Small Businesses Focus on Credit Scores as Credit Crunch Worsens

Small business owners are exploring options to boost business credit to cope with reduced lending and tighter restrictions.

HOUSTON, TEXAS, UNITED STATES OF AMERICA, July 27, 2023 /EINPresswire.com/ -- Leading invoice funding company Charter Capital says small businesses are feeling the pinch as lenders continue to raise the lending bar in an effort to slow the release of funds. Many are now turning to credit-building techniques with the hope of fortifying their companies in the face of an uncertain economy. Additional coverage of the topic can be found in "10 No-Nonsense Ways to Build Small Business Credit," which is now live on charcap.com.

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The news comes on the heels of the latest CreditGauge analysis from VantageScore, which shows corporate bankruptcies and consumer delinquencies are on the rise. This, paired with recent bank closures, has given financial institutions cause to slow lending, reserving cash only for the most qualified borrowers. Although the situation is largely as predicted by economists, experts say this doesn't necessarily mean a recession is imminent. However, conditions aren't likely to let up as interest rates continue to climb.

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>
> *Joel Rosenthal*

"Business owners are taking it in stride," explains Joel Rosenthal, Co-founder and Executive Manager at Charter Capital. "After everything they've experienced with the pandemic, they expect it to pass, but they're also doing more to ensure their businesses stay on solid ground this time around."

Rosenthal says the credit crunch has led to an uptick in businesses applying for invoice factoring because the approval process is much easier. However, he's also seeing more businesses leverage it to build and maintain credit too.

"Invoice factoring addresses many things that influence credit scores," Rosenthal continues. "It's debt-free, so it doesn't impact debt ratios, which banks are scrutinizing today. Plus, it provides an instant cash injection that makes it easier to stay on top of payables to ensure credit doesn't take a hit from late payments."

Rosenthal adds that some businesses put their cash into business growth initiatives and tools to help them run leaner. In doing so, expenses are kept to a minimum, so it's easier to weather economic shifts and build a stronger company. This approach, he says, not only prepares them for whatever may come but can also help them improve their business credit score, increasing the odds that they'll qualify for traditional loans down the line.

Those interested in learning more about invoice factoring or who would like to request a complimentary quote may do so by calling 1-877-960-1818 or visiting charcap.com.

About Charter Capital
Headquartered in Houston, Texas, Charter Capital has been a leading provider of flexible funding solutions for the B2B sector for more than 20 years. Competitive rates, a fast approval process, and same-day funding help businesses across various industries secure the working capital necessary to manage daily needs and grow. To learn more, visit charcap.com or call 1-877-960-1818.

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