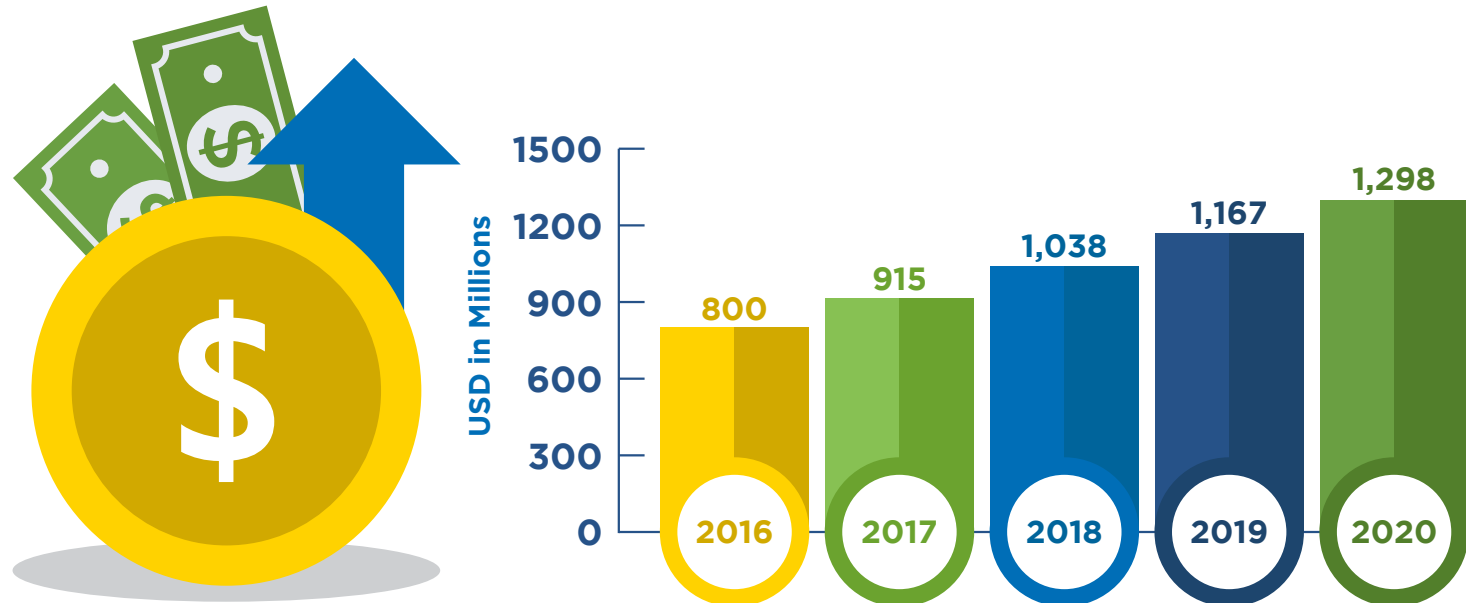


Is Crowdfunding Right for Your Small Business?



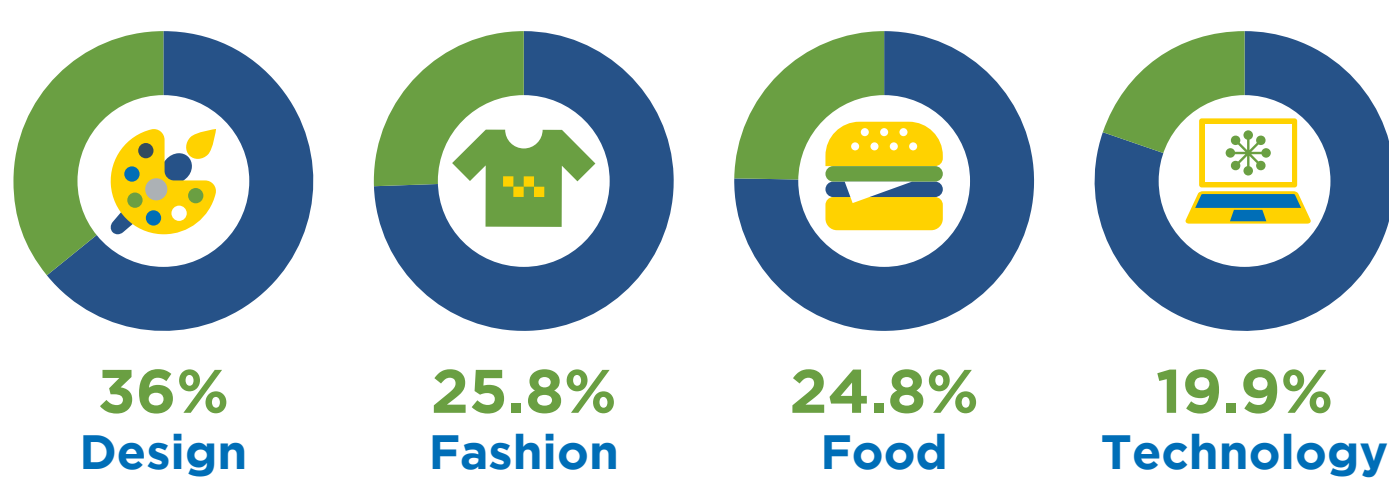
In the US, crowdfunding has raised more money every year...and the amount is projected to grow.



