

sweat equity noun

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Definition of *sweat equity*

: equity in a property resulting from labor invested in improvements that increase its value

also : the labor so invested

Examples of *sweat equity* in a Sentence

// He's built up a lot of *sweat equity* in his house.

// He put countless hours of *sweat equity* into that old house.

Recent Examples on the Web

// Like most athletes, the Spain Park senior dreamed about a championship season, even relishing the hard work and *sweat equity* needed by a team focused on a singular goal.

— Dennis Victory, *al*, "Seniors understand, but heartbroken as high school spring sports canceled," 27 Mar. 2020

// Previously accessible only by snowcat or *sweat equity* (read: skinning up the hill), the 273 acres of terrain are considered some of the best in-bounds expert turf in Colorado.

— Sunset Staff, *Sunset Magazine*, "A Rad Snowboard Park, a Throw-Pillow Throwdown, and More Things to See and Do in the West," 3 Feb. 2020

These example sentences are selected automatically from various online news sources to reflect current usage of the word 'sweat equity.' Views expressed in the examples do not represent the opinion of Merriam-Webster or its editors. [Send us feedback](#).

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First Known Use of *sweat equity*


1950, in the meaning defined above

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Time Traveler for *sweat equity*

 The first known use of *sweat equity* was in 1950

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1 Apr 2020

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Style: MLA 

More Definitions for *sweat equity*

sweat equity noun

Financial Definition of *sweat equity*

What It Is

Sweat equity is the time and effort that people contribute to a project.

How It Works

Sweat equity is used to describe the non-financial investment that people contribute to the development of a project such as a start-up business. For example, sweat equity is counted from the founders of the company, as well as advisors and board members.

In many situations where some members of a partnership are contributing their money and others are spending time, the partnership may be composed of cash and non-cash (or sweat equity). Ultimately, sweat equity is rewarded the same as cash equity through a distribution of stock or other forms of equity in a start-up venture.

Sweat equity can also be considered literal. For example, a homeowner may spend time fixing, repairing, and renovating their home. The value of their efforts is considered sweat equity and adds to the value of the home.

Why It Matters

Sweat equity is important to the successful start-up of a new venture, especially when cash is in short supply. However, it is important to value sweat equity carefully. In early stages, it is easy to overvalue it, offering stock in exchange for effort. However, over time, such trades can become very expensive and erode the equity available to follow-on investors. Sweat equity should be measured in terms of the long term value of the effort, the long term commitment of the participants, and the value-added by the participants to the overall goals of the venture.

Source: [Investing Answers](#)

sweat equity noun

English Language Learners Definition of *sweat equity*

US : value in a property, business, etc., that results from the work that a person does to improve it

also : the work itself

See the [full definition for *sweat equity* in the English Language Learners Dictionary](#)

