

# Self Informed

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# WAYS TO GET FUNDS

## to Start Your Own Small Business



You officially want to start your own business. Starting your own business isn't for the faint of heart. It can be extremely stressful and will demand your complete focus. However, it can also be a very fulfilling experience, even if the business does not ultimately succeed. One of the most important things to do when starting a business is to obtain funding. In today's age, there are a variety of ways to get funding to start your own business. Each has its own advantages and disadvantages, and below are several ways of achieving this.

## 1. NASE GROWTH GRANTS

- NASE Growth Grants offer grants up to \$4,000 for small businesses to help take businesses to the next level. 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 many others.
- The NASE has already awarded more than \$600,000 to NASE Members.
- Grants can be used for marketing, advertising, hiring employees, expanding facilities and other specific business needs.
- To be eligible for an NASE grant, an applicant must:
  - ▶ Be an NASE Member in good standing
  - ▶ Demonstrate a business need that could be fulfilled by the grant
  - ▶ Provide a detailed explanation of how you will use the grant proceeds
  - ▶ Show how the grant will improve your business growth and success
  - ▶ Offer supporting documentation such as a résumé and business plan
- For additional information, please visit the Growth Grants page on the NASE website.



## 2. CROWDFUNDING PLATFORMS (GOFUNDME, KICKSTARTER)

- Crowdfunding platforms are becoming very popular and there are a variety of platforms to use. Some crowdfunding networks allow you to tap into your potential customer's pocketbooks without having a completely finished product and provide you the capital you need to finish it.
- You will have to do a lot of work behind the scenes and there is no guarantee you are going to get the funding you need. To attract investors from crowdfunding platforms, you will need to have a good story for your business and the use of the funds. Many businesses promise future benefits, such as first access to the future product. It's a good idea to show your personal commitment to the business/product, and adding a video usually helps you obtain funding.
- It is also important to understand the rules of each platform. Some crowdfunding platforms hold funds collected until a certain goal has been raised. If the goal isn't met, the funds may be returned to the donors. Also, the platforms usually take a cut of the money raised so you will need to take that into consideration.
- Overall, make sure you research the crowdfunding options that are available to you.

## 3. PEER TO PEER LENDING (CONNECT LENDING, LENDING CLUB, ETC.):

- Peer-to-peer lending allows individuals or businesses through online services to match lenders directly with borrowers. In theory, since these services operate online they can run with lower overhead and pass the savings onto the lender and borrower. Borrowers can obtain financing cheaper than traditional banks. There are fees associated with this kind of borrowing and if you do not have great credit, the interest rates can be very high. Also, if you run into trouble it is typically harder to re-negotiate the terms of the loan as you may be dealing with an individual. As long as you find a lender (either an individual or an institution) that is willing to lend to you, you can obtain funding for your business very quickly.
- Online peer to peer lending has really taken off recently. While this option may provide you quick access to cash, you still have to be approved, and some online providers charge very high interest rates.



## 4. LOCAL BANKS

- Banks and credit unions are one of the most common ways to get funding and have been around as long as lending has been around. Banks are typically more difficult to deal with when it comes to small business lending and you will need a solid business plan as well as a great credit score to obtain funding. Be prepared to fill out a lot of paper work and for the process to take considerable time.
- Credit unions can be easier to deal with, but they usually work with people that they have dealt with before. They like to work with people and businesses they know and understand.
- It is recommended to visit a bank or credit union that is familiar with you or your industry, or one that's known for small-business lending. A bank or credit union will also want to see that you have contributed capital into the business as well.

## 5. FRIENDS/FAMILY

- Friends or family can be a great option for many individuals and businesses, but you need to be very careful when you mix money with friends and family. It is very important to be very clear about the terms and put everything in writing so no bad blood arises. Family and people's lives can be ruined if you are not 100% clear about the financial terms. On the positive side, if the business takes off, your friends and family can be along for the ride.

