REPORT OF THE FACULTY WELFARE COMMITTEE
RELATIVE TO THE FORMATION OF A CREDIT UNION
AT THE UNIVERSITY OF WISCONSIN--MILWAUKEE

At a spring meeting of the faculty, it was requested that the Faculty Welfare Committee prepare a written statement concerning the objectives of a credit union, reasons why a credit union might be advantageous at UW--M, and any other information that would be of help to the faculty in their analysis of the possibility of establishing a credit union on the UW--M Campus.

The motto of a credit union, "Not For Profit, Not For Charity, But For Service," fairly sums up the reasons why UW--M should establish a credit union and the possible benefits that will be derived from such a credit union.

There is no profit for the credit union. Any income that may be made is distributed, after statutory reserves and expenses, to each member of the credit union in the form of dividends. Each member has the same rights of membership as any other member regardless of the number of shares owned.

As indicated in the motto of credit unions, the institution is not an organization established for charity. Each dollar invested in the credit union should and may be loaned to those members who may have a need. The money loaned is done so as an investment and thereby such loans are expected to be repaid with interest. Most credit unions are now charging one per cent on the unpaid balance per month. However, the interest charged is set by the individual credit union. It might be well to note that the Wisconsin loss ratio on loans made by credit unions is slightly less than one half of one per cent. When a comparison of bad debt loss is made with other lending institutions, it is demonstrated that investments in fellow employees are secure investments.

Credit unions stand for service. The members supply the thrift fund and thereby meet their own credit needs. To do this the members develop their own policies and extend service to meet the specific needs of the group. It is understandable that members of a particular credit union (such as academic and staff personnel of UW--M) would have a better understanding of their particular needs than another person or group might have. This is true in spite of a broad homogeneity with other teacher credit unions. The service aspect of credit unions will be reflected in convenience of a credit union on the UW--M campus. Such location will help provide the needs of UW--M personnel.

No doubt there is a question in the minds of some UW--M faculty pertaining to the need for a UW--M credit union when there is a credit union at Madison for faculty and a credit union at Madison for staff. Regardless of the credit union to which you belong, you have the same rights as any other member of that credit union. The geographic location of the credit union in Madison will and does work a hardship on those members of UW--M who wish to borrow money or buy shares. The fact that there is no one from UW--M on either the Credit Committee or the Board of Directors of the credit union in Madison indicates the inability of that credit union to know specifically the needs of UW--M personnel.

The establishment of a credit union in Milwaukee, comprised of UW--M faculty and staff, will allow placement of UW--M personnel on both the Board of Directors and the Credit Committees. In this way a Board and Credit Committee will know the particular needs, and the policy determination will reflect such thinking.
There is a need for a credit union on the UW--M campus. This need may not be reflected in every member of the faculty and staff. No doubt less than 60% of the eligible people will join a credit union, but in turn those that will join will find an organization devoted to serve the present faculty and the incoming faculty. The incoming faculty could be served through the extension of credit to meet the expenses of moving to Milwaukee.

To further illustrate the motto of the credit unions, the Cutler Hammer Credit Union has offered to pay seventy-five dollars ($75) to the UW--M credit union to help defray initial expenses of incorporating. This seventy-five dollars ($75) will cover the charter fee and some of the supplies that will be required.

Once the faculty of UW--M has agreed to the establishment of a credit union, the members would then elect a Board of Directors and a Credit Committee. In turn, the Board of Directors would elect a President, Vice President, Treasurer, and Secretary.

FACULTY WELFARE COMMITTEE:

W. E. Breese
P. Perlson, chairman
P. Robertson
O. M. Robbins
D. A. Schwartz