

## Business Tips Some Myths Regarding Women and Minority Owned Businesses .

At times small business clients ask us about myths and rumors regarding various business matters. One of these myths is the advantage of making your spouse the majority owner of your business or putting the business in their name solely because they are a minority or a female. Yes, there is one major advantage such as doing business with the government, which I will discuss in this article. The reality is most of the rumors are myths.

**There are specific loan programs.** The reality is there are few if any loan programs designed specifically for minority or female businesses. Various governmental agencies, like the U.S. Small Business Administration would like to have more SBA guaranteed loans to these groups, and they often market more heavily to them. But in essence they are the same loan programs available to everyone. Another myth about loans to minority and women owned businesses is the special interest rates. In reality there are no special interest rate programs for these groups, everyone is basically on the same playing field.

**There are special tax benefits.** In reality there are no special tax benefits for having your minority or female spouse as the majority owner of the business. Any advantages would be the result of their specific tax situation regardless of their gender or minority status.

**There are special programs.** There are specific organizations designed to focus on the needs of women and minority owned businesses. They focus on helping these specific groups, but offer no exclusive loan programs. One of these organizations is the Women's Business Centers funded by the U.S. Small Business Administration. Another organization is the Minority Business Center, funded by the U.S. Department of Commerce. These organizations are designed to assist women and minority business owners with much the same services as Small Business Development Centers.

**There is advantage selling to governmental agencies.** I mentioned earlier there is one specific advantage to having a minority or women owned business and that is when you sell goods and services to the government. Most governmental agencies must set aside a percentage of their purchases to minority or women owned businesses and must attempt to market their needs to these groups. The business must be majority owned in reality and not just on paper to achieve this advantage.

For more information on the myths and of minority and women owned businesses, contact the ASU Small Business Development Center.