What about Grants for Businesses?

As a grant development consultant, I’m often asked if there are grants available for small businesses or new business start-ups. My standard answer is that the vast majority of grant opportunities (likely over 90%) are for not-for-profit organizations. Most of our work as grant professionals is in the nonprofit realm. But who wants to discourage the enthusiastic business owner? So here are some resources for the for-profit world, should you be asked this same question.

Grants for businesses are generally just one source of revenue in supporting small business development. They could be a great complement to a loan or other source that comes with interest rates attached, such as bank lines of credit. Yet start-ups don’t usually seek out grant opportunities, mainly because they don’t know where to go. Below are some suggestions for unearthing grant opportunities for small businesses:

1) Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants. Awarded to small businesses through the Small Business Administration, both grants typically facilitate the development of new technologies and product development research. Throughout the United States, small business technology, bio-technology, alternative energy, and other companies have benefitted from these grant awards. The SBIR program is a highly competitive program that encourages domestic small businesses to engage in federal research/research and development that has the potential for commercialization; 11 federal agencies participate in the grant competition. STTR grants are similar but require a small business to formally collaborate with a research institution for innovation and the commercialization of resulting innovations. Go to: www.sbir.gov.

2) The U.S. Department of Agriculture. For businesses that are developing an innovative technology that could benefit farms or other agricultural organizations, the USDA provides technical assistance through its own SBIR program, which will award up to $18.3 million this year in small business research projects. Last year, for instance, Giner, Inc., of Newton, Massachusetts, was awarded close to a $100,000 small business grant to fund the development of a more energy-efficient fertilizer. Go to: http://www.nifa.usda.gov/funding/rfas/sbir_rfa.html.

3) State Agencies. Whether for education, energy, or labor, contact the state agency most related to your industry or area of need. In many states, workforce training projects are a high priority. For example in New York State, the Governor implemented a Consolidated Funding Application process that allows organizations, including businesses, to apply for funds from 13 different state agencies each year.

4) Your Local Economic Development Council. Start-ups and other businesses tend to overlook their own regional economic development councils and committees. Yet these are the organizations that explain to small business owners how to contact the office in charge of dispersing grants. If a business can make the case for how it will create jobs or construction opportunities, then this could be a great source for funding.

5) Grant Competitions. There are several examples of small business owners with no collateral for a bank loan but who need funding quickly. Grant competitions can often yield that needed seed funding...
GPA Article, for publication on March 17, 2015
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to boost a business. For examples, see: http://articles.bplans.com/get-funding-billionaire-investor-mark-
cuban-stories/#ixzz3EzvXBmMs.

There are grants available for businesses and start-ups, but in most cases, they are subject to the same competitive criteria as grants for nonprofits. Businesses, like nonprofits, need to be prepared with a proposal that outlines their project and is backed up with a solid budget plan.

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