

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 July 24-31, 2024.

## Norfolk, Virginia – Released August 7, 2024

# Small Business Startup Sentiment Index™ (SSI)

### Three Quarters of Aspiring Franchisees Expect Their Startups Within Six Months

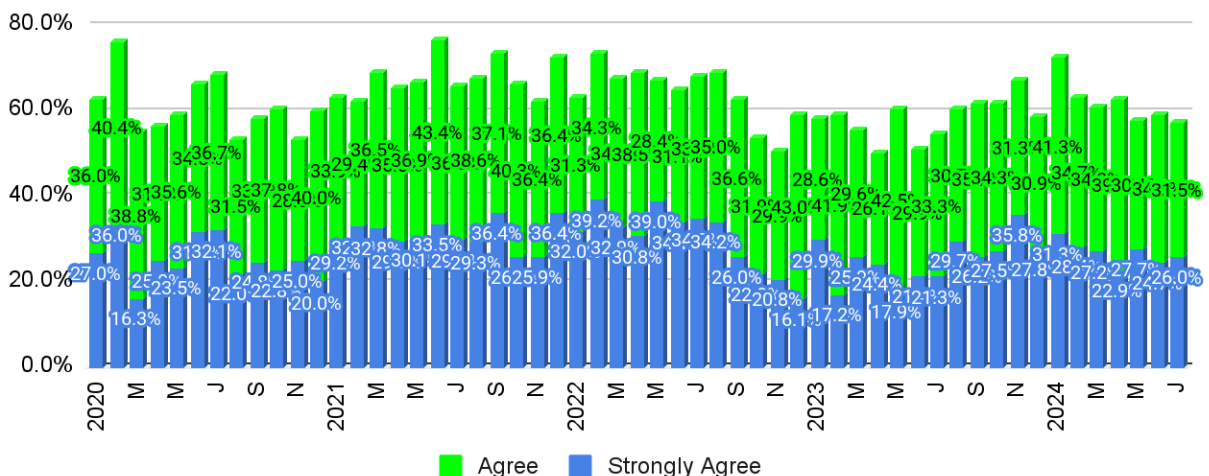
Percentage seeing conditions “better” in three months reaches 5-month high  
 Concerns about “political changes” elevated for the third consecutive month

#### STARTUP SENTIMENT - “NOW” IS A GOOD TIME

About 58% of aspiring business owners either agree or strongly agree that “now is a good time to start a business,” with optimism about conditions ahead. In the July 2024 survey, 79.5% of respondents see conditions for business and franchise startups “**the same or better in three months.**” Of this month’s respondents, 56.2% of entrepreneurs planned their startups within the next three months, up from 50.6% last month. Further, 57.5% 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.

#### 57.5% of Prospects Agree Now a Is Good Time for Startup

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



The survey was conducted July 25-31, 2024. These sanguine views on conditions for business startup are consistent with post-pandemic trends in 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](#), with both up from a

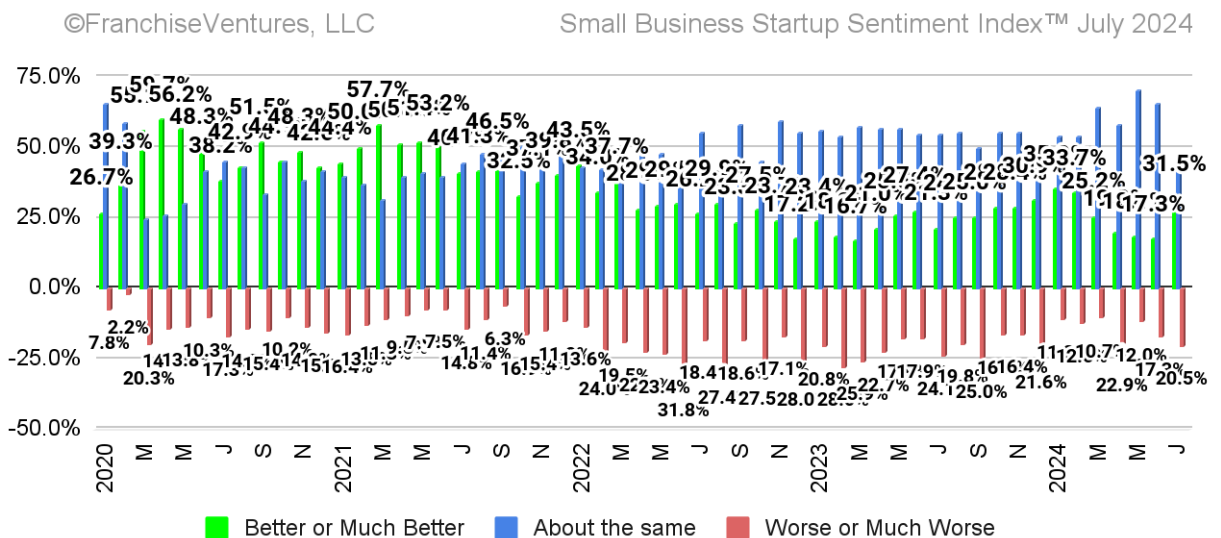
post-pandemic low in June 2022. This continuing trend in entrepreneurial optimism also parallels the ongoing [surge in new business applications](#) since September 2020 as reported by the US Census Bureau.

