Funding Your Business

Small Business Financial Literacy Guide

Provided by Clarity Impact Finance

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Understanding the full range of financing options helps you select the right funding solution for your business needs.

Understanding Different Financing Options

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| **Financing Type** | **Best Used For** | **Typical Requirements** |
| Term Loans | Equipment, expansion, refinancing | 2+ years in business, good credit, profitability |
| Lines of Credit | Working capital, seasonal needs | 1+ year in business, stable revenues |
| SBA Loans | Major investments, acquisitions | 2+ years in business, good credit, collateral |
| CDFI Loans | Underserved businesses, startups | Varies by program, often more flexible |
| Equipment Financing | Specific equipment purchases | Down payment, equipment as collateral |
| Invoice Factoring | Immediate cash flow needs | Creditworthy customers, B2B business model |

Action Steps

* Determine your funding needs with specific amounts and timing
* Research CDFI loan products available in your area
* Prepare a loan readiness checklist based on typical requirements
* Create a funding roadmap that aligns with business growth stages