

NO CAP

Credit Is Capital

LESSON 01 · WORKSHEET

Credit vs. Cash

When to use what — and what each one really costs.

INSIDE THIS DOWNLOAD

Decision Guide + Worked Example

A FREE EDUCATIONAL DOWNLOAD

Part of the NO CAP — Credit Is Capital lesson series from the U.S. Black Chambers, Inc.

Read the full lesson at usblackchambers.org/nocap

WHAT YOU'LL WALK AWAY WITH

The four ideas worth remembering.

01

Cash and credit are both tools.

Neither is good or bad on its own. The skill is knowing when each fits.

02

Use cash for small operating expenses.

If interest would cost more than the benefit — or you don't have a clear path to repay — pay cash.

03

Use credit to bridge timing.

Payroll before invoices clear. Inventory before busy season. Specific opportunities with a clear return.

04

Ask four questions every time.

What am I paying for? When does the repayment money show up? What's the real 30/60/90-day cost? What's my backup plan?

WANT THE FULL LESSON?

Read NO CAP Lesson 01 — Credit vs. Cash — at usblackchambers.org/nocap

DECISION GUIDE + WORKED EXAMPLE

Use cash. Use credit. Or wait.

Walk through these four questions before any spending decision. If any answer is no, pause.

01

Do I need this expense for the business to operate or grow? Yes No — pause

02

Do I know when and how I'll repay the balance? Yes No — pause

03

Does the expected benefit justify the cost (interest + fees)? Yes No — pause

04

What's my backup plan if revenue is delayed? Yes No — pause

WORKED EXAMPLE

Inventory before busy season.

You need \$4,000 in inventory for a holiday pop-up. You have a signed vendor contract paying out in 45 days. Cash on hand is \$2,800. Putting \$4,000 on a 0% intro card means \$0 interest if paid in 45 days. All four questions answer yes.

→ **Use credit, strategically.**