



beneficial state foundation

"Building Better Banks" Case Study Series: Amalgamated Bank

Beneficial State Foundation's mission is to change the banking system for good. These case studies highlight some of the exceptional work banks and credit unions are doing in the areas of Diversity, Equity, & Inclusion, Environmental Stewardship, Good Governance & Leadership, and Alternative Credit Underwriting & Services. We hope that spotlighting mission-driven business and banking practices will inspire bankers to bring similar approaches to their workplaces. Imagination precedes accomplishment, and being a good bank is profitable. [This case study spotlights the exceptional Good Governance & Leadership work that Amalgamated Bank prioritizes.](#)

Industry Challenge for Good Governance & Leadership:

Banks and credit unions typically maintain rigid hierarchies that limit employee empowerment, collective bargaining, and the promotion of under-represented communities. Consequently, financial institutions prioritize profit maximization and neglect community reinvestment. Instead, banks need to empower unions, invest in future generations, pay living wages, and take new approaches to corporate governance. Let's take a look at how Amalgamated Bank is striving to build a better bank.



ABOUT AMALGAMATED BANK

Founded on the tenants of workers' rights and access to financial services for those who are often left out, over the last one hundred years Amalgamated Bank has become one of America's most prominent socially responsible banks.

([Link: Our Story](#)).

LOCATIONS & FINANCIALS

Amalgamated Bank operates six locations: three branch offices across three boroughs of New York City, and one branch office in Washington, D.C., Boston, and San Francisco.

- Assets Under Management: \$52.32 B (2020)
- Assets Growth Rate (YTD): 15%
- Net Income: \$46.2 M (2020)
- Return on Equity: 10.03% (2020)
- Return on Assets: 0.83% (2020)
- Net Interest Margin: 3.06% (Q4 2020)
- Loan/Deposit Ratio: 70% (2020)
- Tier 1 Capital Ratio: 7.97% (2020)
- Efficiency Ratio: 57.6% (2020)
- Texas Ratio: N/A

MIGHTY DEPOSITS

Mighty Deposits is a comparison tool to help the public better understand where their money goes after it is deposited at their bank or credit union.

For every \$100 a customer deposits at Amalgamated Bank, an estimated \$70 is reinvested in the community. This is 56% higher than the industry average. Sustainability, Housing, Public Works, and Overall Community Financing are the top four likely places a depositor's money would go at Amalgamated Bank.



IMPACT HIGHLIGHTS



**\$1 Million in
Donations to 41
Non-Profits.**



**59% of the Workforce
Identify as Women,
61% Identify as a
Person of Color.**



**27% of Employees
are Represented
by Collective
Bargaining.**



**Global Alliance for
Banking on Values
Member.**



**Bank-Wide \$20
Minimum Wage.**



**BCORP Member Since
2017.**

“We will not lose sight of the founding principles of our work as America’s socially responsible bank, which values, supports, and prioritizes the needs of working people without discrimination.”

Lynne P. Fox
Interim President & CEO
Chair, Board of Directors



GOOD GOVERNANCE & LEADERSHIP SPOTLIGHT



(Courtesy of Amalgamated Bank)

Leading by Example: Leadership and Workforce Diversity

Good governance practices include hiring and promoting diverse talent. Banks must prioritize their employees' diversity and advance minorities to leadership positions.

As of December 2020, approximately 59% of Amalgamated Bank's employees identify as women, and 61% of its employees identify as persons of color. Women hold 9 of 36 senior management positions, and persons of color hold 19% of senior management positions.

We encourage readers to consider bringing the following practices to your bank to help attract diverse talent:

1. **Use Job Posting Platforms Specific for Diverse Candidates.** Places such as [Diversity Working](#) (diversity job board), [Hire Autism](#) (for individuals on the autism spectrum), and [Hire Purpose](#) (for veterans and military spouses).
2. **Avoid hyper-masculine words in job postings.** Tools like [The Gender Decoder](#) can help remove disenfranchising lingo from job postings.
3. **Utilize Diverse Interview Panels.** Having diverse hiring panels may help your hiring process eliminate unconscious bias when interviewing candidates.
4. **Disclose workforce diversity statistics.**
5. **Commit to pay and compensation equity and transparency.** Pay Equity Audits are one route to identifying compensation discrepancies.

GOOD GOVERNANCE & LEADERSHIP SPOTLIGHT



(Courtesy of Amalgamated Bank)

A \$20 Company-Wide Minimum Wage and Enabling Collective Bargaining

Amalgamated has a longstanding commitment to workers' rights and to building an economy that addresses inequality. This includes a commitment to collective bargaining agreements. In 2015, they spearheaded the 'Fight for \$15' as the first financial institution to raise their minimum hourly wage to \$15 an hour.

Amalgamated Bank is the first bank in the United States to provide a \$20 minimum wage. In a [2019 blog post](#) about this achievement, Amalgamated stated, "As we try to build a culture of transparency and inclusiveness, and as we try to entice talented new people to join the bank, we must walk the walk when it comes to our own actions."

When asked what advice Amalgamated Bank had for other financial institutions looking to support collective bargaining and unions, they shared the following steps:

1. Communicate and establish a good rapport with Shop/Union Steward(s) and the regional union representative.
2. Communicate and keep the Union Representative in the loop.
3. Be an active listener and make sure you align when resolving grievances and concerns.
4. Sharing in advance any decisions on union employees.
5. Follow the CBA (Collective Bargaining Agreement) and stay consistent.



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Thank you for your engagement with this case study on Amalgamated Bank.

This is part of a series of case studies on financial institutions, published by Beneficial State Foundation.

For information about how Beneficial State Foundation can support your bank's corporate social responsibility strategy, **[please click here to contact us.](#)**

