

Getting the Facts

- Franchised businesses account for nearly 50% of all retail sales in the United States.
- The International Franchise Association has reported that franchising is responsible for 760,000 businesses, 18 million jobs, 14 percent of the private sector employment, and over \$500 billion in payroll!
- A U.S. Department of Commerce study conducted from 1971 to 1997 showed that during that time less than 5% of franchise businesses were closed each year.
- Total sales by franchised businesses are projected to reach over \$2 trillion, this year.
- A U.S. Small Business Administration study conducted from 1978 to 1998 found that 62% of non-franchised businesses closed within the first 6 years of their existence due to failure, bankruptcy, etc. In contrast, a 1999 study by The United States Chamber of Commerce found that 86% of franchises opened within the last five years were still under the same ownership and 97% of them were still open for business.
- 1 out of every 12 businesses is a franchised business.
- A new franchised business is opened every 8 minutes of every business day.
- In 2000, the median gross annual income of franchisors was in the \$75,000 to \$124,000 range, with over 30% of franchisees earning over \$150,000 per year.
- According to the February 2005 article by the National Federation of Independent Businesses (NFIB), 1 out of every 4 small businesses with employees have their primary location at home. Firms opened by owner managers account for 85% of all small business.