

CREDIT CHECKS BANNED IN CALIFORNIA FOR EMPLOYMENT REASONS



The Governor of California has something new up his sleeve. A new bill has been signed by the Governor that now bans a lot of potential employers from running a credit check on their possible employees. California is not the first state to sign this bill; in fact they are the 7th state to start this new process. The public should also know that this is not the last state to jump on board this new bill. Almost 20 other states are considering banning a credit check in exchange for employment. It is no secret that a lot of employers rely on credit checks to peek at their potential employees. A recent study done by the Society of Human Resource Management, states that almost 60% of employers run credit checks during the hiring process. This number has risen since 2003 and will continue to be on the rise if something is not done about it. This new law does not ban all credit checks from being run during a hiring process. One of the main parts of this bill is that an employer can run a credit check if the credit check is necessary to the position. This means that the credit check must absolutely be related to the job field. For instance, it is necessary for a person working with the law or even money to be checked for past discrepancies. There is no way this area of the law can be surpassed because of future scandals. The federal government has already placed some bans on a national level. Employers can only see a small amount of information on a credit check and does not have access to the whole report. However, just because a person has a bad credit score does not indicate the kind of worker they are. A lot of the large credit check companies are taking heat from this bill. TransUnion seems as though they will continue to provide credit checks to employers as long as it remains legal. There could be several reasons as to why a person has a bad credit score. The economy has taken a major toll of the workforce and a lot of people were without jobs at one point in time. Credit card debt, foreclosures and collection agencies are a reality for a lot of hard working people in America. California has decided to take action and ban employers from looking at a person's credit score. This can really help a well-qualified individual in the state of California, to land a decent job without worries of credit check judgments. There are many agencies that are for this bill and see it as a positive step for the state of California. Labor advocates hope to see this bill imposed in other states as well.

<https://blog.granted.com/>