

- Advertisement -



Adv: [Get up to Four Loan Offers in Minutes!](#)

- Mortgages
- Home Equity
- Bad Credit
- CDs/Savings
- Auto Loans
- Credit Cards
- Calculators

[Bad credit home](#) > Articles

- Compare rates
- News
- Basics
- Calculators
- Q & A
- Tips

How to land a job despite bad credit

Bad credit won't just keep you from getting a loan or a new credit card. It can keep you from getting a job.

About 42% of employers who do background checks now will run job candidates' credit histories, up from just 19% in 1996, according to the Society for Human Resource Management.

If you're applying for a job in which you'll handle money or valuables -- as a broker or chief financial officer, for example -- or one where you'll be trusted to be alone in an office, such as being part of a cleaning crew, the company may ask to run a credit check before hiring you.

- Advertisement -

A study done by Eastern Kentucky University found that there is no proven link between credit history and work skills. But that hasn't stopped employers from using credit to gauge whether they should hire a job candidate.

Many employers see a chaotic credit history as a sign that you may be an unreliable worker.

Some companies even conduct checks after hiring. To make sure an employee doesn't run into financial problems, 27% report that they run background checks at some point after the person joins the staff, according to the human resources group.

Credit issues can be the result of not paying your bills on time. But flawed credit can also be the unfortunate side

effect of being saddled with unexpected medical bills, getting behind on your mortgage payments or falling into foreclosure because of an unaffordable home loan, or a number of other reasons.

As the unemployment rate rises and the economy continues to falter, bad credit is likely to become a problem for more consumers.

For a company to access your credit history, you have to give written permission. You'll most likely be asked to sign a form saying it's OK at some point during the interview process.

Even if you'd rather hide your credit issues, refusing to allow a credit check probably isn't an option. "If you say 'no,' they'll probably say it's a requirement of the job and that they can't hire you without it," says attorney and employment law firm owner Robin Bond.

However, there are some steps you can take to minimize the impact your credit issues may have.

If you have bad credit and are looking for a job:

Let the employer know if there's a valid reason your credit is bad. For example, if you are a recent victim of identity theft, let the employer know *before* they run your credit. Tell them you'd be happy to sign the waiver, but you'd appreciate the opportunity to explain some recent incidents that affected your credit.

"The employer is going to look at how serious the report is," Bond says. "Are there a lot of

National bad credit rates

8/29/2009 1:09:08 PM

ARM	Credit card	Home Eq
<u>3/27</u>	—	5.90%
<u>2/28</u>	—	5.88%

[Find rates in your area!](#)

- Advertisement -

- Advertisement -

CreditCardGuide.com
Find Low Rate Credit Cards Now!

evictions, bad checks, repossessions? Is the bad credit due to divorce? There are good reasons credit could go bad."

Be proactive about proving you're a good employee. If you know your credit is less than stellar because you've simply not handled it well in the past, have other evidence ready to illustrate you are responsible, such as solid references or letters of recommendation from former employers. After all, a credit check is just one piece of the process.

Challenge any mistakes on your report immediately. Obtain free copies of your credit reports from AnnualCreditReport.com and look for obvious mistakes. Information is posted to the wrong reports all the time.

Correcting errors on your report probably won't help you get the job you were applying for -- getting a mistake corrected can take months -- but it help will prevent any credit-related issues in the future.

Ask why you're turned down for a job. It's legal to reject job candidates because of credit issues. But employers are required to tell you if that's the reason and provide a copy of the credit report they used to evaluate your financial history.

Bankruptcy is an exception.

Section 525(b) of the bankruptcy code forbids employers from discriminating against workers because they have a bankruptcy on their record, according to Bond.

Companies can't fire employees who file for bankruptcy, and they can't refuse to hire someone who is bankrupt.

But such motives are often difficult to prove, and some employers never acknowledge that credit played a role in rejecting a job candidate.

If your credit is bad, just don't just give up and accept that you'll always have a poor credit history. With some dedication, you *can* make it better over time.

Start to correct it today with these [7 smart moves to improve your credit score](#) and learn [7 smart moves to curb your credit card spending](#) so you don't have debt issues in the future.

By Erin Breton

Interest.com Contributing Editor

interest.com



[e-mail article](#) | [print article](#)

BAD CREDIT RESOURCES

- [Compare rates for mortgages and home equity loans](#)
- [Bad credit calculators](#)
- [Bad credit basics](#)

TOP BAD CREDIT FEATURES

- [Tips for making smart decisions](#)
- [Must dos for dealing with bad credit](#)
- [Answers to reader questions](#)

Email this Page

Sponsored links

[Earn 2.00% to 2.30% with GE Capital Corp](#) -- Not an Offer of Securities for Sale. GE Interest Plus is a AA+ Rated Investment.

[Turn \\$10 Into \\$16K w/o Tenants or Rehabs](#) -- I Expose My Secret To Making \$4K/day Buying & Selling Foreclosures From My Home!

- Advertisement -

[About Us](#) | [Privacy Statement](#) | [Terms of Use](#) | [Sitemap](#)

 [Digg](#) |  [del.icio.us](#)

© 2009 Interest.com. All Rights Reserved.