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## Money Management Basics, Part 5

Always guard your credit rating. Don't let your future career options be limited because you mishandled your credit and debt. I have heard of cases where job offers have been put on the table (in writing no less – with formal salary packages, benefits, and a slew of perks), only to have those offers rescinded once the company has done its review and found a candidate's credit to be poor. It may not sound fair but it certainly is legal. So these are some of the ways in which your credit clearly impacts you in a very big and real way – and it goes far beyond your ability to get a loan.

Your ability to earn a livelihood plays a very crucial role in your financial success in life. You've probably heard of the statistics from the U.S. Census Bureau that point out that the average college graduate earns 62 percent more than does the average high school graduate. Over a lifetime that translates into about a million-dollar earnings gap. So clearly you want to get those good, high-paying jobs. But you won't be able to if poor credit hampers you.

And increasingly, more and more companies are doing routine credit checks as a condition of you coming to work for them. It doesn't matter what kind of job you're seeking. In some companies, everyone must pass a credit check – from the janitor to the CEO. That's the case, for instance, with HSBC Bank. I once did a workshop for about 120 bank employees in Chicago, teaching them about the importance of maintaining great credit and about the ways in which your credit standing can either help you get ahead in the workforce or hold you back. So don't think, "Well, I'm not going to work for a bank" or "I won't be handling any customer funds." The trends in place suggest that routine credit checks will become the norm in all industries, regardless of what type of job you're seeking. So this alone is one reason why it's important to maintain an excellent credit profile.

The trouble, however, comes in when we are not taught about financial literacy. Many of us have our first experience with credit cards in while we are in college, at the age of 18, 19, or 20 years old. Unfortunately, that's the time most of us learn all the wrong things about credit – which takes us to the next lesson.