Edward Filene

This activity is geared to achieve the following objectives:

- Learn about the credit union heroes who shaped the industry.
- Connect the personal and professional motives of these heroes to your own credit union career.
- Share what you learn about your credit union hero with the large group in a 2-3 minute presentation.

When sharing this story, your table group is encouraged to reflect on the following:

1. Who was this person, and what were their key achievements in credit unions?
2. What motivated them to action?
3. What's their superpower?
4. How does this Hero's story connect to the larger credit union purpose of helping the financial fortunes of poor and working people?



EDWARD FILENE

KEY ACCOMPLISHMENTS

- Formed the famous Filene Department Store chain in 1891 with brother, Lincoln
- An innovator. Implemented the Automated Bargain Basement concept, better known as Filene's Basement. This discounting concept proved very popular with shoppers.
- Committed to fair workplace practices as means of increasing productivity and happiness of the workforce. Under his leadership Filene's implemented a 40-hour workweek, a profit-sharing program, a minimum wage for women as well as health clinics and paid vacations. He also formed the Filene Cooperative Association, which allowed workers to engage in collective bargaining and arbitration with the company. This association may have been the earliest workplace union in the US.
- Contributed $1-million of his wealth to spur development of the US credit union movement.

- Worked with Roy Bergengren and many others to lobby state and federal governments to create credit union bills.

PERSONAL STORY #1

In 1907, Filene embarked on a worldwide trip. While in India, Filene became interested in cooperative credit. Through his efforts to explore the levels of poverty in India's rural districts, Filene began to understand that the lack of access to credit prevented villagers from pulling themselves out of the state of economic misery. This trip thrust Filene into a second career as a spokesman and financial backer of the credit union movement in the US.

PERSONAL STORY #2

In 1908, Filene and Massachusetts banking commissioner Pierre Jay organized public hearings on creating credit union legislation in Massachusetts. The Massachusetts Credit Union Act of 1909 was the first comprehensive credit union law in the United States, and would serve as a model for the Federal Credit Union Act of 1934. Filene seems to have been responsible, with the collaboration of Pierre Jay, for the adoption of the term 'credit union' in the United States. His concern with fighting loan sharks and excessively costly consumer loans led to the choice of the word 'credit', while his interest in working people made him want to cast 'unions' in a more positive light.

PERSONAL STORY #3

Filene's efforts to move the credit union movement forward got a boost in 1921, when Filene found in poverty lawyer Roy Bergengren the key organizer he needed. Together with Bergengren he founded the Credit Union National Extension Bureau. This organization was replaced in 1934 by the Credit Union National Association (CUNA). The efforts of CUNEB and CUNA helped the early movement pass state and federal credit union laws.

INTERESTING TIDBITS

- Believed that a political democracy was only possible with an economic democracy. His credit union and workplace philosophies reflected his belief that the working classes should get a fair shake in society, and thus the purpose of the credit union was to make democracy work.

- His longtime colleague Roy Bergengren shared the following observation about Filene. *He had a great distaste for material things, lived very modestly, never owned an automobile and was scrupulously careful about small expenditures, all because he felt that he was a trustee for the money that he had earned and that the trustee-ship involved turning his accumulations into the greatest possible disinterested public service.*

NOTES: