

## Grants for Individuals and Businesses

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The Grantsmanship Center by Chuck Putney

Federal grants for individuals and small businesses

"How do I get a grant to start a new business?"

"I've heard there is government money I can get. Can individuals get federal grants?"

These questions frequently pop up in e-mails and calls to The Grantsmanship Center, and they're heard by all our trainers at one time or another. Although most federal grant funds go to not-for-profit organizations and state and local governments, there are just enough exceptions to make the issue confusing.

To understand the exceptions, it's important to understand why grant programs are created.

The U.S. Congress enacts legislation for grant programs because its members (or policy makers) have identified specific problems they want to address at the national, state, or local level. At the same time, Congress doesn't want the federal bureaucracy to be responsible for doing the work. Congress, for example, wants to make sure important historical structures don't deteriorate. At the same time, it doesn't want the federal government to own and maintain the buildings—hence the "Save America's Treasures" program, which provides funds for building preservation. Through this program, grants are made to organizations that own and are preserving important buildings, thus addressing the problem.

In this context, there are things Congress has seen fit to do that directly impact individuals and private businesses: Federal grants to individuals are made with specific purposes: to aid needy families, to provide healthcare, and for retirement support. Many of these programs are called "entitlement" programs—they assist people who fall into certain categories. Examples include Temporary Assistance to Needy Families, Medicare and Medicaid, and Social Security. A number of other federal programs are designed to meet the needs of specific groups of individuals. All involve an eligibility process and application, and many are run at the state level.

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Federal education grants to individuals are generally administered through colleges and provide help with tuition or the costs of post-graduate study. Examples include Pell Grants and Fulbright Scholarships.

Certain research grants for scholars and scientists are also available to individuals. Some are called fellowships. They almost always require an institutional sponsor, such as a college or research center—but they are made to individuals.

Federal grants to small businesses are another matter entirely. There are those who think that the Small Business Administration (SBA) makes grants to foster the development of small business. By and large it does not. The most common forms of SBA aid to businesses are technical assistance and training and assistance with loans.

It is instructive to go to the Catalog of Federal Domestic Assistance (CFDA) at [www.cfda.gov](http://www.cfda.gov) and use the advanced search. Under "applicant eligibility" select "small business." The search results show a wide range of project grants, along with other forms of assistance for which small businesses are among the eligible recipients. What complicates this is that some of the funding is identified as "grants" and some as

"cooperative agreements."

There are a number of grant programs specifically for research: Small Business Innovation Grants. These types of grants recognize that innovative work, using new technology, is being done by small businesses in agriculture, healthcare, and other fields.

Many of these grants are for new product development in areas where the federal government has interest.

Other small grants for small businesses are actually more like contracts. The Minority Business Resource Development program does not make direct grants to minority-owned businesses. It is a program where the grant recipient provides technical assistance that will "affect or contribute to the establishment, preservation and strengthening of minority business enterprises." The heart of a grant like this is: "We [the feds] want this work done&mdash;are you [the prospective grantee] prepared to do it?" The "grant" pays the recipient to deliver the technical assistance. Eligible applicants include for-profit and not-for-profit organizations, as well as colleges and universities.

A similar program that looks like a cooperative agreement but is really a contract is called Heritage Education Cultural Resources Management. This might seem perfect for a historic house museum seeking support for its programs. But in reality it is a program through which the federal government hires organizations to carry out cultural heritage education activities on federal lands and facilities, somewhat like the National Park Service does in its own historic facilities.

The CFDA also shows a variety of business development programs, such as low-interest or guaranteed loans for businesses creating new jobs in economically depressed communities or those with high unemployment.

The most common source of such loans is the Department of Housing and Urban Development (through Community Development Block Grants made to large cities and states). Many of these funds are available only at the regional or state level, not by direct application to Washington. The world of grants to individuals and businesses is too broad to make easy generalizations, other than this: Almost all federal grant programs are very specific about what the feds want to accomplish and why. For that reason they are very prescriptive about who can apply and what activities are eligible.

Chuck Putney has been a consultant trainer for The Grantsmanship Center® for more than 20 years. He has worked extensively on successful federal grant proposals funded by the Departments of Health and Human Services, Education, Labor and Housing, and Urban Development.

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