



# State of Connecticut COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES

Legal Division ~ 25 Sigourney Street, Hartford, CT 06106

*Promoting Equality and Justice for all People*

## **SB-40, AN ACT CONCERNING EMPLOYER INQUIRIES ABOUT AN EMPLOYEE'S OR PROSPECTIVE EMPLOYEE'S CREDIT HISTORY**

Members of the Labor and Public Employees Committee:

The Commission on Human Rights and Opportunities (CHRO), the state agency charged with enforcing Connecticut's civil rights and antidiscrimination statutes, supports SB-40, An Act Concerning Employer Inquiries About an Employee's or Prospective Employee's Credit History. This bill increases employment opportunities for individuals who may have less than perfect credit history unrelated to their employment while still maintaining protection for employers' financial interests.

Current law prohibits employers from requesting credit history from employees or prospective employees with limited exceptions. This bill eliminates the exception that inquiry could be made for employees or prospective employees who would have access to more than \$2,500 worth of employer's non-financial assets. Given the value of computer equipment, automobiles and other employment supplies which can easily exceed \$2,500, this exception allows employers to require credit checks on too many individuals. Without the proposed change, qualified individuals have likely been precluded from employment for no real good reason other than an imperfect credit score.

The CHRO is particularly interested in this issue because statistics show that African-American and Hispanic individuals generally have lower credit scores<sup>1</sup> and are more likely to be denied employment because of those credit scores. Research has shown that there is practically "no relationship between credit history and performance."<sup>2</sup> The Equal Employment Opportunity Commission<sup>3</sup> also has maintained a longstanding position that credit checks can have a disparate impact on individuals who are members of racial minorities, women and those with disabilities. Therefore credit checks should be limited to times when they are job related and consistent with business necessity.

Passage of this bill will increase access to employment for minority and other individuals and will not hurt employers. The mission of the Commission on Human Rights and Opportunities is to eliminate discrimination and therefore we support this bill.

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<sup>1</sup> Roberto Concepción, Jr., Pre-Employment Credit Checks: Effectuating Disparate Impact on Racial Minorities Under the Guise of Job-Relatedness and Business Necessity, 12 SCHOLAR 523, 524 (2010)

<sup>2</sup> Id. at 526.

<sup>3</sup> <http://www.eeoc.gov/eeoc/newsroom/release/10-20-10b.cfm>