



# Increase Your Access to Capital and Support Networks

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**KEYWORDS:** financing, successful startup, Entrepreneurship.

Starting or expanding a business? Raising money can be challenging, but these sources of financing and advice can help.

*EDITOR'S NOTE: This article is part of Entrepreneurship: Square One and Beyond, a Next Avenue initiative made possible by the [Richard M. Schulze Family Foundation](https://www.schulzefamilyfoundation.org/) (<https://www.schulzefamilyfoundation.org/>) and [EIX](https://eiexchange.com/) (<https://eiexchange.com/>).*

Whether you're just starting a business or have been running one for years, finding financing can be a struggle. That's especially true these days, even with the recent reduction in interest rates. But there are a variety of ways to access capital and many support groups to help locate funding and boost your odds of getting some.

According to the [2025 Bank of America Business Owner Report](https://newsroom.bankofamerica.com/content/dam/newsroom/docs/2025/BofA%202025%20Business%20Owner%20Report.pdf) (<https://newsroom.bankofamerica.com/content/dam/newsroom/docs/2025/BofA%202025%20Business%20Owner%20Report.pdf>), 83% of small- and medium-sized business owners intend to obtain financing. About half plan to use business credit cards, 32% will use bank loans and 29% expect to use personal credit cards.

The number of financial technology (fintech) platforms and non-bank institutions making small business loans has been rising. So has the universe of government agencies, companies and organizations offering small-business grants.

But in an August 2025 [survey by Small Business Majority](https://smallbusinessmajority.org/sites/default/files/research-reports/2025-August-Voice-of-Main-Street-Report.pdf) (<https://smallbusinessmajority.org/sites/default/files/research-reports/2025-August-Voice-of-Main-Street-Report.pdf>), a group empowering entrepreneurs, 57% of owners said accessing financing was "challenging"

for their business. Only a third of owners surveyed who pursued funding in the past year secured it and just 32% of the recipients said they received sufficient funding.

Women- and minority-owned small business continue to be denied funding at higher rates than male- and white-owned businesses, a January 2025 U.S. Department of Treasury report said.

"Fundraising is hard, no matter if it's a lot or a little. A little is actually harder," said Jen Millard, who co-founded the Mainelove canned water and seltzer company 18 months ago after decades in the corporate world.

## Persistence Pays Off

Millard's experience, however, shows that persistence can pay off. She has been able to attract \$2 million from 30 friends and family members in amounts ranging from \$20,000 to \$500,000. Her company has six employees and is expanding around the country.

Gwendolyn Young founded her Chicago company, Your Virtual Admin, 12 years ago and has financed it over time with business credit cards, a credit line and a loan from the Stripe fintech platform.

"My biggest piece of advice about financing is: Start early," Young says. "Even if you are super small, you can go to your local office supply store and get an account buying items and paying for them within 30 days (a net 30 account)." Doing so can make you a stronger candidate for a business loan, credit card or credit line in the future.

## The Advantages of Applicants Over 50

Entrepreneurs over 50 often have advantages over younger ones qualifying for financing.



"The data would suggest [older entrepreneurs](https://www.nextavenue.org/liz-eltig-late-blooming-entrepreneur/) (<https://www.nextavenue.org/liz-eltig-late-blooming-entrepreneur/>) have higher success rates both in obtaining financing and paying back that financing," says Katie Frost, who ran the Small Business Administration (SBA) Office of Capital Access under President Joe Biden and is now a partner at the Avenida Advisors consulting firm for entrepreneurs.

Says Keith Hall, President and CEO of the National Association for the Self-Employed: "I think that demographic is in unique position to start a small business. They have the financial wherewithal and the cashflow to get through the first year."

## Choosing the Right Type of Financing

Which type of financing is best to pursue? Experts say that depends on why you need the money.

"If you want to buy a property for your business, you would apply for a bank loan," says Sharon Miller, President of Business Banking at Bank of America, the nation's largest small-business lender. "Credit cards and lines of credit are used more for everyday operations."

