

3.9 Start-up funding for young entrepreneurs

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Access to information

There is **no specific start-up information program for young people**, who can instead access a large variety of general offers. The **Youth Portal** ([Jugendportal](#)) provides them with a comprehensive list of points of advice and funding opportunities, and is printing a brochure on financial tips and pitfalls.

In 2010, the Austrian government launched the one-stop-shop [Business Service Portal](#) ([Unternehmensserviceportal](#), USP) which provides information on setting up and running a business in Austria. Furthermore, the [Federal Ministry for Digital and Economic Affairs](#) offers broad information for business start-ups. The Ministry's business start-up service also acts as a link to a number of other institutions offering services to business starters (e.g. [Public Employment Service](#), [Junior Chamber Austria](#), the liberal professions, [Austrian Business Agency ABA](#)). Furthermore, the public promotional bank [Austria Wirtschaftsservice GmbH \(aws\)](#) helps with financing and/or funding questions.

Moreover, the [Public Employment Service](#) ([Arbeitsmarktservice](#), AMS) **supports unemployed persons who wish to become self-employed** and start up their own business. The potential young entrepreneur may take advantage of **start-up counselling** with a qualified consulting firm and acquire the requisite qualifications (project management, business development, etc.) in **training courses and continuing education measures** paid for by the AMS. In addition, the programme also includes a feasibility check of the business idea and follow-up counselling after the business has been successfully launched. As a rule, the programme extends over a period of six to nine months at the most.

The **Business Start-up Service** ([Gründerservice](#)) of the [Austrian Economic Chambers](#) (Wirtschaftskammer Österreich, WKÖ) provides prospective entrepreneurs with a wide range of services and products. In more than 90 information centres located in the provincial Chambers and regional contact points, business founders get **free of charge legal and economic consultations and business start-up coachings**. Furthermore, local chambers organise events as, among others, Business Start-up Days ("Gründertage"), workshops, and lectures. Guidelines for business founders inform on necessary authority-contacts, financing and marketing aspects and give a summary of legal forms and questions of social insurance and

tax. Comprehensive business start-up information and service is also made available online, where the [platform Gründerservice](#) provides an entrepreneur-check, information on subsidies, bulletins, checklists, podcasts and information in foreign languages. A minimum turnover calculator helps to calculate the required business volume to cover private costs, fixed costs and estimated operating costs. Within the initiative 'ideas to business', a nationwide i2b business plan competition for innovative product- and service-ideas takes place.

WKÖ's youth organisation, the [Junior Chamber Austria](#), offers **start-up classes**, which provide advice on how to start a business as well as an opportunity to network ([Junge Wirtschaft](#)).

Experts at the new [Austrian Research Promotion Agency \(FFG\)](#) are happy to **advise young technology-sector entrepreneurs** whose business ideas are still in the developing stage.

[INiTS](#) provides advice and **support for graduates, employees and students at universities** and universities of applied sciences (Fachhochschulen) in Vienna who want to start a company to put their business idea into practice.

Access to capital

Major funding initiatives are offered by the **business start-up programme and the business start-up subsidy** ([Unternehmensgründungsprogramm](#) und [Gründungsbeihilfe](#)). The target groups are both **unemployed individuals** and job-seekers who are still employed but will lose their job in the foreseeable future, if they intend to enter self-employment, have a concrete business idea and appropriate qualifications. The [Federal Ministry of Labour](#) and the [Public Employment Service \(Arbeitsmarktservice, AMS\)](#) are responsible for the programmes. Approximately 5% of participants are less than 25 years old. AMS has supported more than 4,000 business starters, amounting to 15% of all newly founded businesses. And in doing so it has been successful: 87% of these businesses still existed three years later. In Vienna, AMS has offered its business start-up programme since 1995 and, with a 10 to 15% share in all business start-ups, has become one of the most important funding bodies in the region.

The **New Companies Promotion Act** ([Neugründungs-Förderungsgesetz, NeuFöG](#)) helps business starters and company successors in saving start-up costs. Business starters pay 7% less in non-wage labour costs if they hire staff in their first year of establishment. They also do not have to pay the employer's contribution to the Family Burdens Equalisation Fund (4.5%), the contribution to housing subsidies (0.5%), the second chamber contribution (i.e. the surcharge on the employer's contribution, which varies according to *Land*) and the industrial accident insurance contribution.

In order to further promote self-employment, **microloans** ([Mikrokredite](#)) were established. The Austria-wide offer of the [Federal Ministry of Labour](#) enables people to step into independence or enlarge their small enterprise - even without equity and collateral. Required is a plausible, viable and sustainable business idea.

Junior Enterprise Austria ([JA Austria](#)) offers **pupils** (ages 15 to 19) the opportunity to **set up their own real company for the duration of one school year**. They independently develop

their own business idea and go through all the phases of a real business project from brainstorming and team building to planning, setting up a business plan, production, marketing and sales to closing the deal. A junior teacher coaches each junior team. In addition, business people are available to advise the pupils as experts, thus guaranteeing the project's realism and practical relevance. The Junior Company Programme is carried out as a school event, often as part of an elective subject. For successfully starting their business, the teams **receive share certificates worth a maximum of € 800**, which they can sell to build up their start-up capital. The project is inter alia funded by the [Austrian Economic Chambers](#) (Wirtschaftskammer Österreich, WKÖ), the [Federal Ministry of Education, Science and Research](#), and the [Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology](#).

Further funding options can be found at the [Austria Wirtschaftsservice GmbH](#), the [Austrian Research Promotion Agency](#), the [Start-up Service of the Economic Chambers](#), and the Austrian tourism bank ([Österreichische Hotel- und Tourismusbank](#)).