

The logo for Elevate, consisting of a blue square with the word "Elevate" in white text.

Elevate

Center for the  
New Middle Class

# **Nonprime Americans: Savvier Than You May Think**

November 2016

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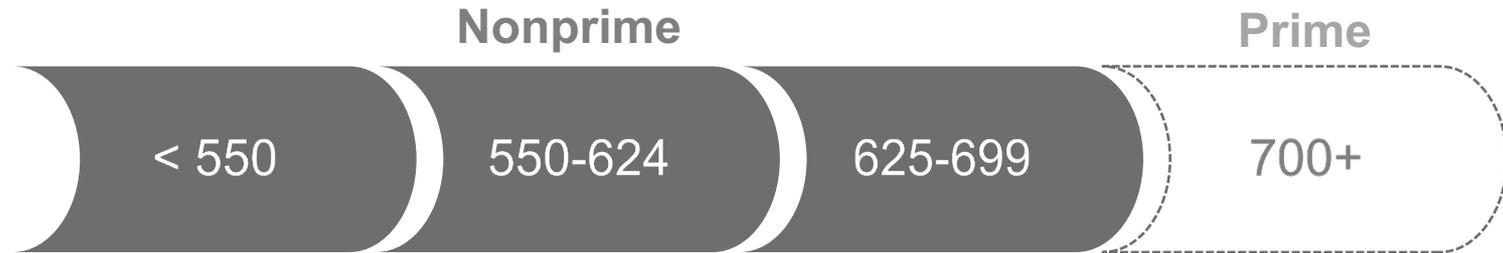
# Introduction

The broad discussion in many circles about the plight of the nonprime consumer often uses assumptions about how these consumers think, what matters to them, and even what would be good for them. However, there is limited data that really explains their circumstances.

Elevate's Center for the New Middle Class set out to understand the differences in attitudes, experiences and behavior between consumers with prime credit and those with nonprime credit.

This study represents results from a survey of 502 nonprime Americans with 525 Americans with prime credit scores, using interviews conducted June 27-July 1, 2016.

# Nonprime Americans



“Nonprime Americans” represent the New Middle Class. These are Americans with a credit score below 700, meaning that their access to credit is limited or curtailed. It is the Center’s objective to better understand their experiences, attitudes, and behavior.

# Executive Summary

## Nonprime Americans watch their finances closely

- Nonprime Americans check their bank account balances 50 percent more often than prime
- Nonprime check their credit scores 40 percent more often than prime

## Nonprime Americans are careful with their spending

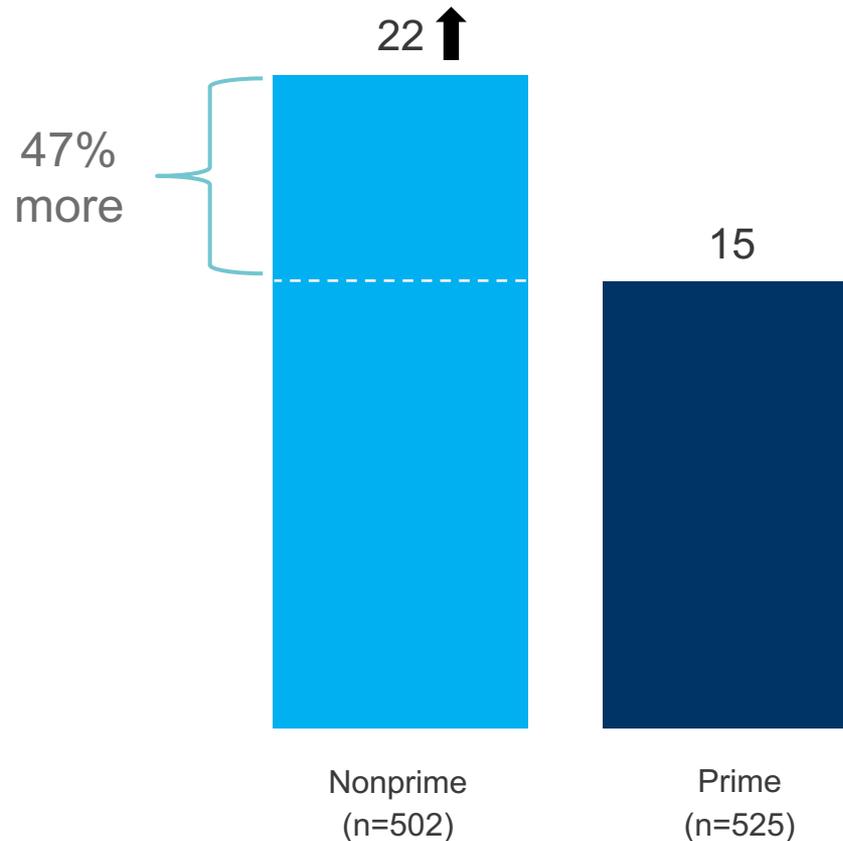
- 81 percent of nonprime Americans spend only what they earn, or less
- 67 percent consider themselves “careful spenders”

