

# Automatically \$500,000 richer?

## Just by having good credit?

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### It's true...

Maintaining a credit score above 700 from the age of 18 to the age of 67 (someone's average employed life) will automatically make them over \$500,000 richer than someone who doesn't maintain a score above 700.

### Why is this?

It's a fairly simple concept.

However, as you can imagine, it's often difficult for a person to implement in our instant gratification society.

### Here's how it goes:

1. A score above 700 indicates a person manages money well overall.
2. They enjoy the best terms and interest rates available on any loan. When you consider the difference of 1% interest on a \$100,000 mortgage is a savings of over \$20,000, access to the best interest rate really adds up to big savings.
3. Since they have the best financing options, they don't have to settle for high priced lenders or payday loan sharks.
4. A score over 700 indicates payments are always on time and they avoid paying expensive NSF fees, late fees, or overlimit fees on things like rent, bills, or credit card payments.
5. Typically they've built savings to cover unexpected expenses to avoid using debt.
6. Services cost less. Consider this: credit is pulled for insurance, cell phone plans, cable, rent, utilities, etc. Someone with good credit pays lower insurance premiums, qualifies for better plans, and avoids having to pay high deposits. This all translates into more money in their pocket.
7. Many employers pull credit to help make hiring decisions. If 2 people are vying for the same position or promotion, the person with higher credit has an advantage because a higher credit score can indicate a level of responsibility and diligence. Who doesn't want those qualities in an employee, right? Better employment opportunities equate to more income over a lifetime.
8. People with higher scores usually prioritize budgeting to help manage whatever money they make. They pay close attention to their accounts and bills to avoid overspending or being overcharged.
9. They typically curb impulse spending which adds to savings and retirement funds. Those accounts earn interest and dividends. Money that makes money adds to the bottom line.



All of these things put together add up to big savings. You may think that you have to make a lot of money for this to work or it's too late to cash in. **Not true.** This theory applies to nearly any income bracket. The good news is that any credit repair efforts instantly help contribute to an overall savings. The true secret of cashing in on your part of being \$500,000 richer is good money management over the course of time.



### It's never to late to start. We can help.

*Disclaimer: Journey Credit Union is providing this information simply as a reference based on financial studies. Individual results may vary. For legal or tax advice please consult a licensed professional.*