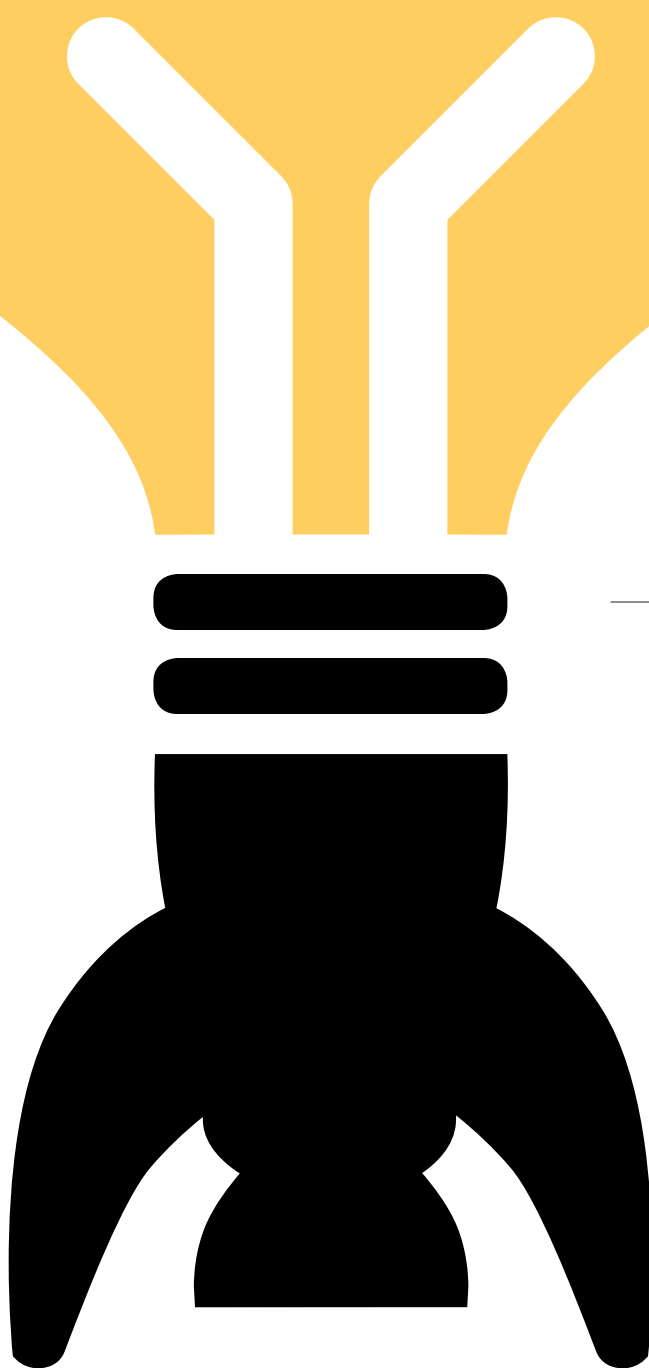


BUSINESS

MONEY • WORK • KNOW-HOW

MONDAY, JULY 3, 2023 • SECTION D

IF YOU NEED TO RAISE CAPITAL FOR YOUR SMALL BUSINESS, CROWDFUNDING CAN HELP KICK-START IT



Helping parents? Here are some tips

By MICHELLE SINGLETARY
Washington Post

While in college, I regularly gave money to my grandmother Big Mama to help with some expenses. I would pay for her groceries if we shopped together or cover a utility bill every so often.

In my late 20s, I started paying her property taxes each year.

Big Mama would never have asked for financial assistance, but I knew it would provide her with some relief. She was a great money manager, but she lived on a small pension, and Social Security meant there wasn't much extra in her budget.

I hate the jokes about young adults "failing to launch" because they live with their parents. They are often unfairly characterized as financially undeveloped if they aren't living under their own rented roofs. Never mind that the cost of living is so high in some areas that such independence is strangling their short- and long-term goals.

But would it surprise you to know that a substantial percentage of people in their 20s live at home not just to save money for themselves but to help out their parents?

In its latest survey on the financial well-being of American households, the Federal Reserve reported that 33% of adults 22 to 24 said they lived at home to provide financial assistance to their parents.

It jumps to 42% among 25-to-29-year-olds who reside with their parents. This has been a growing trend for the younger group: In 2017, 17% of adults 22 to 24 said they were living at home to provide financial assistance.

The 10th-annual Fed survey of household economics and decision-making, conducted in the fourth quarter of last year, allowed participants to select multiple answers about their housing situation. So I should

See SINGLETARY on D3 ▶

Crowdfunding:
The use of small amounts of capital from a large number of individuals to finance a new business venture.

Story by PATRICK KENNEDY
Illustration by STEVE ZIMMERMAN
Star Tribune staff

When it came time to develop and market a new kayak model, Stuart Lee of Minneapolis-based Lightning Kayaks turned to where he had success raising capital in the past: his crowd.

Lee found hundreds of small investors willing to help fund the cost of new molds for his Nomad model of pedal-driven kayaks. In exchange, they took advantage of one of the offers from his latest crowdfunding campaign, like a more than 35% discount on a kayak.

Crowdfunding can help fund a business or develop a new product. Bypassing the traditional forms of raising capital, crowdfunding thrives through relatively small investments from a large number of people.

There are dozens of different crowdfunding platforms, and each targets different types of projects and provides different services and tools to make campaigns successful. Indiegogo, for example, leans more to entrepreneurs launching new tech products as well as art projects, social impact campaigns and environmental innovation projects. GoFundMe mostly raises funds for medical expenses, memorials and emergencies.

Bigger companies looking to fund bigger, more complex products have

See CROWDFUNDING on D6 ▶