## Nonprime Americans do attempt to plan ahead

- 68 percent of them plan for major expenses
- 72 percent say they know how to create a budget

# Nonprime Americans watch their finances closely

*Frequency of Checking Account Balance  
Mean # Times Per Month*



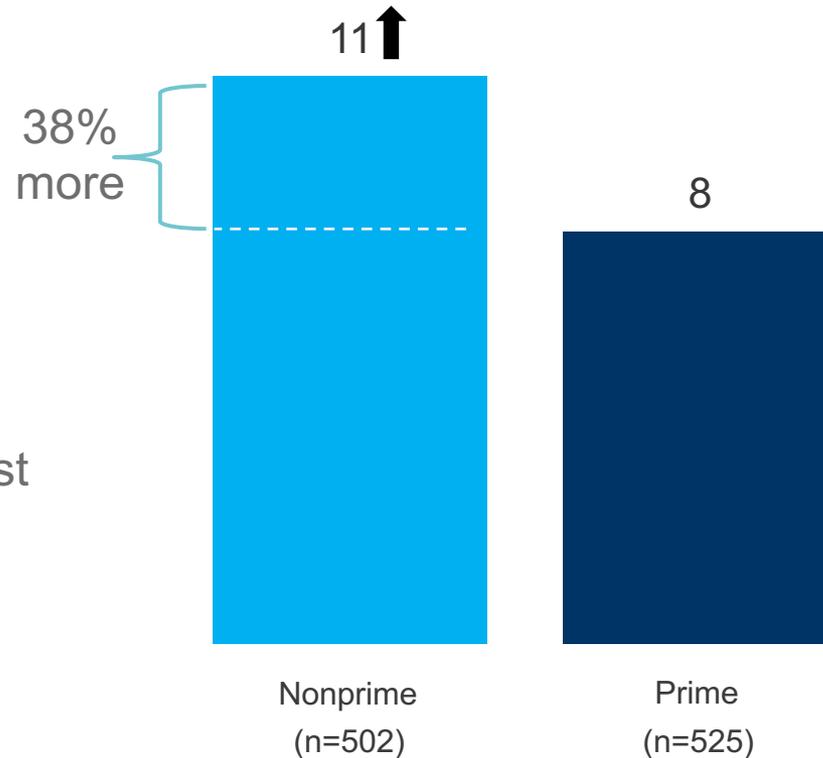
Nonprime Americans check their bank account balances almost 50 percent more frequently than prime Americans.

Q.5a: How often do you check the balance of your checking/savings account?

