



An increasing number of employers are using credit reports as an evaluation tool during the application process. A 2006 study found that 35% of companies surveyed use credit checks in pre-employment screenings, up from 19% in 1996. According to the 2003 National Retail Security Survey, conducted by the University of Florida, 41% of retailers used pre-screening credit checks and another 10% of retailers planned to start.

Employers say that a credit check can help them evaluate whether an employee will be honest, responsible, and accountable on the job. But to what extent does credit history predict job performance or a penchant for stealing or other negative habits? Moreover, employers may not take the time to assess what is behind a poor credit history

Highlighted Articles and Research

Employers tap credit data to screen job applicants

By: Evangeline Mitchell

Did you know? 52% of adults nationwide believe that it is illegal for employers to pull credit reports. It is not.

This article summarizes when and why employers pull credit reports and offers commentary on this controversial topic.

The spread of the credit check as civil rights issue

By: Ben Arnoldy, The Christian Science Monitor

Did you know? In 2003, 35% of employers were checking applicants' credit.

Employers are more than ever before checking applicants' credit reports when hiring. Civil rights, minority, and privacy advocates are seeing this as an issue of discrimination. Minorities are more likely to have worse credit but this hasn't shown to effect job performance. A lawsuit by an employee of Johnson and Johnson Co., in which they didn't hire due to credit, changed how Johnson and Johnson use credit in hiring practices. While there is not a specific law barring employers from pulling credit, could this be in the future?