



Help Your Customers Help Themselves With Business Credit Cards

small business business customers credit

Summary: When we think about credit card rates and perks, we tend to think of retail consumers, but credit cards are a vital tool for small businesses as well. We review the benefits of business credit cards and how those benefits can be used to entice businesses to apply.

Ben & Jerry's is a household name now, but back in 1978, it was a lone ice cream shop [inside a renovated gas station](#) in Burlington, Vermont. Ben Cohen and Jerry Greenfield were small business owners back then, who started their ice cream shop with a small investment and grew by distributing pints of ice cream to local grocers in the back of their VW wagon.

Ben & Jerry's may not have been big enough to qualify for a business credit card back then, but credit cards are a vital tool for small businesses. When we think about credit card rates and perks, we're often thinking as retail consumers, but credit cards for businesses can be an indispensable tool. They allow company owners to help fund their budgets, finance purchases, simplify cash flow, streamline employee expenses, receive purchase and travel protections, access account management tools, and earn rewards.

Part of the reason it's easy to think of credit cards as a consumer product is that [61% of small-business owners](#) who have personal credit cards rely on those cards to meet business expenses, pursue new business opportunities, and replace or repair company assets. Just 20% of small-business owners have a business credit card, and 42% of that group have had the card for less than a year. However, just because the majority of small businesses don't have dedicated business credit cards yet doesn't mean there's no interest in getting one. In fact, 90% of small-business owners who don't have a business credit card think that getting one would positively affect their business.

How can you help these business customers reap the rewards of a business credit card? Educate them on the benefits of a business credit card to encourage them to apply. A business credit card can:

- **Build a firm's credit score.** Increasing a business's credit score can in turn qualify it to borrow more money at lower interest rates. A good credit score can also affect the amount the business pays for insurance and rent.
- **Increase credit limits and finance purchases.** By offering a higher credit limit than a personal card, your business customers can cover equipment purchases, supplies, and other additional expenses, particularly when cash flow may be low, like with seasonal businesses. Some startup owners also use credit cards for cash advances that help finance their companies.
- **Track business spending.** Having separate cards for personal and business spending makes it easy to know which expenses are personal and which are company expenses. This also simplifies [record keeping and tax preparation](#) and helps business owners keep their personal financial information such as account numbers, personal credit scores, and transaction data for non-business purchases private from employees.
- **Provide account management tools.** [Access to account summaries](#), especially account summaries that easily integrate with bookkeeping and tax preparation software, are incredibly useful for business customers.

- **Enable, control, and simplify employee spending.** A business owner can give employees cards on the company account with customized spending limits. The company can then track each cardholder's purchases. Bookkeeping is easier, too, when the business never needs to reimburse an employee for a cash or personal credit card purchase.
- **Receive travel and purchase protections.** If the new printer gives out after the manufacturer's six-month warranty but within the two-year period of card-based protection, that can save a fragile startup money. Perks that refund an airline ticket or provide insurance against damage on a rental car offer value, too.
- **Offer rewards.** Cash back is a perennial favorite. Business customers also appreciate features that give them [cash refunds on the places they shop most and travel](#), a category that can include frequent-flyer miles, airport lounge memberships, and hotel discounts. Make sure it's easy for your business customers to access the credit card rewards they earn. Proactively communicate both possible awards and awards your clients have already earned, and create an easy redemption process.

Helping your commercial customers access business credit cards creates a tighter relationship between your institution and your client, helps pave the path to business lending, and gives you a tool to help commercial customers improve their bottom lines.

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ECONOMY & RATES

Rates As Of: 10/17/2023 01:10PM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.62	0.07	1.20
6M	5.60	0.07	0.84
1Y	5.47	0.03	0.76
2Y	5.21	0.16	0.78
5Y	4.88	0.27	0.87
10Y	4.85	0.27	0.97
30Y	4.93	0.23	0.97
FF Market	FF Disc	IORR	
5.33	5.50	5.40	
SOFR	Prime	OBER	
5.31	8.50	5.32	

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