

The Hesitation Index

An Analysis of Aspiring Entrepreneurs from ZenBusiness

Interest in entrepreneurship is on the rise. But what stumbling blocks are getting in the way of getting started?



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Executive Summary

“Start a business.” It sounds simple enough. However, in reality, it describes a whole interlinking system of processes, from idea to setup to realization. What people generally believe stops entrepreneurs before they start is the cost.

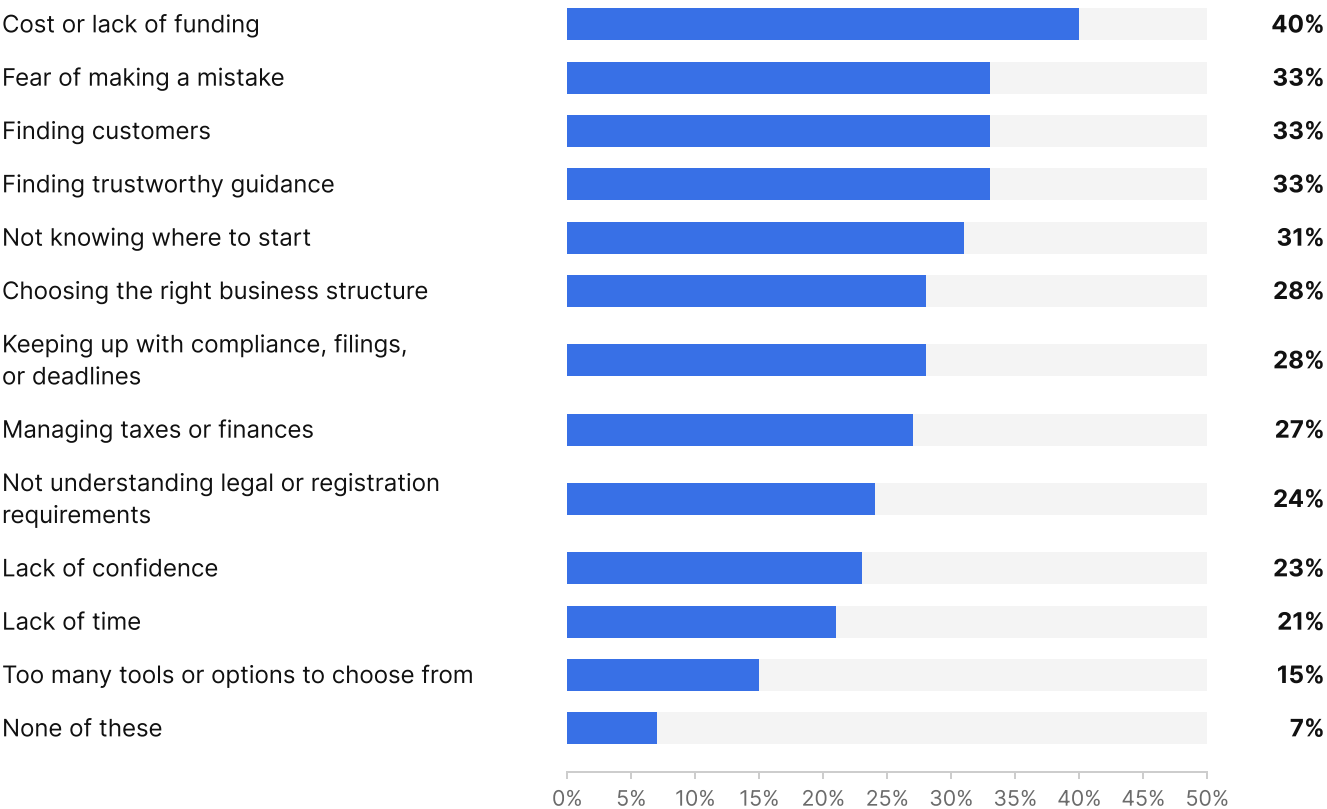
Though cost barriers were still the top concern for aspiring entrepreneurs, the data we collected presents a slightly different story: one-third of entrepreneurs expressed **a fear of making a mistake** and 31% shared a hesitation due to **not knowing where to start**.

Approximately one third, the same number, were concerned about **finding trustworthy guidance**. The most uncertain time in an entrepreneur's journey is when they start, but haven't “made it official” through legal business formation.

Survey Results

Business barriers

Which of the following are barriers or challenges for you when it comes to starting, managing, or growing a business?



Survey ran using quantiloop, 2026.

Total (n=1001)

Taken together, these answers point to something cost alone doesn't explain. Money is a hurdle with a clear shape: you can save, borrow, or start smaller. Fear of making a mistake and not knowing where to start are harder to pin down. That hesitation often turns into anxiety, and anxiety is harder to get past than cost because there's no quick fix.