A few clearinghouses help owners find financing. Small Business Majority's [Venturize.org](https://venturize.org/) (<https://venturize.org/>) database connects entrepreneurs to Community Development Financial Institutions offering loans, credit lines and credit cards. The National Association for the Self Employed's [Connect Lending](https://www.nase.org/become-a-member/member-benefits/business-resources/connect-lending) (<https://www.nase.org/become-a-member/member-benefits/business-resources/connect-lending>) service pitches the loan needs of its members to banks across the country.

Here's a rundown of financing choices for small business owners (venture capital financing isn't included since it's just tech companies with high growth potential) followed by organizations providing mentoring and support:

### Bootstrapping

Some people launching businesses turn to crowdfunding platforms like Kickstarter to raise money at little or no cost. "When I started Innovation Women

(an online speakers bureau) in 2015, I ran a Kickstarter and got \$22,000," says Bobbie Carlton, of Lexington, Massachusetts.

Others, however, finance startups in potentially precarious ways, tapping savings, retirement accounts or personal credit cards with stratospheric interest rates. For example, Gwen Gardner birthed her organic baby clothing business, Simply Chickie Clothing, using her savings and credit cards.

**Advice:** If you'll be bootstrapping, "make sure you have a financial cushion of six months of emergency cash available," says Miller.

Also, set up a business account at a bank as soon as possible. "That way, when you want to take on a business loan, you'll be in a better position to get it," says Frost.

### Business Credit Cards

A business credit card is often not difficult to get if you have decent credit. And some cards now dangle enticing 0% interest introductory rates. But those rates shoot up after a year to the card's regular variable rate, now about 17% to 27%.

"You need to read the fine print on 0% cards. Sometimes, if you don't make the payment in the first 15 days, the interest rate kicks in and it's relatively high," says Hall.

Other cards charge steep rates from the get-go. "Egregious money" is what Millard calls them.

"It breaks my heart when business owners are paying those rates," says Vicki Weiner, founder of the [Women's Enterprise Action Leadership Fund](https://www.wealf.org/) (<https://www.wealf.org/>) (WEALF), which offers low-interest loans and mentoring to women entrepreneurs in the New York City area.

**Advice:** Consider using business cards initially to build the creditworthiness of your company. When possible, try to pay off their balances in full each month.

### Business Credit Lines

Many lenders currently charge 6.5% to 10% for

business credit lines; rates depend on the owner's business and personal [credit score](https://www.nextavenue.org/easy-ways-to-boost-your-credit-score/). (<https://www.nextavenue.org/easy-ways-to-boost-your-credit-score/>)

Using a business card diligently can sometimes be a stepping stone to a credit line with a lower rate, possibly from the same bank. That was Young's financing progression. "I opened up a Capital One Spark credit card and then cards from some of the larger banks, like Chase," says Young. "I eventually was able to get a Chase line of credit."

Like a home equity credit line, a business credit line means owing interest just when you tap it for cash. So, it's a backstop without the pain of monthly interest charged by a card or loan.

**Advice:** Think of a business credit line as an insurance policy against slow times and perhaps a way to make yourself a stronger candidate for a loan one day.

## Friends, Family and Angel Investors

Persuading friends and family members to lend you money or angel investors to provide cash in exchange for equity probably won't be easy. Figure on getting "ten no's and one yes," says Millard. "You just have to find believers. Once you get one believer, it's easier to get the second."

Millard typically offers her believers a two-year convertible note with a 6% interest rate. If the business prospers, the angels can convert their investment into equity at a 20% discount.

A few years ago, after Bobbie Carlton, owner of Carlton PR Marketing, began her Innovation Nights startup and helped launch over 1,500 products, "an angel investor came to me saying, 'Hey, I have invested in six companies that you brought to the table. When are you going to start something I can invest in?'"

In 2015, that person became an angel investor in Carlton's Innovation Women, providing access to \$125,000 in exchange for a percentage of the business.

