

Testimony of
Desiree Jackson
Assistant Vice President for Treasury Management, Beneficial State Bank
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Committee on Financial Services
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Good morning, Subcommittee Chairman Perlmutter and members of the committee. My name is Desiree Jackson. I am an Assistant Vice President for Treasury Management at Beneficial State Bank in Oakland, California and a proud member of the Communications Workers of America Local 9412. Last year my coworkers and I made history when we became the first group of bank workers to organize a union in over 40 years! And two days ago we ratified our first union contract.

I have worked in the banking industry for over 25 years, including 18 years at Wells Fargo, so I am excited to share my perspective on the future of our banking system.

Frontline bank jobs are stressful. We are under extreme time pressures and we know that mistakes can harm our customers. Whether or not a bank respects its workers' rights greatly impacts our stress levels. It is also a good predictor of whether a merger will impact us and our customers positively or negatively.

During my time at Wells Fargo, I worked in a call center as a customer service representative where I was responsible for opening customer accounts after they were sold.

When Wells Fargo bought other banks like Norwest Bank and Wachovia Bank, it made our workload more intense.

We had to do more with less. Our performance metrics got more excessive; meaning we had to complete all of our assigned work each day or we would get a talking to by our manager. We had to answer our phone by the second ring. Emails had to be responded to within two hours. And we had strict deadlines for opening customer accounts. But there was no opportunity to get raises even though the expectations of the job increased.

Managers pressured us to work as many hours as were necessary to complete our daily assigned tasks, like making sure every account was opened. They didn't care how many hours we worked because the bank misclassified us by turning us into salaried employees so they didn't have to pay us overtime.

I didn't realize I was being misclassified until Wells Fargo was caught in 2011 and settled litigation over violating wage and hour law.

While I benefited from the settlement, the intense metrics and work stress remained. I continued enduring the daily grind. After a couple more years, I started to miss hitting my metric goals because I had developed carpal tunnel injuries in my arms. I took some workers compensation leave.

But while I was on workers comp leave, Wells Fargo filled my position and told me that I did not have a job to come back to. After all my years of service helping customers, and helping the bank reach record profits, they just tossed me aside. I was not in a position to fight this powerful bank alone. I was so angry. And this was obviously a very stressful time for me and my family.

On top of that, departments closed when Wells Fargo bought or merged with other banks. People were laid off, instilling even more stress and fear in frontline workers.

Basically, Wells Fargo used mergers to cut staff, even if it meant getting rid of experienced staff who were skilled at serving the best interest of their customers.

This management style is all too common in the industry. It means that bank workers often experience huge stress and there are sometimes incentives for workers to take actions that would harm consumers. That's why I strongly support the Financial Services Worker Bill of Rights.

A Financial Services Worker Bill of Rights was recommended by the U.S. House Committee on Financial Services Majority staff report released on March 4, 2020, citing a study by the Kalmanowitz Initiative at Georgetown University, and I am pleased that this important legislation is now being introduced.

I want to highlight some specific problems that are prevalent at many large banks in the industry that the Financial Services Bill of Rights would help address, and in doing so would help ensure good jobs in the industry, strong protections against unfair, deceptive and abusive practices, and to ensure the safety and soundness of banks.

Many of the big banks relied on performance based pay metrics which incentivized predatory practices. The Wells Fargo fraudulent account scandal illustrated how big banks' unreasonable sales quotas harm both consumers and frontline bank workers. Frontline bank workers reported that a failure to meet their sales quotas resulted in lost pay and bonuses, bullying, retaliation and possible termination. Therefore, by keeping this system of aggressive sales goals in place, it was almost inevitable that a scandal like that--in which many workers broke the rules to meet those goals, harming consumers and the bank as a whole in the process--would take place. The

Financial Services Bill of Rights would prohibit the use of predatory sales goals so that frontline bank workers do not feel pressured to market products that are not in the interest of the consumers.

The relentless performance based pay metrics fostered an environment where workers feel like they cannot take a break, whether for medical reasons or to use the bathroom, for fear that they may not meet their quotas. Being deprived of a bathroom break can cause serious health problems for workers and it frankly would undermine someone's dignity. This legislation would mandate employee break and rest time so workers do not have to choose to be uncomfortable or risk health problems because their employer is depriving them of a basic human need.

The increased use of forced arbitration in the financial industry can cause real harm to frontline bank workers and consumers. Forced arbitration agreements and non-disclosure agreements, along with the fact that workers do not feel adequately protected by whistle-blower laws, means that bank workers are prevented from filing complaints or talking to government regulators when they see consumer abuse. By prohibiting forced arbitration in employment agreements, frontline bank workers will feel encouraged to speak up when they feel their rights have been violated and if they witness actions or protocols that may harm consumers.

