

## REMARKS

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The New York State Credit Union League and our more than 1,000 member credit unions have been actively engaged in consumer protection and consumer education activities practically since the enactment of the New York State Credit Union Law in 1913.

At that time, many working people were in the hands of loan sharks because of the absence of personal loan departments in banks, and the existence of only a few small loan companies. A basic purpose of credit unions was consumer protection because these provided character loans to people of small means. Providing character loans meant that these people did not have to resort to loan sharks in time of need.

Since credit union loans are required to be made for provident and productive purposes, credit union officers generally give members advice on the prudent use of money borrowed. This is done through personal family financial counseling techniques, distribution of literature on consumer education and protection information, and by encouraging attendance of credit union members at consumer education classes.

Family financial counseling is usually done by the credit union treasurer, loan officer or credit committee member. This counseling can vary from helping a member consolidate loans wisely, establish and keep to a family budget, or by checking to see that the auto dealer includes all pertinent information about prices of accessories on the bill of sale of an automobile financed by the credit union.

Distribution of consumer education and protection literature includes some of the samples available on our display table.

A very popular leaflet given out by credit unions is the "10 Point Buying Guide for Consumers," prepared by New York State Attorney General Lefkowitz' Office. Credit union prepared leaflets include such subjects as "Finance Charges and How to Watch Them," "Members Guide to Home Improvement," "Buying Furniture, Carpeting, Appliances for the Home," "Before You Buy A Used Car or Boat," and "Boss Your Spending."

This year many credit unions started distributing our new quarterly magazine for credit union members called, "Everybody's Money." The Fall 1961 issue for example contains articles on baby picture rackets, food freezer plans, check frauds, and other similar subjects.

Credit unions encourage members to attend consumer education and protection classes sponsored by responsible organizations, such as the Bureau of Community Education, Metropolitan New York Consumer Council, Y.W.C.A.s, labor unions and the public libraries.

Currently we assisted the Brooklyn Public Library to recruit speakers for 61 classes on consumer education and protection subjects which will be held from January to June 1962.

As educational consultant to the Metropolitan New York Consumer Council, I have had the opportunity to work with many groups who are active in the consumer education field.

These groups include the consumer problems committee of the New York City Central Labor Council, housing cooperatives, consumer cooperatives, union locals, public housing tenant associations, settlement houses and neighborhood councils.

The big problem as I see it, is getting the people who need consumer education to attend the classes. The usual class participant is an alert consumer looking for additional information to be an even better consumer.

Through the diversified resources of the Metropolitan New York Consumer Council we have been very fortunate in getting consumer orientated resource people for these classes.

Judging by class participation and in some cases written evaluations, our resource persons were well received and able to get their points across in a lively and interesting manner; and sometimes, such as in the public housing projects, with good community center programs, we do get to the people who need the education.

In low income housing it is necessary to delve into subjects such as budgeting on an unstable income, legal redress when consumer fraud is committed, getting better values for your insurance dollar, exploring the mysteries of buying on time, good nutrition and good rules to follow when purchasing durable goods.

Staff and resources permitting our current approach to consumer education programs will be continued. President Kennedy's stress on consumer education and protection plus word of mouth recommendations of past consumer education class participants will help build attendance in future programs.

It would also be advisable to incorporate consumer education sessions into other adult and community education programs. As examples, a class in social dancing can hold one session on getting the best value for your recreation dollar. A class in art appreciation can devote time to providing for the collection of art in the family budget. An adult functional literacy class can devote time to how to read labels, advertisements, and compare values.

A third suggestion would be to combine consumer education and action programs. This is especially needed in low income neighborhoods. Study programs could be designed to make local residents more sensitive through church and public housing tenant association programs, how they can avoid exploitation in the purchase of durable goods, installment credit and life insurance.

Action programs could then be undertaken to overcome consumer exploitation through cooperative action such as the organization of credit unions, comparison shopping committees and cooperative buying clubs. Other action would include, where possible, group life insurance programs and aid in purchasing and paying premiums for low cost savings bank life insurance.