

# What Is an Entrepreneur?



## ENTREPRENEURS ARE INDIVIDUALS WHO ARE WILLING TO:



TAKE A RISK  
START A BUSINESS  
GATHER RESOURCES  
PRODUCE A GOOD OR SERVICE  
SEEK A PROFIT OR OTHER REWARDS

## ENTREPRENEURS EITHER



### INNOVATE

Improve or alter an existing good or service or create a new one.

OR



### REPLICATE

Provide goods and services similar to those already in existence.

## BUSINESSES

### BUSINESS TYPES

#### Sole Proprietorship

Business owned by one person

##### ADVANTAGES

- Easy to form
- Personal control over business decisions

##### DISADVANTAGES

- Difficult to raise funding
- Unlimited liability for debts



#### Partnership

Business owned by two or more people

##### ADVANTAGES

- More skills and knowledge
- Losses shared

##### DISADVANTAGES

- Potential for conflict
- Unlimited liability for debts



#### Corporation

Legal entity owned by shareholders

##### ADVANTAGES

- Liability limited to investment in stock
- Can grow large

##### DISADVANTAGES

- Double taxation of profits
- More complex regulation

### HOW ARE PERSONAL FINANCES AND SMALL BUSINESS FINANCES CONNECTED?



Source: 2017 Federal Reserve Small Business Credit Survey: Report on Employer Firms  
<http://bit.ly/2017SBCS>

### ECONOMIC IMPACT OF SMALL BUSINESS



Source: 2018 Small Business Profiles  
<http://bit.ly/2018SBProfile>

## ARE YOU READY TO START A BUSINESS? HERE ARE SOME IMPORTANT STEPS!

Research the market for your product.  
Write a business plan.  
Identify funding sources.  
Select the right business structure.

Learn more about these and other key steps to starting a business from the Small Business Administration

<http://bit.ly/10bizsteps>



Learn more about this topic and download a copy of this infographic by visiting [frbatlanta.org/education/classroom-tools/infographics.aspx](http://frbatlanta.org/education/classroom-tools/infographics.aspx)

