



Elevate

Center for the
New Middle Class

Nonprime Americans: Daily Life

December 2016



Introduction

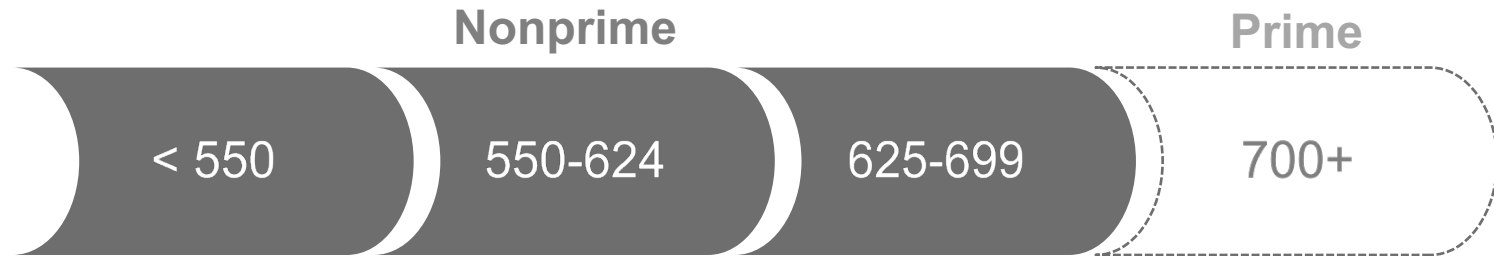
The broad discussion in many circles about the plight of the nonprime consumer often uses assumptions about how these consumers think, what matters to them, and even what would be good for them. However, there is limited data that really explains their circumstances.

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 the survey of 502 nonprime Americans with 525 Americans with prime credit scores, using interviews conducted June 27-July 1, 2016.

For more details on the study, [click here](#).

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

Financial volatility keeps nonprime Americans focused on the near-term

- Nonprime Americans are twice as likely to see their incomes change 25% or more year-to-year
- More than half of nonprimes say their income fluctuates month-to-month
- Nonprimes are more than twice as likely to be focused on short-term financial matters than long-term ones
- Nonprimes say they can go only four months with a drop in income vs. the eight months that prime respondents say they can go
- Nonprimes are 14% more likely to hold more than one job

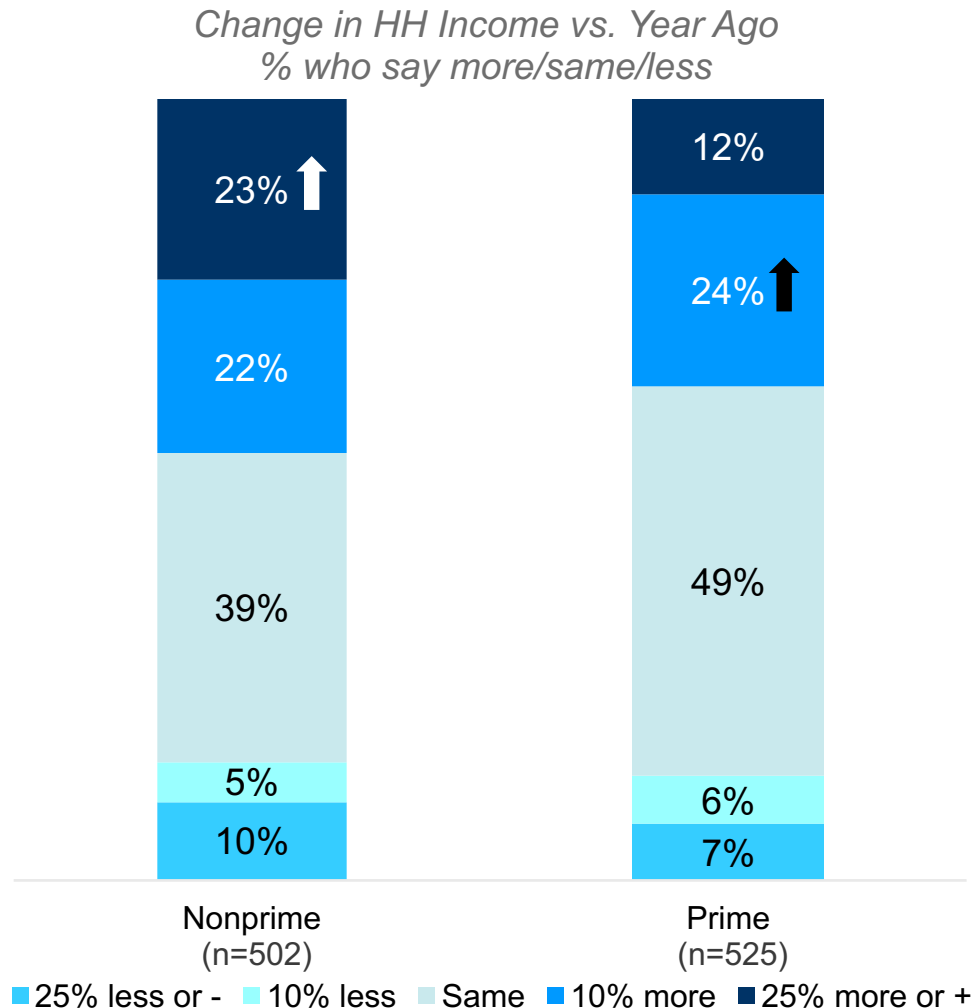
Nonprime Americans have larger households