## 6. OTHER: FUND YOURSELF THROUGH HOME EQUITY LOANS OR CREDIT CARDS

- Home equity loans: If you have paid off a good portion of your home and have a good credit score, home equity loan may be a great option for you. You can get the funds rather quickly, and the rates are very good right now. Just remember your house is collateralized to the loan so if you default on the loan, the bank can repossess your house.
- Credit cards: Credit cards are a very easy way to obtain funding. You are already “approved” up to a certain amount, and you know what the interest rate is. On the downside, credit card rates are extremely high and you have to pay off the balance each month if you do not want to pay the high interest rates. Be very careful if you ultimately choose this route as you will want the business to quickly bring in cash so you can pay off your credit card debt quickly. Check out [Bankrate.com](http://Bankrate.com) and [Credit.com](http://Credit.com) for a list of cards with the lowest rates and best terms.

## OVERALL

Always make sure you do your due diligence when evaluating your funding options. I always recommend inquiring and researching at least 3 options and weigh each against each other. That way you will know which funding option is the best for you. Good luck to you and I hope you get the best funding available to you.





# Ask the Expert

**Q:** *I have saved some money and now have enough to pay off my house, but I don't want to lose the mortgage interest deduction. Should I pay off the loan or keep the loan to save on taxes?*

**A:** There are many rules embedded in the Internal Revenue Code but one that should be listed above all others and is nowhere to be found in the Code is Never, Ever spend money just to get a tax deduction. It seems tempting when reviewing your tax return at the end of the year to make sure you have lots of deductions because they reduce the tax that you owe. The more in deductions, the less tax you

have to pay. But remember that every dollar in tax savings generated by a deduction has already cost you about three dollars.

Never incur an expense solely to get a tax deduction. Period!!!

The real question to ask with regard to your home mortgage is not whether to use your cash to pay off the loan, but rather what is the best use of that cash that you have worked so hard to save. If you are paying four percent interest on your mortgage and your cash is sitting in a money market account earning virtually nothing, you will be way ahead of the game by paying off the loan. If on the other hand you are investing those dollars and earning in excess of four percent, then you are better off keeping the mortgage in place and earning the extra amount via your investment portfolio.



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The bottom line here is that paying off your mortgage loan is not a tax decision. Evaluate your other cash flow needs, both personal and business, consider liquidity needs for the future and let those factors help decide what to do with your cash. Never keep paying interest on a loan just to get a tax deduction.



As always, don't forget that you are not alone. Bookmark our website at **NASE.org** as well as the IRS website at **IRS.gov** you will always be able to find the help you need.





# Member Benefits

Visit [www.NASE.org](http://www.NASE.org) to learn more about the following benefits!



NASE has partnered with Connect Lending who provides an online platform to match business owners to the right lender for their business solution.

### Free Access Platform:

- No upfront or hidden fees to access our platform
- Credit inquiries done after you decide on a lender

### Lenders Compete for Your Business:

- Compare multiple loan options in order to make an informed borrowing decision
- Review lenders that match your current credit, collateral and funding timelines

### User Friendly:

- Access our easy-to-use software from any web browser on any device
- Receive instant notifications and status updates

### Knowledgeable Support:

- Receive professional assistance from our advisors through the entire loan process

Login today and discover how easy it is to find your lender... [Get Started](#)



### Choose an Expert:

Taxes, Business Strategy, Business Law, Marketing 101, Finance & Accounting, Health Care Reform, Marketing and Advertising, Real Estate, Information Technology, B2B Leads, Social Media and Data Base Management.

Get answers, advice, and tips from our team of professional experts. Ask a question online 24 hours a day, 7 days a week. [Free for Members!](#)

New!



### Growth Grants

Apply for a business development grant from the NASE worth up to \$4,000! Designed to help address a specific business need.

Need **\$4,000** To Help Your Business Grow? [Login and apply](#) for an NASE Growth Grant Today! You could receive up to **\$4,000** for your small business through the NASE Growth Grants program. The NASE has already awarded more than **\$600,000** to NASE Members just like you.

Grants can be used for marketing, advertising, hiring employees, expanding facilities and other specific business needs.

You could be the next grant recipient. To be eligible for an NASE grant, you must:

- Be an NASE Member in good standing
- Demonstrate a business need that could be fulfilled by the grant
- Provide a detailed explanation of how you will use the grant proceeds
- Show how the grant will improve your business growth and success
- Offer supporting documentation such as a résumé and business plan

[Login](#) using your NASE.org web account to begin using your benefits right away.

Don't have an account? [Set it up](#) today!