## SENTIMENT: CONTINUED OPTIMISM THREE MONTHS OUT

Reversing a multi-year downtrend in sentiment about future business conditions, **79.5% of respondents see conditions no worse – staying the same or getting better in three months**– with 47.9% seeing conditions “about the same.”

Now only 31.5% of respondents think that in three months, conditions will be **“better or much better”** than now, the highest reading since February 2024, but down from the 50-60% readings at the height of the pandemic. This is consistent with the year-long uptrends in measures of consumer confidence, and comfort with near-term business conditions. On the other hand, 20.5% see conditions **“worse or much worse”** three months ahead.

### 79.5% See Conditions the Same or Better in Three Months



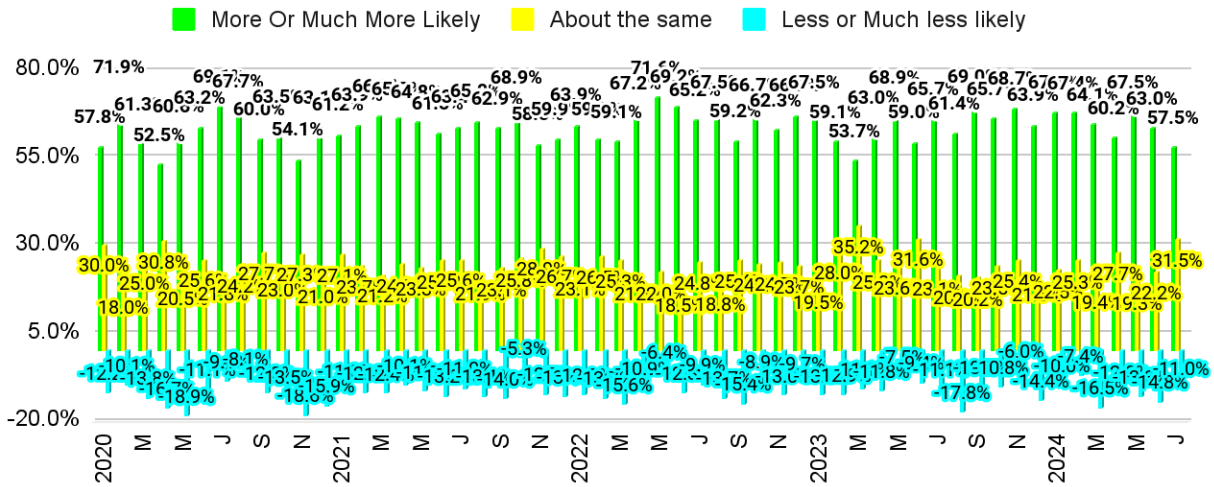
## RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are generally more upbeat now about starting or buying their business than they were three months ago. In July 2024, 57.5% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 31.5% **“about the same,”** that means that 89% 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”** dipped to 11.0%, below the 12.1% 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™ July 2024

