

As AI Fails to Revive VC, Startups Turn to Factoring

Despite modest gains due to interest in AI, the venture capital downturn persists, leading more startups to seek alternative funding solutions like factoring.

HOUSTON, TX, UNITED STATES, March 18, 2025 /EINPresswire.com/ -- Leading invoice funding company Charter Capital says the venture capital (VC) drought has more startups turning to alternative funding solutions like factoring. Additional details are available in "[Factoring for Startups: A Viable Alternative to Venture Capital](#)," which can be read at [charcap.com](#).



Factoring for Startups: A Viable Alternative to Venture Capital

Recent research shows VC is down nearly 30 percent from the highs seen in 2021, despite hopes that artificial intelligence (AI) startups would create renewed interest. Experts believe the issues behind the downturn are complex, with investors likely concerned about the impact of an uncertain economy and inflation on young companies.

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Joel Rosenthal, Co-founder and Executive Manager at Charter Capital

“Securing VC has always been an uphill battle, with just one percent of businesses receiving funding,” explains Joel Rosenthal, Co-founder and Executive Manager at Charter Capital. “The VC divide is growing even more today, as few outside key industries like AI, Climate tech, and fintech receive funding.”

Rosenthal notes that startup founders are acutely aware of the disparities but want to avoid debt and face a daunting decision as a result: to invest months into a funding

strategy that could be transformative but likely will not pan out, or to seek alternative funding and focus on growing the business instead.

He believes that invoice factoring is sometimes overlooked because there's a perception it's inaccessible to startups. Still, he says that the idea falls flat, as most businesses with B2B invoices can [qualify for factoring](#).

"Startup founders are relieved they can secure funding without giving up equity," Rosenthal adds, reflecting on his experiences at Charter Capital. "Factoring allows entrepreneurs to guide their businesses without interference and grow more sustainably."

He says that funding automatically scales with invoices, allowing startups to access more capital as their business and needs grow, without the pitches and scrutiny that's seen in VC. Those who would like to learn more about factoring or request a complimentary quote may do so by calling 1-877-960-1818 or [visiting charcap.com](#).

About Charter Capital

Headquartered in Houston, Texas, Charter Capital has been a leading provider of flexible funding solutions for the B2B sector for more than 20 years. Competitive rates, a fast approval process, and same-day funding help businesses across various industries secure the working capital necessary to manage daily needs and grow. To learn more, visit [charcap.com](#) or call 1-877-960-1818.

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