Capital Continuum

Community-based Lenders / Revolving Loan Funds
Examples: VT Community Loan Fund; Regional and municipal RLFs; Community Capital of Vermont
- Debt
- Community/geographically focused
- Collateral and/or cash flow based
- No ownership dilution
- Mission driven

Friends, Family, Fools
Examples: Mom, Dad, rich Uncle
- High risk for both entrepreneur & investor
- Debt, equity or grant
- Invest because they like you
- May never see a return on investment
- Better hope you have a family member upon repayment

Lower risk, lower reward

Higher risk, higher reward

Banks
- Debt
- Risk averse
- Past performance
- Collateral based
- Formula driven
- No ownership dilution
- Highly regulated

State & Government Agencies
Examples: VEDA, SBA, USDA
- Debt
- May be geographically or industry focused
- Look at past performance
- Collateral
- Often participatory with other providers

VSJF Flexible CAPITAL FUND
- Sub debt, royalty financing and/or debt
- Natural resource based/sustainable business focused and mission driven
- Cash flow based, forward looking
- Risk tolerant, patient and flexible
- Technical assistance provided
- No ownership dilution
- Participatory with other providers
- Niche: growth plans that don't easily fit into bankable senior debt or equity

Angels & VC
Examples: North Country Angels, FreshTracks, CEI Community Ventures, Brook Ventures
- Equity, warrants
- High risk tolerance
- Future growth oriented
- High growth, high margins
- Take ownership position
- Requires exit strategy

Grants
E.g.: SBIR, federal, foundations, CDBG
- Potentially risky (may not achieve desired outcome)
- Long-term non-monetary return
- Problem driven
- No repayment required