

# American 'enterprise culture' buoys up crowdfunding despite world's 'perfect storm'

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NEW YORK, UNITED STATES, August 11, 2022 /EINPresswire.com/ -- American 'enterprise culture' buoys up crowdfunding despite world's 'perfect storm'

Global uncertainties in early 2022 are largely failing to dent the crowdfunding ambitions of fast-growing private companies, according to innovative and award-winning US broker dealer [Rialto Markets](#).



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*Joel Steinmetz COO & Co-Founder Rialto Markets*

Pitchbook and we fully expected more of the same for 2022,” said Rialto Markets COO and Co-founder Joel Steinmetz, on reviewing the latest SEC (Securities Exchange Commission) EDGAR filings for the crowdfunding sector

“But nobody could have foreseen a market landscape struck by the Ukraine crisis, a global energy squeeze, nervous money markets and the crash of crypto currencies.”

“Nevertheless, the US crowdfunding trend so far this year has been more positive than we feared as the world's 'perfect storm' unfolded, and 2022 might yet close with another respectable rise, thanks to innovative young American companies and investor confidence.”

Rialto Markets, which operates a secondary trading ATS for private securities, observed that Reg CF crowdfunding - enabling raises of up to \$5 million - had shown most resilience, when the first half of 2022 was compared against 2021. Joel Steinmetz said: "Submissions were up a relatively modest 10%, but the amount of money being sought soared by 61%, with this laudable ambition in difficult times rewarded by a 48% boost to the average amount of money being raised, and an actual 168% increase.

"Admittedly, it was helped by the recent decision to raise the Reg CF crowdfunding limit from \$1.07 million to \$5 million and making it far easier to submit than a relatively more costly Reg A+. A company can also launch a Reg CF every year - a huge boost to small fast-expanding candidates."

Turning to Reg A+ Rialto Markets noted a mix of trends early this year: submissions in the second quarter of 2022 were up 16% against the first quarter, though the amount of capital being sought was static, suggesting that more companies desired Reg A+ funding, but had set their sights lower on the target amount.

Within that more buoyant second quarter, April and May each generated double digit growth in capital sought (28% and 50% respectively) against the 2021 stats, but June slumped by 48%, reflecting a downturn across the financial market.

But Rialto Markets' Joel Steinmetz highlighted a clear positive from the Reg A+ crowdfunding ambitions of companies in the second quarter of 2022 against its 2021 predecessor:

"Those looking to raise \$25 million or more increased whereas companies seeking under \$25 million decreased. It's harder to make first quarter comparisons as the amount allowed to be raised changed in March 2021 and, therefore, skews the figures."

Asked why he felt crowdfunding was showing such resilience in difficult market conditions, Steinmetz said: "It reflects well on the American 'enterprise culture' that has always been there but has really been liberated by crowdfunding.

"The buoyant figures for Reg CF crowdfunding really underline that; these are individuals or teams of people with great ideas, inventions or technology who can go straight out and get



Rialto Markets COO Joel Steinmetz

funding far more easily than ever before, often from small investors who identify with what they want to do and are open to joining a like-minded investor community around their company.

“In the case of Reg A+ here is also the potential for the investors and stock-holding company staff to unlock value in their holdings much earlier in the company’s development cycle through a secondary trading ATS for private securities such as our own Rialto MarketBoard™.”

Ends

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