Chapter 9

**Activity 9-1 Sources of Funding**

**Directions:** Starting a new business requires capital. You must decide how much capital is needed and where you will obtain it. Answer the following questions and complete the charts to help you find the best sources of funding.

1. How much capital do you anticipate that you will need to start your business?

<<Place Answer Here>>

1. Brainstorm sources of bootstrapping. Indicate how much money you think you could save by using each idea. Add more lines if needed.

|  |  |
| --- | --- |
| **Bootstrapping ideas** | **Potential savings** |
|
| **a.** |  |
| **b.** |  |
| **c.** |  |
| **d.** |  |

1. Brainstorm sources of personal assets you could use for your business. Indicate how much money you think you could save by using those assets rather than buying new ones. Add more lines if needed.

|  |  |
| --- | --- |
| **Personal assets to use** | **Potential savings** |
|
| **a.** |  |
| **b.** |  |
| **c.** |  |
| **d.** |  |

1. Brainstorm potential sources of equity financing available to help start your business. Name each source. Indicate how much money you think you might get from each source. Add more lines if necessary.

|  |  |
| --- | --- |
| **Equity financing** | **Amount** |
|
| **a.** Personal savings |  |
| **b.** Family and friends |  |
| **c.** Partners or incorporating |  |
| **d.** Angel investors |  |
| **e.** Venture capitalists |  |

1. Brainstorm sources of debt financing you could obtain to help start your business. Name each source and how much money you think you might get from each. Add more lines if necessary.

|  |  |
| --- | --- |
| **Debt financing** | **Amount** |
|
| a.Banks and credit unions |  |
| b. Peer-to-peer or social lending |  |
| c. Loans from relatives |  |
| d.Trade credit |  |
| e.Retirement accounts |  |
| f.SBA-assisted loans |  |
| g. Small Business Investment Companies (SBIC) |  |

1. If the potential sources of funding are actually available, will you meet your capital requirements?

<<Place Answer Here>>

1. Ask your instructor where to save your documents. This could be on the school’s network or a flash drive of your own. Name your Word document *FirstnameLastname*\_Activity9-1.docx (i.e., JohnSmith\_Activity9-1.docx).