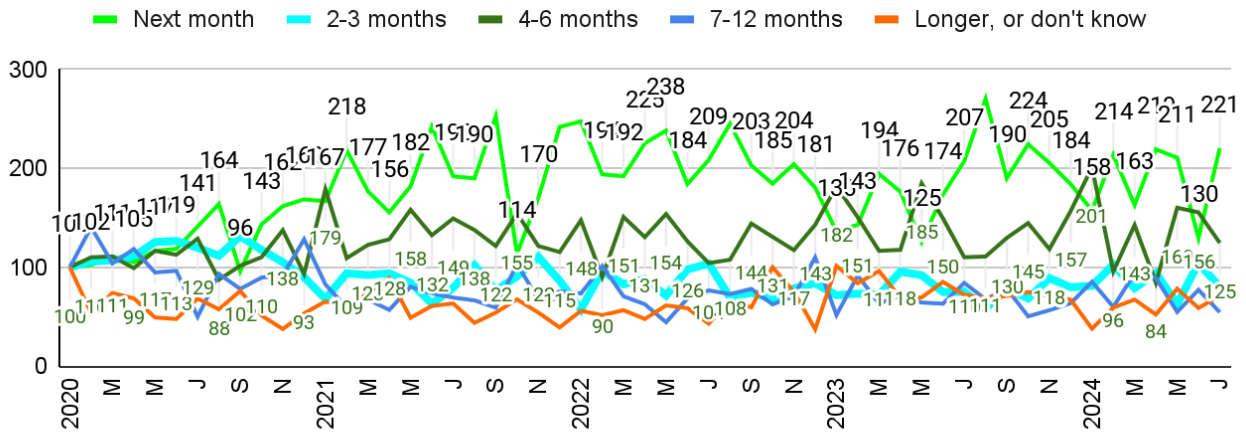


## ‘NEXT MONTH’ IS THE MOST EXPECTED TIME FRAME

In the July survey, 84% of respondents expected to start within twelve months. The index of entrepreneurs expressing intent to start or buy **“next month”** returned to 221% of the January 2020 level, at 32% of respondents. On the other hand, the index of aspiring business owners planning startups in the **“next 2-3 months”** dropped to 80.1% of the January 2020 reference point, at 24.7% of respondents.

## Most Anticipate Startups In The Coming Month

Source: FranchiseInsights.com Startup Sentiment Index™ July 2024



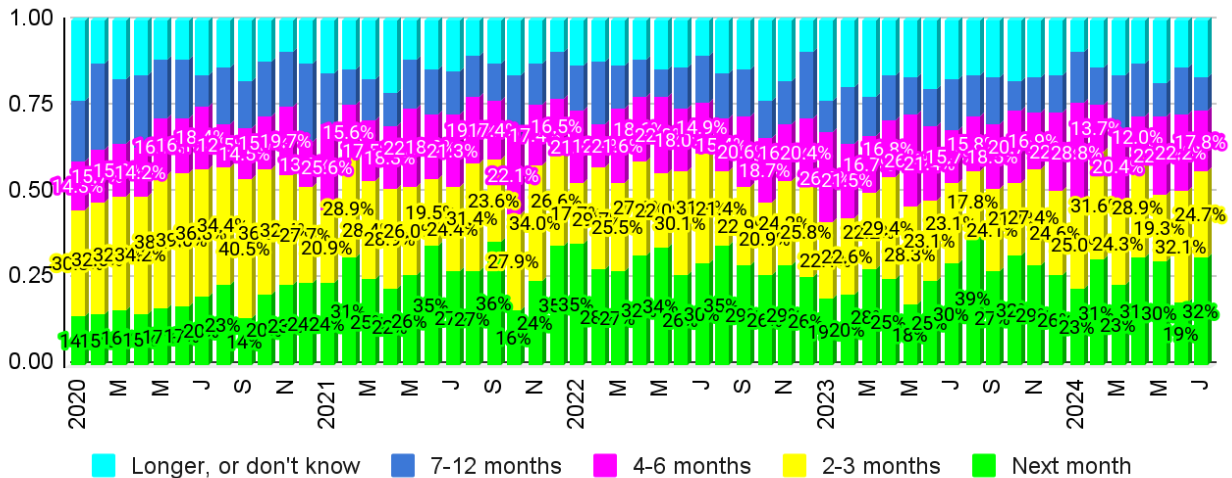
Indexed to January 2020

This past month, 56.2% 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” slid to 17.8%. That brings the total with intent to start within 6 months to 74% of respondents. Another 9.6% of respondents are planning their startups for 7-12 months out. Only 16.4% are “not sure” or expect to wait more than twelve months for their business launches.