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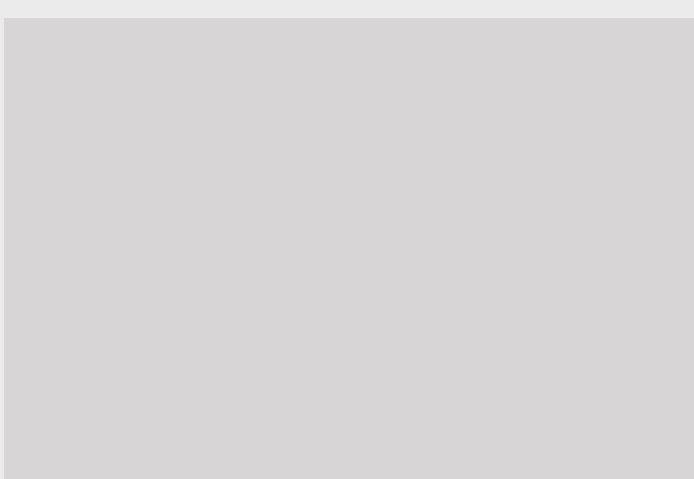
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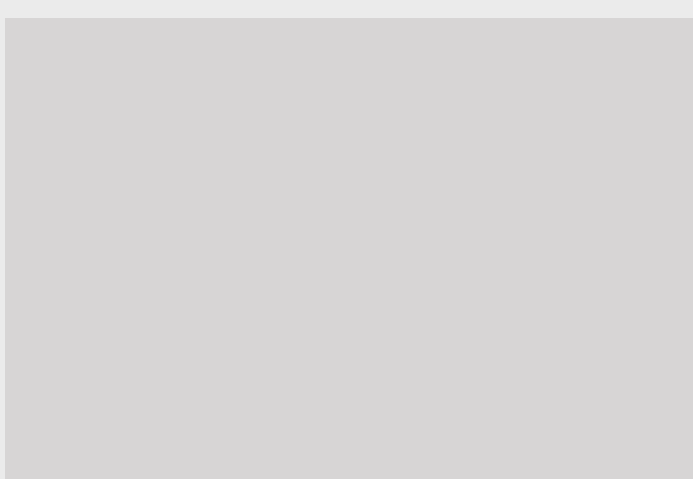
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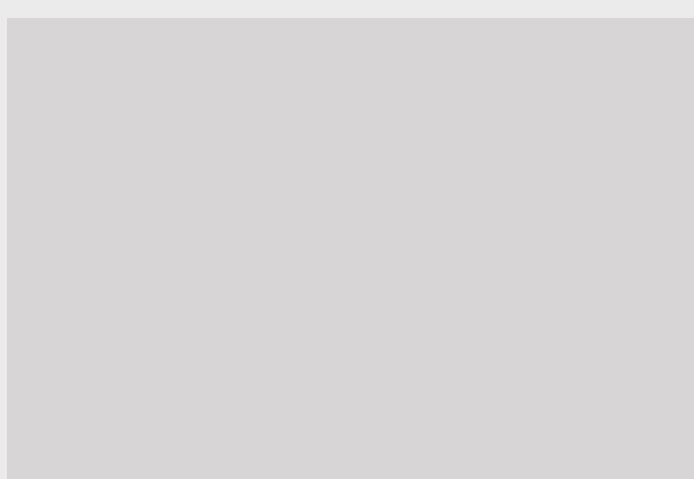
'Essential' & 'Nonessential'

Or is it 'inessential'? Or 'uinessential'?



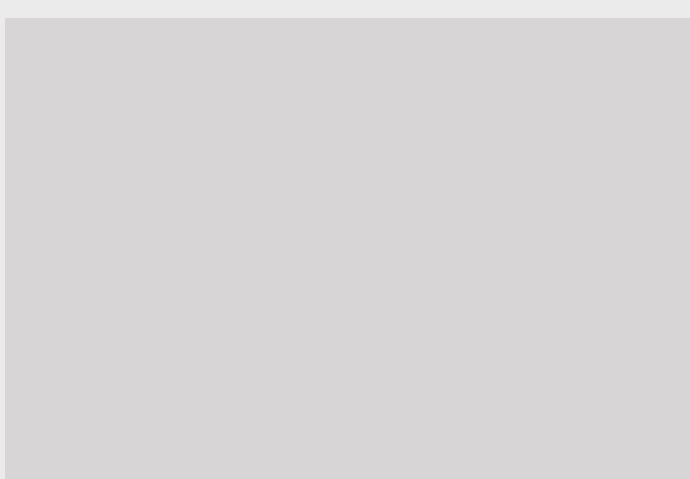
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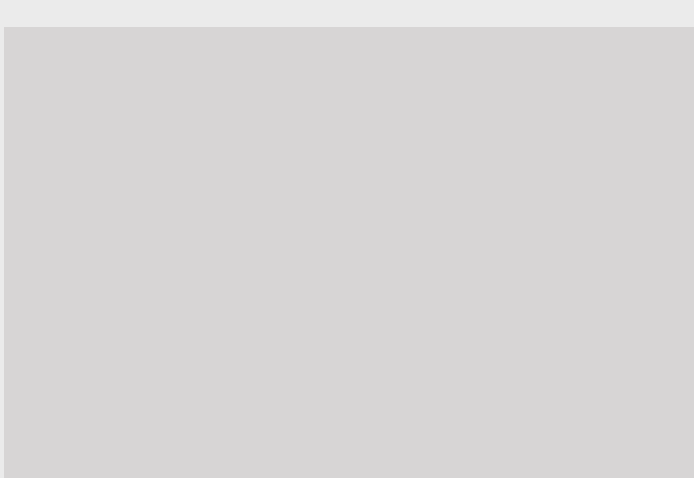
Words from both investors and athletes.



