

Labor unions - Business enterprises ✓

"Once we were called dreamers..."

[Amalgamated clothing workers of
America (AFL-CIO)]

**The
Amalgamated
Banks**

**A REPORT ON
THE REALIZATION
OF A DREAM**

INSTITUTE OF INDUSTRIAL
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BIENNIAL REPORT 1954 - 1955

ONCE we were called dreamers and impractical men. . . . Now, having realized our dreams of yesterday, let us dedicate ourselves to a future when men and women will be economically secure and politically free.”

SIDNEY HILLMAN

The Amalgamated Banks

BIENNIAL REPORT 1954-1955

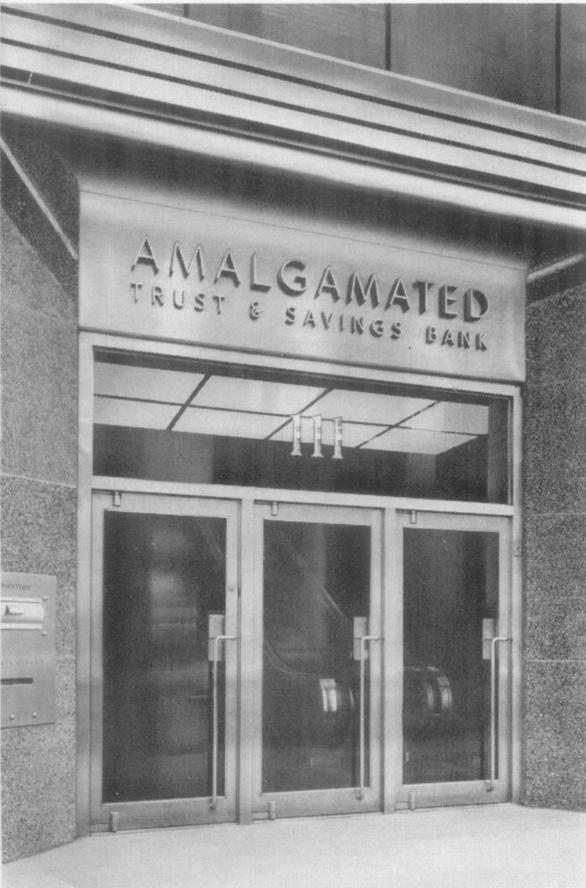
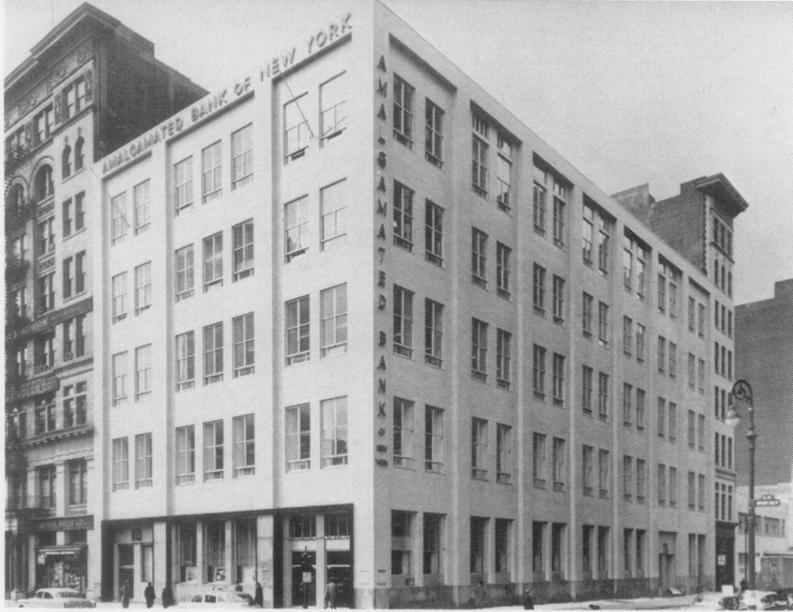
THE AMALGAMATED CLOTHING WORKERS OF AMERICA and its affiliates own and operate two banks – the Amalgamated Trust and Savings Bank of Chicago and the Amalgamated Bank of New York. Both are flourishing financial institutions, but far more than that, both are labor banks – banks founded by the labor movement and operated primarily on behalf of working men and women, the small business man and community organizations.