## 84% Expect Their Startups Within Twelve Months

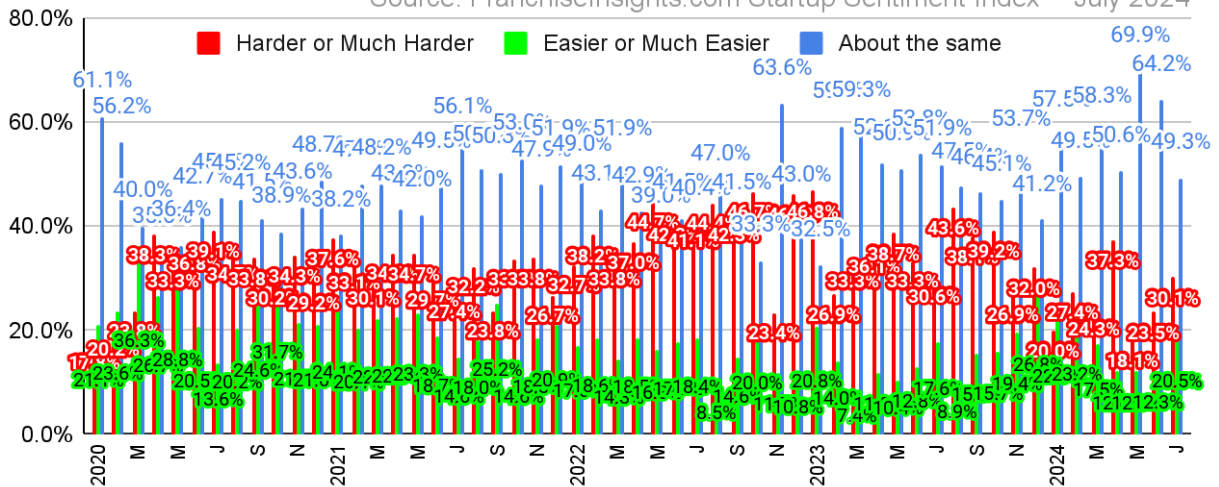
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## FUNDING PARAMOUNT , BUT POLITICAL CONCERNS ELEVATED

Now 30.1% See Funding Harder in 3 Months; 49.3% the Same

Source: FranchiseInsights.com Startup Sentiment Index™ July 2024

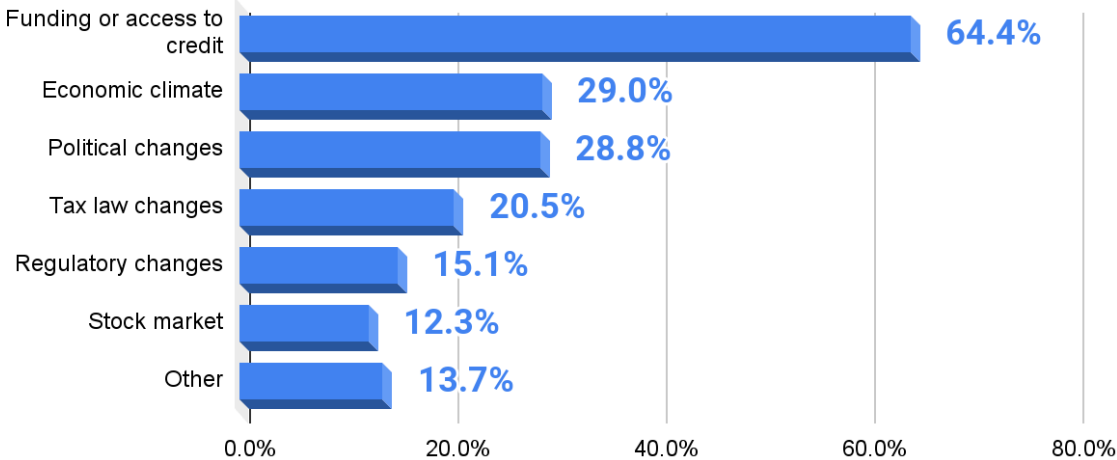


Though access to funding remains the primary startup issue, prospective business owners’ concerns about availability of startup financing have been reduced in recent months, with only 30.1% seeing it getting “**harder or much harder**” three months from now. Now 49.3% see access to funding in three months being “**about the same**” and only 20.5% see it getting “**easier or much easier**”, consistent with headlines about the