**Advice:** If possible, look for friends, family members or angel investors who'll provide expertise as well as cash. "My investors bring more than capital; they bring a private equity mind, a packaged goods focus and a

grocery background," says Millard.

## Bank Loans

Nearly all banks make loans of up to \$1 million to small businesses, according to the [2024 FDIC Small Business Lending Survey](https://www.fdic.gov/publications/2024-report-small-business-lending-survey) (<https://www.fdic.gov/publications/2024-report-small-business-lending-survey>). Small banks, the report says, are somewhat more likely than large banks to lend to startups; most loans are local, going to companies within 60 miles of a branch.

Often, banks prefer applicants with strong personal and business credit histories whose companies are at least two years old. "Banks are only interested in historical performance of what they can underwrite against," says Millard.

Gardner ran into this when she wanted to open a store in New York City in 2018. "I went to traditional banks and they didn't want to touch me. And I was asking for less than \$10,000," she says.

When applying for a bank loan, you may be required to provide a personal guarantee, especially if you're a solopreneur. This means if you default on the debt, the bank can go after your assets such as your car, home or 401(k) account.

Securing an SBA loan is getting tougher. "There were significant changes to the SBA loan program that went live June 1st and I think they are going to have big impacts on small businesses," says Frost.

For example, it's become harder to qualify for SBA loans and all owners must now be American citizens or legal permanent residents.

In addition, the maximum size of SBA 7(a) small loans — which offer reduced paperwork — has shrunk from \$500,000 to \$350,000. Says Frost: "There are now more requirements on the lender, so the lender has to do more work. Some lenders will just say, 'This loan isn't financially worth it to my bank, so I'm not going to pursue it.'"

"I think a very good place to start looking for a bank loan is SBA's [Lender Match](https://www.sba.gov/funding-programs/loans/lender-match-connects-you-lenders) (<https://www.sba.gov/funding-programs/loans/lender-match-connects-you-lenders>)," says Frost. This tool on the SBA site provides a curated

list of banks expressing interest in the loan you want. Then, you can compare their rates, terms and fees and apply.

"Get at least one quote from Lender Match, then maybe one from your local community bank and one with whoever you regularly bank with," says Frost.

Some financial institutions offer loans to particular types of applicants, such as women, minorities or owners hoping to improve their community.

Others work with nonprofits serving these entrepreneurs. For example, WEALF partners with Accompany Capital to offer \$10,000, interest-free, three-year loans to women owners in the New York City area; subsequent loans have 3% interest rates. "If you come to us and do well, we'll give you a second loan," says Weiner. "Some people have had four loans with us."

**Advice:** Before applying for a bank loan, prepare the documents lenders want — a business plan, income projections, how much you need and how the money will help your business.

"If you have a bank with an established relationship, always start there. The vast majority of the time, they will offer you the best rate because they know your finances," says Frost. "If your bank doesn't offer small business loans, ask for a referral because the bank may have a relationship with a lending institution that does."

## Fintech and Non-Bank Lenders

More than a third of small businesses now apply for funding from non-bank financial institutions like Paypal, Stripe and Shopify, according to the Treasury Department. Many are high-risk, low-credit score owners and those from underserved groups.

Typically, these lenders provide revenue-based financing, charging fees based on a business' revenues. "When you do the math, this cost of borrowing is really quite high," says Brian Pifer, Vice President for Research and Insights at Small Business Majority.

But non-bank loans are often easier to get than bank loans. When Gardner was rejected by banks, she turned to PayPal and received a loan quickly. "PayPal has stuck with me and the size of my loans with them has continued to increase; my most recent one was

\$30,000," she says. Gardner has also received fintech loans from Square and Shopify.

"You do have to pay more with a non-traditional bank, but the money's in your account the next day," she says.

**Advice:** You can apply directly to fintech and non-bank lenders, but you might consider using an online lending marketplace that lets you compare offers. Examples: [Fundera](https://www.fundera.com/)(<https://www.fundera.com/>) and [Lendio](https://www.lendio.com/) (<https://www.lendio.com/>) .

