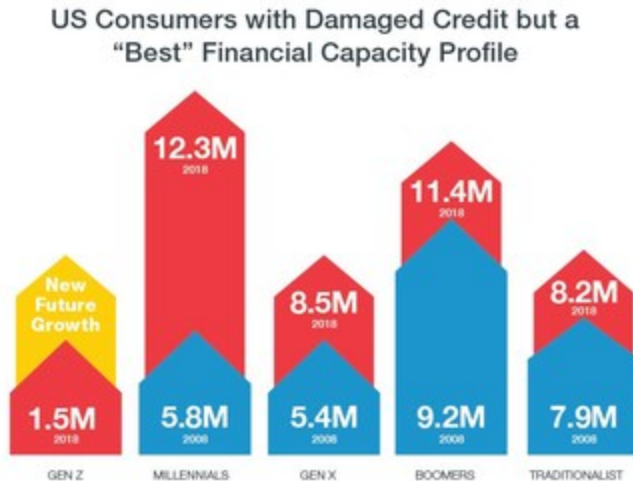


# 10 years post the Great Recession, Equifax suggests communication providers review alternative data for emerging qualified customers

**Study finds that consumers are financially smarter and have less DTI than before**

ATLANTA, June 5, 2019 /PRNewswire/ -- On the heels of the 10<sup>th</sup> anniversary of the Great Recession, a larger segment of the U.S. population than ever before has average to damaged credit combined with positive financial capacity measures such as low debt to income (DTI) ratios. These households could be an untapped source of new growth for communication providers, which may not be obvious when looking only at traditional credit scores.



Source: Equifax internal analysis of near-prime/sub-prime consumers with less than 30% debt to income

A recent [study](#) conducted by Equifax reveals that 42 million U.S. consumers in 2018 had damaged credit scores (i.e. near-prime or sub-prime) and also had a "best" financial capacity profile (i.e. less than 30% DTI ratio). That could mean they have the disposable income available to afford a smart phone upgrade or wireless plan which represents 13.6 million more new consumers (than in 2008) that carriers may need to reconsider as qualified prospects.

Prior to the Great Recession, communications service providers (CSPs) relied solely on credit scores to make application decisions. Ten years later, this model has not changed.

However, the mobile device market has become more saturated with an average of 1.2 mobile devices per U.S. citizen or over 400 million devices. The communications market is now more competitive than 10 years ago and CSPs may be missing out on opportunities to upsell and cross sell devices and services if they are not leveraging additional data sources in addition to the credit score.

"The recovery from the recession has been uneven across generational segments with lingering effects on many consumers' credit profiles, but also opens up the opportunity to identify new emerging segments of qualified customers – if CSPs assess them more holistically across multiple financial and behavioral attributes," said Alison LeBreton, Vice President Marketing, Communications and Digital Media, Equifax. "We are operating in a new economy that calls for new tools and more agile approaches to better serve consumers as they manage their financial lives."

Reviewing debt-to-income ratios and other forms of alternative data are examples of these new tools as consumers with 'best' financial capacity profiles may be able to lean into the credit economy with more and better offers from wireless providers.

"Financial institutions are highly aware of how to use alternative data in assessing risks to their portfolio," said Kenneth Ray, SVP, Communications and Digital Media, Equifax. "All communication providers might take note and assess additional tools to better serve consumers with more information and agility."

For more information, please click [here](#).

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