

NYC Coalition to End Credit Checks in Employment

NEWS RELEASE

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STUDENTS CALL FOR BAN ON EMPLOYMENT CREDIT CHECKS

Practice Unfairly Blocks New Yorkers from Access to Jobs

Students from more than a dozen colleges and universities gathered today outside the Borough of Manhattan Community College to call on the NYC Council to ban credit checks by employers, which they said constitute an unfair barrier to jobs for students saddled with student loan debt.

“This practice prevents qualified workers like me from much-needed jobs,” said Onieka O’Keefe, a former student and member of the Retail Action Project, who was recently denied a retail position after a prospective employer checked her credit report. “My managers have always trusted me and I have never been fired. Having a low credit score has nothing to do with how I do my job.”

The students urged the NYC Council to pass Intro. 857, the Stop Credit Discrimination in Employment Act, which would prohibit credit checks by employers throughout the five boroughs.

“At a time of continued economic hardship, employers should not deny people jobs based on their credit history,” said Council Member Brad Lander. “Whether from catastrophic medical expenses, death of a spouse, or predatory lending, many New Yorkers have poor credit through little or no fault of their own. Recent graduates with spiraling student debt need an equal chance to get a job, if they are ever going to pay it off.”

“TransUnion, the nation's third largest credit bureau, has publicly admitted that there is no correlation between credit history and job performance, yet the credit bureaus continue to market their product to employers,” said Andy Morrison, Statewide Outreach Director at NYPIRG.

"At a time when college students are being forced to go into deeper and deeper debt to meet the ever rising cost of higher education, we should not be making that debt a black eye on their job applications," said Council Member Dan Garodnick. "Credit history does not speak to job performance, so it has no place in hiring decisions."

"The use of credit checks by employers for making personnel decisions has proven to be a discriminatory and backwards policy that only hurts the thousands of unemployed people in New York City," said Council Member Ydanis Rodriguez. "As 1 in 5 people in this city are below the poverty line and close to 3 in 10 of all Latinos in the city are in poverty, we should be looking for ways to hire people rather than for reasons not to. How can we expect the many people in debt for student loans, medical loans and other productive and necessary reasons, to get out of debt if they are denied work, regardless of their capabilities. I support this bill because I support getting

New York City back on its feet and working again."

"The dramatic increase in the use of credit checks as part of the employment application process is very disturbing," said Council Member Debi Rose. "It seems that this is being used as a proxy for ferreting out people from disadvantaged backgrounds who are more likely to have a poor credit rating. This practice has also had a broad impact, in particular on young people coming out of college and graduate and professional school with large debt. We encourage the building of a "knowledge class" through pursuing higher education, so let's not punish people for the debt that attaining more education unfortunately accrues."

Students unveiled the "Student Debt Clock," highlighting the astronomical national student loan debt figure, as well as the average household share at \$26,682.

"There is more than \$1 Trillion dollars in student debt in this country and half of all college graduates over the last five years are unemployed or underemployed," said Shadae Blair, a member of the BMCC Student Government Association. "With the cost of higher education going up every year, the last thing students like me need is another hurdle. The City Council needs to pass this important law."

"Employment credit checks perpetuate inequality and disproportionately harm lower income New Yorkers and people of color, who have been targeted by predatory lenders and who have been most affected by the recession," said Joby Thoyalil, Program Associate with NEDAP, based in New York City. "Plus, credit reports are notoriously filled with errors and it can take months and even years to get the credit bureaus to remove mistakes," said Mr. Thoyalil.

The students were joined by members of the NYC Coalition to End Credit Checks in Employment, which includes more than 55 community, labor, civil rights, legal services and student organizations.