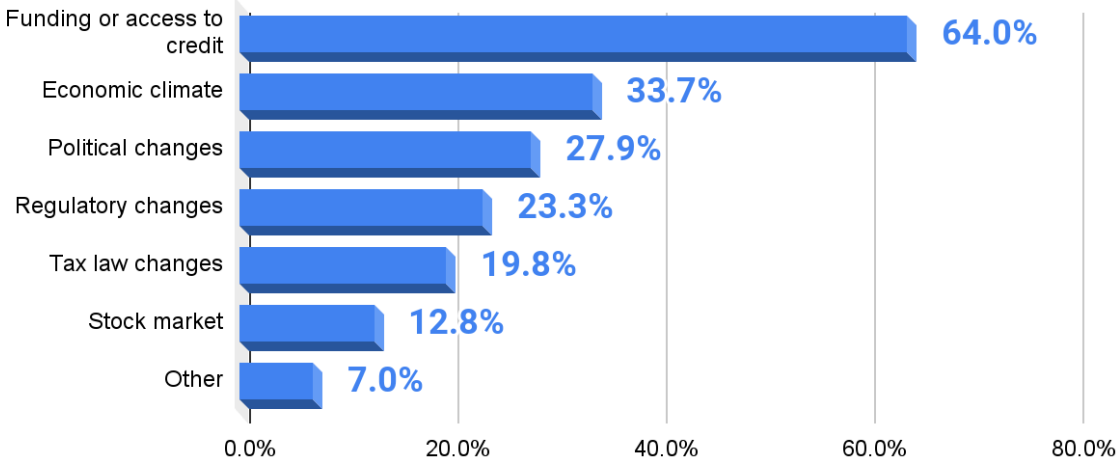


Though access to funding remains the primary startup issue, prospective business owners’ concerns about availability of startup financing have been reduced in recent months, with only 20.9% seeing it getting “**harder or much harder**” three months from now. Now 33.7% see access to funding in three months being “**about the same**” and

45.3% see it getting **“easier or much easier”**, following the Federal Reserve continuing a cycle of lowering interest rates that began 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™ December 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 64% in December, 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 33.7% of respondents.

Since April 2024, “political changes” have come in third place, cited by 27.9% as concern. But this is down from an all time high of 29.5% in November as the election was resolved in an orderly manner before the survey was conducted.

PANDEMIC BOOSTS DESIRE FOR CONTROLLING DESTINY

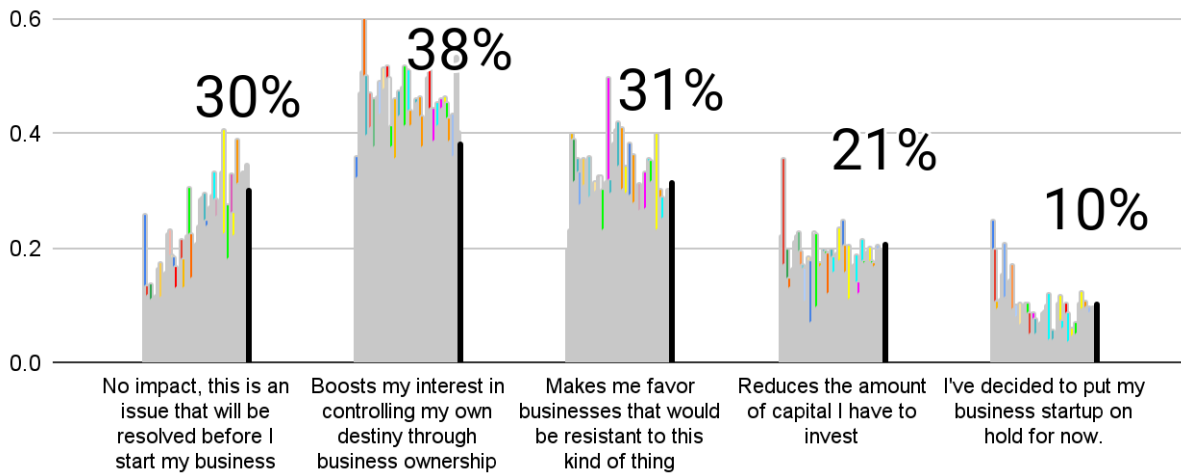
For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the FranchiseInsights.com Small Business Startup Sentiment Index™ often said that it **“boosts my interest in controlling my own destiny through business ownership”** with a record 53.4% for this measure in July 2024. It moderated to 38% in December 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 10% 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 make up 30% of respondents.

How did the pandemic affect your interest in business ownership?