- Nonprimes have more people in their households; they are 20% more likely to have three or more people in their households
- Nonprimes are almost twice as likely to have elderly parents in their households than primes

Nonprime Americans are more likely than Prime to say their current economic situation is worse than when they grew up

One in three Nonprime Americans have had their income change by 25% year-over-year

Nonprime Americans are more likely to have made significant gains over last year, but it comes at the cost of volatility.

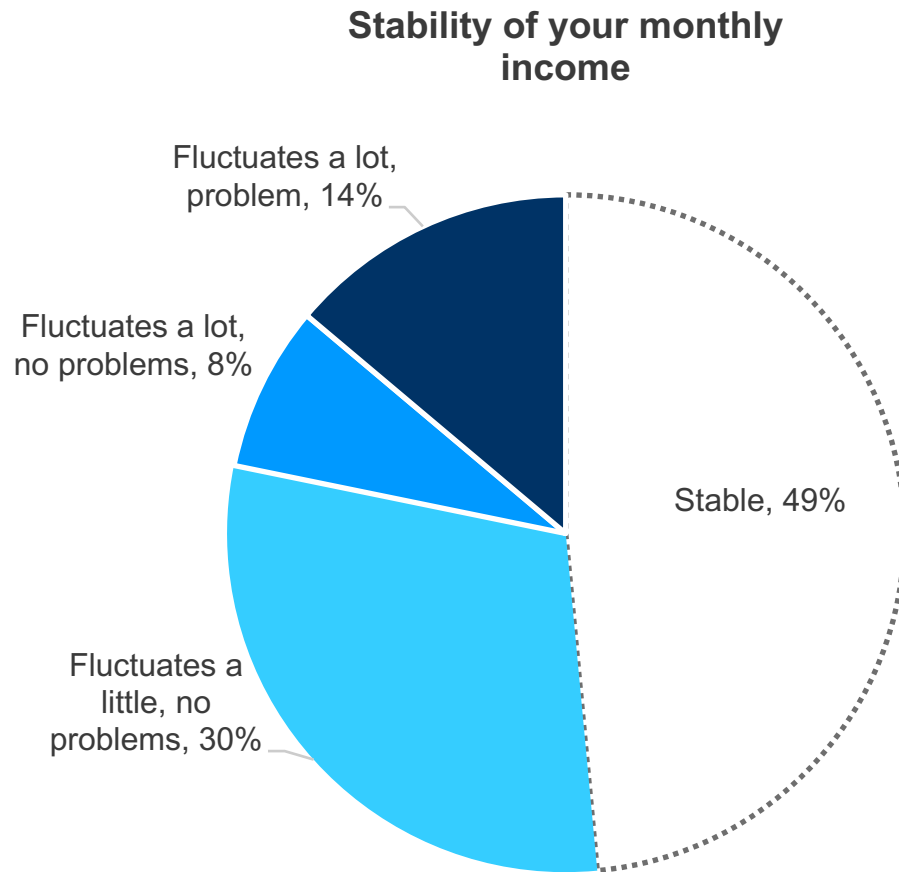


Q.12: Compared to one year ago, approximately how has your household income changed, if at all?

