

“The American Dream is Having Good Credit”

You might think that individuals with prime credit scores are more likely to know their scores and check them often compared to individuals with lower scores. You might be thinking, “People with high credit scores probably earned them by being conscientious.” Well, if you thought this, you’d be wrong. Individuals with lower credit scores – nonprime Americans with scores under 700 - are actually more attentive to their credit scores. They check their scores 40% more often than individuals with prime credit scores, according to a study by Elevate’s Center for the New Middle Class. Nonprime Americans check their credit score 11 times a year.

This behavior hardly suggests a group of people who live for today without planning for their credit future. It also refutes the myth that nonprime consumers are inattentive, unengaged, or careless. An inattentive or careless individual wouldn’t check their credit score every month, would they?

As it turns out, those with lower credit scores have much more to gain... if given the opportunity.

Many of the lending options available to nonprime Americans don’t report to the major credit bureaus (TransUnion, Experian, and Equifax). Traditional nonprime solutions such as payday loans, title loans, check cashing services, and pawn shops all exist outside of the traditional credit reporting ecosystem. Those traditional nonprime services might work in a pinch, but most nonprime Americans would like to make progress when they borrow money. In fact, 70% of nonprime Americans say that when they borrow money it’s important that it helps them build credit.

Jonathan Walker, Executive Director of the Center, spoke to a nonprime consumer who knew this all too well. Jay Lewis, a videographer in Ohio, explained how he has been climbing out of nonprime credit status. “They tell you,” he said of societal expectations, “that the American dream is owning a house and a nice car, but they never tell you how to get that.” Jay realized you couldn’t acquire these big ticket items without good credit. “The American dream is having good credit.” Jay took it upon himself to read several books about building credit, sought out only lending products that would report to the bureaus, and now watches his credit report like a hawk.

Jay is like a lot of other members of the New Middle Class. They watch their credit reports closely and conscientiously look for opportunities to improve.