Source: Prime/Nonprime Study June 2016

# Nonprimes watch their credit scores more closely than primes

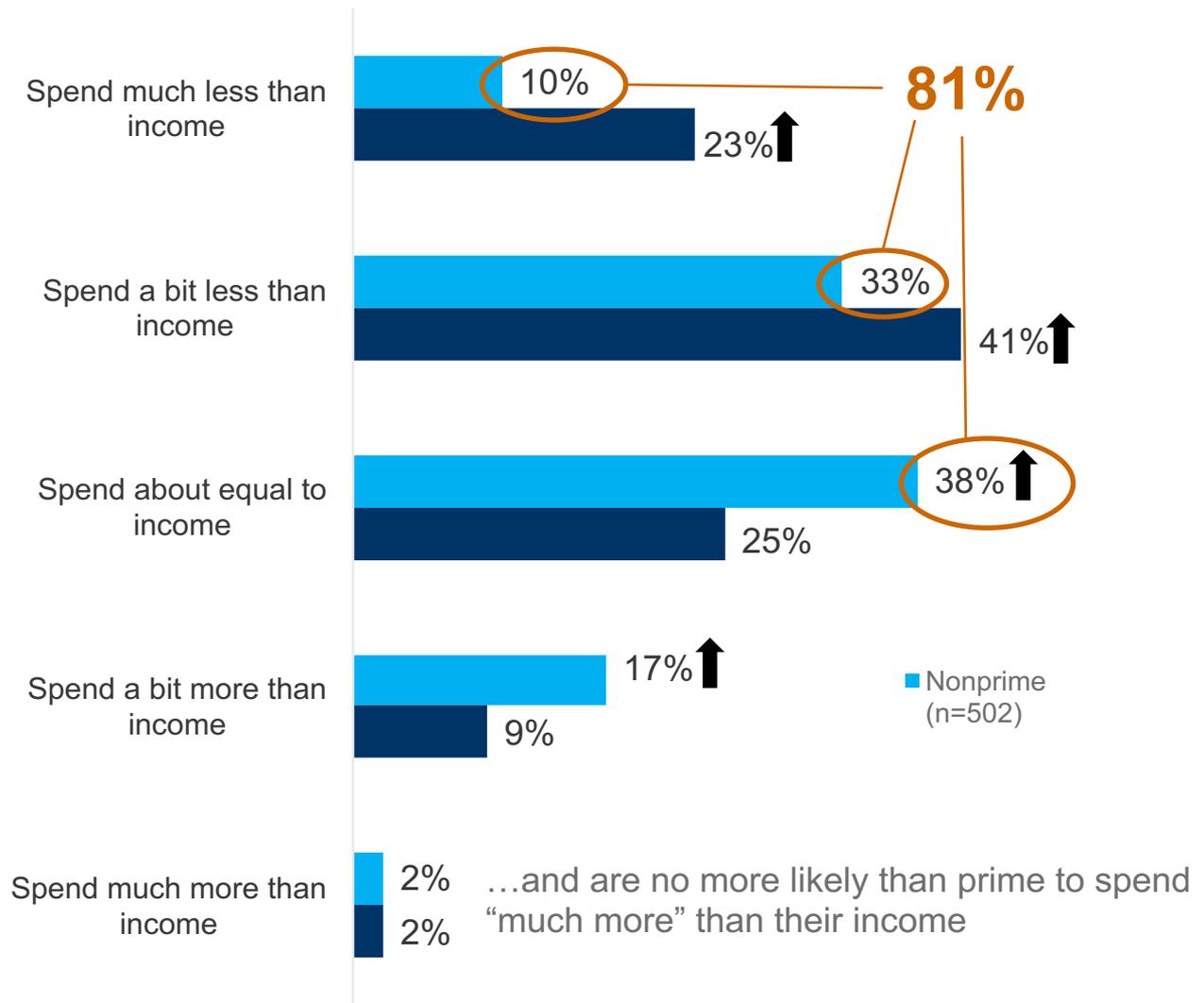
*Frequency of Checking Credit Score  
Mean # Times Per Year*



Prime Americans check their credit scores eight times a year. Nonprime Americans check it almost 40 percent more frequently, or 11 times a year.

# 81% of nonprime Americans spend only what they earn, or less

Four out of five nonprime Americans keep their spending in line with their incomes...



Q.3: On average, over the past 12 months, how would you describe your spending patterns?

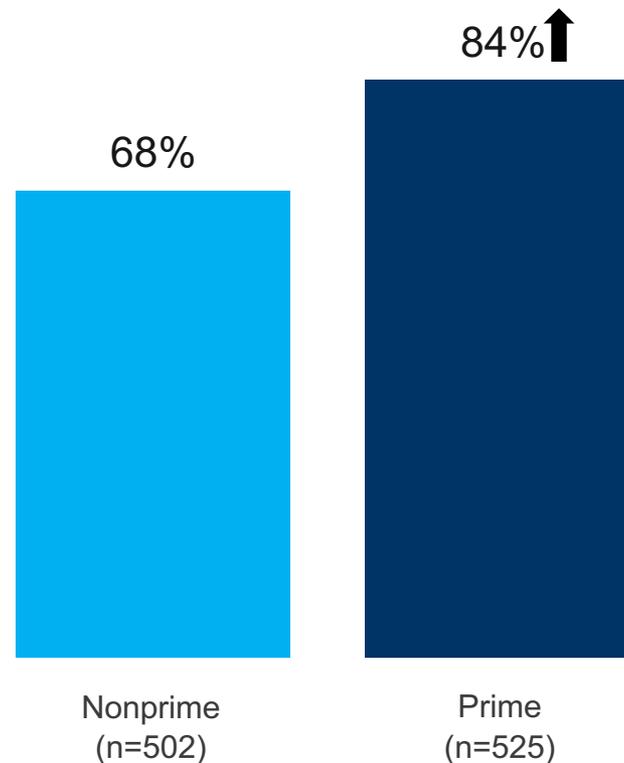
Source: Prime/Nonprime Study June 2016

# 68% of nonprimes understand expense planning

## I understand how to plan for major expenses

*% Top-2 Box: Strongly Agree/Agree*

Two out of three nonprimes know how to plan for major expenses compared to 84% of prime people.



Q.5: How much do you agree or disagree with the following statements?