Source: Prime/Subprime Study June 2016

More than half of nonprimes experience month-to-month income fluctuation

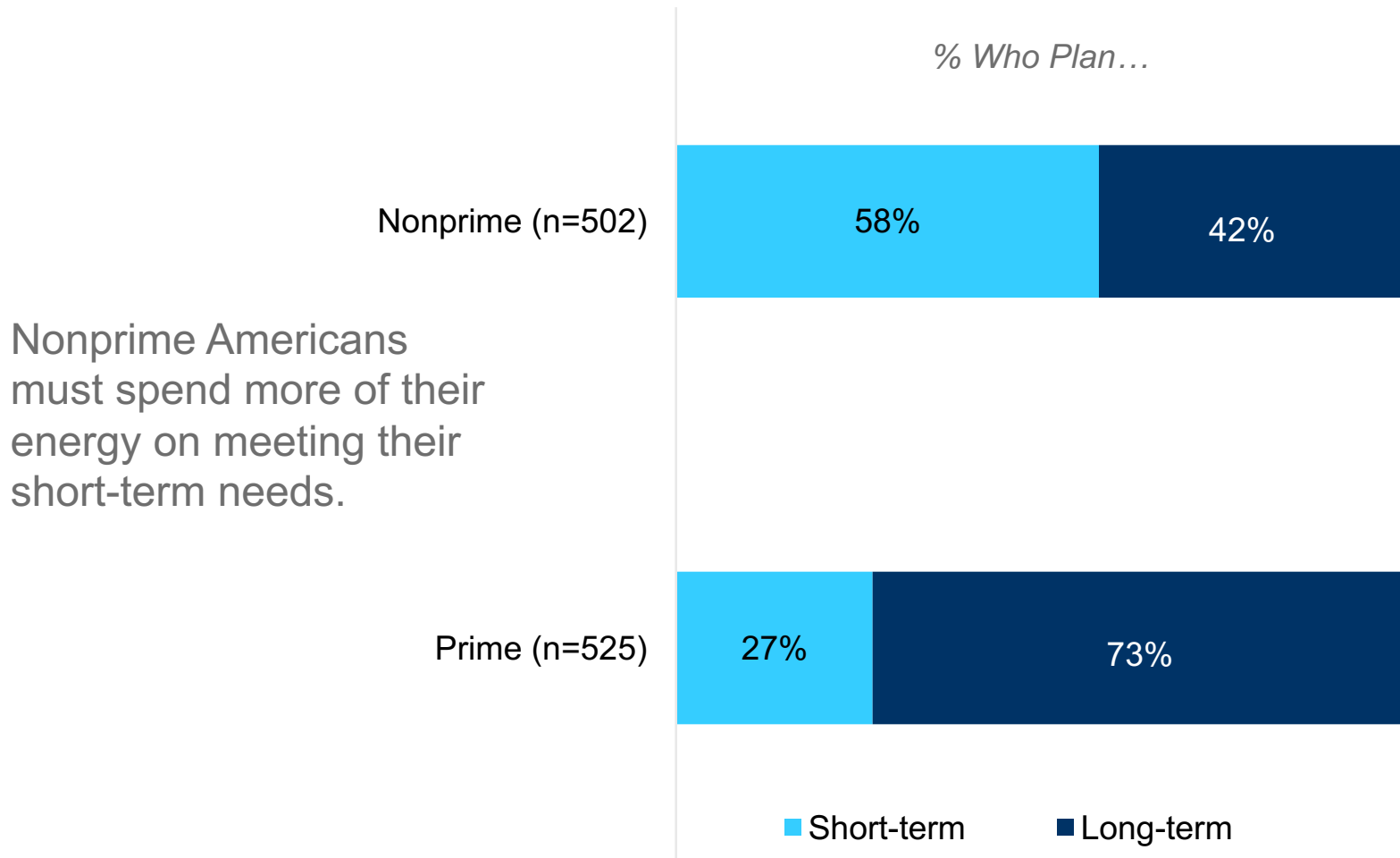
Income fluctuation is common amongst nonprimes, but most feel it doesn't cause problems.



