On Your Own

Funding Your Entrepreneurial Venture

Many people immediately dismiss the idea of starting their own business because they assume they have to be rich to fund it. However, many businesses are started in the United States for an average of $10,000 to $15,000. Where do people get their venture capital? According to an Inc. magazine survey, entrepreneurs use the following sources of start-up financing:

- Personal savings 73%
- Credit cards 27%
- Loans from friends and relatives 14%
- All other cash sources 14%
- Loans against personal property 7%
- Bank loans 5%
- Equity investments 2%

How much can start-up funding really buy? Many successful businesses started with $10,000 or less. Below is a sampling, with some launching for under $1,000:

Company, year founded, product:

- Kodak, 1880, cameras and film
- Coca Cola, 1891, beverages
- UPS, 1907, package deliveries
- Black & Decker, 1910, tools and small appliances
- Hewlett Packard, 1938, electronics
- Johnson Publishing, 1946, *Ebony* and *Jet* magazines
- Domino's Pizza, 1960, pizza delivery
- The Limited, 1963, clothing store
- Nike, 1964, shoes and athletic wear
- DHL, 1972, package deliveries
- The Body Shop, 1976, natural beauty products
- Apple Computers, 1976, computers and electronics
- Taylor & Boody, 1977, organ builders
- Messer Landscape, 1980, landscape and design services
- Gateway, 1985, computers

Take Action

- Select a company from the list above. Research the entrepreneur who started it and how he or she was able to start a successful venture with a small amount of money.

- Visit the U.S. Small Business Administration website (sba.gov), a government agency that provides information on funding a small business and other topics relevant to an entrepreneur.

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