

Elevate

CREDIT CARDS, FRIENDS AND FAMILY AND SAVINGS AREN'T HELPING NONPRIME AMERICANS, ACCORDING TO RESEARCH FROM ELEVATE'S CENTER FOR THE NEW MIDDLE CLASS

- ***72 percent of nonprime Americans are unable to charge \$500 to a credit card***
- ***64 percent are unable to borrow \$500 from family and friends for an urgent, unexpected expense***

FORT WORTH, Texas – March 06, 2017 – It's no secret that nonprime (subprime) Americans have limited personal resources to weather unexpected expenses – but new data from Elevate's Center for the New Middle Class reveals that informal, relationship-based options for emergency loans are largely unavailable as well. According to research released today by the Center, which researches and reports on the realities of being nonprime in America, almost 70 percent of nonprime Americans couldn't cover an urgent expense of \$500 or more with their savings and 64 percent wouldn't be able to borrow that amount from friends and family. These findings complement the Federal Reserve Board's 2016 finding that 46 percent of Americans do not have \$400 in savings to cover an emergency expense.

This latest study focuses on how nonprime Americans – defined as those having a credit score below 700 – borrow money as they are largely barred from traditional prime products, like personal loans from banks or even loans from new online lending companies that are focused on prime consumers.

Additional key findings include:

- 71 percent would not be able to borrow \$2,000 from family or friends if an urgent need arose
- 72 percent of nonprime Americans would not be able to put \$500 on a credit card
- 80 percent would not be able to put \$2,000 on a credit card
- 59 percent said they “regularly” carry a credit card balance
- Only 1 in 5 nonprime Americans have borrowed from friends or family in the last 12 months
- 7 percent use overdraft protection strategically, using it to cover expenses for which they did not have money

“The fact that 69 percent of nonprimes are unable to cover an urgent expense of \$500 with their savings highlights the gap between need and availability of borrowing options. Given the need, very few people have the option to borrow from their support systems, with only 21 percent of nonprimes saying they've borrowed from family and friends in the past 12 months,” said Jonathan Walker, executive director of

Elevate's Center for the New Middle Class. "Despite the widely perceived ease of asking friends and family for money, it's simply not an option for most nonprime Americans."

Walker commented, "It's findings like these that reinforce how important it is for the Center to continue to build understanding of and champion this growing group of consumers, and through research, provide information to help determine what will best serve their needs."

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 as they seek better options in a market rich with options for prime consumers.

About this Research

The Center's research compared the responses of 600 nonprime Americans using interviews conducted December 2015 to January 2016. 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.NewMiddleClass.org>

About Elevate

Elevate has originated more than \$3.7 billion in nonprime credit to 1.5 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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