



Helping families monitor credit: A key step in financial security

In 2015, UW-Extension Family Living educators reached more than 1,000 Wisconsin residents with information on credit management.

Situation

Credit reports play an increasingly important role in many areas of life. They can affect your ability to get a loan and a lower interest rate, determine how much you pay for insurance, and even affect whether you will get a job or be able to rent a house or apartment. Credit reports can also provide a safeguard against identity theft.

How can you be sure that your credit report is an accurate reflection of your financial situation? Establishing and maintaining credit is an important first step. Next, monitoring your credit through regular review of your credit report, and identifying and correcting any problems ensures that information is up to date.

Unfortunately, most people don't monitor their credit or even know how to access their free credit report. According to a 2012 FINRA National Financial Capability Study, only one-in-three Wisconsin adults obtains a copy of their credit report each year—the sixth lowest rate of all states.

In addition, many people pay for credit monitoring, which is costly and usually unnecessary. This is despite the fact that federal law allows individuals access to three free credit reports every 12 months.

University of Wisconsin-Extension Family Living educators respond throughout Wisconsin by providing financial education, including the importance of monitoring credit. Family Living educators reach individuals through individual consultations, group workshops, displays, fact sheets, media outreach and websites. In 2015, educators across Wisconsin provided more than 40 workshops or displays on the topic of credit management, reaching more than 1,000 individuals.

Response

UW-Extension's credit education is making a difference. As one of its many financial education programs, UW-Extension began the 'Check Your Free Credit Report' campaign in 2013. Through this campaign, individuals sign up to receive e-mails that remind them to check their credit report three times a year.

Those receiving 'Check Your Free Credit Report' reminders are further supported through the campaign's website (fyi.uwex.edu/creditreport). There they can find needed resources and links to credible sources to deal with the complexity of credit, including tips for reading a credit report and how to correct an error on a report. The website also provides a direct link to the authentic free credit report request website (annualcreditreport.com) for individuals who choose to order their report without receiving a reminder email.

Family Living Programs Impact Report

UW-Extension gets the word out about this campaign in a variety of ways to encourage signups. Outreach strategies include major media outlets and social media, such as Facebook and Twitter. UW-Extension Family Living educators have regularly promoted the reminder campaign statewide, through local newspapers, displays, websites, radio appearances and workshops on credit.

The campaign is changing behavior

Since the campaign was rolled out in 2013, **over 600 individuals across 60 counties have signed up for the reminder e-mails.**

Beginning in 2015, individuals signing up were surveyed about their past behavior regarding ordering a free credit report, and again at the end of the year to see what had changed. At sign-up time, almost three-quarters (72%) of participants had not ordered a credit report in the past year. On the year-end survey, only 17% of respondents reported not ordering their official free credit report, suggesting the campaign successfully led to an increase in the number of participants viewing their report. In addition, one in five participants had ordered two or more reports during the year.



While the majority (83%) of those who ordered and reviewed their credit report found no errors, 7% contacted a creditor or credit bureau to fix an error, 5% identified a way to improve their credit, and 2% obtained help through their local UW-Extension office to review their report.

Family Living educators also gained a better understanding surrounding the needs of learners as shown in the follow-up survey.

- 40% of respondents report knowing very little or nothing about how long information stays in a report.
- 17% know little or nothing about how information gets onto a report.
- 14% know little or nothing about how information in a credit report affects a credit score.

UW-Extension educators will continue to address the need for this critical information and understanding about credit reports and scores through ongoing promotion of the 'Check Your Credit Report' campaign and accompanying financial education.

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