

Small Businesses Brace for More Interest Rate Hikes

As experts predict additional interest rate increases throughout 2023, small businesses proactively shore up their finances and prepare for reduced growth.

EL PASO, TEXAS, U.S.A., July 13, 2023 /EINPresswire.com/ -- Leading invoice funding company Viva Capital says small business owners aren't taking any chances regarding rising interest rates and are bracing for impact. Additional coverage of the topic is available in "[How Rising Interest Rates May Affect Your Business & Credit](#)," which is now live on VivaCF.net.



The release comes as policymakers predict two additional interest rate hikes this year. Despite steady increases over the past year to reduce inflation, rates could reach as high as 5.6 percent by the end of 2023, the New York Times reports. If successful at stabilizing inflation, these hikes could potentially bolster business growth. In the interim, however, small businesses may be disproportionately impacted because of their reduced capacity to absorb the negative impacts of rising interest rates.

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Greg DiDonna

Greg DiDonna, President and Partner of Viva Capital, says that many businesses are seeing reduced revenue,

especially those that rely on customer financing and discretionary spending. Fused with more universal impacts of rising interest rates, this creates the perfect storm financially.

“The climbing cost of goods, dwindling cash reserves, and increasing borrowing costs associated with rising interest rates necessitate proactive shifts in cash flow management,” DiDonna explains. “Small businesses that get ahead of the upcoming interest rate hikes by planning for them now will be stronger for it.”

DiDonna says that running a cash flow analysis is a crucial first step that provides insights into the business's financial health now and in the future. This makes it easier to see how to adjust the budget to avoid a cash flow shortfall, so no new debts with higher interest rates are taken on later. Paying off debt now, especially those with variable interest rates, is also a good step.

"We see more small businesses applying for invoice factoring, too," DiDonna notes. "It allows them to bridge cash flow gaps without taking on debt and accelerates payment at a time when B2B clients are typically slower to pay."

Those interested in learning more about invoice factoring are encouraged to request a [complimentary rate quote at VivaCF.net](#).

ABOUT VIVA

Founded in 1999, Viva helps B2B businesses of all types accelerate cash flow through specialized funding solutions like factoring, accounts receivable financing, and asset-based lending. Their simple qualification process makes it easy for small and mid-sized companies to get vital funding despite lack of credit or time in business. Additional information is available at VivaCF.net.

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