What Is an Entrepreneur?

Entrepreneurs are individuals who are willing to:

- Take a risk
- Start a business
- Gather resources
- Produce a good or service
- Seek a profit or other rewards

Either

- Innovate
  - Improve or alter an existing good or service or create a new one
- Replicate
  - Provide goods and services similar to those already in existence

Entrepreneurs

Businesses

Business Types

- Sole Proprietorship: Business owned by one person
  - Advantages: Easy to form, personal control over business decisions
  - Disadvantages: Difficult to raise funding, unlimited liability for debts

- Partnership: Business owned by two or more people
  - Advantages: More skills and knowledge, losses shared
  - Disadvantages: Potential for conflict, unlimited liability for debts

- Corporation: Legal entity owned by shareholders
  - Advantages: Liability limited to investment in stock, can grow large
  - Disadvantages: Double taxation of profits, more complex regulation

Economic Impact of Small Business

30.2 Million Small businesses
8 Million Minority-owned businesses
58.9 Million Small business employees

Research the market for your product. Write a business plan. Identify funding sources. Select the right business structure.

Entrepreneurs

How Are Personal Finances and Small Business Finances Connected?

- 67% Used personal funds to help
- 64% Experienced financial challenges
- 39% Took out additional debt
- 87% Rely on personal credit scores

Advantages
- More skills and knowledge
- Losses shared
- Liability limited to investment in stock
- Can grow large

Disadvantages
- Difficult to raise funding
- Unlimited liability for debts
- Double taxation of profits
- More complex regulation

Decision

Are You Ready to Start a Business? Here Are Some Important Steps!

Research the market for your product. Write a business plan. Identify funding sources. Select the right business structure.

Entrepreneurs


