

FranchiseInsights.com has reported Business Startup Sentiment Trends data with monthly surveys since January 2020. The Small Business **Startup Sentiment Index™** 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 22-29, 2024.

Norfolk, Virginia – Released October 2, 2024 Small Business Startup Sentiment Index™ (SSI)

Concerns about Funding and Access to Credit Are Finally Receding among Business Buyers

Percentage seeing funding as biggest concern dropped to a record low 53.1%.

Almost 93% see business conditions the same or better in three months, but concerns about “political changes” were elevated for the fifth consecutive month.

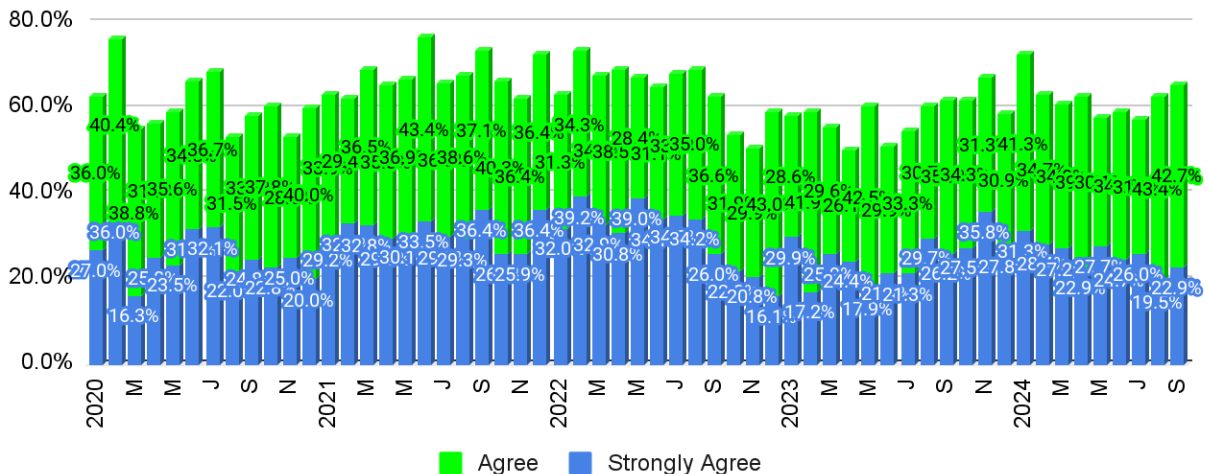
STARTUP SENTIMENT - 66% SAY “NOW” IS A GOOD TIME

Now 65.6% of aspiring business owners surveyed either agree or strongly agree that “now is a good time to start a business,” with optimism about conditions ahead. In the September 2024 survey, 92.7% of respondents see conditions for business and franchise startups “**the same or better in three months.**” Of this month’s respondents, 60.4% of entrepreneurs planned their startups within the next three months, up from 48.1% last month. Further, 62.5% 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.

65.6% of Prospects Agree Now a Is Good Time for Startup

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



The survey was conducted September 22-29, 2024. These upbeat views on conditions for business startup are contrary to the most recent readings from the [Conference Board's Survey of Consumer Confidence](#) and The [University of Michigan Consumer Sentiment Survey](#). While both of those are up from post-pandemic lows in June 2022, they have been dropping in the last few months.