Refer a friend to become part of the self-employed community. The Self-Informed eNewsletter is free! Sign up is easy! [www.NASE.org](http://www.NASE.org) "Become Part of Your Community."

## Member Spotlight



# Baking Self-Employment

*Cassandra Tindell is the owner of **Mainely Cupcakes** located in Indian Trail, North Carolina. Mainely Cupcakes is an online family owned and operated home-based business that serves cakes and cupcakes. Each batch is made to order and never mass-produced. Before starting Mainely Cupcakes, Cassandra was an accountant who worked in corporate America for many years. Joining the NASE in 2015, Cassandra has taken advantage of many of the NASE's benefits, including our **Growth Grants**, **Ask the Experts** and informative videos and articles on the website.*



*Getting people to trust my brand and to know that they are getting a quality, delicious product is always a challenge. Perseverance has been key for me.*

### **What inspired you to enter the field you are in?**

I've always had a passion for baking, but only did it for family. One night while lying in bed, I saw the reality television show "Georgetown Cupcakes" and started recording the episodes. I told my husband, "If they can leave their corporate jobs with no experience in baking, surely I can do it." I was always looking for something that could generate income so that I could leave my corporate America job. After becoming a stay at home mom I naturally gravitated more towards the kitchen and experimenting with different cupcake flavors.

### **When and why did you start your business?**

I started my business in February of 2012 after an unexpected family tragedy. It was only possible with the very much appreciated support and enthusiasm from family and friends. I wanted to do something to honor the memory of my brother, Edward "Maine" Lee Turner, Jr., and thus Mainely Cupcakes, LLC was born. Maine's childhood favorite was a chocolate cupcake with a vanilla cream filling and I always enjoy making them.

### **What challenges have you faced in your business?**

The challenges that I've faced have been getting Mainely Cupcakes name out in front of people. Getting people to trust my brand and to know that they are getting a quality, delicious product is always a challenge. Perseverance has been key for me. I am not a quitter and I've never stopped marketing my business or building my brand. I do holiday specials and advertise those on social media and my website. In the past, I've joined networking groups to have an opportunity to meet different people and introduce myself as well as my product. Now that I have built up my business, I can let my name speak for itself.

### **How do you market your business?**

The main ways I market my business is through social media and word of mouth. As I said above, since my business has sustained for four years now, the Mainely Cupcakes name is popular in our area and speaks for itself.

### **Do you have any employees?**

I don't have any employees at this time. Right now, I like my business being just me because I know how I like things done. I can control my schedule and keep myself busy without being overburdened.

### What's your schedule like, what's a typical day for you?

A day in the life of Mainely Cupcakes would typically be as follows:

- ▶ Take my son to school.
- ▶ Work out at 9Round Kickboxing (my time to release any frustration)
- ▶ Home to shower and eat
- ▶ Prep for my orders or do clerical work
- ▶ Pick my son up from school
- ▶ Take him to either swim or Taekwondo
- ▶ Back home to get dinner started
- ▶ Eat dinner, clean up the kitchen
- ▶ Finally last but not least, while my husband is giving our son a bath and they are both in bed, I bake and decorate my orders that are due the following day

### What's the best compliment you've ever received from a client?

I had a customer tell me that they "can taste the 'Love' you put into your work and it shows!" I really enjoy when customers tell me how much they enjoy my products and when they know how much I put into each order.



### What's the best thing about being self-employed?

The best thing about being self-employed is the freedom it gives me! I get to set my hours. I get to determine what jobs I want to take. Although I try to keep my schedule full, I still love the flexibility of being an entrepreneur.

### What's the most important piece of advice you would give to someone starting their own business?

I would tell them to never give up. Stay the course and never allow anyone or anything to distract you from your dreams and passion. It will be hard at first, but anything that's worth doing or having is never easy. Always stay true to who you are and success will follow. Keep pushing toward greatness. Mostly important, keep God in the center of every aspect of your life and it will all work itself out.