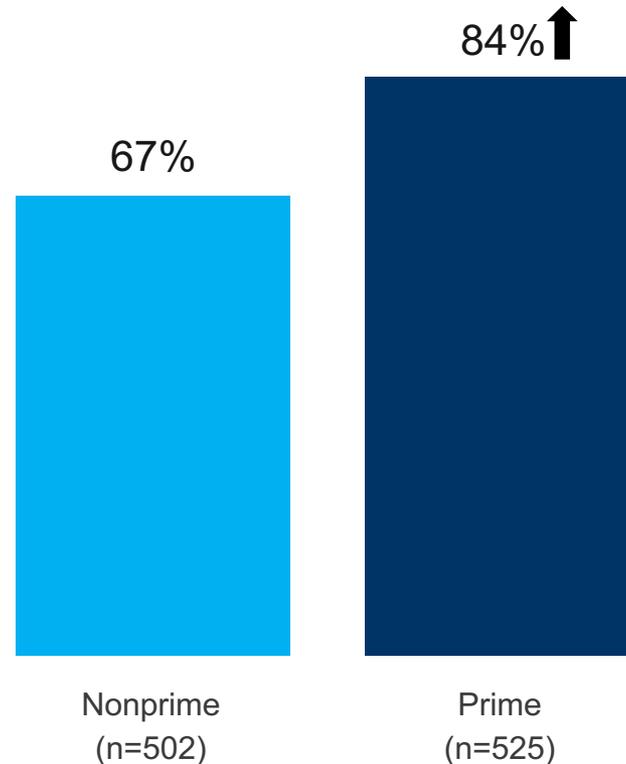
Source: Prime/Nonprime Study June 2016

# 67% of nonprime Americans consider themselves careful spenders

## I am careful about how I spend my money

*% Top-2 Box: Strongly Agree/Agree*

A vast majority of nonprime Americans declare themselves to be careful about how they spend money.



Q.5: How much do you agree or disagree with the following statements?

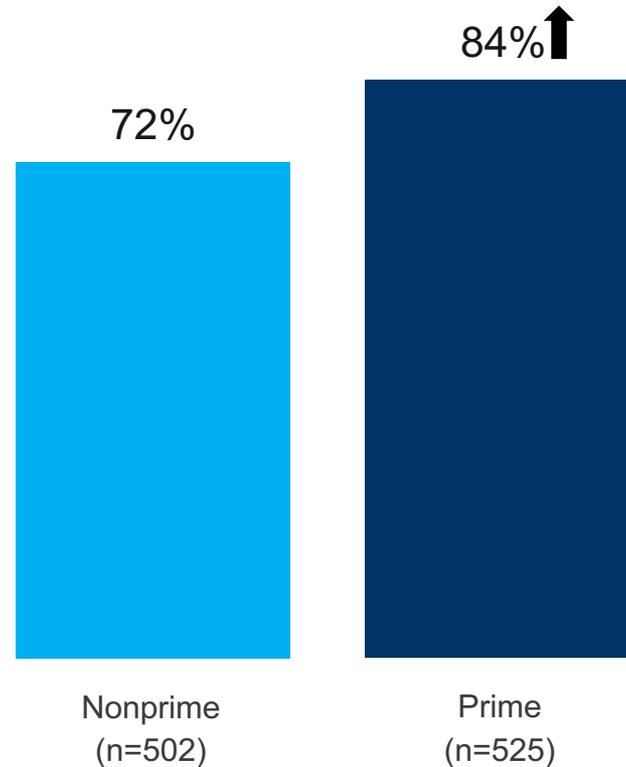
Source: Prime/Nonprime Study June 2016

# 72% of nonprimes know how to create a budget

Nonprime Americans do not, generally, lack the understanding of how to create a budget.

## I know how to create a budget

*% Top-2 Box: Strongly Agree/Agree*



# Methodology

The primary purpose of this study was to determine how nonprime consumers were similar or different from those with prime credit on a range of attitudes, behaviors and experiences.

**Interview Dates:** June 27 – July 1, 2016

## **Sample Specs:**

- Total Consumers = 1,027 (Nonprime = 502; Prime = 525)
- Sample Source: Research Now Consumer Panel

## **Qualification Criteria:**

- Ages 18-64
- Personal income: Any
- Geography – U.S. Rep
- Has primary or shared responsibility managing HH finances
- Employment: No students or unemployed
- Has a checking or savings account

**Survey Instrument:** 10 minute online questionnaire

↑ Arrows indicate statistical significance at 90%

# About

## 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 experiences of America's growing "New Middle Class."

For more information, visit: [www.elevate.com/NewMiddleClass](http://www.elevate.com/NewMiddleClass)

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