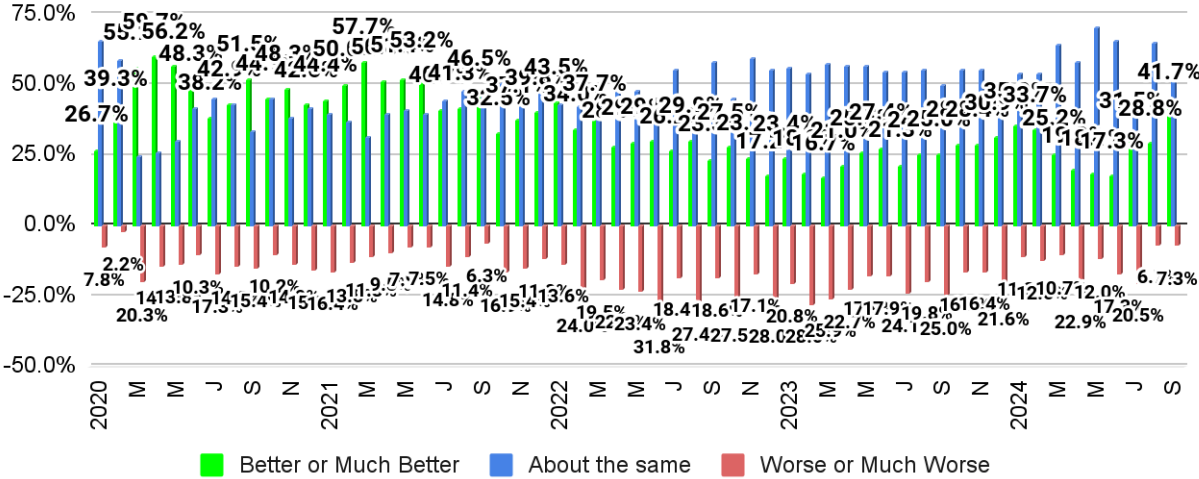
OPTIMISM THREE MONTHS OUT REMAINS HIGH

Reversing a multi-year downtrend in sentiment about future business conditions, **92.7% of respondents see conditions no worse – staying the same or getting better in three months**– with 51% seeing conditions “about the same.”

Now 41.7% of respondents (green bars) think that in three months, conditions will be **“better or much better”** than now, closer to the 50-60% readings at the height of the pandemic. We don’t know why, but getting past the election and on to lower interest rates may be drivers of this sentiment. Only 7.3% see conditions **“worse or much worse”** three months ahead.

92.7% See Conditions the Same or Better in Three Months

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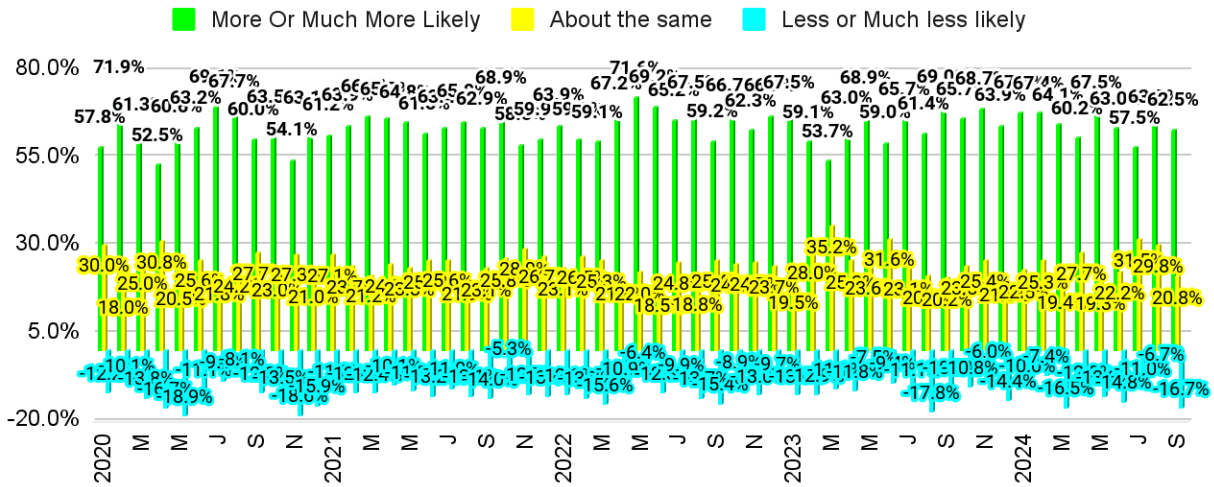
RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are generally more upbeat now about starting or buying their business than they were three months ago. In September 2024, 62.5% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 20.8% **“about the same,”** that means that 83.3% 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”** rose to 16.7%, significantly above the 11.1% average seen over the prior 12 months. With ebullient financial markets and the prospect of lower interest rates, we are at a loss to explain that bump.

