

your start-up.

Having failed in the outside world, potential entrepreneurs seek comfort closer to home. **Family businesses account for 70 per cent of Australian businesses** and employ around half the country's workforce.

Meanwhile, the so-called **"Bank of Mum and Dad" is Australia's ninth-largest lender**. Parents are lending, gifting, or underwriting record amounts for deposits to help their adult children buy their first home.

Yet lending for a start-up is a whole other story. It's deemed a far riskier investment despite – or perhaps because of – their intimate knowledge of the founder and his/her skills.

Some do pull it off. What do Bill Gates, Jeff Bezos and Elon Musk really have in common? Sure, they're all tech billionaires, savvy innovators, and successful entrepreneurs. But there's another thing: **they all had families who helped them start out**.

The Boot Strap Bank

Should all else fail, there is always the Boot Strap Bank.

The origin of this descriptive phrase isn't known. It refers, of course, to **boots and the straps that some have attached to help the wearer pull them on**. And to the imagined feat of lifting oneself off the ground by pulling on one's bootstraps.

Doing so often involves a combination of personal savings, credit cards from the very bank that declined to give a business loan, and maybe suppliers who need the business that provide some credit.

The lesson entrepreneurs ultimately learn is that there is no one right answer to the question: "What do you need to know about raising capital for a new business?" Every entrepreneur and start-up is different.

Just remember business is business and that many a yin will neither a borrower nor a lender be!

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