



Greater Hartford Legal Aid

**Written Testimony of Attorney Alexis N. Highsmith,
Greater Hartford Legal Aid, Inc.
In Support of H. B. No. 5061, An Act Eliminating Credit Reports
As A Basis For Employment Decision.**

February 18, 2010

I am an attorney at Greater Hartford Legal Aid and represent the interests of very low-income Hartford area residents, primarily in employment related issues. Connecticut's legal services programs support HB 5061, which would prohibit employers from utilizing credit reports as a basis for employment decisions.

Specifically, the HB 5061 prohibits an employer from requiring, as a condition of employment, that a prospective employee consent to a credit report which provides information about (1) his or her credit score, (2) credit payment history, (3) credit, savings, or checking account balances, or (4) savings or checking account numbers.

Employers currently have unfettered discretion to deny a job applicant employment because of their poor credit history. The use of credit reports has an adverse impact on poor people who have lower credit scores. However, a poor credit score is not predictive of an unsatisfactory employee.

Our clients at Legal Aid face tremendous barriers to employment. Such barriers are currently even more burdensome when jobs are so scarce. Many of our clients are parents who do not have access to child care, limiting the hours and shifts they can work. A significant number of our clients received little, if any, formal education, preventing them from acquiring the job skills necessary to obtain gainful employment. We represent many ex-offenders, whose criminal records severely impact their ability to obtain employment. The use of a credit report in the hiring process presents yet another obstacle for these individuals.

HB 5061 creates certain common-sense exceptions to the elimination of credit reports as a basis of employment, particularly where such a report is required by law or substantially related to the potential job. A credit report is substantially related to the employee's job when that employee manages or has access to a customer or employee's personal or financial information. Furthermore, there is a substantial relationship when the employee holds a fiduciary responsibility to the employer. For most individuals, the jobs they seek do not have a substantial relationship to their credit report. It is unfair for an employer to use irrelevant information as a basis for its decision.

Connecticut serves as a leader for other states in guaranteeing employment rights for its residents. During this session of the United States Congress, legislators raised H.R. 3149, Equal

Employment for All, which aims to amend the Fair Credit Reporting Act to prohibit employers from using credit reports as a basis for an employment decision. That bill provides similar exceptions to those outlined in H.B. 5061.

I ask that you support HB 5061, as it is strong public policy to foster employment rights of individuals with poor credit histories.