PSC Retrospective 1980s

SOLIDARITY: PATCO

October 1981 Washington, DC solidarity march in support of Air Traffic Controllers and against Reagan Budget cuts.

SOLIDARITY: CHICAGO

PSC and others at the 1986 AFT convention join picket line in support of striking Chicago Tribune workers. Left to right: Irwin Yellowitz, Irwin Polishook, Belle Zeller and Al Bachman.

CONTRACT NEGOTIATIONS

1982 bargaining session. Left to right: Geraldine Chapey, Claude Campbell, Arnold Cantor, Harold Wilson and Belle Zeller

SOLIDARITY: CSI

Solidarity with striking cafeteria workers at the College of Staten Island

SOLIDARITY: LABOR DAY

Irwin Polishook (center) and Irwin Yellowitz (sun glasses) and his daughter are among the marchers, 1982.

BETTY SHABAZZ

Betty Shabazz (Medgar Evers College) and Irwin Polishook

MELANI ET AL

PSCcuny
CLARION

Professional Staff Congress/City University of New York • Volume 13 • Number 9 • June 1984

American Association of University Professors • American Federation of Teachers • N.Y.C. Central Labor Council • N.Y.S. AFL-CIO • New York State United Teachers

Tentative settlement reached in sex bias case

After more than ten years of litigation, a $7.5 million tentative settlement was reached last month between The City University and plaintiffs in the class action suit that charged CUNY with discrimination against its female instructional staff members.

The consent decree arising from *Melani et al. versus the Board of Higher Education of the City of New York* establishes guidelines for payment of damages and directs the university to create affirmative action policies and to develop a timetable for their implementation.

An estimated 8,000 to 10,000 women instructional staff will share in the $7.5 million that has been agreed upon for correction of past and current salary inequities.

"The Professional Staff Congress has been supportive of the women's efforts to secure equity and is pleased that it has been able to help, to whatever degree, in bringing both sides to an agreement," said PSC President Irwin Polishook

and appointed Magistrate Sol Schreiber to hear the proposals. At the same time, Judge Gagliardi urged the two sides to negotiate a settlement of the entire case.

The agreement, reached after a year of negotiation, resolves salary and all other claims against the university raised by the suit. It enjoins CUNY from discrimination against women on the basis of sex with respect to terms and conditions of employment, and orders it to create a University Affirmative Action Committee responsible for providing direction in the development and implementation of affirmative action goals.

For purposes of awarding damages for past discrimination and adjusting current salary inequities, the agreement divides full-time female instructional staff into three subclasses:

Subclass I—any woman on the full-time instructional staff as of the effective date of the decree.

Subclass II—any woman severed from employment on the full-time

CUNY made a multi-million dollar settlement in a class action sexual discrimination case spearheaded by long-time union activist, Lilia Melani.

