



Consumer Alert

How to avoid government grant scams that offer free money for personal expenses

By: BCP Staff | March 5, 2026 |   

Scammers make up all kinds of bogus stories to steal your personal information, or your money. Some go negative and make up a problem that doesn't really exist. Others try a positive spin and say you won something, like free money made available through a government grant or program. How do you know if these promises are legit — or a scam?

Here are five common signs of a fake government grant scam:

1. Scammers contact you out of the blue (by phone, email, text message, or social media) and say you qualify for free money from the government.
2. Scammers claim you can use government grant money for personal needs, like paying bills, education expenses, home repairs, or paying off debts.
3. Scammers ask for your personal information — like your Social Security number — to see if you qualify for a government grant.
4. Scammers ask for your financial information — like your bank account number — to deposit money from the government grant.
5. Scammers say you must pay processing or other fees to get your money — and insist you send them cash, gift cards, a wire transfer, or cryptocurrency.

Knowing these truths about real government grants will help you avoid a scam:

- Government grants are typically awarded to organizations that applied for a grant and are for a very specific purpose.

- Government agencies won't contact you by phone, text, social media, or email about a grant that you didn't apply for.
- Government grants are not awarded for personal needs. (Learn about government **programs** that may help you pay for personal expenses, like food, housing, and health care, at [usa.gov/benefit-finder](https://www.usa.gov/benefit-finder).)
- Government agencies that award grants will not demand that you pay to get a grant. To learn more about real government grants and how to apply, go to [grants.gov](https://www.grants.gov).

Learn more about recognizing scams at [consumer.gov](https://www.consumer.gov) and use [this action plan](#) to help protect yourself from scams.

If you see a scam, report it to the Federal Trade Commission at [ReportFraud.ftc.gov](https://www.reportfraud.ftc.gov).

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