



## **NO CREDIT, NO JOB: WE NEED HR. 3149**

BY JULIANNE MALVEAUX

Now that health care legislation has passed the Senate, perhaps our legislative leaders will turn their attention to an issue that now affects one in six Americans and one in three African Americans – the job market. Most Americans rely on employment for sustenance – few of us are trust fund babies. But with the official unemployment rate at 10 percent, and the unofficial rate much higher, there is a malaise that defies the notion of economic recovery, and that is the number of people out of work.

The pain of unemployment is exacerbated by the fact that many employers use credit reports as a background check for potential workers, and deny people work based on the fact that they have poor credit. In a few industries, such as the financial services industry, that may make sense. No need to put a cookie jar in front of someone who is hungry and can't buy cookies. But why does a clerical worker, security guard, criminal lawyer, or sales manager need good credit as a condition of employment?

In this economy, many people have had credit scores that have plummeted because they couldn't make their mortgage payment, or lost their job and couldn't keep up with their bills. They need to work, to make money, to get back on their feet and to get caught up. But if their credit score prevents them from employment, they'll never catch up. It's like the experience Catch 22 – you need experience to get a job, you need a job to get experience. The credit score dilemma is you need a job to maintain good credit, but you need good credit to get a job.

Enter Tennessee Congressman Steve Cohen (D), who introduced HR 3149 in July 2009. Titled the Equal Employment for All act, the legislation would "prohibit the use of consumer credit checks against prospective and current employees for the purposes of making adverse employment decisions." There are a few exceptions – for state law and for finance industries, but the legislation offers protection against credit score discrimination in the labor market. The legislation is co-sponsored by 46 members of Congress, nearly half of who are members of the Congressional Black Caucus. The Open Congress website that lists opponents ([www.opencongress.org](http://www.opencongress.org)) lists mostly Republicans as opponents.

In financial literacy lingo, a credit score is called the "adult report card", the number that reports whether you've been naughty or nice when it comes to your finances. Unfortunately the number comes without context or footnotes, so you can't learn, from a low number, that the holder of a 450 score is also a cancer survivor who has staggering medical bills, or half of the couple that got the pink slips on the same day six months ago. Six months? More than a third of those who are out of work have not had jobs in half a year or more. Many have dropped out of the labor market exhausted from looking for work. Where is the number to capture the person who played by the rules most of their life and then got caught up in our foul economy and watched their credit score fall.

Are those with low credit scores less capable of work? I think not. Do they deserve to be discriminated against? Hardly. Cohen has done the nation a service by lifting this issue up. It has escaped headlines so far because there have been other, pressing, issues that have riveted our attention. Now, it is time for people to rally around him and the co-sponsors of this legislation (which is an amendment to the Fair Credit Reporting Act) to urge Congress to pass this legislation. This is a good time to consider this – the “little people”, consumers and others, are feeling jerked around by this recession, and sentiment to create a consumer protection agency are strong. Why not, also, take a stand about ways credit scores keep some people from employment?

In this last week of the year, many people are celebrating Kwanzaa and its seven principles. I am always grateful to Maulana Karenga for his brilliance in developing this reflective time. In the name of the principle of ujamaa (cooperative economics), it makes sense to reach out to your member of Congress to ask him or her to sign on as a cosponsor to this important legislation.