To many, the very idea of a “labor bank” seems startling since in past years labor and banks were considered mutually exclusive. In those days, working men and their unions found it almost impossible to get loans from banks. During strikes or organizing drives many banks threatened foreclosures in order to discourage the workers, a practice which unfortunately occasionally still exists. Often, the very banks attacking labor had workers savings and trade union treasuries among their deposits.

The Amalgamated Clothing Workers of America, under the imaginative leadership of Sidney Hillman, was among the first to experiment with the idea of a labor bank, dedicated to the service of its own people – to the average man and woman who is the small depositor. On July 1, 1922, the Amalgamated Trust and Savings Bank of Chicago opened its doors for the first day of business. The following year the union opened the Amalgamated Bank of New York, New York State’s first labor bank. The stockholders are Amalgamated locals and members, with the union itself holding the controlling interest. Stocks are not listed on any exchange and can only be sold back to the union, thus making speculation impossible. Dividends are limited.

So began a new venture that was to help change the banking habits of our nation in the years to come.

The Amalgamated
Bank of New York



Amalgamated Trust
and Savings Bank
Chicago

Banks Built for People

The first concern of the Amalgamated banks is for the people they serve. Here the workers, small businessmen, secretaries, professionals and housewives who are typical of Amalgamated small depositors are never mere statistics. Instead, each is treated as an individual whose financial problems require and receive sympathetic personal attention. The traditional chill of banking institutions is not present in an Amalgamated bank where working men and women feel comfortable and at home, assured that these are indeed *their* banks, where they are welcome at all times, whatever the size of their account.



**WORKERS, SMALL BUSINESSMEN,
SECRETARIES, PROFESSIONALS, HOUSEWIVES . . .
TYPICAL AMALGAMATED DEPOSITORS**

Profits made by the Amalgamated banks are considered important only as a yardstick for measuring the efficiency of their operations. Integrity, good sense and security have always guided the administration of the funds with which the banks are entrusted.

The soundness of the Amalgamated banks was impressively demonstrated during the financial crisis of Depression days when the two Amalgamated banks remained firm and unshakable. Both banks were given A-1 ratings by the government after the bank holiday. During this period of panic, there was never a "run" on an Amalgamated bank, such was the confidence of the depositors.

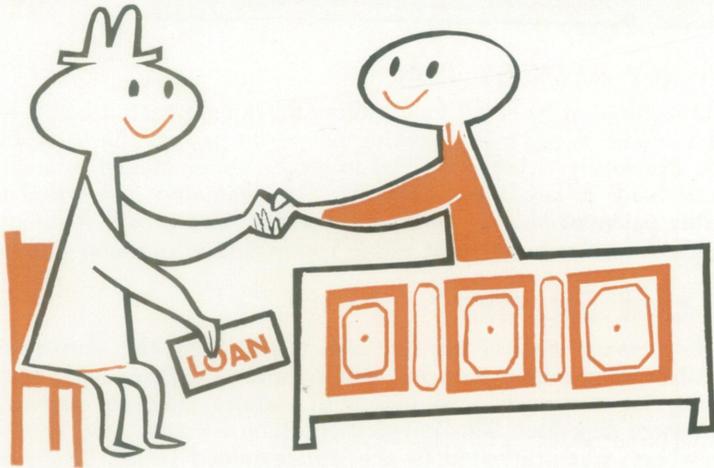
While caution was the watchword for administering the depositors' funds, pioneering best described the spirit with which the Amalgamated banks introduced the new banking benefits that were to mean so much to the average man.

First . . .

SMALL LOAN SERVICE

The Amalgamated was the first commercial bank to give small loans to workers at reasonable interest rates. Up until that time – 1923, the accepted banking practice was to give loans to business, but not to ordinary individuals. Therefore the average borrower often found himself at the mercy of loan sharks who could, and often did, charge him enormous interest rates.

