

Our Changing Economy

Credit Agencies Rate Morals Also

By Philip Stoddard Brown

Americans are probably the most investigated people in the world. In part, this is because they borrow more money, buy more insurance, work for bigger companies and change jobs more often than people elsewhere.



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Before a stranger will do business with you, he is likely to "draw a Dun" on you. Before you can get a credit card, or open a charge account at a local store, the Credit Bureau, Retailers Commercial Agency or some other organization will be asked to report on you.

Before you are issued a life insurance policy, you will probably be investigated by Retail Credit, Hooper-Holmes or O'Hanlon, national organizations with branches in Washington. If you own property, Stone's Mercantile Agency or Retailers Commercial Agency may be asked to report on you.

No longer are most people hired by persons for whom they are to work; they are employed by "Personnel." But, first they are investigated, "referenced," screened and tested . . . The personnel office, by the way, is likely to be in a department run by a vice president—Human Relations!

The Credit Bureau in Washington has some 2½ million names in its files and gets nearly 2000 telephone inquiries a day. For 85 cents, it will read its file on an individual. An up-to-date report on a person who has just moved to Washington costs more. Only member-subscribers, who have code numbers assigned them, can get such reports by telephone.

Files Contain Basic Conflicts

Credit rating often involves more than a check on one's residence, place of work, income and "paying habits." In a file pulled at random, there was conflicting evidence about whether the man in question was married and notation of a claim filed against him by a Washington physician.

Credit-worthiness is the sole concern of most inquiries, but the Bureau's files are used for other purposes. The Federal Government, for example, keeps several people continually at work checking on job applicants.

It's the agencies that do "inspection reports" for insurance companies that are most concerned with "character." They report on one's reputation and morals, as well as one's net worth, income and job security. Report forms contain questions about drinking habits: "What time of day does applicant drink?" "How often?" "How much?" "How does he behave when he drinks?" "Does he drive a car after drinking?"

Reports are ordered on every applicant for life insurance and very often on applicants for auto and other casualty insurance. In the case of life insurance, the report may be simple or detailed—and cost \$2.50 to \$25—depending upon the amount of the policy.

There has always been a lot of confidential reporting. But never before have so many people been affected by the continual reporting and assessment of derogatory information which they never see and may not know about. Never before has the credit, insurability, employment and promotion of people been so impersonal.

Can't Alter Character Report

If a person has difficulty getting credit, he can go to the Credit Bureau or Dun and Bradstreet and volunteer information that may put straight a twisted record. But he can not do anything about the records and reports of "character-investigating" agencies. The chances are that he does not know what agencies have been asked to investigate him.

I have just been reading several booklets put out by such agencies. They contain cartoons and lots of assurances that only "dependable sources" are used to get "accurate facts." The reader is told that inspectors (54 per cent college graduates, average age, 29) are "well-balanced and highly-trained" to gather "facts only without coloration due to attitude or circumstances."

That's fine. But what is "a fact" and who is "a dependable source"? What is meant by "reputation," "morals" and what is bad? Is one a "safe driver"? Does one "drink to excess"? . . . Is it really so simple? And after all, is it right to report on people's extra-marital relations, or marital difficulties—and prejudice their chances of getting jobs or insurance—on the grounds that such facts have "risk" implications?

I suspect that "controversial people" (those unreliable non-conformists) occasionally get bad breaks and when they do—well, it's as Charlie Brown (of Peanuts' fame) said last week: "Whenever it's one man against an institution, there's always a tendency for the institution to win."

Are Mistakes so Rare?

But employers, lenders and investigators don't see it that way. "Mistakes are rare." "Then too," they say, "if people want others to assume risks in their behalf, they must expect to be investigated—and, if a mistake is made sometimes, that's the way life is."

"You got to check on people," says the representative of one national firm. "What goes on, you wouldn't even dream about . . . Gee, what I've learned . . . Someday, I want to get a fellow like you to help me write a book . . . I'm serious."

In England, where the law of libel is different, much more caution is exercised in the passing on of derogatory information, even in confidential reports. Is this the way it should be in the United States, or would this increase the risks of doing business and cause other, more costly, mistakes?

There is another aspect of this problem which troubles me and which I was reminded of the other evening in a discussion with a young lady about population trends. I had mentioned a favorite statistic: namely, that if the population of the world continues to increase for 600 years at the rate it has increased in recent years, there will be one person per square yard of the earth's surface. She did not question the likelihood of this but she was curious about where all the school, credit, personnel and security records would be kept. Will people live on top of them or under them?