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

Source: FranchiseInsights.com Startup Sentiment Index™ Sept 2024

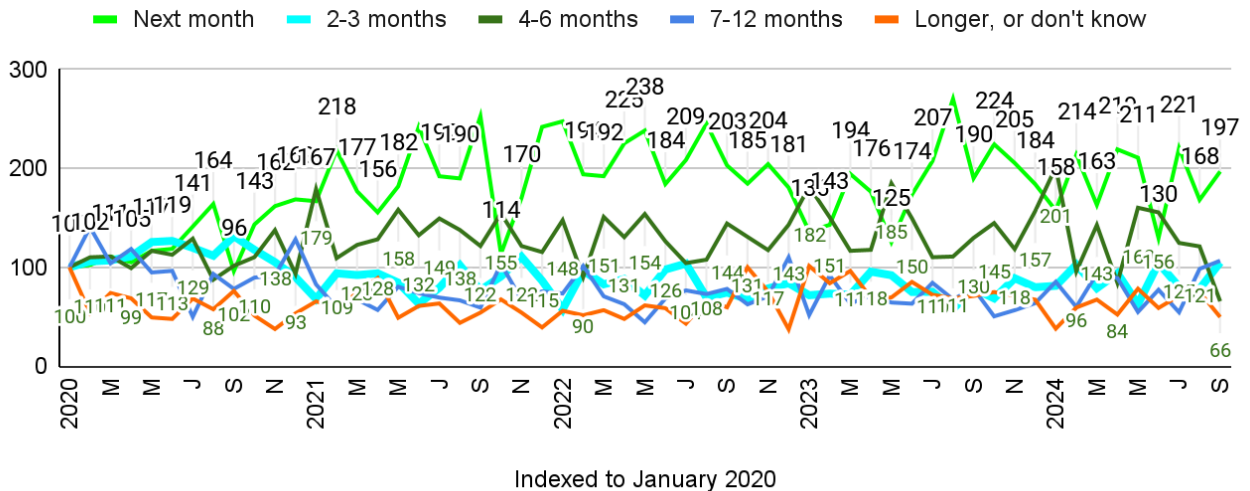


‘2-3 MONTHS OUT’ IS THE MOST EXPECTED TIME FRAME

In the September survey, 89% of respondents expected to start within the next twelve months. The index of entrepreneurs expressing intent to start or buy “*next month*” stood at 197% of the January 2020 level, at 28% of respondents. On the other hand, the index of aspiring business owners planning startups in the “*next 2-3 months*” grew to 105% of the January 2020 reference point, at 32.3% of respondents.

60.4% Anticipate Startups In The Coming Three Months

Source: FranchiseInsights.com Startup Sentiment Index™ Sept 2024

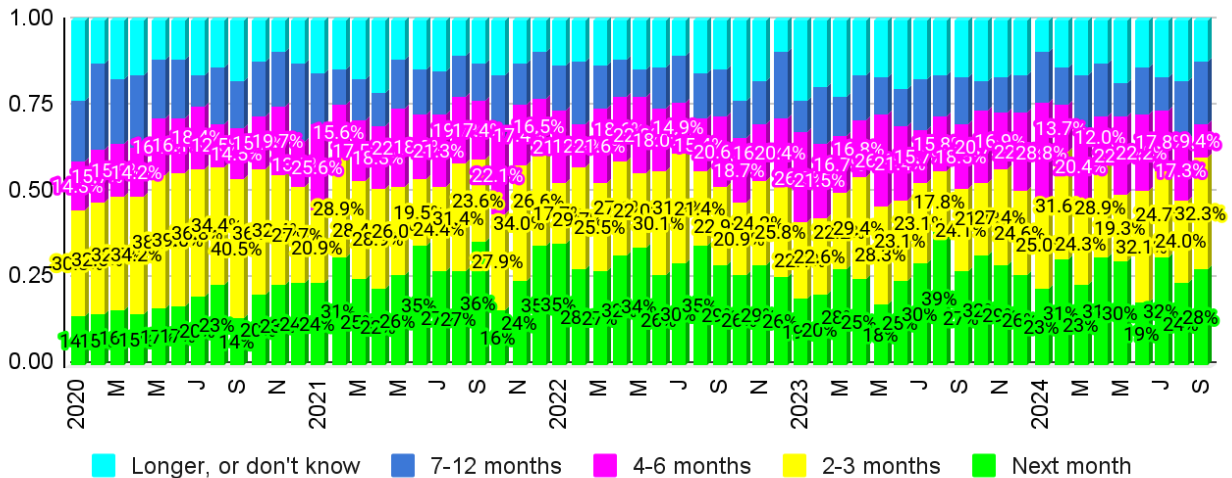


This past month, 60.4% of respondents expressed *intent to start or buy their businesses within the next three months*, above January’s record low of 41.6% and the previous record low reading of 44.2% during the height of the Omicron wave in October 2021.

