

Title:

Home Business Financing - 3 Reasons to use a Credit Card to Fund Your Home Business

Word Count:

577

Summary:

Would you like to start your own home business but do not have the money for it? Well, you are part of a club with many members. You may think getting money for a business can be a monumental task. However, it does not have to be. If you anticipate and plan for as many expenses as possible you may w

Keywords:

Home Business Financing

Article Body:

Would you like to start your own home business but do not have the money for it? Well, you are part of a club with many members. You may think getting money for a business can be a monumental task. However, it does not have to be. If you anticipate and plan for as many expenses as possible you may want to consider using a credit card to finance your home business.

One of the easiest ways to get a loan for your home business is to apply for a credit card account. It may not be the answer you are looking for. However, credit cards are easy to receive if you have decent credit. Plus they are very flexible in using for spending purposes. Consider these three reasons for using a credit card for your home business.

The most important reason about having a credit card for your business is you get to keep your cash assets. Even though there is a risk of acquiring debt, you still get to keep your cash in the bank for a rainy day. I find this a very valuable benefit because you keep your family's money in tact and reserved for family needs. Your savings will continue for its original intentions (i.e. college money for kids, school clothes, etc.).

Another benefit is that Credit Cards have itemized statements of purchases. This is great for keeping track of money you spend on your business. The itemized statement provides proof that the Credit Card is being used for business expenses. Also, if you use the credit card for all of your purchases you can easily report expenses when tax season rolls around. Payments made that are

shown on the statement is proof where your businesses money is going.

Finally, and this is my favorite reason, you have increased purchasing power with a credit card. You can use a major credit card to purchase items almost anywhere in the world. Having direct access to the funds is much more flexible than a loan. This also provides flexibility in time management because you can use the credit card to purchase items at your convenience if you have internet access.

The downside to this is that the credit card minimum payment will be an additional expense. Also, credit cards are a very easy way to acquire a lot debt for yourself if you are not careful. Always practice good and sensible spending practices. Once you start a home business it is very exciting time in your life and you may want to spend money on lots of things that you think you may need.

Always think of the basic needs of the business first. I tend to be very frugal with spending on a credit card then I do with cash. One way to curb spending by asking yourself, "Does my business really need this item right now?" Give yourself an honest answer and empower yourself to cut down on impulse buying.

Try to think out of the box when getting funding for your home business. A credit card to fund your business start up expenses may make things easier for you. Also, there are many offers for low interest credit cards for a specified time period. So, if you need a few thousand dollars in capital to start and sustain your business for a while then credit cards may be the answer to financing the start up costs your home business.