

## **Using Credit Cards to Fund Your Business**

In today's credit market, loans to fund small businesses are less available, forcing entrepreneurs to reevaluate available financing options. Many small business owners are turning to credit cards to finance the start-up of a business or everyday expenses.

Credit cards offer the benefit of instant credit and many also provide businesses with no pre-set spending limit. You can also easily separate business and personal expenses, while earning rewards towards airline tickets or other items. When employees are spending company funds, issuing a company credit card also makes it easier to track their expenses.

While credit cards offer a variety of perks, small business owners are cautioned. Credit companies reserve the right to increase interest rates and change terms at any time. If you carry a balance month-to-month, interest rates can rise to over 30%, adding a significant interest expense to your budget.

Credit cards offer a list of pros and cons, so use caution to determine if credit cards are the right choice for you and your business.