STARTING YOUNG: FOUNDERS UNDER 25

Contracts if you're under 18, getting your parents involved, balancing school, and turning being young into an advantage.

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AT A GLANCE

- Young founders have real advantages: **time to learn, lower living costs, comfort with technology and a feel for what people their age want**.
- If you're **under 18**, most contracts you sign can be canceled later, so banks, landlords and investors usually need a **parent or guardian** to sign with you or for you.
- Keep school and the business in balance. Many successful founders started small while still in school.

WATCH OUT

Rules for minors differ by state and country. This guide is general education, not legal advice. Before signing anything important, talk with a parent or guardian and, if possible, a lawyer. Many law school clinics help young founders for free.

Why it matters

You don't need to wait until you're older to start. But being under 18, or new to adult life, brings extra steps around contracts, banking and taxes. Knowing them ahead of time helps you avoid deals that fall apart, and shows adults you work with that you're serious.

If you're under 18

In the US, the **age of majority** (when you're legally an adult) is 18 in most states. Before then:

- **Contracts.** A contract signed by a minor can usually be canceled by the minor. That's meant to protect you, but it makes others nervous to sign with you.
- **Forming a company.** Many states let a minor own part of an LLC, but a parent may need to sign the paperwork or act as a manager. Some founders have a parent form the company and hold their share until they turn 18.
- **Bank accounts.** You'll usually need a parent or guardian on the account.
- **Investment.** Any investor will want a parent or guardian to sign the agreement too.

- **Work rules.** Child labor laws mostly cover working for someone else, but they can matter if you hire friends under 18.

> KEY POINT
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> Bring your parent or guardian in early, not just when you need a signature. Explain the business, what you're asking them to sign, and what it means for them. A parent who understands the plan is your strongest supporter.

Balancing school and business

- **Protect school time.** Set business hours each week, such as weekends and two evenings, and stick to them.
- **Start small.** Weekend markets, online sales and services for neighbors fit around a school schedule.
- **Use school resources.** Many schools and colleges have entrepreneurship clubs, pitch competitions, business classes and free mentors.
- **Count it as learning.** Some schools offer credit for internships or independent projects. Ask.

Your advantages

- **Lower costs.** If you live with family, you can grow slowly without needing the business to pay your rent.
- **Time.** You can try, fail and try again. Early lessons pay off for decades.
- **Your network.** Classmates, teammates and online communities can be your first customers and testers.
- **Technology.** You may already know the tools to build a website, run social media or make content.

> EXAMPLE
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> **Andre**, 16, started a sneaker-cleaning business with his friend **Kai**. Andre's mom formed an LLC and was listed as a manager. Both boys owned shares, and the bank account was in the company's name with Andre's mom as a signer. They worked Saturdays only during school. By graduation, they had 400 customers and a pop-up at a local mall.

Money and taxes

- **Taxes still apply.** If you earn money, you may need to file a tax return even if you're a dependent. In the US, self-employment tax usually applies once you earn $400 or more in net profit in a year. Ask a tax preparer.
- **Keep records from day one.** A simple spreadsheet of money in and out is enough to start. See **M-01 Bookkeeping Basics: Tracking Money In and Out**.
- **Grants and competitions.** Many programs are just for young founders. See **R-04 Grants and Pitch Competitions**.

Common mistakes

- **Signing alone when you're under 18.** The other side may back out later, or you may not be protected. Get the right adult signatures.
- **Splitting ownership with friends without writing it down.** Even friends need a simple written agreement. See **B-10 Co-Founder Agreements: Splitting Ownership Fairly**.
- **Letting grades slide.** A business that ruins your options isn't worth it. Keep the balance.
- **Pretending to be older.** Be honest about your age. Adults respect young founders who handle things properly.

Your checklist

- ☐ Talk with a parent or guardian about the business and what they may need to sign
- ☐ Decide on your weekly business hours around school
- ☐ Write a simple ownership agreement with any friends who are partners
- ☐ Set up a way to track money in and out
- ☐ Look for school clubs, competitions and mentors

Key words, explained

Word	What it means
Minor	A person under the age of majority, usually 18 in the US.
Age of majority	The age when you're legally an adult.
Guardian	An adult with legal responsibility for a minor.
Dependent	Someone another person can claim on their tax return, often a child.

Where to go next

- **S-07 Building a Business Around a Job or School**
- **B-10 Co-Founder Agreements: Splitting Ownership Fairly**
- **R-04 Grants and Pitch Competitions**

IMPORTANT
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