The Words of the Week - 4/10/20

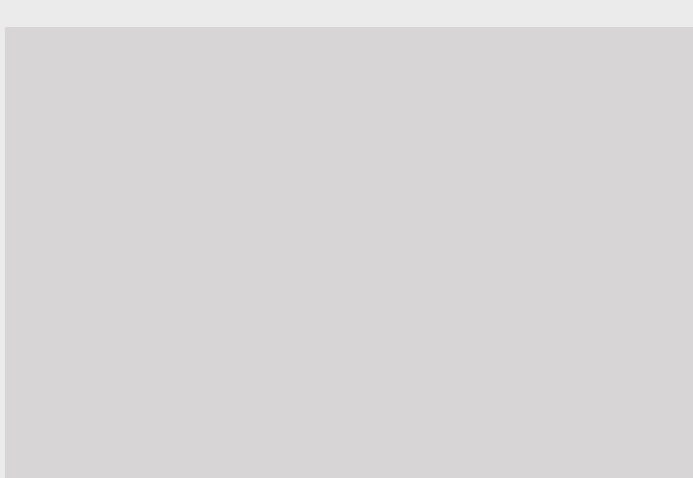
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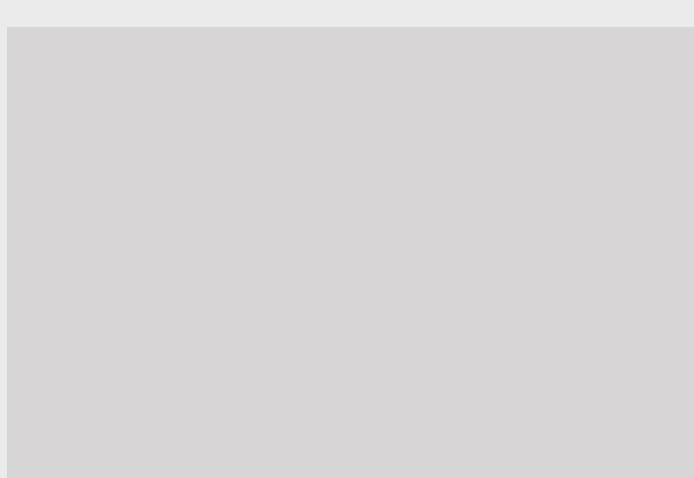
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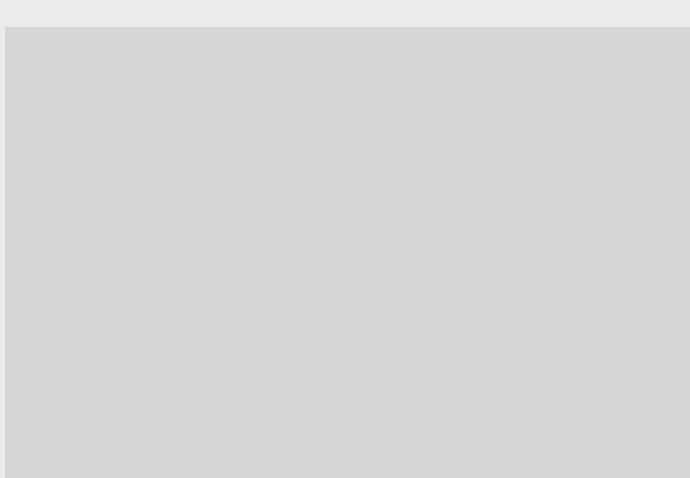
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And who put it there, anyway?