Q.11: Thinking of the previous 12 months, which statement best describes your monthly household income?

Source: Prime/Subprime Study June 2016

Nonprime Americans are more than twice as likely to be focused on short-term financial matters than long-term financial matters



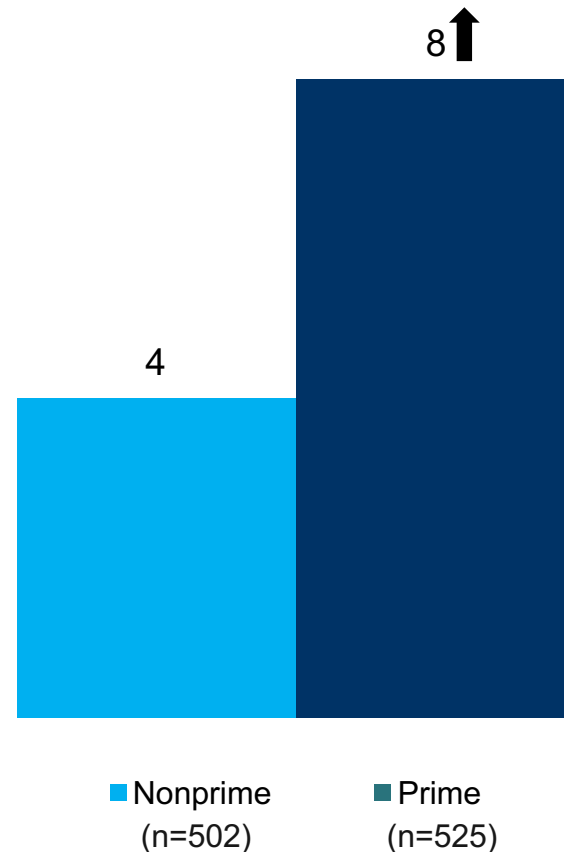
Q.5f: When thinking about your financial decisions, how far out do you plan?

Source: Prime/Subprime Study June 2016

Nonprimes say they can go only four months with a drop in income vs. prime's eight months

Number of Months HH Can Go with No Income
Mean # of Months

Nonprime Americans are much less resilient to a drop or loss of income than Prime Americans. This leaves them much more vulnerable.



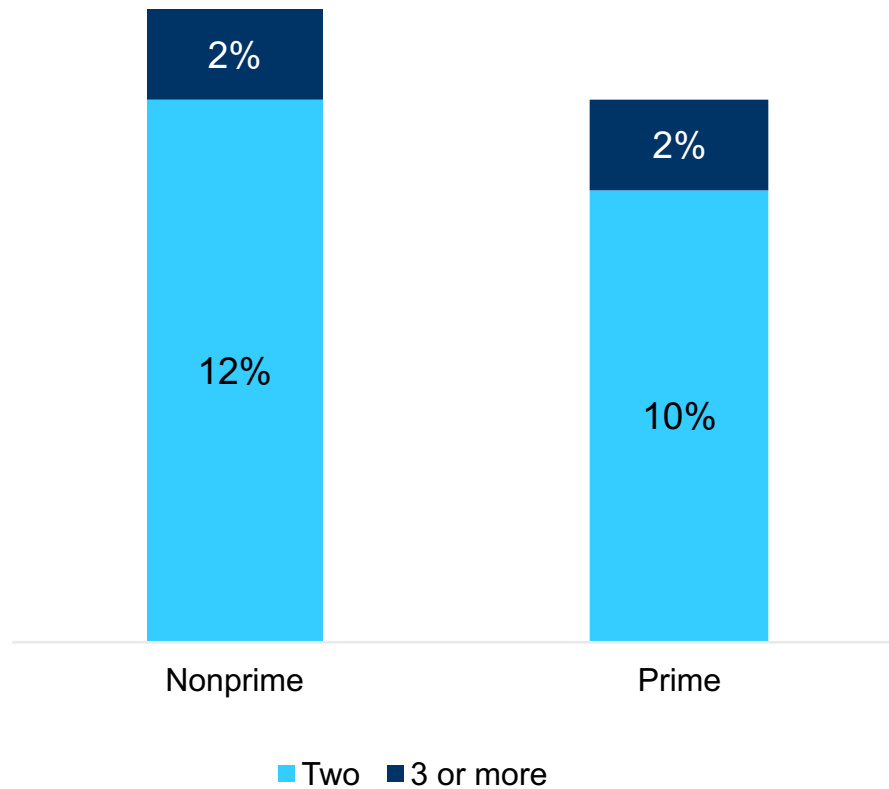
Q.13: How long could your household make ends meet if you faced a long-term illness, job loss, economic downturn, or other emergency that caused a drop or loss in income?