Startup intentions at “4-6 months” slid to 9.4%. That brings the total with intent to start within 6 months to 70% of respondents. Another 18.8% of respondents are planning their startups for 7-12 months out. Only 11.5% are “not sure” or expect to wait more than twelve months for their business launches.

89% Expect Their Startups Within Twelve Months

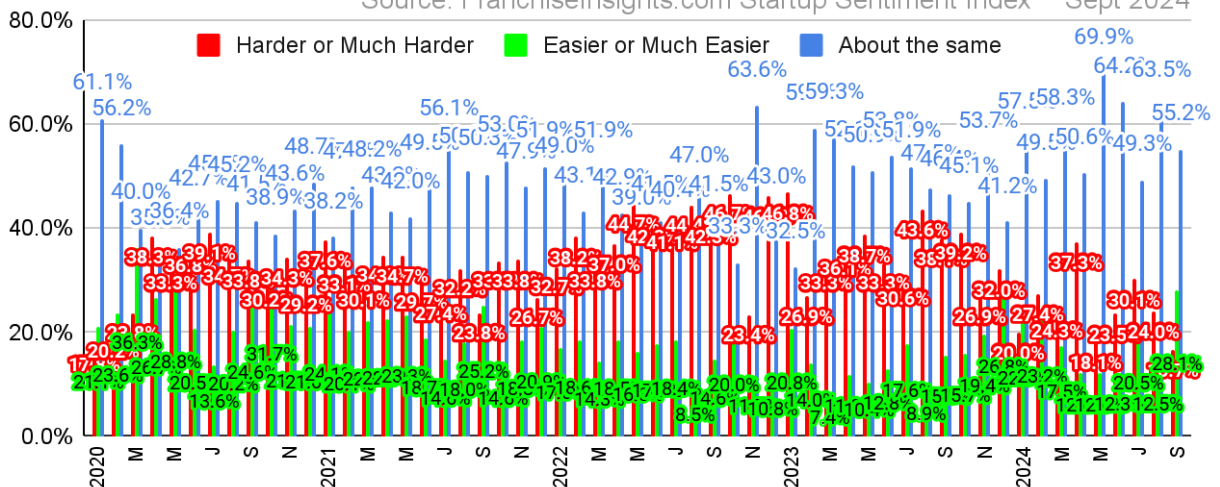
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FUNDING CONCERNS EASE , POLITICAL CONCERNS ELEVATED