In the American Psychiatric Association's annual Healthy Minds Poll (released in May 2026), 48% of U.S. adults responded that they felt more anxious than the year before.¹ While their study focuses on the mental state of respondents, this overwhelming anxiety could intersect with the hesitation to start a new business. Fear of the future, difficulty pursuing projects, and overall restlessness are symptoms of anxiety.

That's the gap we built ZenBusiness Velo®, our personalized AI guide, to fill. We made Velo available to the public on June 23, 2026. It gives personalized guidance, helps founders get started, and shows them the right next step at every stage of their journey. It has also given us new insight into those founders. Combined with our already rigorous research, Velo's conversational interface lets us learn more about a founder's lifecycle.

Demand shows up in usage. Since Velo opened to the public on June 23, it has handled roughly 6,200 messages a day. About a third of those, roughly 2,100 a day, come from aspiring entrepreneurs who haven't formed a business yet. That's up 61% from 1,304 a day before launch.²

Early-stage questions are the ones people don't usually ask out loud, and they give us a much clearer read on the emotional and informational roadblocks that slow an entrepreneur down. Many of them come back to the same question the survey surfaced: what's the right next step?

That hesitation often turns into anxiety, and anxiety is harder to get past than cost because there's no quick fix.



Key Takeaways

- Fear of making a mistake is a **major psychological barrier to founders**.
- Worries about keeping up with important business processes and operations is another speedbump, even after founders get going.
- One-third of founders are seeking trustworthy guidance on their journey.

¹ "Annual Mental Health Poll Finds Americans Anxious About Current Events, Personal Finances and Emerging Technology." Psychiatry. Accessed May 12, 2026. <https://www.psychiatry.org/News-room/News-Releases/2026-Annual-Mental-Health-Poll>.

² Daily averages of messages from people who had not yet made a purchase, May 1–June 22, 2026 (before public launch) vs. June 23–July 31, 2026 (after). Excludes internal test traffic.

THE STORY

What Stops Entrepreneurs Before They Start

Our presentation of this data study reveals that funding aside, **hesitation and fear about taking the first step** hold entrepreneurs back from starting their business. We've broken down the stages in this report as follows:

- 1 Fears of aspiring entrepreneurs
New findings: questions from prospects (tracked in Velo)
- 2 Shifting priorities as entrepreneurs grow their businesses
- 3 Reassurance-seeking behaviors
- 4 The industries entrepreneurs work in
- 5 Our geographic distribution and opportunities

The overall picture of customers and prospects displays confidence in their idea, but a desire for trusted guidance in the process. The main goal of data collection is to better serve budding entrepreneurs and provide more resources to help them move forward in their journey and bring their businesses to life.

This study draws on a quantiloop survey and on Velo message data. The first is a survey of 1,001 U.S. adults ages 18–64, fielded in May 2026, before the ZenBusiness Velo® launch. Respondents were either aspiring entrepreneurs exploring, planning, or starting a new business, or small business owners who had been in business 5 years or less with fewer than 20 employees. Full windows for each source appear in Our Methodology.

The second is Velo message data from the launch window, June 23 to July 31, 2026. Pre-purchase messages to Velo rose to roughly 2,100 a day, up 61% from 1,304 a day before. Some of that increase reflects access rather than appetite: we're now hearing from people who previously had no way to ask questions in the early stages of their business.

What matters most is what they ask about. Velo's conversational format lets someone describe a worry in their own words and get an answer in plain language.

