

Q. How do I get free money to start a business?

A. “If it seems too good to be true, it probably is.” “There is no free lunch.” Remember those old sayings, and you’ll save yourself some headache, and maybe some money.

One of the most frequently asked questions we get in the small business department is “How do I get free money (government money, grants, etc.) to start or expand my business?” Just like you, I’ve seen and heard the advertisements. I’m familiar with National Grants Conference, Matthew Lesko (the man with the question-marks suit), and others.

Well, as a general rule, the government is not in the business of giving out money to start or support your business. Why would it? What would it get out of the deal? While there is money to help businesses start and grow, it doesn’t go to individuals, or individual businesses. The government funds assistance programs through organizations like the Women’s Business Centers, Small Business Development Centers, and other non-profit business assistance firms. The government helps you start or grown your business by giving you access to these organizations and their expertise for no, or nominal fee.

So, if there is no free money to help me, where do I get the money to start or expand my business?

There are several sources to consider when looking for financing. It is important to explore all of your options before making a decision. These include:

- *Personal Savings.* The primary source of capital for most new businesses comes from savings and other forms of personal resources. Credit cards are not considered personal savings.
- *People Who Love You.* Many entrepreneurs look to private sources such as friends and family when starting out in a business venture. Often, money is loaned interest free or at a low interest rate, which can be beneficial when getting started.
- *Banks and Credit Unions.* The most common source of funding, banks and credit unions, will provide a loan if you can show that your business proposal is sound. Remember, good credit is important.
- *Venture Capital Firms.* These firms help expanding companies grow in exchange for equity or partial ownership.

Call the Mobile Chamber’s Small Business Department, 251-431-8607, for more information about starting or growing a business, and see the website www.mobilechamber.com/smallbusiness.