

# Funding Sources for Minority Small Business Owners

Chris Cribbs, MA, State Specialist for Entrepreneurship



Capital access remains the most important factor limiting the establishment, expansion, and growth of minority-owned businesses. Given this constraint, the current financial environment has placed a greater burden on minority entrepreneurs who are trying to keep their businesses thriving in today's economy. Below are a few capital funding source options for minority small business owners:

- **Small Business Administration (SBA)**

- **Grants** – The SBA works with different organizations to provide grants for small businesses. For more information, visit <https://www.sba.gov/funding-programs/grants>
- **Native American-owned businesses** – The federal government provides opportunities in contracting, business development, and

other programs for Native American small business owners. Visit <https://www.sba.gov/business-guide/grow-your-business/native-american-owned-businesses>

- **Women-Owned Small Business Federal Contracting program** – The federal government's goal is to award at least five percent of all federal contracting dollars to women-owned small businesses each year. Visit <https://www.sba.gov/federal-contracting/contracting-assistance-programs/women-owned-small-business-federal-contracting-program>
- **Service-Disabled Veteran-Owned Small Businesses program** – The federal government's goal is to award at least three percent of all federal contracting dollars to service-disabled, veteran-owned small businesses each year. Visit <https://www.sba.gov/federal-contracting/contracting-assistance-programs/service-disabled-veteran-owned-small-businesses-program>
- **8(a) Business Development program** – The federal government's goal is to award at least five percent of all federal contracting dollars to small disadvantaged businesses each year. For more information, visit <https://www.sba.gov/federal-contracting/contracting-assistance-programs/8a-business-development-program>

- **GRANTS.GOV** – is a portal website that you can search and apply for federal funding opportunities. It currently handles the grant application submissions for many federal agencies. Grants.gov has a phone application that can be downloaded to your smartphones. <https://www.grants.gov/web/grants/search-grants.html?keywords=minority%20small%20business>

- **National Association for the Self Employed (NASE)** – NASE Growth Grants for small businesses. Worth up to \$4,000 each, NASE Members can apply for small business grants. Small business grants are useful for financing a particular small business need. Past recipients used their growth grants for computers, farm equipment, to hire part-time help, marketing materials, website creation, and more. Growth Grant applicants must be a member in good standing for 3-months prior to submitting an application. (Annual members may apply immediately. Monthly members may apply ninety days after joining the NASE.). <https://www.nase.org/become-a-member/grants-and-scholarships/BusinessDevelopmentGrants.aspx>

- **KIVA** – Kiva provides crowdfunding loans and unlocking capital for the underserved, improving the quality and cost of financial services, and addressing the underlying barriers to financial access around the world. Through Kiva's work, students can pay for tuition, women can start businesses, farmers are able to invest in equipment and families can afford needed emergency care. U.S. Entrepreneurs Loans (0% interest). <https://www.kiva.org/borrow>

- **COMMUNITY VENTURES** - Community Ventures is a trusted nonprofit resource for small businesses. They are a certified U.S. Small Business Administration (SBA) lender and a recognized leader in small business lending in Kentucky. In 30 years, Community Ventures has helped more than 4,700 entrepreneurs start or expand their businesses. Their financing programs for business development in disadvantaged communities has resulted in the creation and retention of 10,600 jobs. <http://www.cvky.org/index.php?/business>

- **PAYPAL BUSINESS LOAN** – PayPal provides fixed-term loan based on a full picture of your business that you automatically repay with a predictable weekly payment. Your business must have at least 9 months in business and \$42,000 or more in annual total revenue. <https://www.paypal.com/us/webapps/mpp/paypal-business-loan>



### Source

Executive Summary - Disparities in Capital Access between Minority and Non-Minority Businesses. (2017, April 19). Retrieved from <https://www.mdba.gov/page/executive-summary-disparities-capital-access-between-minority-and-non-minority-businesses>