SECTION 1

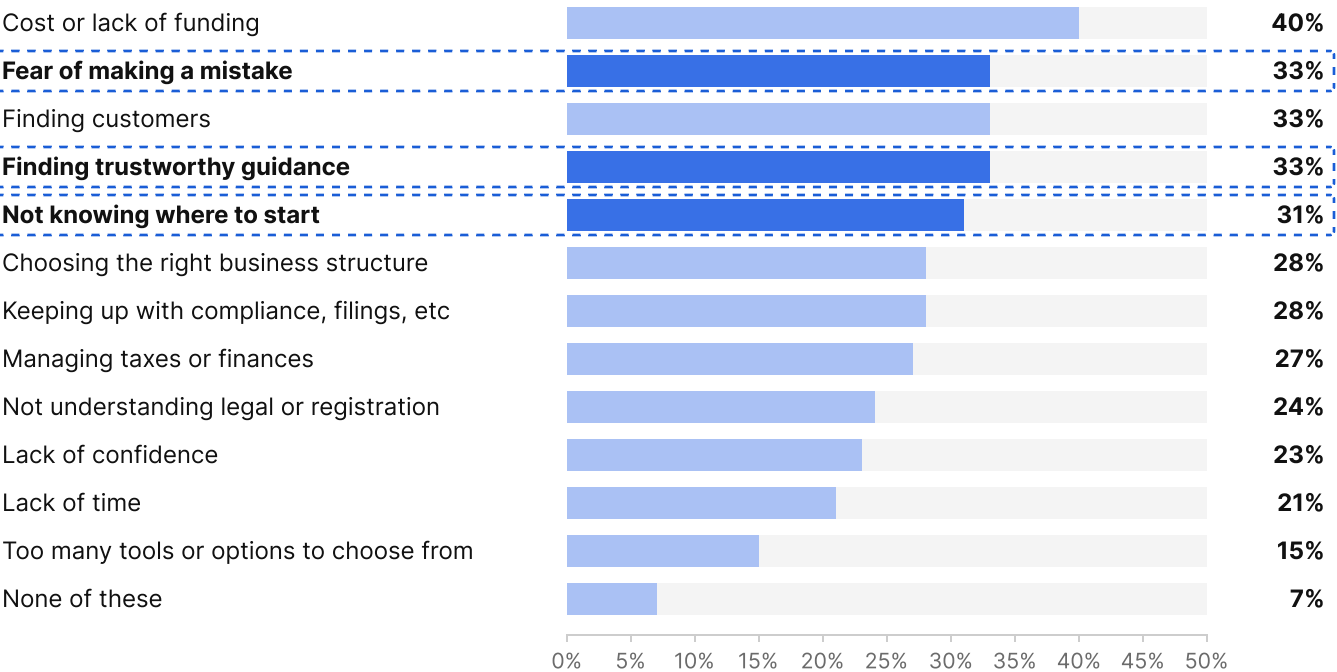
The Barriers Facing Aspiring Entrepreneurs

Our study with quantilope identified multiple stated barriers. Cost was still the largest, named by 40% of respondents. Look past cost, and the next biggest barriers are less about money and more about uncertainty: finding trustworthy guidance, and knowing where to start.

Business barriers

Respondents to the question: "Which of the following are barriers or challenges for you when it comes to starting, managing, or growing a business?"

Total (n=1001)



When asked about the barriers or challenges stopping them from starting a business, the major concerns (aside from money):

33%

Fear of making a mistake

33%

Finding trustworthy guidance

31%

Not knowing where to start

Anxiety arises from a lack of knowledge, which leads to **hesitation**. The information is out there, but budding entrepreneurs worry about navigating its complexities and possibly following the wrong path. “Fear of making a mistake” and “finding trustworthy guidance” are inextricably connected in a business owner’s mind.

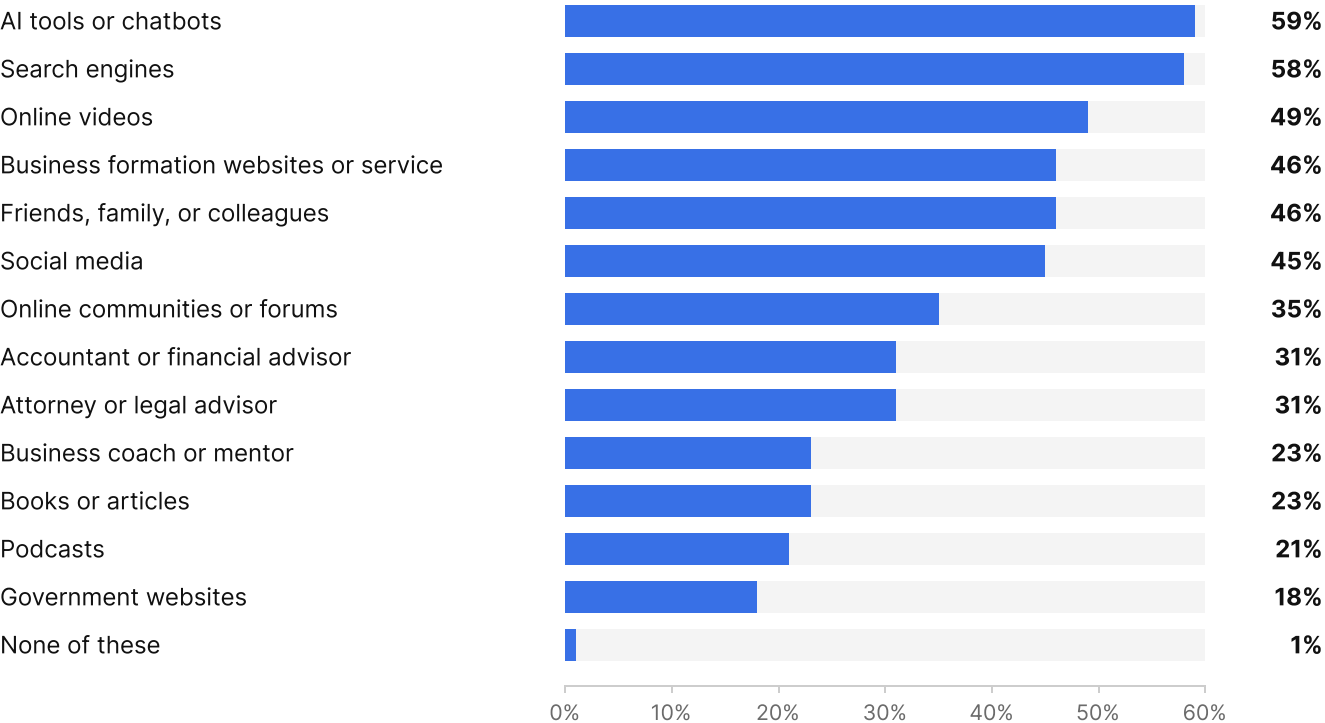
Worries about processes were also a factor. 28% of respondents chose choosing the right business structure as a barrier, 28% chose keeping up with compliance, and 27% chose taxes. Each of these decisions carries legal and financial stakes, which adds to the initial worry about cost. ZenBusiness’s core offerings are designed to take these off founders’ plates, from business formation and [registered agent service](#), to [worry-free compliance filings](#), [advanced compliance](#) protection and [tax services](#).