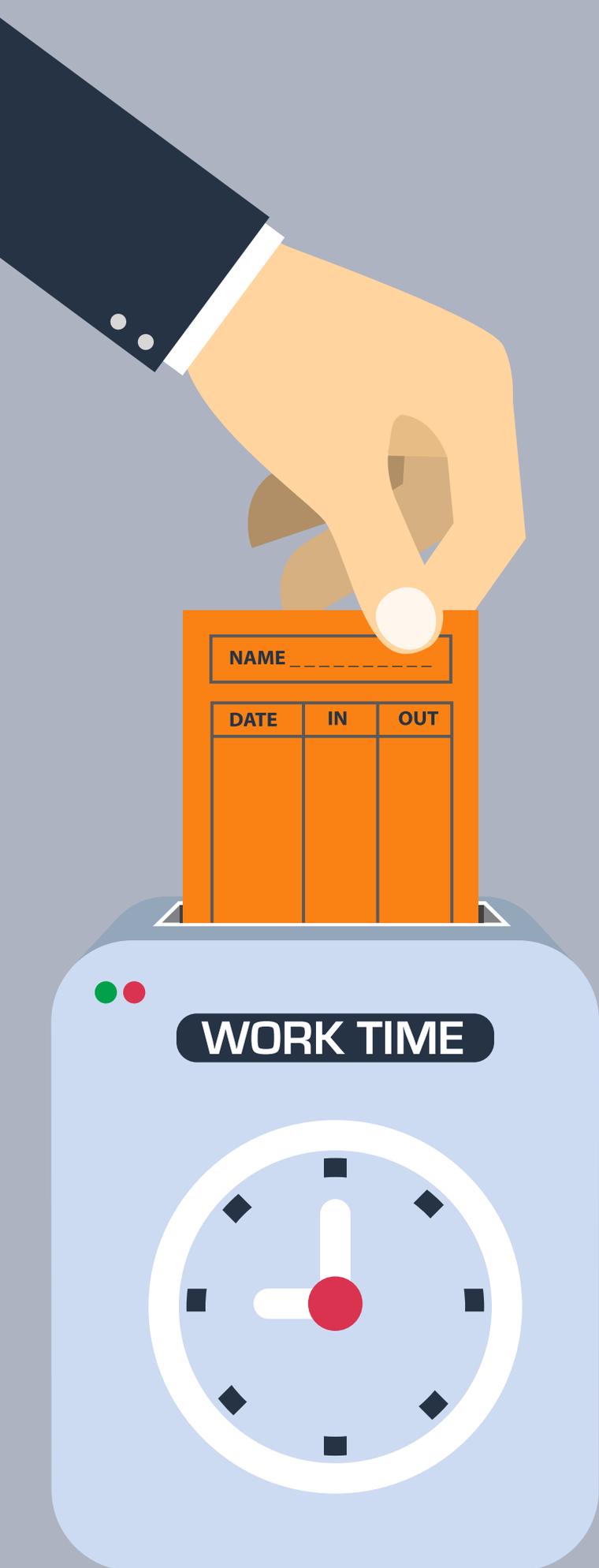
### Want to be Featured in Upcoming Issues?

Log onto [NASE.org](http://NASE.org) and fill out the **Get Publicity** form. Don't miss this unique opportunity to showcase your business and get noticed by your fellow NASE members.



### Learn More in the NASE Member Directory

Learn more about other Self-Employed businesses in the **NASE Member Directory**. You can add your own company to the NASE Member Directory at no charge – it is a free benefit to NASE members.



# NASE SUPPORTS LEGISLATION TO STOP HARMFUL DOL REGULATION

The NASE has announced its support of S. 2707/H.R. 4773, “*Protecting Workplace Advancement and Opportunity Act.*” Introduced by Senators Scott (R-SC) and Alexander (R-TN) and Representatives Walberg (R-MI) and Kline (R-MN), would block the current proposed Department of Labor overtime regulation from taking effect and require the Department to perform a deeper analysis of the impact changes to overtime regulations will have on small businesses, nonprofits, regional economies, local governments, Medicare and Medicaid dependent health care providers, and academic institutions, as well as employee flexibility and career advancement before proceeding with a rule.

The new overtime rule as announced by the Department raises the salary threshold of exempt employees to \$47,476 per year in order to be ineligible for overtime pay. The salary thresholds will be automatically updated every three years. There is no carve-outs for small business and/or nonprofits, a point to which the NASE’s objects.

While the NASE believes in pay equal to work, the 100% increase in the salary threshold without consideration of regional economic differences, which has a significant impact on small businesses, is reckless and will have lasting consequences for the employer/employee relationship.

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