



CROWD FUNDING

We have talked a little about all of the traditional ways to finance your business, but what if you're starting up a new venture that's too risky for a bank loan, too small to sell stock, and too new to have retained earnings? You might consider something called crowd funding.

What is crowdfunding? Crowdfunding is a method of raising capital where numerous individuals contribute smaller amounts of their personal money to support a business. This contrasts with traditional fundraising, which typically involves securing large investments from a limited number of sources, such as accredited investors or venture capital firms.

How does crowdfunding work? Crowdfunding "backers" are offered incentives in exchange for their donations and support. Incentives can include:

- Early access to purchase a product, possibly at a discounted price
- The option to preorder a product and have a say in its development
- Exclusive rewards like an ongoing discount, enhanced customer loyalty status, or free merch
- Access to the founding team or other crowdfunders
- Equity
- Exclusive content

While every crowdfunding site has its own features, fee structure, and user base, the core concept is the same: You submit your project to the platform with a fundraising target and a deadline, then campaign for support.

Check out the crowd funding sites below and find ONE project/idea/business FROM EACH SITE that you would be willing to invest in (if you had the money to do so).

www.indiegogo.com
www.kickstarter.com
www.fundable.com

Prepare 3 Google slides ... one slide for each of the investment ideas that you like. Summarize the projects and provide several reasons for why you would invest. What about these proposals makes you more likely to contribute?

Be ready to present your proposed investments to the class. We will vote on the best ideas and maybe we'll even invest in one of the ideas as a class!