The fear of taking the first step appears to be the overarching theme of many of these categories. Our findings from this past quarter reveal a need for **trustworthy, proactive guidance** to existing customers.

These questions highlight the need for support from an experienced professional when things get confusing. In our survey, 59% of respondents said that they use AI tools or chatbots for information or guidance on starting, managing, or growing a business. 46% said they use business formation websites or services. ZenBusiness Velo can help bridge that gap for budding entrepreneurs.

Information sources

Which of the following sources do you use, or would you use, for information or guidance about starting, managing, or growing a business?



Survey ran using quantilope, 2026.

Total (n=1001)

Because 59% of entrepreneurs use AI for initial guidance and 31% suffer from "not knowing where to start," the need for vetted information delivered through a conversational AI agent is clear.

28% of respondents chose "choosing the right structure" as a barrier, identified in our most recent analysis. The general question attached to this behavioral fingerprint was inquiring what type of [business entity](#) to form (e.g., an LLC or an S-Corp). This preoccupation also intersects with all other identified categories as well. The choice of entity formation affects compliance, taxes, and the guidance an entrepreneur needs to build a business.

ZenBusiness has a robust library of resources for our customers, but data from Velo conversations reveal a need for more personalized support and specific roadmaps for business growth.



Hesitation Starts Before the Paperwork

That same need for trustworthy guidance shows up even earlier — before someone becomes a customer at all. On June 23, 2026, ZenBusiness announced that our AI guide, Velo, was available to all customers and prospects through our website.¹ Velo conversations from May through July let us look directly at early-stage concerns, both before and after that announcement. These conversations reveal the barriers aspiring entrepreneurs face.

In a breakdown of question themes, operational questions represented the largest share of initial conversation starters. In the pool of early stage starter questions we could assign to a theme, the two largest categories were "choosing a structure/state" and "registered agent questions." These points of confusion reflect the quantilope survey of aspiring entrepreneurs and new business owners looking for trustworthy guidance.

