



Small Business Toolkit

Blog and Online Article Content

A turnkey, keyword optimized article that you can post as-is or adapt to meet the requirements of your institution.

HEADLINES

Catchy headlines with rich keywords can make a large impact in driving search traffic to your financial education program. Choose from one of the following headlines, or use these ideas to inspire one of your own:

- How to Get a Small Business Loan: 5 Terms to Know When Applying for Financing
- The Language of Lending: What You Need to Know to Get a Small Business Loan
- Want to Get a Small Business Loan? 5 Must-Know Terms
- 5 Small Business Finance Terms You Need to Know

BYLINE

Please use the following in the byline or body content when posting this to your blog:

“This article was developed as part of **[INSTITUTION NAME]**’s partnership with EVERFI, Inc.”

(Article content starts on page 2)



CONTENT

Our copy has been written according to best practices, optimizing keywords and links for SEO and conversion. Content is syndicated and free for you to adapt.

Small businesses are the true engines of the American economy, [creating two out of every three new jobs](#). But while small business owners tend to be experts within their own industries, many are less familiar with ways to access the financing necessary for capital investments and business growth. Never fear! In this post, we'll explore five critical lending terms that you need to know before applying for a small business loan.

1. Small Business Plan: According to one seminal study, companies with [business plans grow 30 percent faster](#) than those without. But that's not the only reason to create a business plan for your small business – acquiring financing also requires one. It doesn't need to be long, but your plan should cover the financial, operational, and marketing goals for your company over a three-year period. This plan will be geared toward attracting one of two potential audiences: lenders, who provide money at interest for you to pay back, and investors, who instead get a stake in your business in exchange for a piece of the profits.

Don't have a business plan? We've got you covered. Take our quick, free course to get started: [\[Insert deep link to "Developing A Business Plan" module\]](#)

2. Credit: As an entrepreneur, good credit is crucial to obtaining financing. Unlike personal credit, [business credit is scored on a 0 – 100 scale](#), with anything over 75



considered “good.” To improve your chances of acquiring a loan with favorable terms, it’s important to understand the factors that lenders consider to create that score: *character, capacity, capital, collateral, and conditions*. Together, these five factors determine your *creditworthiness*.

Want to learn more about building your credit? Explore our interactive module to find out more: [\[Insert deep link to “How Businesses Obtain Credit” module.\]](#)

3. Short- vs. Long-Term Financing Tools: Businesses use credit for a variety of purposes, such as funding start-up costs and growth, purchasing assets, investing in small business marketing, and for day-to-day operations. Depending on your needs, a short- or long-term financing solution may be the most appropriate solution for you. Short-term tools include *lines of credit* and *business credit cards*, while long-term tools include *term loans* and *commercial real estate loans*. No matter which tool you decide on, remember that it’s critical to pay back your loan on time, as “one negative mark on a company’s report can cripple its borrowing power for years,” [according to the SBA](#).

Learn about the different types of credit available to small businesses in our short interactive video: [\[Insert deep link to “How Businesses Use Credit” module.\]](#)

4. Financial Statements: Financial statements are the language of your business operations, and are critical for mapping your company’s financial history, health, and future. They are also frequently [required for legal or accounting](#) compliance reasons. There are three primary financial statements that potential lenders will want to see. *Balance sheets* are a snapshot of your company’s financial stability at a given point in time, *profit and loss statements* summarize your costs and operating



expenses, and *cash flow statements* show how much cash or working capital is available by tracking how money moves through your business.

Financial statements can be confusing for business owners, but they don't have to be. Our easy guide walks you through the ins-and-outs: [\[Insert deep link to "Business Financial Statements" module.\]](#)

5. Checking vs. Commercial Checking Accounts: Why get a business bank account? Besides making your small [business accounting practices](#) safer, easier, and more transparent, business bank accounts allow you to tap into numerous competitive benefits. Found in both commercial banks and credit unions, these can take the form of a number of different accounts from savings to payroll to checking, the latter of which take two forms: *standard checking*, which may offer lower interest rates, transaction fees, and minimum balance requirements; and *commercial checking*, which are better for large transactions but may require a larger minimum balance.

Find out about the range of business services available to you in our quick, self-paced module: [\[Insert deep link to "Small Business Banking Services" module.\]](#)

Finance, like any other industry, has its own language. By mastering the terms specific to lending, you will have a competitive advantage when it comes to preparing an attractive proposal that will maximize your chances of successfully financing your small business.

EVERFI



To discover more resources to boost your small business, visit our entire library of financial education topics at: everfi.InstitutionFi.com. (Or insert a custom message or CTA about your Financial Education Initiative here.)