



Elevate Launches Center for Middle Class

Bankless Times

By Tony Zerucha – October 30, 2016

Online credit provider Elevate has launched a research organization with the mission of educating the public about those without access to traditional credit.

The Center for the New Middle Class released a study on the effects of credit challenges to Americans, many of whom do not have the resources to cover a surprise \$400 expense. Results of the study showed that in comparison to people with prime credit scores, nonprime individuals are:

- Nine times more likely to have been turned down for credit within the last 12 months;
- Six times more likely to have been denied a job because of low credit within the last 12 months;
- 12 times more likely to have been denied an apartment because of the lack of credit within the last 12 months;
- 10 times more likely to say they couldn't "make financial progress" because of low credit within the last 12 months;
- Much more likely to be focused on building credit when borrowing;
- 52 percent more likely to deny themselves comforts to save money;
- More likely to believe their finances will worsen; and
- More likely to say their life is worse financially than when they grew up.

"Despite most Americans having limited or no access to credit, these issues continue to be ignored and not being proactively addressed," Elevate CEO Ken Rees said. "At Elevate, our mission is to help bring financial wellness to the new middle class and ensure everyone has access to fair credit solutions. By launching the Center for the New Middle Class, we hope to educate others about the critical pressures and needs of this growing population.

"Banks are no longer able or willing to make short-term credit available to the new middle class, traditional nonprime lenders have operated with no visible interest in helping the nonprime improve their scores, and well-intentioned policymakers often make it harder – not easier – for people to get immediate credit relief and to build a better long-term credit future."

Executive director Jonathan Walker explained the need for the center.

"We've heard a lot lately about the financial pressures on many Americans, but there is surprisingly little non-anecdotal data about their behaviors, attitudes and challenges. We ultimately want to build a center that includes our own research as well as a clearinghouse of information from other sources – even some sources we may not agree with – because we believe dialogue is important.

“This first research indicates that a lack of credit is taking a huge toll on the lives and fortunes of most Americans. Macroeconomic changes and the last decade’s financial crisis have made this all too real for the 160 million Americans who find themselves credit starved, many of whom do not have \$400 in savings to cover short-term emergency credit needs.”

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