

# Allentown, Pennsylvania credit union employees strike over wages and health care

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Workers at People First Federal Credit Union in Allentown, Pennsylvania went on strike Friday resisting demands by management that they bear a larger share of health care costs.

The 114 bank tellers, clerks, loan officers and other employees already endure miserably low wages, with starting pay for tellers set at just \$11.75 an hour. Despite this, management wants workers to begin making health insurance co-pays of \$30 and \$40 a month.

Located in Allentown, Pennsylvania, the credit union has branches throughout the Lehigh Valley. Originally set up to serve workers at Mack Trucks, the credit union now serves most people in Lehigh and Northampton Counties.

Cheryl Scott, a single mother works as a product specialist who handles loans and mortgages and makes just \$12.70 an hour told the *Allentown Morning Call* that she worries that she will be unable to pay her own mortgage.

“None of us are asking for something that is unreasonable,” Scott told the newspaper. “I can’t support myself on what I make here.”

Scott is not alone. Even working full time, which many at the credit union don’t, a worker earning \$11.75 or \$12.70 an hour would make just \$24,440 and \$26,414 a year respectively. This is slightly above the dismally low federal poverty level of just \$23,050 for a family of four and less than half of the Pennsylvania median household income of \$54,895.

The average one bedroom apartment in Allentown rents for \$1,067 a month with a two bedroom apartment costing \$1,287 a month, according to the rentjungle.com website. Rents, according to the website, have increased in the city by over \$100 a month in the past six months alone.

Workers have been without a contract since the beginning of the year. Their previous contract provided yearly raises of only 50 cents per hour. The credit union has offered to increase base pay by just \$.55 cents an hour or \$22.00 a week for a full time employee.

The workers are members of Teamsters local 773, which has indicated that it would be willing to accept the credit unions poverty wage increase and call off the strike if the credit union would only withdraw its demand for cost shifting in health care.

Rusty Wetherspoon, vice president of Teamsters Local 773 told the *Allentown Morning Call* the sticking point on a new contract was health care costs. “I would think that if health care came off the package, we can probably get a settlement,” Wetherspoon told the paper on Saturday.

In fact the Teamsters are preparing the groundwork to force workers to accept the cuts to health care by isolating the strike. As of Monday afternoon, the Teamsters have not even publicized the strike on the homepage of its website and there was no apparent link to it on other pages.

For its part, People First Federal Credit Union has made it clear that it has no intention of dropping its demand for imposing cuts to health care. The company is using management and other non-striking employees to keep most of their branches open.

There is growing anger at low wages and cuts in benefits throughout the Lehigh Valley area. Last week, workers at the Allentown Housing Authority, also members of Teamsters Local 773, voted unanimously to strike.

Workers at the housing authority have been working under a contract extension since December 31, 2016 when their last contract expired. The housing authority is seeking to impose increased health care costs for

employees ranging from 200 to 300 percent.

Despite the unanimous support for a strike, the Teamsters has not set a strike date, instead saying they will meet with the authority on August 31.

The strike in Allentown is one of several local strikes being isolated by the Teamsters. Last week 275 Coca Cola United workers, members of Teamsters Local 991, struck in the Mobile, Alabama area over management demands for increased insurance payments and a wage cut for new employees.

Some 240,000 United Parcel Workers (UPS) are set to vote on a sellout deal being pushed by the Teamsters that creates a new category of low paid “hybrid” drivers that will further divide the workforce and drive down wages. Meanwhile, the Teamsters have forced UPS workers to stay on the job past the contract expiration deadline as the union seeks to ram through the rotten deal.



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