



## Credit Cards and the Great Recession

Are you using a credit card issued by a major bank?

Transfer your consumer power to a local credit union or small community bank. Credit unions are cooperatives owned by their customers / members. Credit unions are more likely to invest locally and are less likely to engage in predatory lending and destabilizing the international economy.

### No Credit Card Debt

If you have credit card debt, you can help yourself and the international economy by paying that off as quickly as

possible -- if necessary with a loan from a credit union or community bank. Most loans charge less interest than credit card debt, though you need to check.

Avoid major banks. Trading with them enriches their senior executives while destroying the international economy, creating massive unemployment, and driving wages down.

### How to Change Checking Accounts

1. Choose another financial institution. CO-OP Financial Services offers a *locator* to help you find member credit unions and ATMs near any address ([www.co-opfs.org](http://www.co-opfs.org)).
2. Open a new account. Ask for forms to facilitate the transfer.
3. Get checks, credit, debit, ATM cards for the new account.
4. Transfer direct deposits and automatic payments to the new account.
5. Stop writing checks or using a debit card on the old account.
6. Wait until your last check has cleared.
7. Submit a "Close and Transfer Letter" to close your old account and transfer remaining funds to the new account.

8. If you have also paid off any credit card debt with a major bank, congratulate yourself for having ended your personal contributions to bank executives' multi-million dollar compensations. Encourage your friends to do the same.

### Corrupt Profits of Major Banks

The financial industry in the US (banks, securities, insurance) "earned" 32% of total US domestic corporate profits over the past decade; this is double the 16% they received in 1934-2000 (see the other side of this brochure).

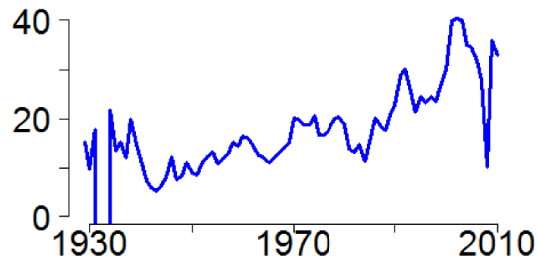
Some of this increase in profits developed because consumers have no effective means of protecting their interests in this sector. Instead of innovating to provide better service and lower fees, banks have innovated to maximize their profits; this included illegal collusion in raising credit card rates.<sup>1</sup> This should be an anti-trust violation, but most politicians are elected with massive contributions from big business, especially major banks, and the commercial media would lose advertising revenue and profitability if they exposed it.<sup>2</sup>

Another reason for this increase is the 1999 repeal of the 1933 Glass-Steagall

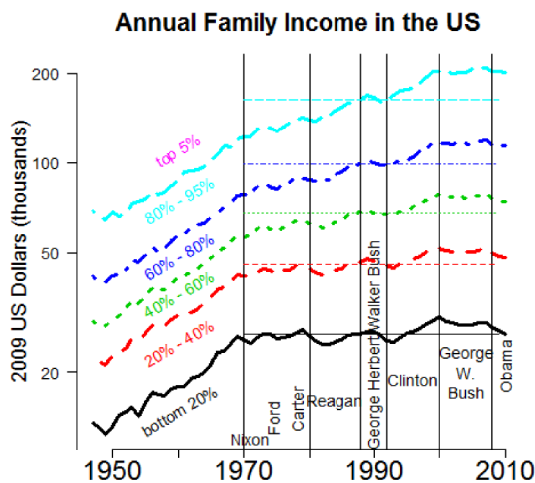
<sup>1</sup> Joseph E. Stiglitz (2010) *Freefall* (Norton)

<sup>2</sup> Edward S. Herman and Noam Chomsky (1988) *Manufacturing Consent* (Pantheon)

### Financial Industry Profits as a Percent of US Domestic Corporate Profit<sup>3</sup>



### Income Inequality in the US<sup>4</sup>



3 US Bureau of Economic Analysis, Table 6.16, Corporate Profits by Industry (www.bea.gov/national/nipaweb)

4 US Census Bureau, Table F-1. Income Limits for Each Fifth and Top 5 Percent of Families 1947 to 2009 (www.census.gov/hhes/www/income/data/historical/inequality/index.html)

act. This is only one of thousands of changes to US law that have helped the wealthy capture most of the benefits of productivity growth in the US since 1970 (as indicated in the second figure). This figure shows that from 1947 to 1970 the benefits of productivity improvements in the US were broadly shared. Since then the wealthy have captured most of the gains.

From 1947 to 1970, average annual income in the US (GDP per capita) grew at 2.2 percent per year; since then the growth has averaged 1.8 percent per year.<sup>5</sup> The changes in law that are benefiting the wealthy were justified by claims that everyone would gain. The evidence contradicts those claims.

These increases in welfare for the wealthy were supported by a very successful propaganda campaign claiming the media have a liberal bias. Instead, media organizations that exposed too many details behind this trend were marginalized, driven out of business, or bought out by media more compliant with the political agendas of the wealthy and

5 Louis Johnston and Samuel H. Williamson, "What Was the U.S. GDP Then?" MeasuringWorth, 2011 (www.measuringworth.org/usgdp)

therefore more successfully financially.

If you think this is outrageous, as we do, we encourage you to minimize your contributions to this by transferring your finances to a credit union or community bank.

### Green Party Ten Key Values

1. Grassroots Democracy (including rank choice voting)
2. Social Justice and Equal Opportunity
3. Ecological Wisdom
4. Non-violence
5. Decentralization
6. Community-based Economics and Economic Justice
7. Feminism and Gender Equality
8. Respect for Diversity
9. Personal and Global Responsibility
10. Future Focus and Sustainability

[www.gp.org/tenkey.shtml](http://www.gp.org/tenkey.shtml)



[www.cagreens.org/santaclara](http://www.cagreens.org/santaclara)

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