This bill would also create incentives to reduce the enormous inequities and income inequalities that exist in banking by imposing a tax on financial institutions with a large CEO to median pay ratio.

By establishing a system for non-management employees to provide feedback to Federal financial institutions regulatory agencies conducting a supervisory examination, the Financial Services Worker Bill of Rights would help protect and empower everyday bank workers to speak out against the structural weaknesses that continue to threaten our financial system.

From my experience working in the banking industry, Federal regulatory examiners would benefit from frontline bank worker participation in the review of the safety and soundness of the banks that they oversee. This point of view has been put into practice by the Committee for Better Banks, which is a coalition of bank workers uniting to improve working conditions and raise standards throughout the financial industry, understanding that bank workers' conditions impact how consumers are treated. For example, I know that members of the Committee for Better Banks met with the Consumer Financial Protection Bureau to talk about predatory sales goals before the CFPB took action on Wells Fargo's fake accounts scandal. And after former Wells Fargo CEO Tim Sloan testified before this committee two and a half years ago, members of the Committee for Better Banks at Wells Fargo met with two Governors of the Federal

Reserve Board to share how their ongoing stressful working conditions continued to impact the safety and soundness of the bank.¹

Having regulators meet on an ongoing basis with frontline bank workers would allow workers to bring these sorts of problems to regulators' attention in a timely way, hopefully putting a stop to abusive practices before they become major problems for consumers and the safety and soundness of banks.

A Financial Services Worker Bill of Rights would also strengthen and protect bank workers' right to unionize. At a recent hearing of the U.S. Senate Banking Committee, the CEOs of Bank of America, Citibank, Goldman Sachs, Morgan Stanley, JP Morgan Chase, and Wells Fargo all stated that they would not remain neutral if their employees wanted to unionize. And while some of their exact words may have obscured their response to the question from U.S. Senator Sherrod Brown, their message was heard loud and clear that they would oppose bank workers' attempts to organize. When asked whether he would remain neutral if employees at JPMorgan Chase attempted to organize, Jamie Dimon was succinct and direct in his response, an unequivocal "no".

I know from my participation with the Committee for Better Banks that bank workers want to organize for better treatment but many are scared and fearful that their bosses will retaliate against them.

Luckily, my experiences at Beneficial State Bank couldn't be more different from what I experienced at Wells Fargo, and from what most workers' experiences at other financial institutions are. Beneficial is a mission-driven bank, owned by a non-profit foundation, and is committed to serving communities that need access to financial services.

When it has acquired small banks over the last few years, they have been like-minded community banks, enabling us to serve more communities in need. No one lost their job and there was an open communication process with much better transparency; we held monthly bank wide meetings to explain what was happening. And now with our union contract, we will have regular labor-management meetings where we can discuss a range of issues, including how we can improve customer service.

I've also noticed that when mergers of bigger banks occur, Beneficial gets some of those customers because they are unhappy with their service at the big bank after the merger.

¹ ["How Wells Fargo regulators and employees drove out its CEO"](#), Reuters, Imani Moise and Pete Schroeder, April 9, 2019.

But the reality is, there has been too much consolidation in the industry, and I want to make sure that small, mission-oriented banks like Beneficial can thrive and not be swallowed up by predatory mega-banks. That's why I think that Congress should strengthen merger standards to ensure that mergers are in the public interest and improve wages and working conditions. The Bank Merger Review Modernization Act would require a more stringent review process for bank mergers, including directing regulators to look at the impacts of the merger on wages and working standards.

Meanwhile, online banking is creating more cashless banks and reducing the number of brick and mortar branches, threatening the livelihood of the 423 thousand bank tellers² in the country and possibly reducing access to banking for underserved consumers who can't utilize the newer technology.

From my 25 years of experience in banking, I think there is room to ensure that employees are taken care of when there are mergers or advances in technology, and that is through unionizing. Making sure frontline bank workers' rights are protected by empowering more of us to organize will not only reduce our unhealthy stress levels but it will be better for customers, better for our communities and better for our entire financial system.

That's why I'm committed to helping other bank workers organize. As part of CWA's Committee for Better Banks campaign, I've met with current Wells Fargo workers, as well as from Bank of the West (owned by the French bank BNP Paribas) and other big banks, who are fighting for better treatment, conditions and the right to form a union.

Thank you.

² [BLS data 2020](#) - There are an estimated 423,570 bank tellers in the US