Source: Prime/Subprime Study June 2016

Nonprime Americans are 17% more likely than primes to hold more than one job

% of respondents with more than one job

Nonprime Americans are more likely to hold more jobs than Prime Americans.

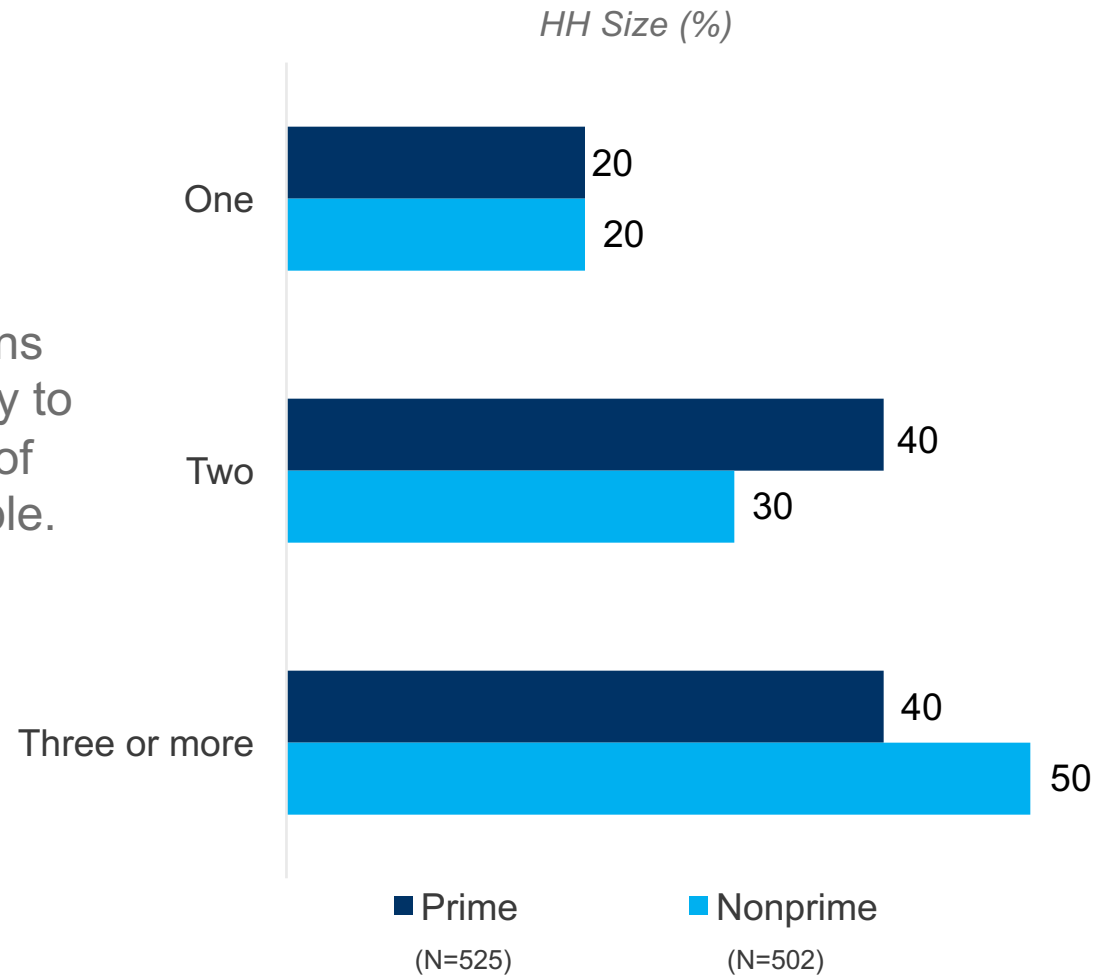


Q.6: How many jobs do you currently hold?