The Amalgamated felt that it could be instrumental in curtailing this abuse. Believing that a man's best collateral was his good name, and that this was an asset as tangible and dependable as goods and property, the Amalgamated banks decided to give personal loans to reliable individuals at the same reasonable rates that were available to business. Very often, though the applicant had no security other than the job he held and his reputation as an honest man, he got his

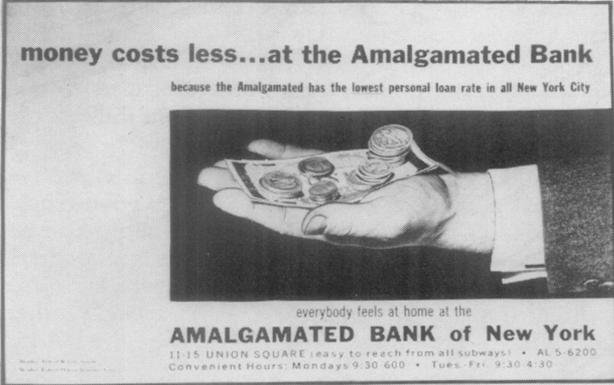


loan. At the time, this policy was considered revolutionary. But the loans were sound and the debts were paid off. Even during depression years losses on small loans were negligible.

Today the small loan service is accepted procedure in most banks. And the Amalgamated banks themselves have been responsible for 215,179 small loans totalling \$74,936,903 since the inception of this pioneering program.

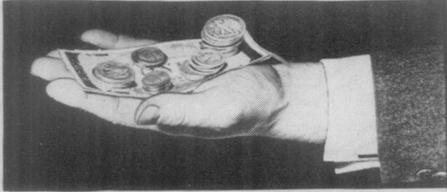
Today the Amalgamated Bank of New York takes pride in having the lowest interest rate for personal loans.

This was done at a time when the interest rates at other banks continued to be high or even were raised. This unusual event was noted not only in the *Wall Street Journal* and the *American Banker*, but in the general press as well.



money costs less...at the Amalgamated Bank

because the Amalgamated has the lowest personal loan rate in all New York City



everybody feels at home at the
AMALGAMATED BANK of New York

11-15 UNION SQUARE (easy to reach from all subways) • AL 5-6200
Convenient Hours: Mondays 9:30-6:00 • Tues.-Fri. 9:30-4:30

Advertising used for displays and newspapers announcing the new loan policy of the Amalgamated bank.

MONTHLY PAYMENT PLAN

When it initiated its small loan policy, the Amalgamated banks also tried to make it easier for working people to pay off the loans they made. Previously, a borrower had to repay money loaned by a commercial bank in one lump sum. The Amalgamated introduced the monthly payment plan by which, for the first time, a bank loan could be repaid on the installment plan. Today this is common practice.

LOW-COST CHECKING

People in every walk of life can now benefit from the convenience and safety of checking accounts, thanks to the Amalgamated's efforts to bring an inexpensive, no minimum balance checking service to the average depositor. This low-cost checking account, now available everywhere, was originated by the Amalgamated banks. Today, the Amalgamated banks continue their policy of low-cost checking, as demonstrated by the Chicago bank's charge of only 5¢ a check and 5¢ per deposit item – the lowest checking service charge in Chicago. In New York, where banks have raised their carrying charge for special checking accounts to 50¢ a month, the Amalgamated Bank has retained its 25¢ monthly charge, which is waived in the case of Amalgamated members.

Up to Date . . .

The Amalgamated banks combined resources total more than \$110 million, an increase of more than \$22 million since the end of 1953.

During the years 1954 and 1955, the Amalgamated Bank of New York increased its total resources by more than \$19 million to achieve a record total of over \$70 million. Capital funds and reserves exceeded \$4 million as of December 31. The newly renovated Amalgamated Trust and Savings Bank in Chicago increased its total resources to almost \$43 million, with capital funds and reserves in excess of \$2.8 million.

The complete banking services of the Amalgamated banks include:

- regular checking accounts
- special checking accounts
- savings accounts
- personal loans
- auto loans
- commercial loans
- foreign remittances
- travelers' letters of credit
- travelers' checks
- safe deposit facilities