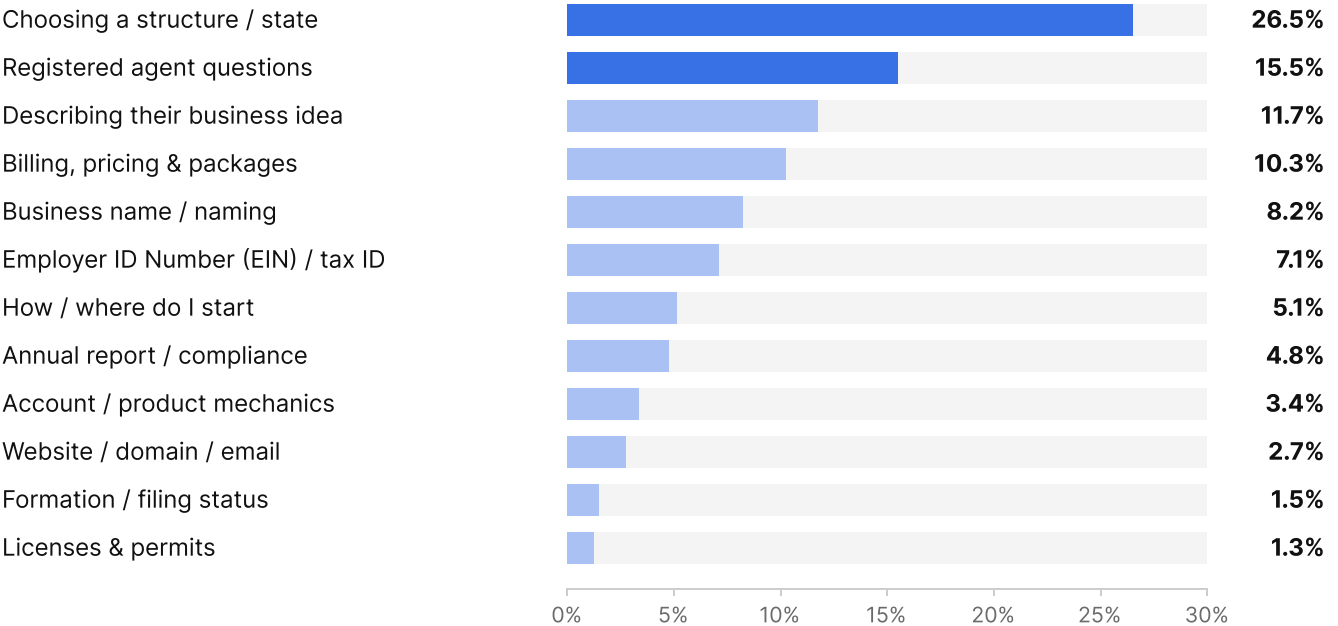
This is the core theme of the **hesitation index**. The survey finds that hesitation to start a business is rooted in fear and anxiety about getting started. This dynamic plays out before purchase.

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¹ "ZenBusiness Velo® Gives New and Aspiring Business Owners Access to Over a Decade of Expertise From Nearly One Million Businesses." PR Newswire. June 23, 2026. Accessed July 24, 2026. <https://www.prnewswire.com/news-releases/zenbusiness-velo-gives-new-and-aspiring-business-owners-access-to-over-a-decade-of-expertise-from-nearly-one-million-businesses-302807458.html>

Prospect question theme

How we grouped these conversations: We sorted each prospect's opening message to Velo between May 1 and July 31, 2026 into a single theme by its main topic, leaving out greetings and other messages too general to categorize.



Note: We see some changes based on seasonality in our data collection. This study represents data collected from May 1, 2026 to July 31, 2026.

Other concerns represented in prospect conversations focused on idea generation.

Budding entrepreneurs used Velo as a thought partner to shape their ideas, including about 110 conversations about designing a logo alone. That early-stage thinking is what Velo Blueprint is built for: a guided conversation that helps aspiring entrepreneurs turn an idea into a plan for their business before they ever file.

Branding and creative decisions matter to prospective business owners, but they're less pressing than the legal and financial ones that make a business official. The bigger stumbling blocks are choosing the right structure and understanding ongoing compliance requirements like appointing a registered agent or filing their annual report.



SECTION 2

Business Priorities During Growth

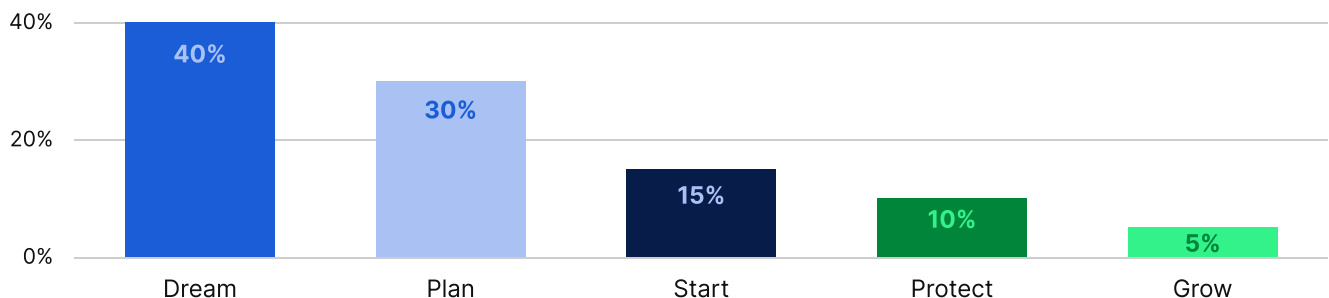
That hesitation doesn't end at launch, though — it shows up differently at each stage of building a business. Our study with quantilope places respondents across five stages of development:

