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HOW DO PEOPLE BECOME NONPRIME? IT'S MORE COMPLICATED THAN YOU MAY THINK, ACCORDING TO RESEARCH FROM ELEVATE'S CENTER FOR THE NEW MIDDLE CLASS

- ***Income fluctuation, size of household can influence placement on the credit spectrum***

FORT WORTH, Texas – December 5, 2016 – Nonprime Americans are more likely to see their incomes fluctuate, have more people living in their households, and are more often focused on short-term financial planning than their prime counterparts, according to research released today by Elevate's Center for the New Middle Class.

This latest study focuses on the factors that may lead to – or originate from – being nonprime in America, defined as having a credit score below 700. The Center concluded that one in three nonprime Americans experienced an income change by at least 25% within the last 12 months. Additional key findings include:

- More than half of nonprime Americans report some month-to-month income volatility within the last 12 months
- They also have more people in their households; nonprime Americans are 20% more likely to have three or more people in their households
- They are almost twice as likely to have elderly parents in their households than prime
- They are more than twice as likely (58% vs. 27%) to be focused on short-term financial matters than long-term ones
- Nonprime Americans say they can go only four months with a drop in income vs. the eight months that prime respondents say they can go
- Nonprime Americans are more likely than prime to have slipped on the economic ladder; one in three say they are worse off than when they grew up

"Nonprime Americans are now the majority, with 160 million people living in households with credit scores below 700 and only 150 million living in prime households," said Jonathan Walker, Executive Director of Elevate's Center for the New Middle Class. "They are savvy but credit challenged, and macroeconomic factors such as income fluctuations may be more of a reflection of their day-to-day situation rather than their fiscal responsibility."

"It's important that policymakers, consumer advocates, media, academics and the public at large understand this group of consumers to help determine what will best serve their needs," continued

Walker. "Our hope, through research, is to shed light on unmet financial needs of The New Middle Class and provide thoughtful insights for everyone engaged."

In its mission to engage and discuss the unique needs of nonprime Americans – those generally with credit scores below 700 – Elevate's Center for the New Middle Class's ongoing research efforts outline just how critical access to credit is, as well as the ways in which this market can be financially savvier than prime counterparts.

About the Research

The Center's research compared the responses of 502 nonprime Americans with 525 Americans with prime credit scores using interviews conducted June 27-July 1. For more details on the study, [click here](#).

About Elevate's Center for the New Middle Class

Elevate's Center for the New Middle Class conducts research, engages in dialogue, and builds cooperation to generate understanding of the behaviors, attitudes, and challenges of America's growing "New Middle Class." For more information, visit: <http://www.elevate.com/NewMiddleClass>

About Elevate

Elevate has originated more than \$3 billion in nonprime credit to 1.4 million consumers to date. Its 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 interest rates that can go down over time, 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. For more information, visit:

<http://www.elevate.com/>.

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