



Raising Capital— Important, Difficult, And Necessary

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Please undertake due diligence before buying any product or service.

1. Capital is necessary to start a business. Capital can include a variety of resources business people bring to an endeavor, including the following: money, time, equipment, real estate, knowledge, patents, people, inventory, name recognition, and more.
 - a. First, begin your research here:
 - i. idahosbdc.org/business-essentials-finances-funding-options
 - ii. ascent.sba.gov/access-to-capital
 - iii. Also, the Idaho SBDC offers programs on financing and financial literacy: idahosbdc.org/regional-training
 - b. Second, our office can assist with coaching services related to raising money:
 - i. idahosbdc.org
2. The Small Business Administration (“SBA”) provides loan guarantees for business loans, usually through commercial banks. Most of the banks in our region make these loans. An SBA loan guarantee can be helpful if you do not have quite enough down payment for a building, or if you are growing a profitable enterprise.
 - a. For more information: sba.gov
 - i. The SBA Lender Match tool: sba.gov/funding-programs/loans/lender-match
3. Most Commercial Banks are unlikely to offer a loan to a start-up business unless substantial other income or security is available. Banks typically define start-ups as enterprises that have been in business for less than three years.
 - a. Financing will be easier to obtain if you have an established, profitable business, or if you are buying a business. A Business Plan, Financial Plan, and potentially even a pitch may be required. We can help.

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4. For loans in our region, the Clearwater Economic Development Association (i.e., clearwater-eda.org) provides business loans for a variety of purposes and terms.
5. You may have plans for a high-return endeavor and are interested in investors, such as Angels and Venture Capital Firms. We may be able to help you prepare a pitch deck, connect you to the right people, and protect your ownership. We have many ways to help people raise capital.
6. For most small businesses, *it is unlikely that you will be able to obtain a grant.*
 - a. To learn more:
 - i. sba.gov/funding-programs/grants
 1. If your small business is engaged in scientific research and development, you may qualify for federal grants under the following: sbir.gov
7. The internet is full of advertising for programs to help entrepreneurs obtain needed capital. In other words, beware of scams. They range from help with patents, to loan brokers, to consulting, to drop shippers, to investors.
 - a. How to protect yourself:
 - i. First, undertake due diligence. This means you do your homework, including talking to your Idaho SBDC Consultant, CPA, lawyer, and other professionals. It also means checking credentials, comparing data, conducting research, reading the fine print, and much more.
 - ii. Second, contact us: idahosbdc.org.

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