

Inflation Will Fuel More Small Business Formation in 2023

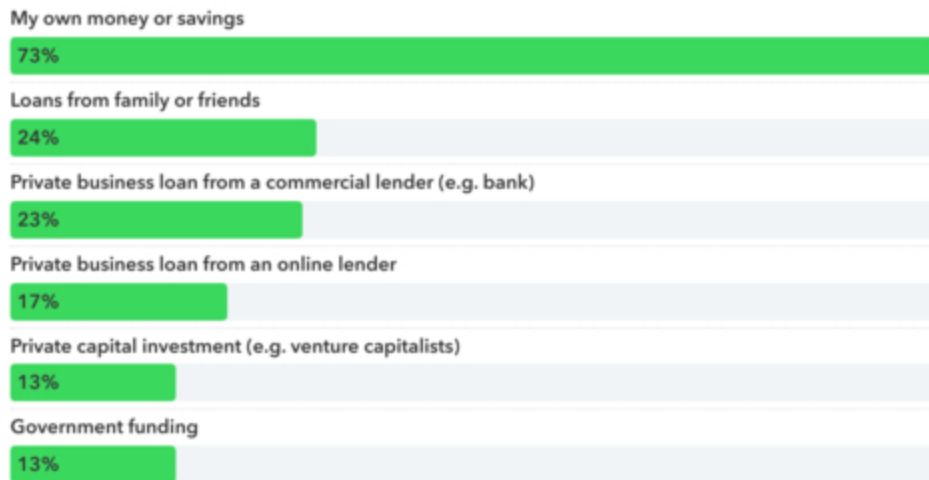
Majority of Entrepreneurs Will Maintain Current Job While Starting a Side Hustle

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Business formation continues to be at historically high levels, with concerns over cost of living and inflation motivating Americans to pursue a small business venture. New research from Intuit QuickBooks shows this trend will continue in 2023 and of those survey respondents who say they plan to start a small business, two thirds (66%) indicate inflation and the need for additional income is behind their decision. These findings and more are highlighted in the [QuickBooks New Business Insights report](#), based on a recent survey of 15,200 U.S. adults commissioned by Intuit (NASDAQ: INTU), the global financial technology platform that makes [QuickBooks](#), [TurboTax](#), [Mint](#), [Credit Karma](#), and [Mailchimp](#).

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20221215005264/en/>

What funding will new business owners use in 2023?

Sample: 4,926 US adults aged 18+ who want to start new businesses in 2023



Source: Online survey commissioned by Intuit QuickBooks in December 2022



The report also uncovered several geographic trends related to business formation and where small business economic activity in the U.S. flourished in 2022 and is expected to increase in 2023:

- **Business formation continued to hover at a historically high level in 2022 with several states leading the pack:** The states where the most residents reported starting a new business were Delaware (23%),

What funding will new business owners use in 2023? (Graphic: Business Wire)

Hawaii (22%), New Jersey (21%), Virginia (21%), and Maryland (20%).

- **These states are poised to lead the country in small business formation in 2023:** The states with the highest number of residents who said they plan to start a business next year are New Jersey (42%), Florida (40%), Hawaii (40%), California (39%),

Louisiana (38%), Maryland (38%), Georgia (37%), Nevada (37%), New York (37%), Delaware (37%), and South Carolina (37%).

- **While small business formation is at historically high levels, many of these new ventures will be side hustles:** Creating a new small business as a side hustle is continuing to increase in popularity as people look to supplement their income amid inflation. Almost two-thirds (65%) of respondents indicated that they will continue to work for other employers at the same time as managing their new business ventures, suggesting that side hustles are increasing in popularity as people look for more income opportunities, particularly amid inflation.

“As we navigate the small business landscape post-pandemic, we’re seeing increased business formation as people look for new revenue sources and opportunities in a changing economy,” said Alex Chriss, executive vice president and general manager of Intuit’s Small Business and Self-Employed Group. “With an increase in small business creation, it’s imperative that we support them with the tools they need to successfully run and grow their business, especially as a majority of them lean into ecommerce, online lending solutions, and digital tools to gain customers and manage cash flow.”

Technology, and its ability to simplify many aspects of starting and running a business, continues to be a key driver of small business starts.

- **Technology has made it easier than ever to start a business:** 45% of those surveyed indicated that the opportunities technology platforms enable is a key reason they decided to start a business.
- **E-commerce opportunities were identified as the strongest growth opportunities:** 46% said that they would pursue an e-commerce business as their new business venture and 37% plan to pursue a job in the creator economy, driven by social media apps and services.
- **Accessing funding is top of mind for new business owners:** While the majority of those surveyed (73%) indicated they’d use their own money or savings to start their businesses, roughly one in six (17%) said they will look to online lenders as an option, and more than one in five (23%) would consider a traditional bank.

This report and additional research and insights from Intuit QuickBooks are available [here](#).

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Source: Intuit Inc.

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Intuit QuickBooks:

Dan Mahoney
Dan_Mahoney@intuit.com

Jen Garcia
Jeng@accesstheagency.com

Source: Intuit Inc.