

Our mission is to provide children with the necessary financial literacy skills to navigate the complexities of the modern economy. Through engaging and interactive educational programs, we aim to empower children to make informed decisions about their finances and develop healthy financial habits that will serve them throughout their lives. We believe that every child deserves the opportunity to build a solid foundation of financial knowledge and skills, and we are committed to providing accessible and effective resources that will help them achieve their goals.

May 2023 Newsletter

Topic: What is Venture Capital?

Dear 4th and 5th Grade students,

Have you ever heard of venture capital funding? It's a topic that has been making headlines in the business world for quite some time now. But what exactly is venture capital funding, and why is it important? Well, let's explore this exciting topic together!

In simple terms, venture capital (VC) is a form of financing that investors provide to startup companies and small businesses with high growth potential. These investors are usually wealthy individuals, banks, or investment firms looking to invest in companies that they believe will be successful and profitable in the long run.

Startups are born when an entrepreneur or group of entrepreneurs have an innovative idea for a product or service that they believe can solve a problem or fill a need in the market. They then create a business plan and pitch their idea to potential investors in hopes of securing funding to turn their dream into a reality.

So, which companies have received venture capital funding? Let's take a look at a few examples:

Airbnb - In 2009, Airbnb received \$600,000 in seed funding from venture capital firms, and received over \$4 billion in funding before going public in 2020. The company's stock symbol is "ABNB" and is traded on the NASDAQ exchange. This money helped the company expand globally and develop their online platform, which now allows people to rent out their homes or apartments to travelers all over the world.

Uber - Uber received \$200,000 in seed funding in 2009 and has since raised over \$24 billion in funding. This money has allowed Uber to expand to over 900 metropolitan

areas worldwide, providing a convenient and affordable ride-sharing service to millions of people.

Peloton - Peloton received \$10.5 million in Series A funding in 2014 and has since raised over \$4 billion. This money has helped Peloton develop their high-tech exercise equipment and create a loyal following of fitness enthusiasts who can join live and on-demand virtual workout classes from the comfort of their own homes.

Zoom Video Communications - Zoom, a video conferencing company, received \$6 million in Series A funding in 2013 and went public in 2019. The company's stock symbol is "ZM" and is traded on the NASDAQ exchange.

DoorDash - DoorDash, a food delivery company, received over \$2 billion in funding before going public in 2020. The company's stock symbol is "DASH" and is traded on the New York Stock Exchange (NYSE).

Coinbase - Coinbase, a cryptocurrency exchange platform, received \$75 million in funding before going public in 2021. The company's stock symbol is "COIN" and is traded on the NASDAQ exchange.

As you can see, venture capital funding has played a significant role in the success of these companies. But how common is it for startups to receive this type of funding? According to recent statistics, only about 1% of startups receive venture capital funding. This means that entrepreneurs must have a truly innovative and viable idea to attract the attention of investors.

In conclusion, venture capital funding is a crucial part of the startup ecosystem, providing entrepreneurs with the financial resources they need to turn their innovative ideas into successful businesses. By understanding how this process works, you too can become a successful entrepreneur in the future.

These companies are just a few examples of the many startups that have received venture capital funding and gone on to become successful publicly traded companies. By securing funding from investors, these companies were able to scale their operations and develop innovative products and services, ultimately leading to their success on the stock exchanges.

Keep exploring and learning!