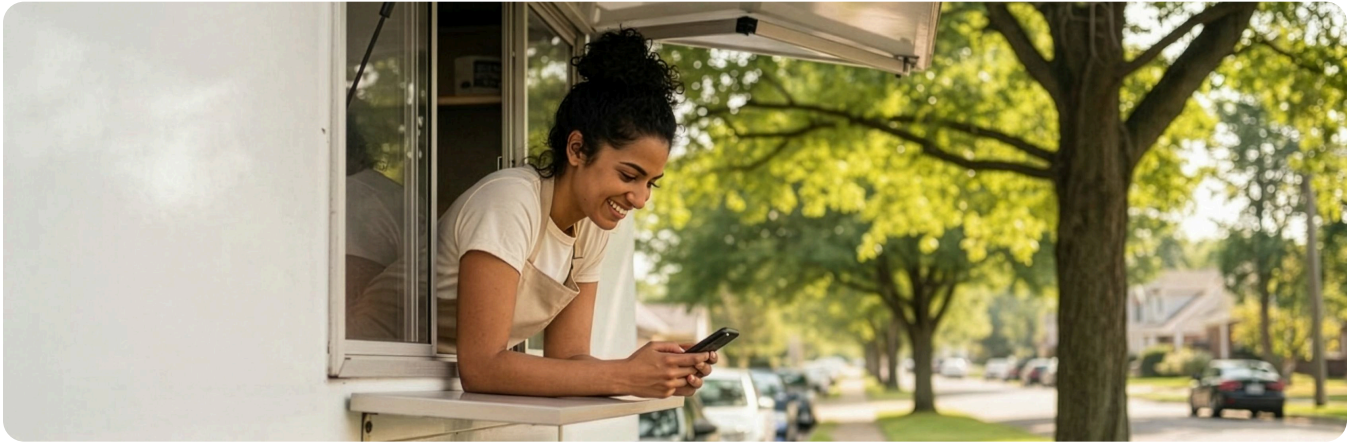
40%	Dream: I am exploring an idea or considering whether starting a business is right for me
30%	Plan: I am preparing to launch and researching the steps I need to take
15%	Start: I am actively forming or registering my business
10%	Protect: My business is already operating, and I need to focus on finances, taxes, and compliance requirements
5%	Grow: My business is operating and I am focused on scaling, expanding, or managing more complexity

Stages of development

Survey Question: Which of the following best describes where you are today in your business planning?

Total (n=1001)





Dreamers and planners make up the largest share of respondents (70%), and their questions come early in the journey: researching their idea, writing a business plan, choosing a name, and mapping out next steps.

The biggest pre-launch focus was naming their business and the work around it. Ahead of launch (in the planning stage), the initial set of questions included researching their idea further, creating a business plan, choosing a business name and even developing their strategy for moving forward. After overcoming the hesitation of starting a business, trustworthy guidance is the top question on the minds of entrepreneurs.

In the **Start stage**, common questions to Velo focused on **structure, state, finding a registered agent, and timing**. That eagerness to get moving suggests they've cleared their initial hesitation. Filing times vary by state, so when founders share where they're filing, Velo can give them a state-specific timeline.

Finally, in the **Protect** and **Grow** stage (after the first 90 days and beyond), questions vary — anywhere from focusing on the next step in their business to their current subscription model. They ask about banking, compliance deadlines, annual report filings, and even starting another business. There is a valuable opportunity to provide resources to entrepreneurs at this stage — focusing on guidance for financial planning, small business grants, and marketing tips.

Key Takeaways

- Most of the hesitation sits **before formation, not during it**.
- The questions holding people back **aren't about paperwork** yet. They're about whether the idea is worth pursuing and what to call it.

Key Takeaways

- Post-launch questions **move beyond compliance** into running the business: banking, grants, marketing.
- Getting support in those areas is what helps an early-stage business **grow into a lasting one**.

SECTION 3

How Founders Seek Reassurance

One moment between stages stood out: the stretch after filing, while founders wait for the state to approve their business. Their paperwork is done, but their worry isn't. Questions spike during this wait, a pattern often described as anticipatory anxiety.

57,279

Questions about approval and filing status while founders waited on the state¹.

15,367

Filing questions came in the week after approval.

It would be easy to read that drop as relief, but it's mostly mechanical: once the state approves a business, the question no longer applies. What replaces it is more telling. Founders turn right away to the next concrete step: getting an Employer Identification Number (EIN), handling any other required filings, and checking whether their state has more requirements. The signal worth watching isn't the falling volume. It's how quickly "When will this happen?" turns into "What happens next?"

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¹ Velo questions from customers, 18-month window ending July 31, 2026.

SECTION 4

Who's Building, and How Big They Plan to Go

ZenBusiness founders lean toward hands-on businesses. Other services like repair and personal care (17.5%), professional and technical services (13.0%), and retail (12.0%) lead the mix.

