

# 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

## ENTREPRENEURS

EITHER



### INNOVATE

Improve or alter an existing good or service or create a new one

OR



### REPLICATE

Provide goods and services similar to those already in existence

## 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

## HOW ARE PERSONAL FINANCES AND SMALL BUSINESS FINANCES CONNECTED?



Source: 2017 Federal Reserve Small Business Credit Survey: Report on Employer Firms <http://bit.ly/2017SBSCS>

### ECONOMIC IMPACT OF SMALL BUSINESS



30.2 Million

Small businesses



8 Million

Minority-owned businesses



58.9 Million

Small business employees

Source: 2018 Small Business Profiles, <http://bit.ly/2018SBProfile>

## 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.

Learn more about these and other key steps to starting a business from the Small Business Administration

<http://bit.ly/10bizsteps>