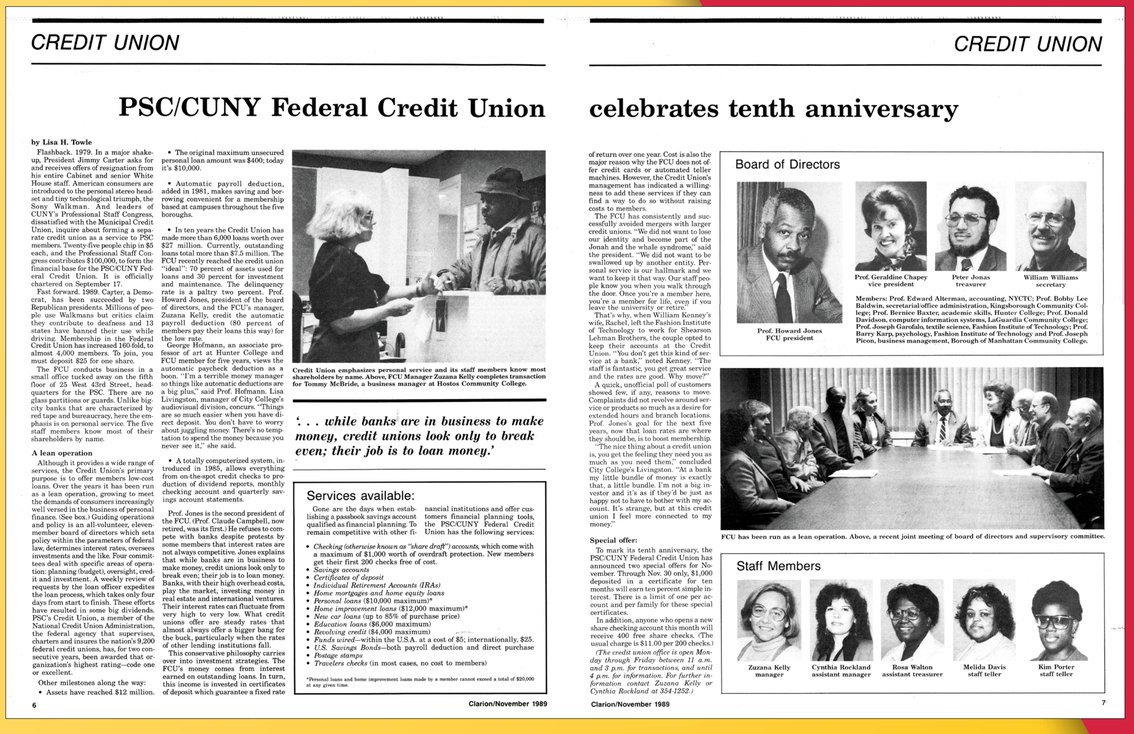
REGISTRARS

Registrars confer about union issues: Peter Hoberman, Peter Jonas, Mary Bryce and Greg Wist.

LAGUARDIA CC

Meeting at LaGuardia Community College: Arnold Cantor (with pipe), Irwin Polishook (center) and John Hyland (in turtleneck).

PSC/CUNY FEDERAL CREDIT UNION



CREDIT UNION

PSC/CUNY Federal Credit Union

by Lisa H. Towle

Flashback. 1979. In a major shake-up, President Jimmy Carter asks for and receives offers of resignation from his entire Cabinet and senior White House staff. American consumers are introduced to the personal stereo headset and tiny technological triumph, the Sony Walkman. And leaders of CUNY's Professional Staff Congress, dissatisfied with the Municipal Credit Union, inquire about forming a separate credit union as a service to PSC members. Twenty-five people chip in $5 each, and the Professional Staff Congress contributes $100,000, to form the financial base for the PSC/CUNY Federal Credit Union. It is officially chartered on September 17.

Fast forward. 1989. Carter, a Democrat, has been succeeded by two Republican presidents. Millions of people use Walkmans but critics claim they contribute to deafness and 13 states have banned their use while driving. Membership in the Federal Credit Union has increased 160-fold, to almost 4,000 members. To join, you must deposit $25 for one share.

The FCU conducts business in a small office tucked away on the fifth floor of 25 West 43rd Street, headquarters for the PSC. There are no glass partitions or guards. Unlike big-city banks that are characterized by red tape and bureaucracy, here the emphasis is on personal service. The five staff members know most of their shareholders by name.

A lean operation

Although it provides a wide range of services, the Credit Union's primary purpose is to offer members low-cost loans. Over the years it has been run as a lean operation, growing to meet the demands of consumers increasingly well versed in the business of personal finance. (See box, "Guiding operations and policy is an all-volunteer, eleven-member board of directors which sets policy within the parameters of federal law, determines interest rates, oversees investments and the like. Four committees deal with specific areas of operation: planning (budget), oversight, credit and investment. A weekly review of requests by the loan officer expedites the loan process, which takes only four days from start to finish. These efforts have resulted in some big dividends. PSC's Credit Union, a member of the National Credit Union Administration, the federal agency that supervises, charters and insures the nation's 9,200 federal credit unions, has, for two consecutive years, been awarded that organization's highest rating—code one or excellent.

Other milestones along the way:

• Assets have reached $12 million.

• The original maximum unsecured personal loan amount was $400; today it's $10,000.

• Automatic payroll deduction, added in 1981, makes saving and borrowing convenient for a membership based at campuses throughout the five boroughs.

• In ten years the Credit Union has made more than 6,000 loans worth over $27 million. Currently, outstanding loans total more than $7.5 million. The FCU recently reached the credit union "ideal": 70 percent of assets used for loans and 30 percent for investment and maintenance. The delinquency rate is a paltry two percent. Prof. Howard Jones, president of the board of directors, and the FCU's manager, Zuzana Kelly, credit the automatic payroll deduction (80 percent of members pay their loans this way) for the low rate.

George Hofmann, an associate professor of art at Hunter College and FCU member for five years, views the automatic paycheck deduction as a boon. "I'm a terrible money manager so things like automatic deductions are a big plus," said Prof. Hofmann. Lisa Livingston, manager of City College's audiovisual division, concurs. "Things are so much easier when you have direct deposit. You don't have to worry about juggling money. There's no temptation to spend the money because you never see it," she said.

• A totally computerized system, introduced in 1985, allows everything from on-the-spot credit checks to production of dividend reports, monthly checking account and quarterly savings account statements.

Prof. Jones is the second president of the FCU (Prof. Claude Campbell, now retired, was its first.) He refuses to compete with banks despite protests by some members that interest rates are not always competitive. Jones explains that while banks are in business to make money, credit unions look only to break even; their job is to loan money. Banks, with their high overhead costs, play the market, investing money in real estate and international ventures. Their interest rates can fluctuate from very high to very low. What credit unions offer are steady rates that almost always offer a bigger bang for the buck, particularly when the rates of other lending institutions fall.

