

Shift to Tougher
Standards Riling
Up Teachers
Union

SEE STORY ON A3



BENJAMIN CHASTEN/THE EPOCH TIMES

Bill Would Ban Credit Checks by Employers

BY KRISTEN MERIWETHER
EPOCH TIMES STAFF

NEW YORK—As the unemployment rate in New York City continues to hover at nearly 10 percent, City Council members hope to amend local laws to remove one potential road block in the hiring process: poor credit reports.

In May, Councilman Brad Lander introduced Intro 857, which

would prohibit discrimination in the hiring, firing, or promotion process based on one's consumer credit history. On Tuesday, he stood alongside students at Borough of Manhattan Community College to drum up support for the bill, which will soon be moved to a hearing before the City Council.

PLEASE SEE CREDIT
CHECKS ON A2

AMAL CHEN/THE EPOCH TIMES

Students gather outside the Borough of Manhattan Community College on Tuesday to call on the City Council to ban credit checks by employers.

Bill Would Ban Credit Checks by Employers

CREDIT CHECKS CONTINUED
FROM A1

"There is not one shred of evidence that folks who have bad credit reports would be anything less than very good employees," Councilman Lander said, adding that credit agencies have also admitted that.

With the cost of higher education rising, students have paid particular attention to the proposed legislation.

Councilman Dan Garodnick, one of 35 council members co-sponsoring Intro 857, said the cost of a four-year degree was 18 percent of average household income in 2000. Today that cost has risen to 25 percent.

To cover the increased costs, many students take out loans to pay for college, banking on securing a job to cover the loan payment after college. For some, the tough economy has led to longer than expected unemployment,



Shadae Blair, student government senator at Borough of Manhattan Community College.

and they have had to default on their loans.

"Now you are looking for a job and the fact that you have outstanding debt could be the very roadblock to obtaining employment and starting to repay your

debts," said Garodnick.

In addition to students, the proposed legislation would protect all residents in the five boroughs whose credit scores were blemished for any reason.

There is not one shred of evidence that folks who have bad credit reports would be anything less than very good employees.

COUNCILMAN LANDER

Employers Relying on Credit Scores

Until 2010, the use of credit reports to determine employment was a growing trend, something Landers believes is due to credit agencies soliciting companies to purchase

credit reports.

In a 2010 survey conducted by the Society of Human Resource Management (SHRM), 40 percent of those polled answered "no" when asked if their organization considered credit reports in employment.

The practice of using credit reports for hiring has dropped recently, however, according to a July 2012 report by SHRM, which showed 53 percent of those surveyed answered "no" when asked if their organization considered credit reports in employment.

A representative from SHRM said they believe the drop was due to employers focusing more on other qualifications during the hiring process and the fact the practice has been outlawed in eight states in the United States.

Accurate Reflection

The council members who support Intro 857 question using credit reports in the hiring process due to

so many claims of false reports.

Paul Oster, owner of Better Qualified, a credit repair and protection company, said credit reports can be a good way to measure the 300 million people in the American public; but research has shown 70 percent of the reports have false claims, so better regulation is needed to ensure accuracy.

"Everyone is trying to use a measuring tool to figure out if someone is capable of completing a job or who the best candidate is for the job," Oster said. "I don't find fault with the dairy. I find fault with the system itself. It is flawed at best."

Oster said the data is terribly maintained and updated, leading to a lengthy process for citizens who have false information on their reports.

The Epoch Times attempted to reach out to TransUnion, one of the three major credit reporting agencies, for this article. However, TransUnion did not return a call or email by press time.