

Credit scores mean everything, nothing

YOUR FINANCE

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Nerdwallet for AP

Your credit score will nose its way into nearly every major milestone in your life. At every turn — buying your first car, leaving your parents' cellphone plan, moving to a new apartment with a partner — you'll need good credit. Without scores of 690 or higher on an 850-point scale, you'll generally pay more than you need to.

But people with bad credit are not bad people. Even the companies that dole out credit scores know this.

"The credit score is not a reflection of who you are as a person or how accomplished you are," says Jeff Richardson, a representative for VantageScore, one of the two main credit scoring models. "It is not passing any judgment."

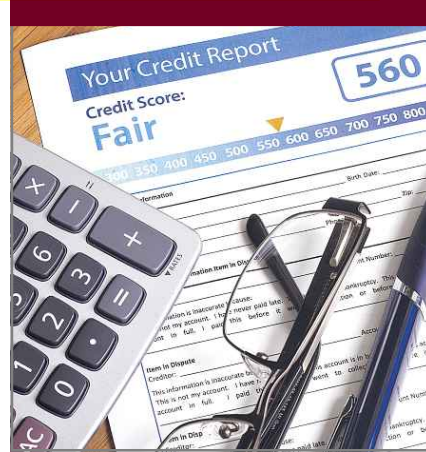
You might, however, be judging yourself for the choices that sank your score, or the fact that you've been too overwhelmed to think about it. The best way to get your credit score back on track is to loosen its hold on your self-worth.

Don't be afraid to look

You'll need to know where you stand right now before you can put it into perspective. If you've been too ashamed to look at your credit score, do it today, repeating this mantra if necessary: "You don't need perfect credit to be a successful human being." Tons of apps and websites provide free scores.

Young people starting to build credit or repair a damaged score should first aim for a score of 620 to 640, Richardson says. Most young people are in this range anyway. Those born between 1982 and 1995 had an average credit score of 638 in 2017, according to Experian, a credit reporting agency.

A score like this gets you out of the bad-credit danger zone, where landlords and lenders will be reluctant to work with you. Do your best to improve from there. A score above 720 will get you the best deals, and a sus-



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Good credit will give you options and save you money. You might feel embarrassed that your credit needs help — say, if you're dreaming of homeownership. But buying a house next year instead of this year likely won't make a material difference in your happiness.

tained period of healthy financial habits can send it even higher.

Focus on what matters

You can only devote so much energy to credit. Paying bills on time and keeping credit card balances low make the biggest difference — and doing so month after month, year after year, is what truly strengthens your score.

But you may feel the need to do something right now. There are actions to take, and though none of them will transform your score overnight, they'll help it climb over time. Consider:

- **Putting one of your bills** on autopay.
- **Pulling your free credit report** from annualcreditreport.com and confirming all personal and account information is accurate.
- **Getting a secured credit card** with a small deposit, and putting one regular purchase on it — Spotify, for instance, or gas — with the goal of paying it off each month.
- **Using a balance-transfer credit card** to get a zero percent APR deal, which will keep your current credit card balance from accruing interest while you pay it off.

You'll probably notice that taking one step will encourage you to take another, then another. But don't overwhelm yourself with tasks. Balance every credit-building activity with one you love: a walk in the park after, or coffee with a friend.

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