Literally

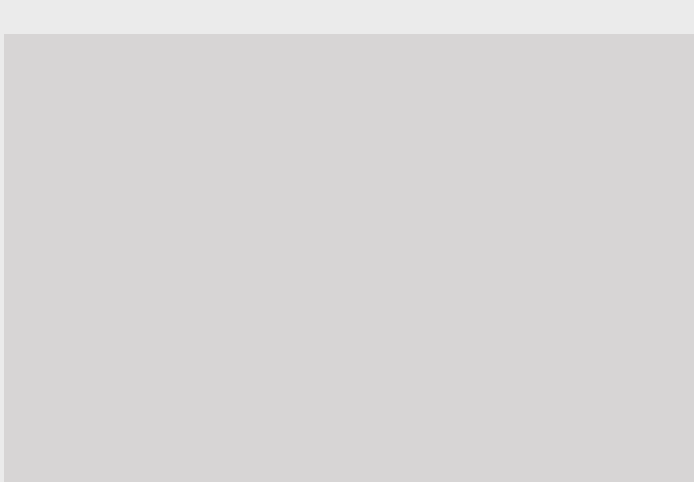
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The awkward case of 'his or her'

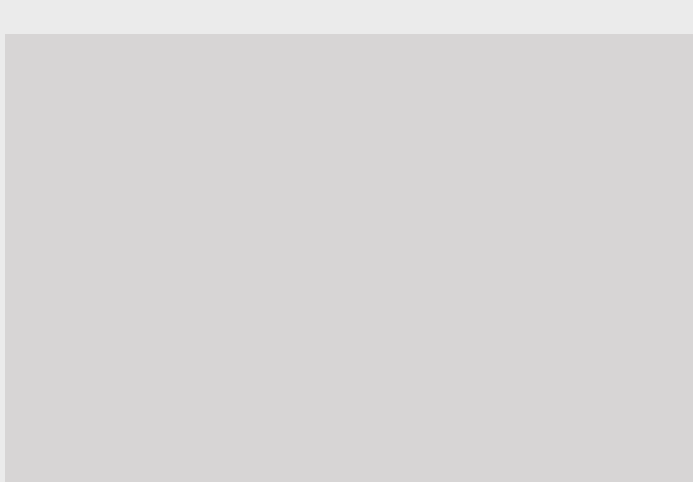
WORD GAMES



Words from Animals Quiz

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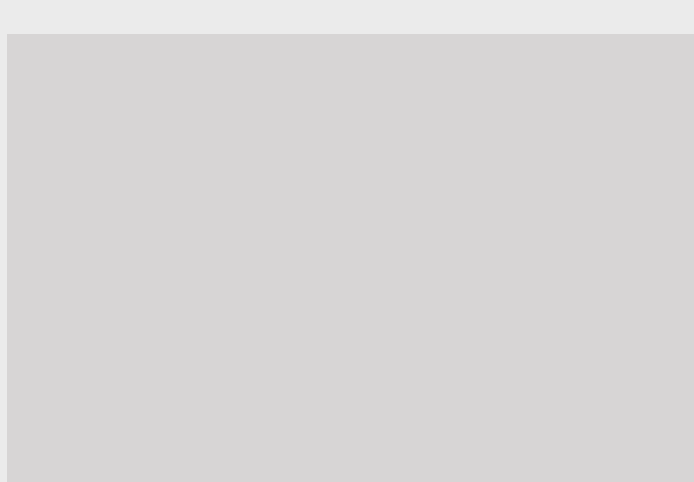
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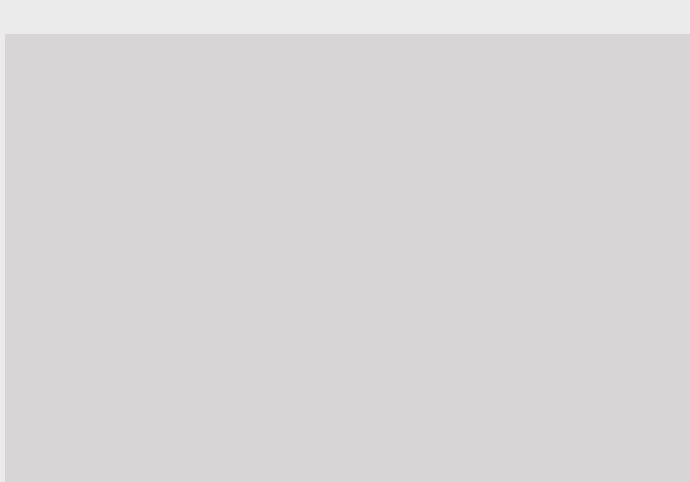
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