28.1% See Funding Easier in 3 Months; 55% the Same

Source: FranchiseInsights.com Startup Sentiment Index™ Sept 2024

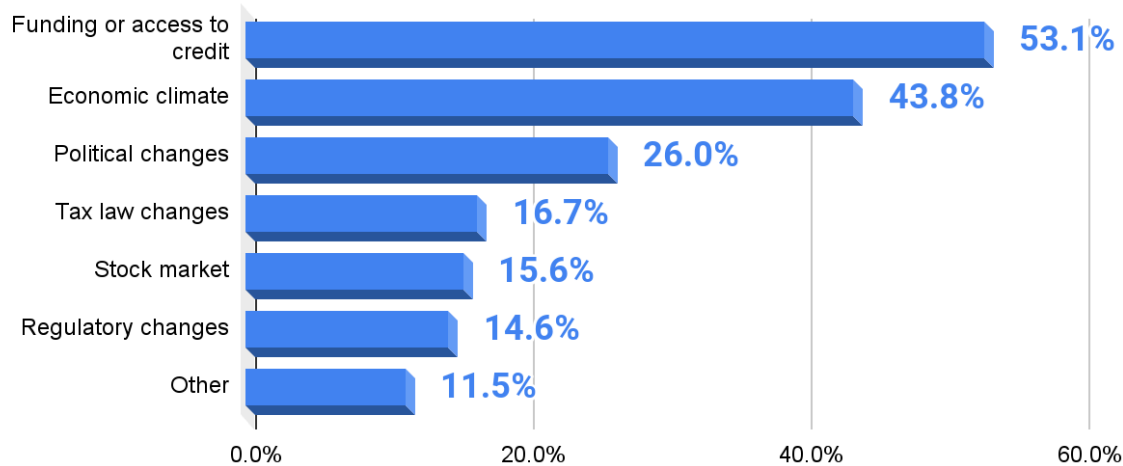


Though access to funding remains the primary startup issue, prospective business owners’ concerns about availability of startup financing have been reduced in recent months, with only 16.7% seeing it getting “**harder or much harder**” three months from now. Fully 55.2% see access to funding in three months being “**about the same**” and

now 28.1% 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™ Sept 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, but that measure dropped to a record low 53.1% in September, consistent with expectations of easier credit ahead . Beyond the funding concern, “**economic climate**” is next highest at 43.8% of respondents.

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

PANDEMIC BOOSTS DESIRE FOR CONTROLLING DESTINY

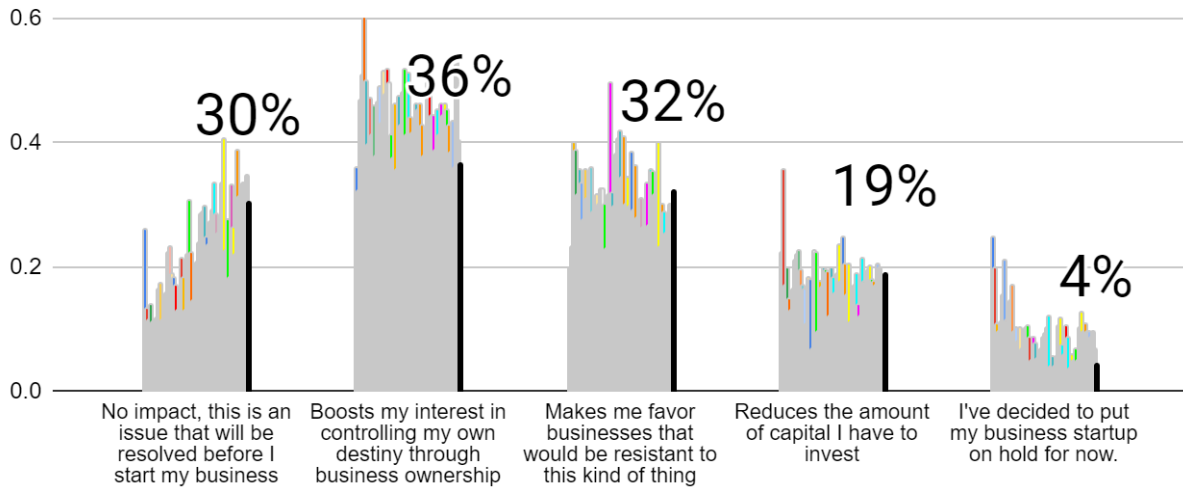
For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the FranchiseInsights.com Small Business Startup Sentiment Index™ often said that it “**boosts my interest in controlling my own destiny through business ownership.**” 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 36% in September 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 32%, 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 4% 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 30% of respondents.

How did the pandemic affect your interest in business ownership?