Federal Reserve holding rates steady or decreasing them modestly in either direction in the coming months.

**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™ July 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 64.4% in July, though this has been declining in recent months and far below the high seen in April 2021 at 87.6%. Beyond the funding concern, **“economic climate”** is next highest at 29% of respondents, down from 41% as recently as May.

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

**PANDEMIC BOOSTS DESIRE FOR CONTROLLING DESTINY**

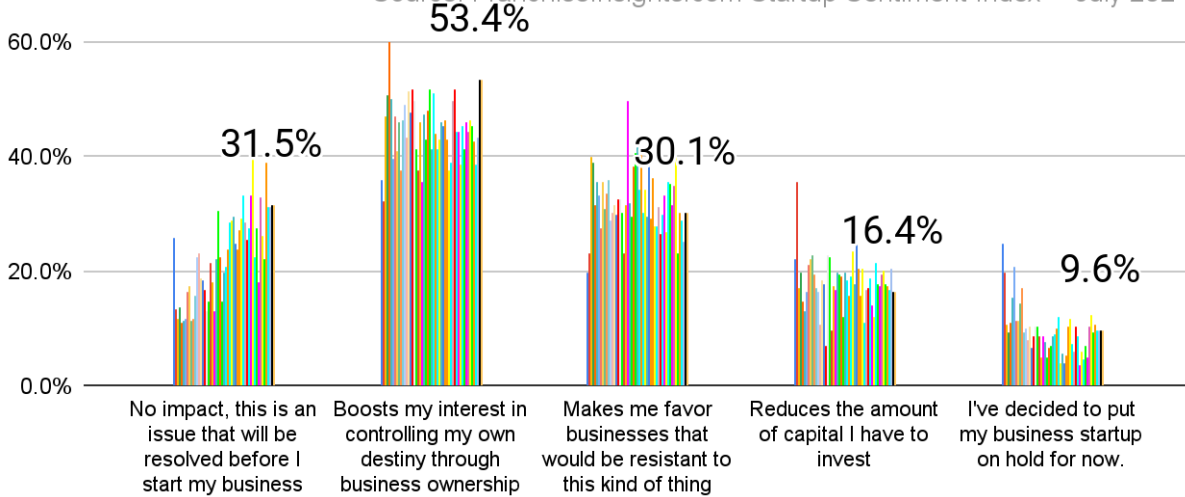
For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the [FranchiseInsights.com](https://FranchiseInsights.com) Small Business Startup Sentiment Index™ often said that it **“boosts my interest in controlling my 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 jumped to 53.4% in July 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 30.1%, 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 9.6% is up from 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 at 31.5%.