Source: Prime/Subprime Study June 2016

Nonprimes have more people in their households

Nonprime Americans are 20% more likely to live in households of three or more people.

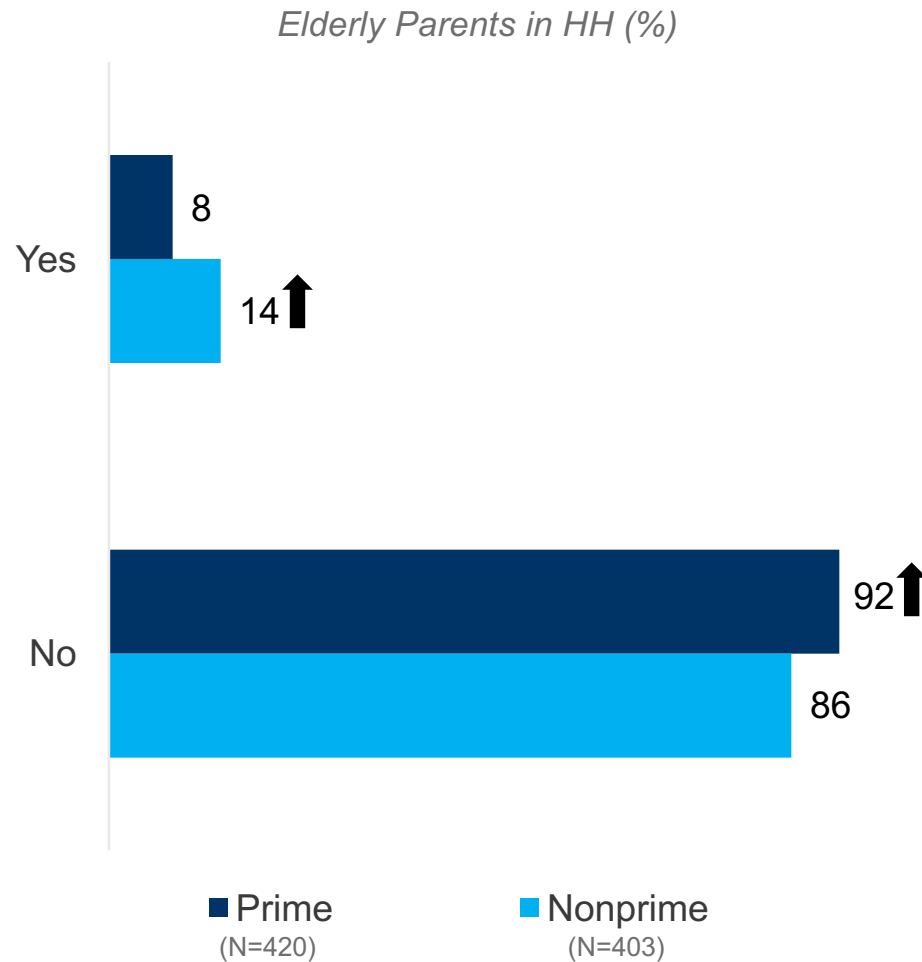


Q.19: Including yourself, how many people currently live in your household?