## Grants

Grants are interest-free, cash awards to small business owners — typically for \$2,000 to \$5,000 — from federal and state agencies, companies and organizations.

"Grants can be an incredible way to grow your business because they allow you access to capital without giving up equity or taking on debt," says Stephanie Cartin, co-founder of The Entrepreneista League, a resource for women business owners.

Think of grants as the small-business equivalent of college scholarships. While loads of places offer grants, the chance of getting one is small and the amounts are usually small, too.

The competition is fierce. For example, the National Association for the Self-Employed awards roughly 30 grants of \$4,000 apiece annually but gets over 100 applications every quarter.

Stacy Savage, founder of the 12-year-old Zero Waste Strategies environmental consulting firm in Austin, Texas, has applied for over 40 grants in the past year. "I haven't received a penny," she says. "It's a little disheartening."

Several other entrepreneurs interviewed for this article struck out applying for grants, too. Even worse, they've rarely been told why their application was denied.

Small Business Development Centers and Minority Business Development Agency centers can tell you about grants and some states offer no-cost financing. There are also grant marketplaces like [Skip](https://helloskip.com/) (<https://helloskip.com/>) as well as targeted grant programs for women ([Amber Grants](https://ambergrantsforwomen.com/) (<https://ambergrantsforwomen.com/>) ), women and

minorities ([Galaxy of Stars](https://galaxyofstars.org/galaxy-grants/) (<https://galaxyofstars.org/galaxy-grants/>)) and members of underserved communities or entrepreneurs facing financial challenges hampering their growth ([Threadneedle Alley Foundation](https://www.threadneedlealley.org/) (<https://www.threadneedlealley.org/>)).

**Advice:** When applying for a grant, make a compelling case for how the money could help you grow your business. "We don't like to give a grant for somebody because they just want to pay off credit card debt," says Hall of the National Association for the Self-Employed.

If you're rejected for a grant, Hall says, ask what your application lacked. Learning this can help make you a stronger case when you next apply for a grant.

## Support

Whether you're on the hunt for financing, want answers to questions about starting or running a business or need a mentor, numerous sources of support can help:

**SCORE** (<https://www.score.org/>) This is a free mentoring program around the country offered in conjunction with the Small Business Administration. It offers one-on-one advice as well as webinars. But the Trump administration has proposed slashing SCORE's federal funding.

**Small Business Development Centers (SBDC)** (<https://www.sba.gov/local-assistance/resource-partners/small-business-development-centers-sbdc#what-is-an-sbdc>) These nearly 1,000 local facilities, jointly run by the SBA and educational institutions, advise and support startups and business expansion for free.

**The Small Business Administration** (<https://www.sba.gov/>) Although its workforce is shrinking, some offices are closing and the Trump administration wants to shut the agency's Women's Business Center, the SBA still offers a ton of advice and information for current and prospective small business owners.

**Local Chambers of Commerce** (<https://www.uschamber.com/co/chambers>) They let you learn from other entrepreneurs in your area. There may be a fee to join.

**The National Association for the Self-Employed**

(<https://www.nase.org/>) Becoming part of this group (cost: \$120 annually) gives you access to its experts who answer member questions.

**LinkedIn Groups** (<https://www.linkedin.com/groups/>) allow you to tap other business owners for advice.

**The Tory Burch Foundation** (<https://www.toryburchfoundation.org/>), **The Entrepenista** (<https://www.entrepenista.com/>), **The League WEALF** (<https://www.wealf.org/>) and other mentoring groups for women. They combine mentoring by women entrepreneurs with financing opportunities. At WEALF, after a woman secures a loan from the group, "we try to match her with someone we think would be a good fit as a mentor," says Weiner.

Gardner is a member and fan of The Entrepenista League, a vibrant support group of women business owners. "They have a publicity resource, a podcast resource and they really amplify visibility," she says.

Says Entrepenista's Cartin: "The key is finding a supportive community that values experience, collaboration and lifelong learning and support."