

Crowdfunding

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Crowdfunding is the use of small amounts of capital from a large number of individuals to finance a new business venture. Crowdfunding makes use of the easy accessibility of vast networks of people through social media and crowdfunding websites to bring investors and entrepreneurs together, with the potential to increase entrepreneurship by expanding the pool of investors beyond the traditional circle of owners, relatives, and venture capitalists.

- Restrictions apply to who is allowed to fund a new business and how much they are allowed to contribute.
- Crowdfunding allows investors to select from hundreds of projects and invest as little as \ \$10.
- Crowdfunding sites generate revenue from a percentage of the funds raised.
- The SEC regulates equity-based crowdfunding ventures in the United States.
- Kickstarter, Indiegogo, and GoFundMe are among the most popular crowdfunding platforms.

Source: <https://www.investopedia.com/terms/c/crowdfunding.asp>

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