

URBAN CREDIT UNIONS IN NEW YORK STATE

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New York City, July 1st. It is significant that the influence largely responsible for the enactment of the credit union law in New York in 1914 emanated from a department primarily concerned with small loans conditions, since in its effort to eliminate the loan shark evil it was in position to recognize the urgent need of an organization which would specialize in "character" loans. As a result the credit union, fulfilling better than any other agency this specific purpose in sixty-five years operation abroad, was brought from the old world via Canada and Massachusetts to find its place in homogeneous groups in New York.

Only three credit unions were organized in 1914; eleven received charters in 1915 and so on until 1922 which found New York flourishing with one hundred organizations with total assets of over \$460,000. The effect of the War and later a conservative attitude on the part of the Banking Department accounts for the number today totalling only 106. Yet they have aggregate resources of \$8,506,265; loans outstanding of \$7,584,453; shares held to the amount of \$6,883,621 and deposits amounting to \$558,432.

Under the guiding hand of the New York State Association of Credit Unions which was organized in May, 1921, the standards of credit unions are being raised; valuable information is collected and disseminated; accountants are available for advisory purposes and a set of model bookkeeping and accounting forms has been devised and will, before long, be available at a nominal fee. Finally, the Law and Legislative Committee is very busy with a study of cooperative banking which may some day serve a unique purpose.

Space limitations unfortunately prevent more than two examples of this development. The American Express Credit Union (formed among the employees of the American Express Company) was authorized in 1920. It has, May 30th, 1924, 1,050 members, total assets of \$142,404.53 and loans outstanding to the amount of \$30,172.95. An article on this very interesting credit union will appear before long in "System."

Our most interesting New York experiment has been the organization of a credit union among the members of the Ocean Association of Marine Engineers which was authorized last November and which today has 225 members and assets of \$11,983.88. The problem in this group is not alone to educate the sea-farer along the lines of thrift or even of operating a banking institution but principally of devising a means of getting a bank to the men on the ships. To meet this problem water front representatives go on board along with the paymaster so that a seaman can deposit in his own bank before he goes ashore.

The following extract from a letter from Mr. Turner, secretary of this credit union, tells an interesting story. "Many of our membership

come in from long voyages with a payroll of several hundred dollars, and, in many cases, we have induced them to make large deposits, and to draw from the same as they needed money. . . . The general effect upon the men has been most gratifying. . . . The enterprise has proved worth while in every respect." This may well be the forerunner of a significant thrift movement among a group of people that are admittedly in need of credit union service. The two credit unions illustrate the broad possibilities of credit union development in New York State.

NORTH CAROLINA

A credit union recently organized at Southport, Brunswick County, North Carolina, made an exceptionally auspicious beginning—starting off with assets of \$2,300. Brunswick is strictly a rural county and this credit union will doubtless render a very real service.

UTAH

At the suggestion of James H. Wolfe, Esq., of Salt Lake City, a member of the National Advisory Council much informative material has been forwarded recently to various citizens of Utah interested in the enactment of typical credit union legislation in that State.

KENTUCKY

The first credit union to get a charter in Kentucky was organized among the employes of the Standard Printing Company of Louisville. This credit union never perfected its organization owing to the fact of many readjustments incidental to removal to their new and splendid plant and many other similar plant activities. Mr. Ramster, who has the matter in charge, now assures us that this credit union, which has an exceptionally fine opportunity to do good work, is about to begin business.

CALIFORNIA

The first experimental credit union of this sort has been organized as the San Diego Teachers' Credit Association and, at the end of six months has 116 members with 446 total shares outstanding and total assets of \$2,230. During that period it had made loans totalling \$2,270.

TENNESSEE

Mr. D. O. Segrest, Treasurer of the recently organized Summerfield Credit Union (Monteale, Tennessee) writes that the credit union started with initial assets of \$406.75, a splendid beginning for a rural credit union of this sort. "A good portion of this," he writes, "has been loaned for the purpose of buying pure bred guernsey heifers."

INDIANA

Leo Kaminsky, Esq., of Indianapolis, who is much interested in credit union work in his home state reports that he is cooperating with Mr. William L. Mitchell to organize a credit union at Evansville, Indiana.

NEW JERSEY

Miss Angela Melville who has been organizing credit unions in Kentucky and Tennessee has temporarily transferred her activities to New Jersey, where it is hoped that many credit unions will be organized during the month in accordance with the recently enacted New Jersey credit union law.

Under the Umbrella



The Secretary of the Bureau has been invited to address a meeting of the Credits Conference of the American Institute of Banking at Baltimore in July.

The May monthly statement of the Skandia Credit Union of Worcester, Massachusetts, shows an amazing development to present total assets of \$920,210.57.

Miss Harriet M. Berry, of Raleigh, North Carolina, Secretary of the North Carolina Credit Union Association, has been attending the Democratic National Convention as a delegate from her home state.

The most recent recruit in the rapidly developing army of credit unions of postal employes is a credit union now being organized by J. C. Cotten among the employes of the Petersburg, Virginia office.

DIRECTOR OF SERVICE RELATIONS OF THE U. S. POST OFFICE

Urges the Organization of Credit Unions of Postal Employes

Washington, D. C., July 1, 1924.—Henry S. Dennison, Director of Service Relations of the United States Postal Department, in a circular letter to the members of Local Service Councils, writes in part as follows: "The first post office credit union was organized by the Local Service Council at Brockton, Massachusetts. It began with 78 members out of 163 employes. On February 1st, 1924 it had 112 members, 13 depositors, 43 borrowers and loans totalling \$2,674.65. Credit unions have been organized in 7 offices; 4 are organizing and 15 are considering such organization. Recent reports show that the 7 organized have a total of 9790 shares, 1089 share holders, capital of \$97,873.00." His letter contained a few quotations from managers of these initial credit unions of postal employes, as follows: "Credit unions should be given publicity until there is not an office in the country but what would know about it." "It would mean the saving of thousands of dollars of the postal workers' money." "Our capital is steadily growing and we are on the way to success." "We are making loans to employes right along." "All employes feel the Credit Union worth while . . . fills a real need."

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