



MEMORANDUM IN OPPOSITION

S.1545-A (Klein) / A.2372 (Dinowitz)

AN ACT to amend the general business law and the labor law, in relation to the use of consumer credit reports for employment decisions.

The Capital Region Chamber, representing 2,800 businesses and organizations from throughout the Capital Region that employ more than 150,000 area residents, opposes S.1545-A/A.2372 which would prohibit an employer or potential employer from using any job applicant or employee's consumer credit report in his or her decision to hire, terminate, promote, demote, discipline, compensate, or in setting the terms, conditions, or privileges of employment.

The sponsors' justification for this bill in part states that there is little evidence that shows a correlation between credit history and job performance. While this may or may not be a true, job performance is only one factor under consideration during an employer's decision to hire, terminate, promote, demote, discipline, compensate, or in setting the terms, conditions, or privileges of employment. There are other factors that employers examine such as financial stability, trustworthiness and character that are correlated to credit history.

The sponsors of this bill have ignored the fact that it is vitally important for employers to have the ability to conduct thorough background checks on potential employees, as well as current employees. Employment in numerous sectors can be sensitive in nature. Employees may have access to highly confidential financial and personal information, may occupy positions of trust, and may make decisions affecting the employer's operations. As such, it is important that employers continue to have the ability to obtain as much information regarding potential employees and current employees as is possible prior to entrusting them with the responsibilities of their employment.

Employers have an obligation to their businesses, as well as to consumers, to ensure that their employment decisions are based on thorough background checks, including the use of consumer credit reports. Conducting thorough and proper employment screening can help mitigate risk and allow employers to make better hiring decisions.

For these stated reasons, the Capital Region Chamber opposes this legislation.