

Sources of Business Startup Money- adapted from www.about.com

1) Your own pockets.

This may be daunting at first glance, but it's the most popular source of business start up money. Don't have a start up money nest egg? Many people get the business start up money they need by mortgaging or remortgaging their homes, or selling property or possessions – even those who do succeed in getting a start up business loan. Lending institutions and investors usually expect the person starting a business to make a personal financial commitment.

2) Family and friends.

The second most popular source of business start up money. Family and friends are often willing to provide a business start up loan or sometimes even an outright gift. After all, they're likely to be already "pre-sold" on the value of your business idea to some degree, as your family and friends believe in you.

3) A line of credit.

While not recommended as a sole source of business start up money, a line of credit is essential for the start up phase. No matter how careful and detailed you've been in preparing your business plan, there are always unexpected expenses and expenses that you've underestimated.

Before you start a business, you should already have prepared the way to access this source of business start up money by having established a relationship with your local bank manager and by ensuring that your credit rating is in good shape.

4) A start up business loan from a bank or other lending institution.

I'm using the term "bank" to refer to a business start up loan from a traditional lending institution (such as banks and Credit Unions). It's actually easier than ever to get a business loan, as more people than ever have been successfully starting small businesses and the big banks have more interest in small businesses than they used to.

BDC (Business Development Bank of Canada) provides Canadian businesses with flexible financing, venture capital and affordable consulting services. The BDC works with entrepreneurs in all industries, with a focus on small and medium-sized enterprises (SMEs), through all economic cycles and help businesses in their development projects, both local and global.

Farm Credit Canada: Canada's leading provider of business and financial services to farms and agribusiness.

4.5) Equipment or Input Suppliers will often provide financing if you meet their lending criteria. While it may feel like the supplier is lending you the money, they are often just acting as agents for another lender.

5) A start up business loan from a business-related or government sponsored organization.

There are many organizations whose purpose is to promote economic development or provide assistance to help particular types of people succeed in business. Often (but not always) this assistance includes financial support, such as start up business loans. For instance, one of the ways the [Canadian Youth Business Foundation](#), a non-profit organization, supports young entrepreneurs (aged 18 to 34) is by providing start up business loans of up to \$15,000.

Through Government of Canada funding, Community Futures Development Fund CFDCs administer local investment funds to help finance new or existing small businesses and social enterprises for start-up, expansion or stabilization plans that help maintain or create jobs. Repayable financing of up to \$150000 on commercial terms through loans, loan guarantees or equity investments is available when financing from other sources is insufficient. All CFDC financing decisions are made at the community level by the local boards of directors. www.ontcfdc.com

You'll find more examples of organizations that offer business loans, including start up business loans, in the [Small Business Loans library](#):
http://sbinfoCanada.about.com/od/smallbizloans/Small_Business_Loans_Canada.htm

6) Participating in a government-sponsored business start up program.

If you qualify, this is the best way to start a business. Programs such as [the Self-Employment Program](#) (for unemployed Employment Insurance eligible individuals) not only provide start up money but invaluable assistance, such as mentoring and help developing your business plan

6.5) Participating in a non-government sponsored business start-up program

FarmStart's New Canadians New Farmers offers small grants to program participants www.farmstart.ca

Farmers growing Farmers offers business training and a small startup grant (which is to be passed on to other new farmers) www.everdale.org

7) Finding investors.

[Angel investors](#), [venture capitalists](#), or [private lenders](#) all may be excellent sources of business start up money for your new business. While it's certainly more difficult in most cases to attract investors to a start up rather than to an established venture, it's not impossible if you have the right business idea at the right time backed by an impressive business plan.

8) Government farm programs.

Other Government programs for farmers may not be able to provide seed money but could be useful for other purposes, especially when you are more established. See the OMAFRA factsheet 'Programs and Services for Ontario Farmers' at <http://www.omafra.gov.on.ca/english/busdev/facts/09-053.htm>
Examples of programs include Grow Your Farm Profits, Environmental Farm Plan, Food Safety Traceability Initiative, Canadian Farm Business Advisory Service and the Agricultural Flexibility Fund.