The Influence of Selected Demographic Variables on the Choice of Bootstrap Financing Methods in Small Owner-Managed Businesses in Zimbabwe

L. T. Chipunza¹ and C. Chipunza²

¹Department of Business Support Services, Central University of Technology, Bloemfontein, South Africa
²Department of Business Management, Central University of Technology, Bloemfontein, South Africa


ABSTRACT Acquiring financial resources for survival and growth continues to be a challenge for small businesses in the developing world context. In many cases, small businesses have to resort to innovative and non-traditional means to remain viable. The main objective of this study was to explore the influence of selected demographic variables on the choice of bootstrap financing methods among owner-managers of small businesses which were operating in an unstable economic environment characterised by limited access to business finance. Data was collected from 62 owner-managers of small business using a questionnaire that measured their preference of bootstrap finance methods. Results of the study showed that the owner-managers preferred bootstrap finance methods that raised funds without going to the bank, and that owner-managers’ characteristics influenced their choice of bootstrap finance methods. Implications of the results are discussed in the context of small businesses’ survival and growth in unstable macro-economic environments.