Sector	2025	2026	YoY
Other Services (repair, personal care)	23,551	21,343	-9.4%
Professional, Scientific & Technical	17,224	15,798	-8.3%
Retail Trade	15,378	14,597	-5.1%
Construction	11,976	11,710	-2.2%
Real Estate & Rental/Leasing	11,941	10,638	-10.9%
Transportation & Warehousing	8,532	8,310	-2.6%

Among ZenBusiness customers, formations eased about 4% year over year, with most sectors following a similar pattern. Real estate fell hardest among the larger sectors (~11%). Construction and transportation held up best, nearly flat, and each gained a slightly larger share of new businesses.¹

The bright spots tell a story of their own:

- **Software is surging.** New businesses describing a software, app or SaaS product are up 44% from last year and 63% from 2024 (within Professional, Scientific, and Technical sector). Founders who mention AI in their business description have more than doubled as a share of new formations since 2024.²

- **Trading cards are having a moment.** Businesses built around buying and selling trading cards, from Pokémon to sports cards, are up 54% year over year and have more than doubled since 2024. It's one of the fastest-growing retail niches we track.²

These businesses don't fit one mold. But most are local, many are licensed, and in every case getting the rules right matters from day one. Yet licenses and permits make up just 1.3% of the prospect questions to Velo we could categorize.³ Founders may not know to ask yet, and that's exactly where trustworthy guidance can head off a mistake before it happens.

¹ Based on businesses formed through ZenBusiness from January 1 to October 14 in 2025 and 2026. Industry is based on the NAICS code assigned to each business; shares exclude businesses without a code (about 3%). ² Based on how founders described their business when forming through ZenBusiness, January 1 to October 14 in 2024, 2025 and 2026. Businesses were counted when their description mentioned software, apps or SaaS; AI; or trading cards (including Pokémon and sports cards).



Our survey points the same direction.

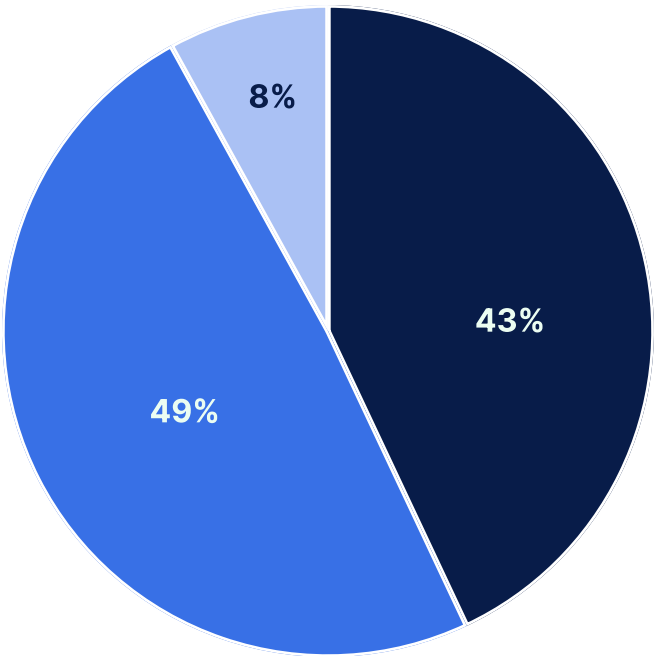
Most respondents arrived with an idea already in progress, so the idea isn't the problem. The hesitation comes after: the fear of making a mistake while turning that idea into a business.

Hiring is where that shows up most clearly. Nearly half of respondents (49%) plan to hire in their first year.⁴ Among our operating customers, though, most stay solo, and many say they'll hire only if they absolutely have to.⁵ The two groups aren't identical, but the gap is telling. Planning to hire is easy. Making the first hire, with payroll, taxes and the risk of choosing the wrong person, is where hesitation kicks in.

Planned Business size - First Year

Survey Question: During your first year of business, do you plan to manage it all on your own or hire employees as well?

Total (n=988)



As more entrepreneurs plan to hire, hesitation or fear about **making the right hire** could arise. The opportunity here is to provide best-practice outlines and guides on how to identify candidates, conduct interviews, and onboard the right people.

	Just me / no employees	43%
	Hire employees	49%
	Not sure yet	8%

³ Based on questions prospective customers asked ZenBusiness Velo, May 1 to July 31, 2026, among questions that could be assigned to a topic.

⁴ quantilope survey of 1,001 U.S. adults ages 18–64, conducted May 2026. See Methodology.

