

FINANCING

I have \$100,000. What size business can I buy?

By Ayodele Olasiji, Optimax Commercial · Updated October 18, 2026 · 2 min read · Online at optimaxdeals.com/guides/what-size-business-can-i-buy

SHORT ANSWER

With an SBA 7(a) loan, \$100,000 in cash can roughly support a purchase in the \$600,000 to \$800,000 range once you keep money back for closing costs and reserves, because the SBA asks for at least 10% of the project in cash. The real limit is usually cash flow: the business must earn enough to cover the loan payments with room to spare.

How to, at a glance

1. Keep part of your cash for closing costs and reserves
2. Multiply the rest by 10 for the most an SBA project allows
3. Check the business earns 1.25 times the loan payment
4. Get a lender prequalification to confirm your number

Questions buyers ask

Can I buy a \$1 million business with \$100,000?

Possibly, if a seller note on full standby covers part of the injection and the business earns enough to pass the cash flow test. Your lender decides.

Should I spend all my cash on the down payment?

No. Keep reserves. A business bought with no cushion is fragile in its first slow month.

What if I do not want an SBA loan?

Conventional bank loans usually want more cash down. Seller financing alone depends entirely on what the seller agrees to.

The cash math

Your cash	Kept back for costs and reserves	Equity injection	Largest project at 10%
\$100,000	\$40,000	\$60,000	\$600,000
\$100,000	\$30,000	\$70,000	\$700,000
\$100,000	\$20,000	\$80,000	\$800,000

Illustration only. The 10% minimum is from SBA rules; your lender sets the final amount.

The cash flow test sets the real limit

Lenders check that the business's past cash flow, after a fair salary for whoever runs it, covers the yearly loan payments at least 1.25 times for a first time acquisition. A bigger loan means bigger payments, so a business has to earn more to qualify. Many buyers find the cash flow test stops them before the 10% rule does.

Ways to stretch it

- **A seller note on full standby** can count for up to half the required injection under SBA rules. Lenders read the current rules as requiring at least half of the injection in your own cash.
- **Include the real estate**, which carries longer loan terms and lower yearly payments.
- **A partner** who brings cash in, under the lender's rules.

Sources

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