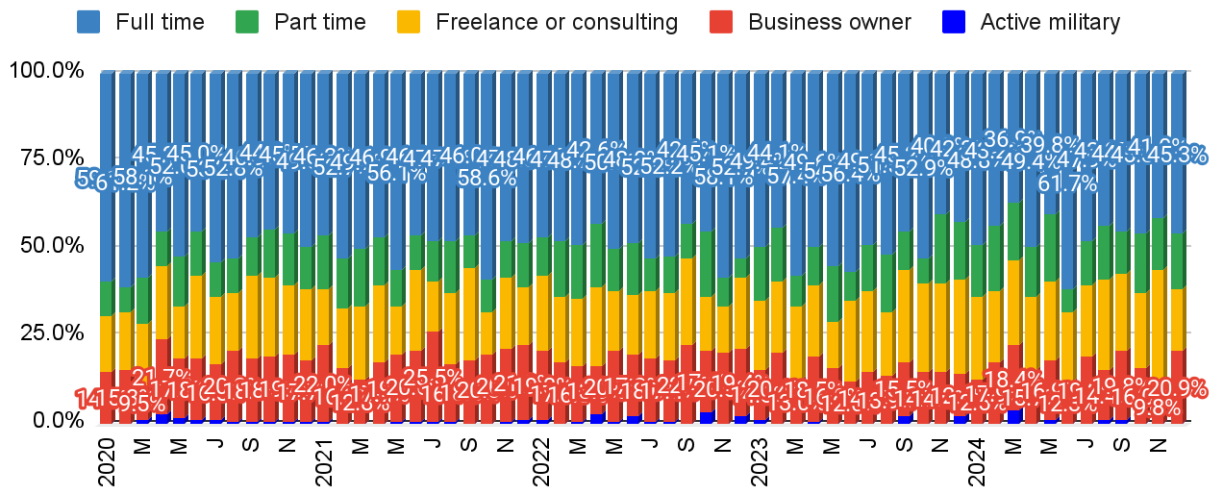
Source: FranchiseInsights.com Startup Sentiment Index™ December 2024



FULL-TIME WORKERS AND GEN-X REMAIN LARGEST COHORTS

45.3% Are Leaving a Full Time Job; 21% are Already Business Owners

Source: FranchiseInsights.com Startup Sentiment Index™ December 2024



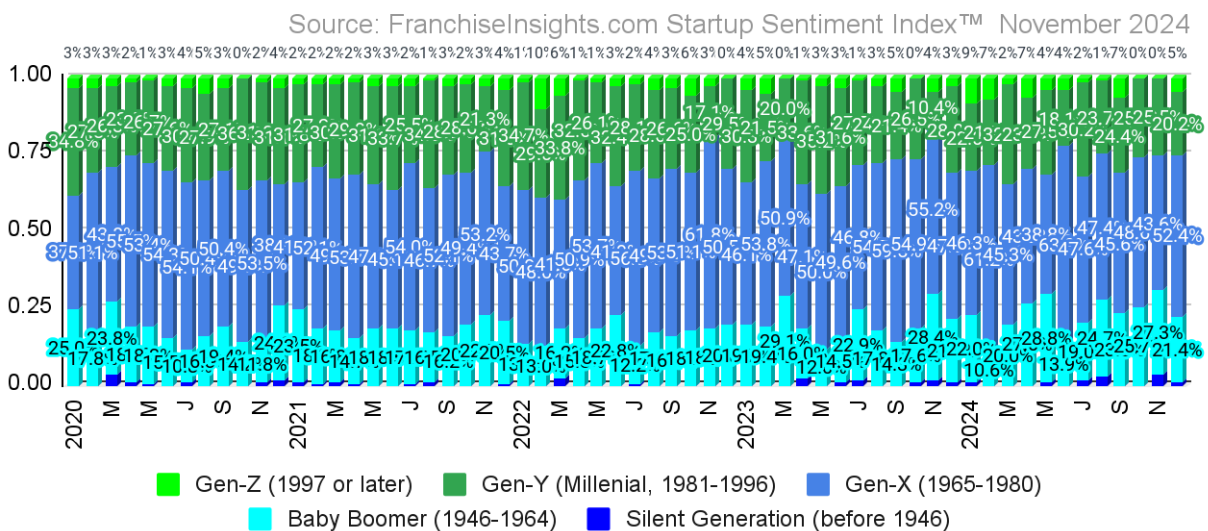
Of the survey respondents, 45.30% are currently employed full-time, down from the record 61.7% in the June 2024 survey. Current business owners made up 21% of respondents, who may include those who desire to upgrade or complement their existing businesses. Combined, full-time workers and current business owners reached 66.3% of respondents.

About 17.4% of respondents were working as freelancers or consultants. Part-time workers made up 16.3% of respondents. This month less than 1% of the aspiring entrepreneurs in the survey were on active military duty.

Gen-X remains the largest share, at 52.4% of respondents, pulling back from the record 63.9% seen in June 2024. Boomers dipped to 21.4%, and the Gen-Y or Millennial age cohort made up 20.2% of respondents. Gen-Z were 4.8% of respondents, near the 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 52.4%, Boomers follow at 21.4%



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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