

Statement Calling on TransUnion to Stop the Sale of Employment Credit Reports

We, the undersigned civil rights organizations, consumer advocates, community groups, labor unions and concerned citizens call on TransUnion to discontinue its sale of employment credit reports.

Families across the country are facing the greatest economic crisis since the Great Depression. Many Americans have been out of work for over a year now, with increasing numbers turning to foreclosure and bankruptcy as unemployment checks fail to cover their families' basic needs.

Yet TransUnion, the world's largest privately held credit reporting company, promotes credit history as a measure of character and suitability for employment. 60% of employers surveyed by the Society for Human Resource Management report that they consult credit reports for job applicants, a practice that has left many qualified applicants out of work. TransUnion has led the lobbying effort to prevent states from restricting this practice.

We call on TransUnion to discontinue its sale of employment credit reports for four main reasons:

First, credit checks in hiring create a fundamental "Catch-22" for job applicants: you can't pay your bills because you've lost your job or your hours were cut, and now you can't get a job because you can't pay your bills.

Second, the use of credit in hiring has a discriminatory impact against African American and Latino job applicants. Numerous studies have demonstrated the racial disparity in credit history. According to one study, the average credit score of African Americans and Latinos is roughly 5% to 35% lower than that of whites. The Equal Employment Opportunity Commission has expressed concern that credit checks in employment may violate the Civil Rights Act, and has sued two employers over it. In addition to this, the impact of employment credit checks on women, recent immigrants, senior citizens and people with disabilities has not been disclosed by the credit reporting industry, but these groups have suffered financially from outside factors such as unequal pay, job discrimination and medical debt.

Third, credit history does not predict job performance. The definitive study on this issue, presented to the American Psychological Association in 2003, concluded that credit history does not correlate with employee conduct.

TransUnion representative Eric Rosenberg has also admitted: *"At this point we don't have any research to show any statistical correlation between what's in somebody's credit report and their job performance or their likelihood to commit fraud."*

Finally, credit reports are inaccurate. A 2007 Zogby poll reported that 37% of people surveyed found an error on their credit report, and half of these respondents reported that they could not easily fix the mistakes.

TransUnion has stated that credit reports are the "de facto economic passport for every individual in this country, whether you like it or not." **As we rebuild our communities and our economy, we believe that hard work and dedication, not hiring tools with a discriminatory impact such as credit reports, should be the economic passport for working people.**

We call on TransUnion to discontinue its sale of employment credit reports immediately.

Sincerely,

- AFL-CIO
- American Association of People with Disabilities
- Center for Community Change
- Center for Economic Justice
- Community Service Society of New York
- Consumer Action
- Consumer Watchdog
- International Brotherhood of Teamsters
- Lawyers' Committee for Civil Rights Under Law
- Legal Action Center
- MALDEF
- National Association of Consumer Advocates
- National Consumer Law Center (on behalf of its low-income clients)
- National Council of La Raza
- National Employment Law Project
- National Fair Housing Alliance
- National Immigration Law Center
- National Organization for Women
- Poverty & Race Research Action Council
- Privacy Rights Clearinghouse
- Public Citizen
- Public Justice Center
- Sargent Shriver National Center on Poverty Law
- Southern Christian Leadership Conference
- UNITE HERE
- U.S. PIRG
- Women Employed
- World Privacy Forum