

# How Do Small Business Owners Use Their Credit Cards?

SMALL BUSINESS

CREDIT RESOURCE CENTER &gt; LIFE PRIORITIES &gt; SMALL BUSINESS &gt; HOW DO SMALL BUSINESS OWNERS USE THEIR CREDIT CARDS?

Updated December 7, 2021 Under 1 min read

Small businesses rely on various financial tools to help them stay on top of their everyday expenses and important purchases, and a business credit card can play important role in a small business owner's financial plan and [cash flow](#). But how do today's small businesses use their credit cards? Consider the infographic below for some insight into the credit card spending of this growing segment.

## How Do Small Business Owners Use Their Credit Cards?

Credit cards can be a key part of everyday life for many small business owners—whether they rely on cards to fill financing gaps or for day-to-day convenience. Even so, at many small companies, the lines between the owners' credit and business credit can be blurred, suggesting that companies might be missing opportunities to reduce financing costs, simplify accounting and earn valuable rewards in the process.

Here's a look at how today's small business owners are using credit and credit cards.

## Small Business Landscape

30.2 million

Small businesses  
(500 employees) in America<sup>1</sup>

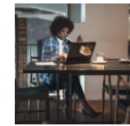
50%

regularly use  
credit cards<sup>2</sup>

## TOP STORIES



How Does Interest Work on a Credit Card?



What does pre-approved mean for a credit card?



When Can You Get a Credit Card?



## Overall Credit Card Use

**\$493 billion**

Total amount small companies charged to credit cards in 2017<sup>3</sup>

**\$50 billion**

Total outstanding balances for small firms<sup>3</sup>



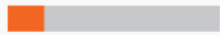
**7%**

Startup owners using a business credit card for capital<sup>1</sup>



**14.9%**

Average interest rate of small business credit cards<sup>4</sup>



**17.1%**

National average interest rate of credit cards<sup>4</sup>



## Lines Blur Between Business and Personal Credit Cards

**87%**

of small businesses rely on the owners' personal credit scores to obtain financing<sup>2</sup>

**50%**

Increased business spending if they switched from personal cards to business cards<sup>3</sup>

**\$56,100**

Average credit limit across cards for small business owners (more than twice that of the average consumer)<sup>5</sup>



# Common Uses of Small Business Credit Cards<sup>6</sup>



74%

Office supplies



61%

Product/equipment



48%

Gas for business vehicle



44%

Phone/internet /cable



42%

Travel

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#### Sources:

- 1: U.S. Small Business Administration:  
<https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-All.pdf>
2. Federal Reserve Bank:  
<https://www.fedsmallbusiness.org/medialibrary/FedSmallBusiness/files/2018/SBCS-Employer-Firms-Report.pdf>
3. Mercator Advisory Group:  
<https://www.mercatoradvisorygroup.com/Templates/BlogPost.aspx?id=6866&blogid=25506>
- 4: CreditCards.com: <https://www.creditcards.com/credit-card-news/rate-report.php>
- 5: Experian:  
<http://www.experian.com/business-information/landing/the-face-of-small-business.html>
- 6: CreditCards.com:  
<https://www.creditcards.com/credit-card-news/infographic-how-why-small-business-owners-use-a-business-credit-card.php>

Infographic data as of March 2019

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## When Can You Get a Credit Card?

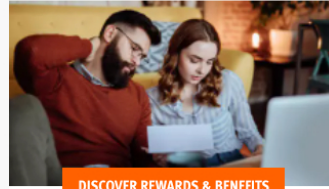
Learn when you can get a credit card, how to get a credit card when you're eligible, and what kind of credit card you can get before you're 18.



ESTABLISHING CREDIT

## What Credit Card Do I Qualify For?

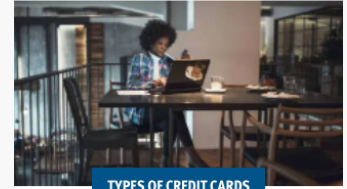
Discover has a fast, simple, and secure online preapproval tool to help you check offers specific to you, without hurting your credit score.



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## Earn Twice the Cash Back or Miles Your First Year with Discover Cashback Match

Do you know about Discover's cash back program? These free rewards for eligible Discover cardmembers let you earn cash back from using your Discover card...



TYPES OF CREDIT CARDS

## What does pre-approved mean for a credit card?

Find out how you receive pre-approved credit card offers, what to look for and how you can opt-out.

### Credit Card Quick Links

- [All Credit Cards](#)
- [See if you're prequalified](#)
- [Respond to Mail Offer](#)
- [Check Application Status](#)
- [Cardmember Agreement](#)
- [Credit Card Benefits](#)
- [ATM Locator](#)

### Rewards

- [Cash Back Rewards](#)
- [5% Cashback Bonus®](#)
- [Redeem Cashback Bonus](#)
- [Refer a Friend](#)

### Credit Card Categories

- [Cash Back Credit Cards](#)
- [Student Credit Cards](#)
- [Secured Credit Card](#)
- [Travel Credit Card](#)
- [No Annual Fee Credit Cards](#)
- [Balance Transfer Credit Cards](#)
- [NHL Credit Card](#)
- [Airline Travel Credit Card](#)

### More Discover Products

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- [Home Equity Loans](#)
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- [Personal Loans](#)
- [Student Loans](#)
- [Debt Consolidation](#)
- [Identity Theft Protection](#)

### Credit Resources

- [Credit Resource Center](#)
- [Credit Card Basics](#)
- [Managing Credit](#)
- [Trending Topics](#)
- [Life Priorities](#)
- [Credit Card Interest Calculator](#)

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