

Kabbage Data Reveals One-Third of Successful Small Businesses Started with Less Than \$5,000

Survey finds the majority of small businesses achieved success despite facing initial cash flow deficits and short run rates

ATLANTA – January 9, 2019 – New data released today by [Kabbage, Inc.](#), a global financial services, technology and data platform serving small businesses, shows that the majority of successful entrepreneurs began their businesses with little cash flow and short run rates. Polling 600 thriving U.S. small business owners, the Kabbage survey found 58 percent of small businesses started with less than \$25,000 and one-third started with less than \$5,000.

How Small Business Start Financially

Of the respondents surveyed, 65 percent of entrepreneurs admit they were not fully confident they had enough money to start their business. In fact, the overwhelming majority of entrepreneurs (93 percent) calculated a run rate of shorter than 18 months, of which 25 percent calculated a run rate of less than six months, and 36 percent didn't calculate this at all. Yet, 82 percent did not doubt they had the right qualifications and proper experience to run a company and all are successfully in operation today.

Start-Up Money Varies by Industry

According to the survey, the most expensive types of small businesses to launch are restaurants, medical offices, and manufacturing companies, with 38 percent, 23 percent and 19 percent, respectively, claiming it cost more than \$100,000 to begin. Alternatively, the three small businesses that required the least amount of startup capital—\$5,000 or less during the first six months—are accounting (45 percent), online retail (44 percent) and construction and landscaping (39 percent).

“We sought to understand the cash flow concerns successful business owners faced when starting their company,” said Kabbage Head of Lending, Rob Rosenblatt. “The data shows cash flow and run rate uncertainties are all too common among small business owners. While it may seem daunting, it’s their tenacity and self-confidence to succeed that champions their doubts and compels them to start the amazing journey of entrepreneurship.”

About Kabbage

Kabbage, Inc., headquartered in Atlanta, has pioneered a financial services data and technology platform to provide access to automated funding to small businesses in minutes. Kabbage leverages data generated through business activity such as accounting data, online sales, shipping and dozens of other sources to understand performance and deliver fast, flexible funding in real time. With the largest international network of global-bank partnerships for an online lending platform, Kabbage powers small business lending for large banks, including ING and Santander, across Spain, the U.K., Italy, France and more. Kabbage is funded and backed by leading investors, including the SoftBank Vision Fund, BlueRun Ventures, Mohr Davidow Ventures and others. All Kabbage U.S.-based loans are issued by Celtic Bank, a Utah-Chartered Industrial Bank, Member FDIC. For more information, please visit www.kabbage.com.

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