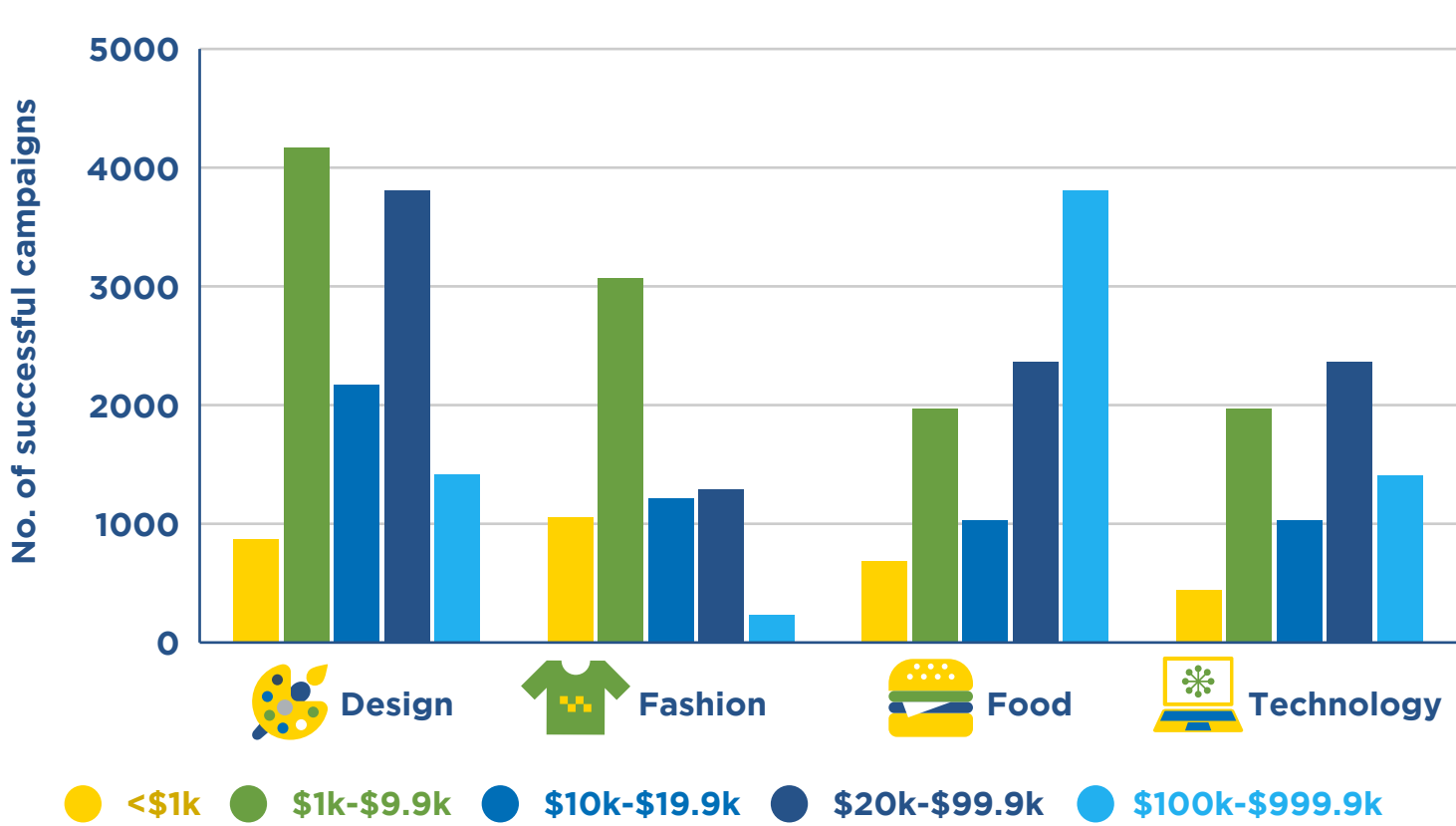
What crowdfunding options are available for your business?

Type of Crowdfunding	Description	Amounts	Time to Fund	Repayment	Typical Cost (APR)
Reward-based	Backers receive early version of product or other rewards (Ex. Kickstarter, Indiegogo)	No limit	Weeks-months	N/A	8%-10% in fees
Equity	Individuals invest in return for company share	Up to \$1.07 Million	Weeks-months	N/A	3%-6% in fees, plus \$10K-\$100K in professional fees
Debt	Backers provide loans in exchange for interest	Up to \$500K	Weeks-months	Monthly, 6 mo-5 yrs	5%-27%

Campaign success rates and amount raised vary by category



Popular Kickstarter categories since its inception (April 2009 to November 2018)



Tips for crowdfunding success

- Prepare**
 - Research similar campaigns
 - Choose the best platform and funding goal
- Pitch**
 - Share your unique story
 - Create engaging photos and video
- Promote**
 - Use your networks: family, friends, community and social media
 - Update your backers frequently



After the campaign, crowdfunding success creates more benefits.

- Strong customer base
- Greater publicity
- Higher likelihood of external financing
- Increased chances of business partnerships

Work with a SCORE mentor to determine if crowdfunding is right for your small business.



www.score.org



Sources:
 • <https://www.statista.com/outlook/335/109/crowdfunding/united-states#market-revenue>
 • <https://www.score.org/resource/wheres-money-10-types-small-business-financing-and-how-quality>
 • <https://www.kickstarter.com/help/stats>
 • <https://www.entrepreneur.com/article/288277>
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