**ELEVATE SURVEY REVEALS THE HARD FINANCIAL REALITY OF "THE NEW MIDDLE CLASS"**

***Almost Half of Americans Who Were Better Off Financially Before 2008 Don't Think They Will Ever Return to Where They Were***

FORT WORTH, Texas – October 28, 2014 – In the post-recession era, Americans are piling on the debt, reveals new research from Elevate, a company that develops innovative online credit solutions. Seventy-one percent of Americans currently have at least some debt, excluding mortgage debt, according to Elevate's new survey. Among those who currently have debt, more than half (53 percent) report being $10,000 or more in debt, while one-third (32 percent) are $20,000 or more in debt. Ten percent have $50,000 or more debt.

To gauge how the identity of America's middle class has evolved with the state of personal finances and consumer debt since the financial crisis in 2008, Elevate commissioned Harris Poll to conduct an online survey in September 2014 among over 2,000 U.S. adults ages 18 and older.

In addition to loading on debt, most Americans don't have emergency funds they can tap. Almost half (44 percent) of Americans report having less than $2,000 (21 percent) or do not have an emergency savings at all (23 percent), making paying for unexpected expenses a major challenge.

When it comes to getting a loan or hand-out for an emergency expense, over one-third (37 percent) of Americans admit they have at one point or another had to borrow money from a friend or family member. Forty-six percent of Americans have borrowed money (excluding student loans or a mortgage) sometime in the last five years. And many Americans are lenders themselves, with 58 percent of Americans reporting they have ever loaned money to a family member or friend and 45 percent having loaned more than once.

In lieu of borrowing from friends and family, some Americans have turned to alternative financial services such as a payday loans, check cashing services, installment loans, prepaid debit card, or pawn and those who do, overwhelmingly report having had a positive experience. Eighty-two percent of those who used alternative financial services were somewhat or very satisfied with their most recent experience.

"It is clear that many Americans are struggling financially, and out of necessity may be turning to friends and family for loans when faced with an emergency expense. Unfortunately, this does nothing to build credit and help people graduate to more mainstream financial solutions," said Rees. "In the new economic reality, Americans need greater access to solutions that help them meet their immediate financial needs while positioning them for a stronger financial future."

**The New Middle Class**

Today's middle class is dominated by Americans struggling to maintain financial stability. Over half (51 percent) of Americans self-identify as lower middle class or "working class" professionals with low economic security. Women, particularly those in the millennial generation, are more likely to self-identify as lower middle class, with 55 percent of women choosing this description, as compared to 47 percent of men. Significantly more women in the 18-34 age range described themselves as lower middle class (61 percent) than men of the same age (38 percent).

Three-quarters (75 percent) of Americans believe there are roadblocks preventing them from being financially stable, ranking the cost of housing (24 percent), healthcare (21 percent) and credit card debt (20 percent) as the top three roadblocks. These obstacles weigh heavily on Americans, with over a third (34 percent) of Americans losing sleep at least sometimes due to worrying about their finances.

Americans report that their finances have stagnated or worsened since 2008 with nearly a third (31 percent) admitting they were better off financially before the financial crisis and 42 percent saying their finances are about the same now as they were before the crisis. On a similarly pessimistic note, almost half (45 percent) of Americans who say they were better off financially before the crisis don't think they will ever get back to where they were financially before the financial crisis.

With many Americans convinced their finances will never exceed pre-recession levels, the public perception of the American wealth gap has taken a grim slant. The survey found that most Americans see even greater wealth disparity to overcome today than prior to the recession. Sixty-three percent of Americans believe the gap between the upper and middle class has significantly or somewhat increased since 2008.

"The financial crisis has had a significant impact not only on how Americans perceive themselves from a socioeconomic perspective, but on the opportunities available to them," said Ken Rees, CEO of Elevate. "The definition of 'middle class' has fundamentally changed as people who were once moderately or even very financially successful now struggle to make ends meet and are faced with real, day-to-day financial challenges. We call this expanded group of Americans the 'New Middle Class.' "

**Additional findings**

Additional findings from Elevate's survey include:

- **Holiday Spending:** When asked about their plans for spending this holiday season, 44 percent of Americans expect to spend the same amount as last year, but almost one-third (28 percent) expect to spend less. A small percentage (eight percent) expect to spend more.

  **Impact of Obamacare:** More than three in five (62 percent) say the Affordable Care Act has not made healthcare more affordable for them, and another 24 percent are not sure if it has any impact on their healthcare's affordability.

**Survey Methodology**

This survey was conducted online within the United States by Harris Poll on behalf of Elevate from September 8-10, 2014 among 2,022 adults ages 18 and older (among whom 635 who were better off financially before the financial crisis in 2008). This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Emily Serafin, 646-277-1245, emily.serafin@icrinc.com

**About Elevate**
Elevate's innovative online credit solutions provide immediate relief to customers today and help them build a brighter financial future. The company is committed to rewarding borrowers' good financial behavior with features like lower interest rates, free financial training, and free credit monitoring.

Elevate's suite of groundbreaking credit products includes *RISE*, Sunny, and Elastic. The company is privately held and is backed by respected Silicon Valley venture capital firms including Sequoia Capital and Technology Crossover Ventures.

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