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

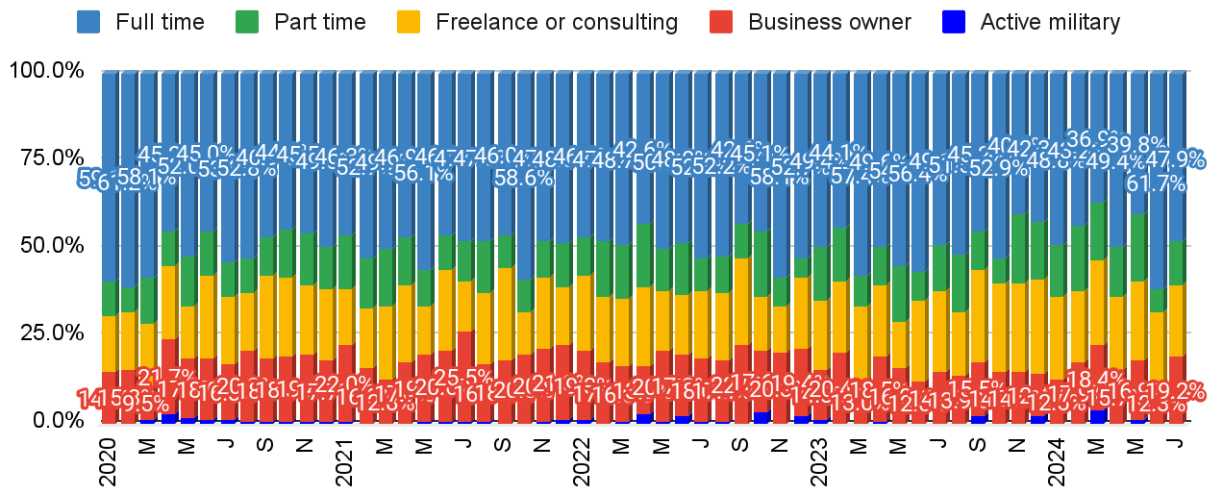
Source: FranchiseInsights.com Startup Sentiment Index™ July 2024



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

47.9% of Aspiring Owners Leaving a Full Time Job; 19.2% are Biz Owners

Source: FranchiseInsights.com Startup Sentiment Index™ July 2024



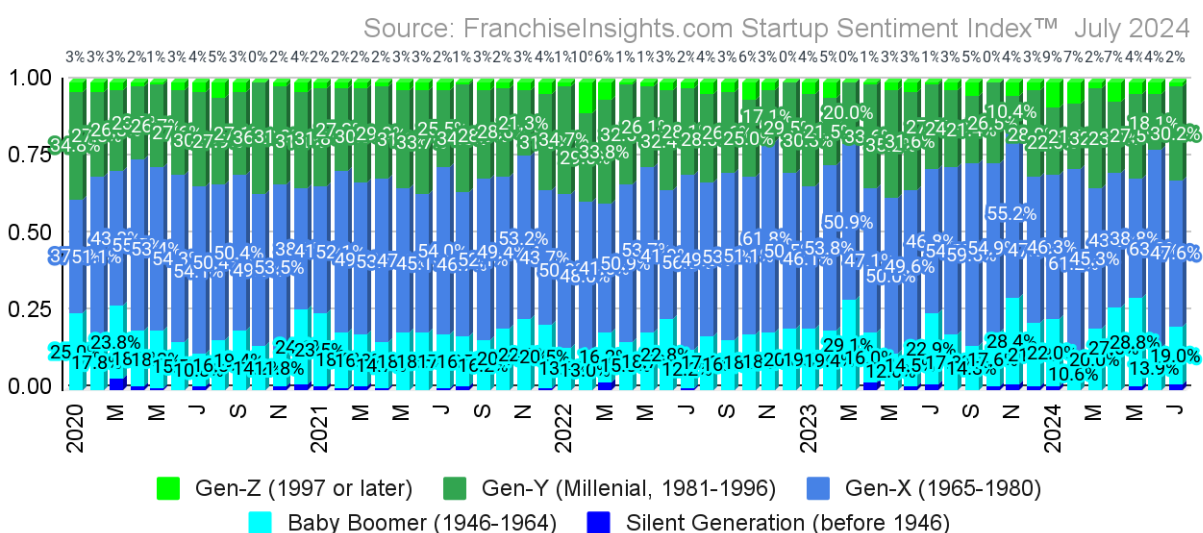
Of the survey respondents, 47.97% are currently employed full-time, down from the record 61.7% in the June 2024 survey. Current business owners made up 19.2% of respondents, who may be pursuing a desire to upgrade or complement their existing businesses. Combined, full-time workers and current business owners stood at 67.1%.

About 20.5% of respondents were working as freelancers or consultants. Part-time workers made up 12.3% 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 47.6% of respondents, pulling back from the record 63.9% seen in June 2024. The Gen-Y or Millennial age cohort represented 30.2% of respondents. Baby Boomers followed at 19.0% in July, and Gen-Z were 1.6% of respondents. 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 47.6%, Followed by Gen-Y at 30.2%



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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