This conservative philosophy carries over into investment strategies. The FCU's money comes from interest earned on outstanding loans. In turn, this income is invested in certificates of deposit which guarantee a fixed rate of return over one year. Cost is also the major reason why the FCU does not offer credit cards or automated teller machines. However, the Credit Union's management has indicated a willingness to add these services if they can find a way to do so without raising costs to members.

The FCU has consistently and successfully avoided mergers with larger credit unions. "We did not want to lose our identity and become part of the Jonah and the whale syndrome," said the president. "We did not want to be swallowed up by another entity. Personal service is our hallmark and we want to keep it that way. Our staff people know you when you walk through the door. Once you're a member here, you're a member for life, even if you leave the university or retire."

That's why, when William Kenney's wife, Rachel, left the Fashion Institute of Technology to work for Shearson Lehman Brothers, the couple opted to keep their accounts at the Credit Union. "You don't get this kind of service at a bank," noted Kenney. "The staff is fantastic, you get great service and the rates are good. Why move?"

A quick, unofficial poll of customers showed few, if any, reasons to move. Complaints did not revolve around service or products so much as a desire for extended hours and branch locations. Prof. Jones's goal for the next five years, now that loan rates are where they should be, is to boost membership.

"The nice thing about a credit union is, you get the feeling they need you as much as you need them," concluded City College's Livingston. "At a bank my little bundle of money is exactly that, a little bundle. I'm not a big investor and it's as if they'd be just as happy not to have to bother with my account. It's strange, but at this credit union I feel more connected to my money."

Special offer:

To mark its tenth anniversary, the PSC/CUNY Federal Credit Union has announced two special offers for November. Through Nov. 30 only, $1,000 deposited in a certificate for ten months will earn ten percent simple interest. There is a limit of one per account and per family for these special certificates.

In addition, anyone who opens a new share checking account this month will receive 400 free share checks. (The usual charge is $11.00 per 200 checks.)

(The credit union office is open Monday through Friday between 11 a.m. and 3 p.m. for transactions, and until 4 p.m. for information. For further information contact Zuzana Kelly or Cynthia Rockland at 354-1252.)

Credit Union emphasizes personal service and its staff members know most shareholders by name. Above, FCU Manager Zuzana Kelly completes transaction for Tommy McBride, a business manager at Hostos Community College.

'. . . while banks are in business to make money, credit unions look only to break even; their job is to loan money.'

Services available:

Gone are the days when establishing a passbook savings account qualified as financial planning. To remain competitive with other financial institutions and offer customers financial planning tools, the PSC/CUNY Federal Credit Union has the following services:

- *Checking (otherwise known as "share draft") accounts*, which come with a maximum of $1,000 worth of overdraft protection. New members get their first 200 checks free of cost.
- *Savings accounts*
- *Certificates of deposit*
- *Individual Retirement Accounts (IRAs)*
- *Home mortgages and home equity loans*
- *Personal loans* ($10,000 maximum)*
- *Home improvement loans* ($12,000 maximum)*
- *New car loans* (up to 85% of purchase price)
- *Education loans* ($6,000 maximum)
- *Revolving credit* ($4,000 maximum)
- *Funds wired*—within the U.S.A. at a cost of $5; internationally, $25.
- *U.S. Savings Bonds*—both payroll deduction and direct purchase
- *Postage stamps*
- *Travelers checks* (in most cases, no cost to members)

*Personal loans and home improvement loans made by a member cannot exceed a total of $20,000 at any given time.

6 Clarion/November 1989

CREDIT UNION

celebrates tenth anniversary

Board of Directors

Prof. Howard Jones, FCU president; Prof. Geraldine Chapey, vice president; Peter Jonas, treasurer; William Williams, secretary

Members: Prof. Edward Alterman, accounting, NYCTC; Prof. Bobby Lee Baldwin, secretarial/office administration, Kingsborough Community College; Prof. Bernice Baxter, academic skills, Hunter College; Prof. Donald Davidson, computer information systems, LaGuardia Community College; Prof. Joseph Garofalo, textile sciences, Fashion Institute of Technology; Prof. Barry Karp, psychology, Fashion Institute of Technology and Prof. Joseph Picon, business management, Borough of Manhattan Community College.

FCU has been run as a lean operation. Above, a recent joint meeting of board of directors and supervisory committee.

Staff Members

Zuzana Kelly, manager; Cynthia Rockland, assistant manager; Rosa Walton, assistant treasurer; Melida Davis, staff teller; Kim Porter, staff teller

Clarion/November 1989 7

A 1989 Clarion spread on the tenth anniversary of the credit union.