Ascendus®

BUSINESS RESOURCE · FINANCIAL PLANNING

Your financial health toolkit

Check five signs of financial health, then see the five factors lenders weigh when you ask for capital.

Financial independence starts with clarity.

Many small business owners think of getting ready for a loan as a single moment: the day you walk in and ask. Readiness is something you build over months, in the everyday decisions you are already making. This toolkit breaks that down into two parts: the signs that tell you where you stand today, and the specific things lenders look at when you are ready to ask for capital.

Nationally, only about 30% of Americans are considered financially healthy, according to the Financial Health Network. Knowing where you stand is the first step to changing that for your own business.

5 signs your business has financial health

01

You know your numbers

Your business accounts are separate from your personal ones, and you can pull up a real snapshot of income and expenses any time of the year.

02

You track cash flow along with sales

Financial health means knowing when money actually moves, as well as how much you have billed.

03

You have a cushion for a slow month

It can be modest. What matters is that a slow month stays an inconvenience. (Nationally, about 65% of families have less than six weeks of income in reserve, per JPMorganChase Institute.)

04

You build credit on purpose

Business credit is the result of deliberate decisions: paying on time, keeping utilization low and understanding what is being reported.

05

You have someone to call

A bookkeeper, a loan consultant, a mentor. Every one of the first four signs gets easier with the right person in your corner.

Credit readiness 101: what lenders look at

Lenders, including Ascendus, generally weigh five factors, often called the 5 Cs:

Character	Your track record: how you have handled credit and obligations in the past, and how directly you communicate about your business.
Capacity	Whether your cash flow can support the payment you are asking for, today and through a slower stretch.
Capital	What you have already put into the business yourself. Lenders read this as a sign of commitment.
Collateral	What backs the loan if things do not go as planned. This matters more for larger loans and less for smaller, character-based lending.
Conditions	The purpose of the loan and the broader conditions of your industry and local market.

Each factor is one part of the picture. A lighter score in one area can be balanced by strength in the rest, which is why a real conversation with a lender who knows your business tends to get further than a form. Ascendus measures financial health using the FinHealth Score®, a national framework developed by the Financial Health Network that looks at spending, saving, borrowing and planning together. Alongside it, our own Ascendus Borrower Index helps us follow a client's progress for years after a loan, so support continues after approval.

TRUSTED SOURCES

- SBA, Manage your finances
- Financial Health Network, The FinHealth Score and the research behind it
- JPMorganChase Institute, Strengthening Pathways to Financial Health

Keep building

Every guide gives you one practical step on cash flow, credit or growth. Find the next one at ascendus.org/resources.

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