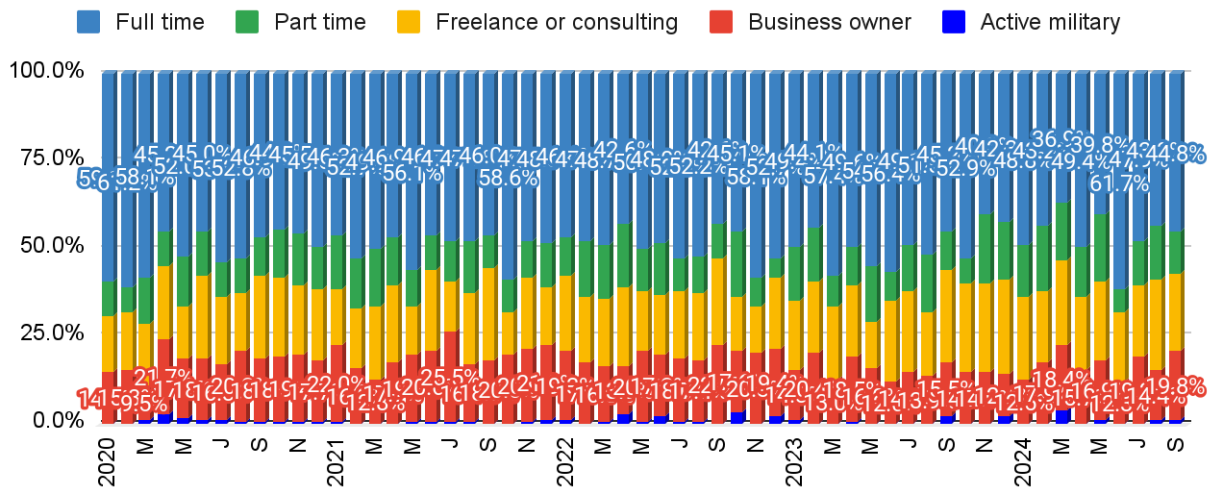
Source: FranchiseInsights.com Startup Sentiment Index™ Sept 2024



FULL-TIME WORKERS AND GEN-X ARE LARGEST COHORTS

45% of Aspiring Owners Leaving a Full Time Job; 20% are Biz Owners

Source: FranchiseInsights.com Startup Sentiment Index™ Sept 2024



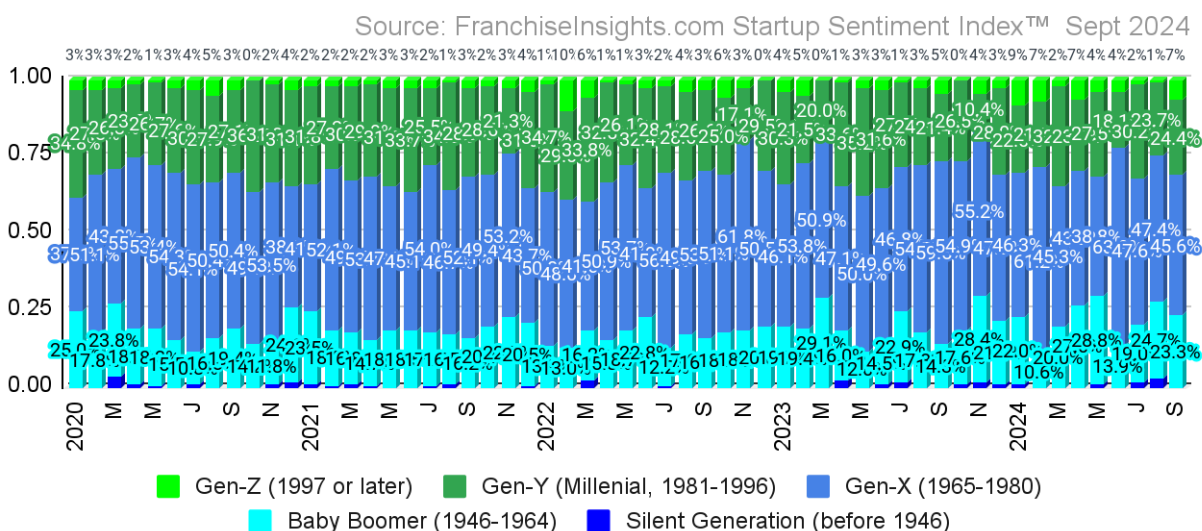
Of the survey respondents, 44.8% are currently employed full-time, down from the record 61.7% in the June 2024 survey. Current business owners made up 19.8% of respondents, who may be pursuing a desire to upgrade or complement their existing businesses. Combined, full-time workers and current business owners stood at 64.6%.

About 21.9% of respondents were working as freelancers or consultants. Part-time workers made up 12.5% of respondents. This month about 1% of the aspiring entrepreneurs in the survey were on active military duty.

Gen-X is the largest share, at 45.6% of respondents, pulling back from the record 63.9% seen in June 2024. The Gen-Y or Millennial age cohort represented 24.4% of respondents, followed closely by Baby Boomers at 23.3% in September. Gen-Z were 6.7% 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 45.6%, Followed by Millennials at 24.4%



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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[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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