Source: Prime/Nonprime Study July 2016

Nonprime Americans are almost twice as likely as primes to have elderly parents in their household

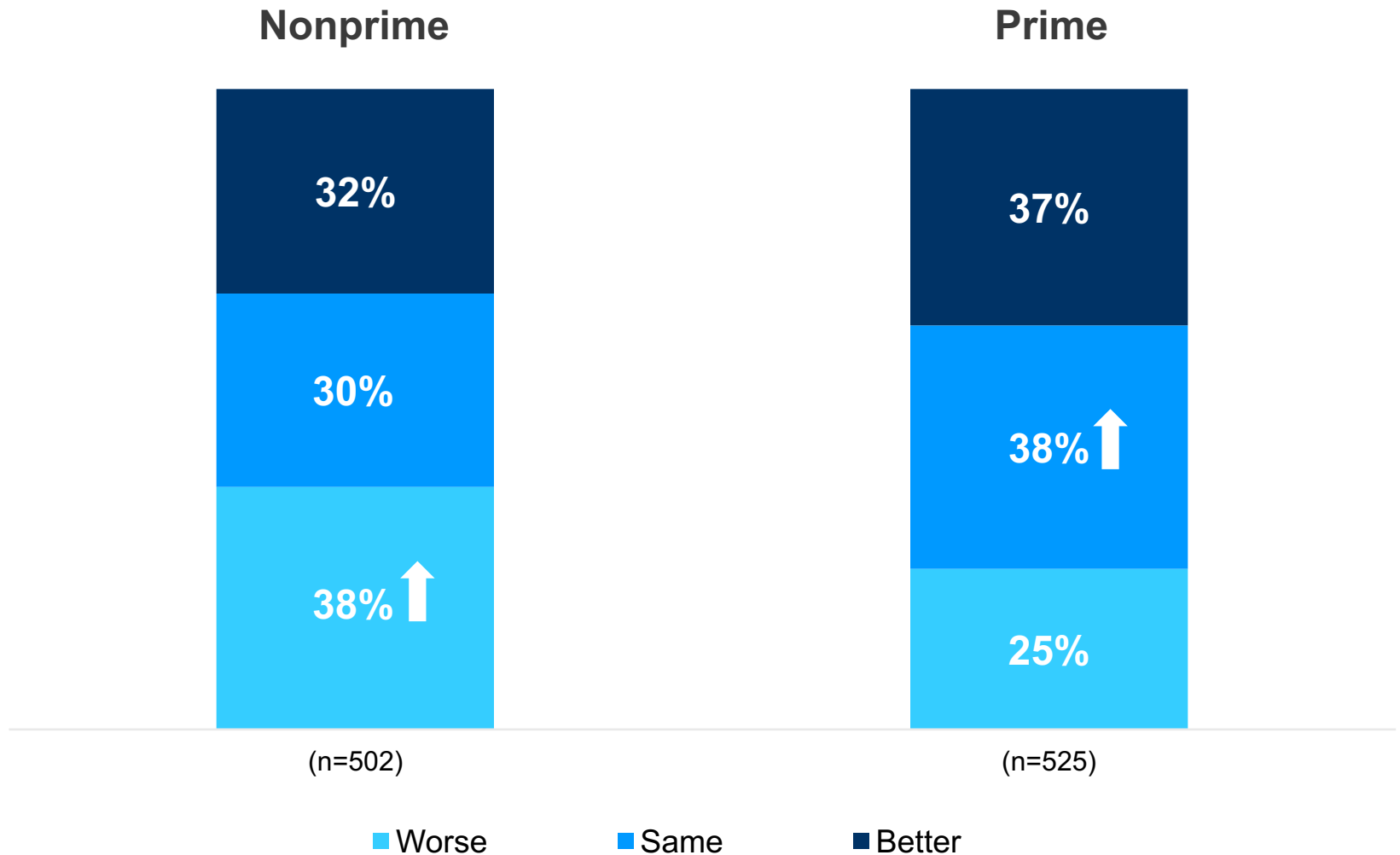
Nonprime Americans are more likely to be care-givers to elderly parents.



Q.21: Are there any elderly parents or disabled adults currently living in your household?

Source: Prime/Nonprime Study July 2016

Nonprimes are more likely to say current financial situation is worse than when they grew up



Source: Prime/Subprime Study June 2016

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 behaviors and attitudes.

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 challenges of America's growing "New Middle Class."

For more information, visit: www.elevate.com/NewMiddleClass

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