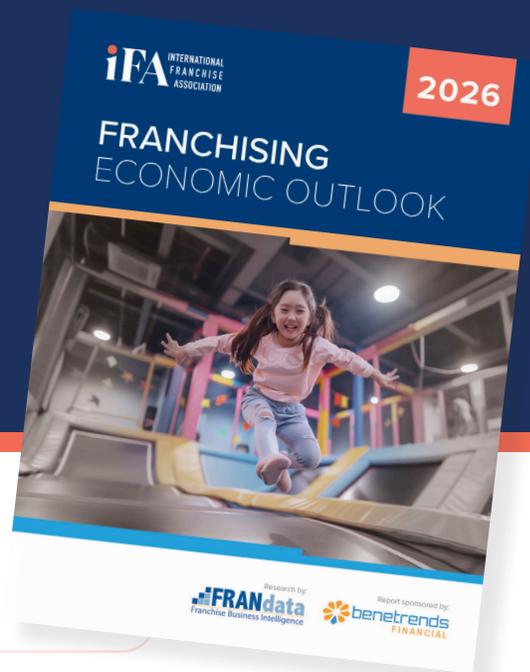


2026 FRANCHISING ECONOMIC OUTLOOK

The Franchising Economic Outlook is IFA's annual forecast for franchise growth, conducted by FRANdata, detailing the franchise sector's performance for the past year, a projected economic outlook for the year ahead, and an analysis of the economic trends impacting franchised businesses. The report provides the number of U.S. franchise establishments, employees, and economic output, along with an in-depth analysis by industry and for all 50 states.



In **2026**, IFA and FRANdata predict franchising will add:

+12,479
new units

+150,000
new jobs

+ \$14.1 Billion
in economic output

KEY FINDINGS FROM THE 2026 FRANCHISING ECONOMIC OUTLOOK INCLUDE:

- The number of franchise establishments will grow from **832,521** to **845,000** units – an increase of **1.5%**.
- Franchise employment is anticipated to increase by more than **150,000 jobs** (1.8%) to nearly **8.9 million** jobs.
- Franchise output is expected to rise from \$907.3 billion to **\$921.4 billion – an increase of 1.6%**.
- Total franchise GDP is estimated to **grow by 1.8%** from \$549.9 to **\$558.4 billion**.

TOP TEN STATES FOR FRANCHISING:

- The **Southeast region** accounts for the largest share (nearly 30%) of all U.S. franchised businesses.
- Fueled by business-friendly policies, lower cost of living, and population growth, the Southeast and Southwest regions are expected to maintain their positions as the top regions for franchised business expansion in the United States, growing at rates of **1.7%** and **2.5%**, respectively.
- **Michigan, Ohio, and Utah** have emerged as new entrants among the top 10 states due to their comparative affordability, expansion potential, and meaningful opportunities for market leadership.

TOP TEN STATES FOR FRANCHISING:

1. Texas
2. Florida
3. Georgia
4. Arizona
5. North Carolina
6. Colorado
7. Michigan
8. Utah
9. Ohio
10. Maryland

INDUSTRY OUTLOOK

- **Child services** and **commercial and residential services** are expected to be the fastest growing industries.
- Since the pandemic, rising awareness of **preventive healthcare** has propelled the sector to become the third-largest franchised industry.
- **Full-service restaurants** are expected to outpace quick-service restaurants in output growth – as consumer preferences are shifting toward **“experiential dining”** rather than purely value-driven offerings.
- In the lodging industry, high-income consumers are continuing to spend on personalized and **“experiential luxury travel,”** while value consumers are expected to scale back their spending.

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FULL REPORT:**

