



# Crowdfunding

vs.

# Equity Crowdfunding

Rewards-Based

Ownership-Based



Crowdfunding platforms such as Kickstarter are used to pre-sell a product or fund a project, but not to grow a company's operations.

Equity Crowdfunding platforms such as Netcapital are used to raise larger amounts of money to finance a company's **operational growth**.



Investors aren't buying ownership in a company. They are making a **donation** in exchange for something tangible, like early access to a product, or something intangible like a credit in a movie.

Companies who take part in equity crowdfunding are selling **ownership shares** in their company.



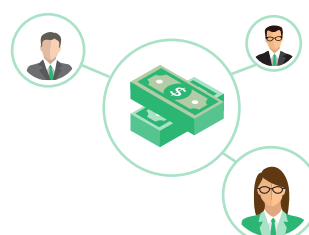
Sometimes these products are fun or artistic, such as a skeleton-shaped spoon, a bear-shaped coat or a pi-shaped pie pan.

These companies are typically innovators who want to disrupt an industry.



There is **no financial return for people who donate**. Even if the product or project strikes it big, the people who donated will not share in the success.

Investors will share in the company's success and potentially see a huge return on their investment...but they could also lose their entire investment.



\$88\*

Average Investment

Source: \*Fundly

\$903\*\*

Source: \*\*VentureBeat

\$7,000

Average Raised

\$232,000\*\*

Source: \*\*VentureBeat

How can ValueSetters help you raise capital?

Contact Us