

February 1, 2018

Questions:

- When a business, including a small business, is seeking credit, bonding, or loans does offering paid sick days create a higher chance that the small business cannot meet financial criteria for the credit/loans/etc.?
- in your experience, in cities or states where paid sick days are a legal requirement for businesses, have you seen small businesses have more trouble getting access to loans or credit because of paid sick days ordinances or because of any increased liabilities?

Answer:

Thank you for your inquiry. We've been asked to share our experience as a Bank serving jurisdictions with paid sick leave policies in place, and particularly regarding the impact of paid sick leave policy on businesses seeking access to credit. Amalgamated Bank provides term loans and lines of credit in many cities with paid sick leave policies in place, including New York City, both before and after paid sick leave policies went into effect. We have observed no instances of negative consequences of paid sick leave policy on access to credit. In fact, the net impact on businesses is likely positive, as this policy may create more predictability for small businesses around spending on employee sick leave, as well as employee retention. In addition, I would note that the bank itself implemented new sick leave policy in accordance with New York City's legislation and we have seen no negative impact on our own business.

Thank you,

Keith Mestrich

President and Chief Executive Officer

Amalgamated Bank

1825 K Street NW Washington, DC 20006

275 7th Avenue

New York, NY 10001