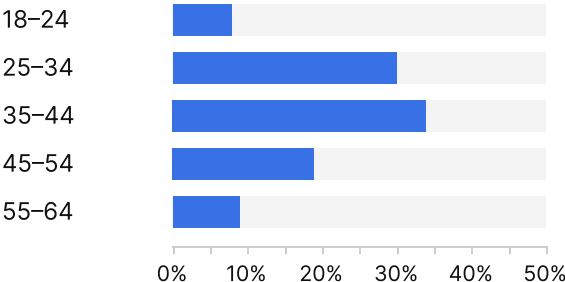
SECTION 5

Where Founders Are Building

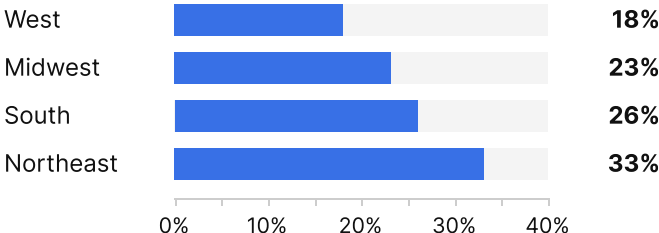
Who entrepreneurs are, and where they're building, shapes which of these opportunities matter most. The age data from our surveys revealed that the largest group of entrepreneurs are in the 35-44 age group.

Age

What is your age?



Region US



Respondents By Age

When we look at barriers by age, one thing holds steady: fear of making a mistake affects about a third of founders in every age group (31%–35%). What changes is the shape of the worry. Founders 45–64 are more concerned about cost (47% vs. 35% of 18–34-year-olds) and about legal and registration steps (29% vs. 21%). Younger founders worry more about finding customers. They're also more likely to turn to social media for guidance (51% vs. 32%), while older founders lean on business formation websites (53% vs. 41%).

AI cuts across generations, too. Founders 45–64 use AI tools for business guidance as much as younger founders, and they're just as excited about its potential. But they're less sure how it can help (52% familiar, vs. 63%–67% of younger founders). These founders aren't inexperienced. Their experience means they can see the pitfalls, and they want trustworthy guidance that meets them where they are.

Respondents By Region

Our quantilope respondents skewed toward the Northeast (33%). But that reflects who we surveyed, people exploring or planning a business, not where businesses actually get started. When we look at who files, the picture flips. Nearly half of ZenBusiness founders (44%) are in the South, mirroring national business application data from the U.S. Census Bureau, while the Northeast accounts for just 16%.

Where founders build also shapes what they build. Southern founders lead in transportation and trucking. The Midwest leans into the trades, where about 1 in 8 new businesses is in construction. Coastal founders tilt toward professional services, creative work and software. And while formations dipped slightly in every region this year, the Northeast held up best.

A woman with glasses and a striped shirt is in a warehouse, talking on a phone and looking at papers. She is surrounded by cardboard boxes and a hand truck. The scene is dimly lit with warm light from a window on the right.

Moving Forward

Ideas and creativity are not the problem for business owners.

In fact, that is what helps them move forward through uncertainty. The hesitation comes in with fear of making a mistake. To address these fears, ZenBusiness Velo offers multiple pathways and touchpoints for guidance — the conversational, judgment-free kind this study shows business owners need.

However, as people plan to build their business, they should be able to find a tailored plan that fits their needs. Reducing entrepreneurs' anxiety means reminding them that **they are not alone** and that trustworthy guidance is easily accessible.

Our Methodology

In partnership with quantilope, ZenBusiness surveyed customers and tracked the conversations with Velo, our proprietary AI guide for small business owners. Velo is available to both ZenBusiness customers and prospective customers, meaning our sample set includes people exploring how to start their business.

Our survey, using quantilope, targeted a group of founders who were more likely to be in the category dreamers, planners and starters, and fewer in the more advanced protect or grow stages.

This study draws on five data sources.

The survey: 1,001 U.S. adults ages 18–64 (aspiring entrepreneurs, or owners of 5 years or less with under 20 employees), fielded with quantilope in May 2026, before the Velo® public launch.

Velo message volume: daily averages, May 1–June 22 vs. June 23–July 31, 2026. Velo prospect question themes: opening messages from people who had not yet purchased, May 1–July 31, 2026, each sorted into one theme. Velo customer questions: 659,401 from customers in their first 90 days, from an 18-month window ending July 31, 2026. Formations: businesses formed through ZenBusiness, January 1–October 14, in the years noted. All Velo figures exclude internal test traffic. Data as of October 22, 2026.





ZenBusiness is a company that empowers entrepreneurs to start, run, grow, and stay compliant, all in one place. As a leader in business formations and compliance, ZenBusiness blends AI with award-winning human support to simplify and accelerate small business success. We help business owners protect their personal assets, meet compliance requirements, and grow confidently through one seamless, intuitive platform.

ZenBusiness.com