

How credit dictates modern life

Now-a-days, so many of us rely on borrowing in order to sustain our lifestyles, whether it be a mortgage, credit card or the various types of loans.

Since lenders can't know each of us personally, they needed to find a way to grade us in order separate the trustworthy and non trustworthy among us. This was the birth of the credit rating agencies such as Equifax and Experian, their job is to assign a score to each one of us that is old enough to get credit.

That credit score has another unintended purpose however; it also represents your standing in society; it can affect how much you pay for goods, how much your insurance premium costs and in some cases when applying for a job, your credit rating can determine whether you get the job or not.

The poorer you are the more you pay

When a person walks into a store wishing to buy a fridge or any other item on credit, all are welcomed and treated with courtesy, it is when you get to the checkout point that your class shows; as soon as you provide your details, a credit check is quickly run, if your credit rating is good to excellent, the courtesy will continue, you're the kind of customer they want to keep; every effort will be made to make you feel comfortable, you can have any deal on offer including interest free credit on goods.

If you have a bad credit rating, expect no special treatment because simply put; your choices are limited, some store clerks will treat you as though they're doing you a favour.

Learning from experience

Credit ratings have become so important that many parents are planning to get their children on the coveted credit ladder as soon as they're legally allowed to.

It used to be that young people never had a credit record until they reached a point where they needed to borrow, whether that was at 18 or 24 or much later in life. Today, they're made to prepare for a life of credit; as soon as they turn 18, some would be added to their parent's credit card or take out one of their own.

So whatever you think of credit ratings, they are much more than a measure for borrowing ability, it is a measure of where you stand in society. Make every effort to ensure yours looks good.

About the Author

The Author writes about [credit cards for people with bad credit](#), he has written tips on [prepaid credit cards](#) as well as guides on many other aspects of credit.

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