

# How to Start a Business

Launching a successful business can make you a millionaire, but the path to wealth will take dedication and hard work.

**Create a business plan.** It should outline the type of business you want to launch, your competitive strategies and your goals. Also include the company's organizational structure, start-up costs, projections for sales and profits, and a break-even analysis. You can find more information about creating a business plan at the Small Business Administration website, [www.sba.gov](http://www.sba.gov).

**Find the money.** Your business plan will help you figure out how much money you'll need to launch your venture. If you need to borrow and can't get a traditional bank loan, consider a Small Business Administration loan. These are loans issued by banks but guaranteed by the SBA, which reduces the lender's risk. To find lenders that offer SBA-guaranteed loans, go to [www.sba.gov/funding-programs/loans/lender-match](http://www.sba.gov/funding-programs/loans/lender-match).

**Ask for advice.** Don't overlook sources of free help from veteran entrepreneurs. Your alma mater's alumni network is one potential source of mentors. You can also get advice from 10,000 small-business volunteers through Score, a small-business nonprofit supported by the SBA ([www.score.org](http://www.score.org)). Score also offers free business tools and free or low-cost workshops across the U.S.

**Take advantage of tax breaks.** Starting in 2018, small-business owners, sole proprietors, freelancers and people with side gigs can deduct up to 20% of their qualified business income—net income after they've claimed business deductions—before they calculate their tax bill.

If your total taxable income—which includes interest and dividends, as well as income reported on Form W-2 if you also have a regular job—is less than \$160,700 on an individual return or \$321,400 on a joint return, you can deduct 20% of your qualified business income no matter what type of business you're in. Once your qualified business income exceeds those levels, however, the tax break may shrink or disappear.

For example, in an effort to prevent affluent professionals, such as doctors and lawyers, from gaming the system, Congress created a higher standard for professionals who provide personal services. For these business owners, the deduction phases out once 2019 total taxable income exceeds \$160,700, or \$321,400 for married couples, and disappears once taxable income tops \$210,700 for singles and \$421,400 for couples.