

A Description of the Intersection between Financial Confidence and Creditworthiness

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Abstract. This study was undertaken to identify predisposing endogenous, predisposing exogenous, and precipitating financial decision-maker characteristics that are associated with categories of financial confidence and creditworthiness. Believing that one's country is heading in the right direction is one predisposing endogenous characteristic shared by those with high confidence and high creditworthiness scores. Additionally, believing one is in control over their destiny (i.e., holding an internal locus of control perspective) was observed to increase the likelihood of reporting high confidence and high creditworthiness. It was also determined that some predisposing endogenous, predisposing exogenous, and precipitation characteristics increase the odds of exhibiting financial confidence and creditworthiness scores that are out of alignment. Those who had experienced or were experiencing housing and food cost strains and financial shocks were more likely to report low confidence and low creditworthiness and low confidence and high creditworthiness. Identifying as Hispanic/Latino or Asian was related to an increase in the odds that a person's confidence and creditworthiness were out of alignment. Being older and identifying as Black/African American also increased the odds that confidence and creditworthiness are of alignment.

Keywords: financial confidence; creditworthiness; FICO score; financial worries