

# WAGE | EQUITY | STUDY

## Wage Equity for Non-Profit Human Services Workers: A study of work and pay in Seattle and King County

### Executive Summary

Non-profit human services workers play a critical role in building and maintaining the human, social, and institutional strengths of communities. Yet, as documented elsewhere and confirmed by this study, pay for human services work lags behind compensation for other kinds of work. This report presents study findings that compare pay in non-profit human services organizations to pay in other sectors and industries and offers a series of recommendations to help provide a path to more equitable compensation for these workers.

Comparable worth, the principle of equal pay for equivalent work, guided this examination of the extent of wage inequity facing non-profit human services workers in Seattle and King County. This approach acknowledges that various forces have shaped employment patterns and suppressed wages in the nonprofit human services sector over time, including race and gender discrimination, wage penalties for caring labor, and decisions made by federal and local policymakers. These factors continue to affect current wages for the local human services workforce, which is overwhelmingly female (roughly 80%) and in which workers of color are overrepresented.

There are different ways to define and assess wage equity and the extent of the wage gap experienced by non-profit human services workers. This study used two separate empirical approaches. First, the market analysis compared pay for human services workers and workers in other industries using state and federal quantitative employment data. Key findings from that analysis include:

- Holding constant worker characteristics such as education level or age, human services workers are paid less than workers in other care industries (education and healthcare) and at least 30% less than workers in non-care industries. For human services workers in the non-profit sector, median annual pay is 37% lower than in non-care industries.
- Workers who leave the human services industry for a job in a different industry see a net pay increase of 7% a year later (relative to workers who stay in human services) after accounting for observable worker and employer characteristics.

Second, a systematic job evaluation analysis allowed us to compare a subset of specific human services jobs to jobs in other industries using in-depth questionnaires and interviews (N=22) and analyzing results using a detailed, multi-factor, points-based classification method.

- The job evaluation results show that the work done by human services workers is undervalued relative to its required levels of skill and difficulty as measured by the job evaluation tool. The job evaluation comparisons demonstrate that the gaps revealed in the market analysis between human services workers and workers in other industries do not reflect lower pay because human services work is easier, less skilled, or less demanding than other jobs. Rather, the pay is less *despite* the high level of skill, responsibility, and difficulty of human services jobs.

These analyses inform our broad conclusion:

**Achieving wage equity for workers at non-profit human services organizations requires substantially increasing wage rates.**

Based on strong and consistent evidence that workers at non-profit human services organizations are underpaid, we recommend that these organizations and their funders work together to increase wages for human services employees. Our specific recommendations include four short-term and three longer-term steps.

**By 2025:**

**RECOMMENDATION 1. Raise real wage rates by a minimum of 7% for non-profit human services workers in the near term.**

Non-profit human services organizations and their governmental and non-governmental funders should increase human services workers' compensation by at least 7% (net of inflation) beginning in the next one to two years, while concurrently exploring how to design and implement a comprehensive overhaul of pay scales for the entire sector over the longer-term. This amount is based on the most conservative estimate in the market analysis, the multivariate analysis of the sub-set of workers who changed jobs, and was the net wage increase observed for human services workers leaving the human services industry. We believe this amount represents a starting point for the minimum increase needed immediately to reduce the number of workers leaving human services posts for significantly higher paying jobs in other industries.

**RECOMMENDATION 2. Make adjustments for inflation separate from equity adjustments and build in future inflation adjustments.**

Calculate wage increases to address pay inequity in addition to annual inflation adjustments. Wage adjustments to match inflation and wage adjustments for pay inequity are different issues and should be addressed separately.

**RECOMMENDATION 3. Maintain or improve non-wage benefits and job characteristics throughout the wage equity increase process.**

Decreasing the generosity of fringe benefits or increasing job demands to increase salaries will erode the value of any increase in pay and make it meaningless.

**RECOMMENDATION 4. Consider wage increases as a necessary part of ongoing racial and gender equity work in the City of Seattle and King County.**

Public agencies and non-profit organizations need to include wage equity – in addition to equal pay – as an action step within their anti-racism, gender equity, and diversity-equity-inclusion (DEI) plans. While organizations legally must make sure that they are paying women, persons of color, and other protected groups equivalently for the same jobs, equal pay measures alone are insufficient to achieving racial and gender equity. Race and gender discrimination shape the wage differentials between non-profit human services and other jobs in several interrelated ways.

## By 2030:

### **RECOMMENDATION 5. Substantially increase wages for non-profit human services workers to align with those of workers doing comparable work in other sectors and industries.**

While establishing a specific pay raise amount is necessarily a political task, the analysis in this report yields what we believe is a useful range of estimates of the magnitude of the current underpayment. The 30% - 37% wage gap found in our analysis imply that wage increases of 43% or more would be needed to align wages for non-profit human services workers with workers with similar job responsibilities and training in non-care work industries. Not increasing wages substantially and systematically equates to ignoring the most basic and severe inequities and further perpetuating the structural racial and gender inequities affecting this sector.

### **RECOMMENDATION 6. Create a salary grade system and establish minimum pay standards based on job characteristics.**

Human services organizations should develop a broad salary grade system linking minimum salary requirements with job characteristics, including a job's knowledge and skills required, initiative and independence, effort, responsibilities, and environmental demands. The range of types of work and different sizes of organizations in the non-profit human services sector means that this grading system will need to have considerable flexibility.

### **RECOMMENDATION 7. Use public contracts to further wage equity.**

City and county contracts for human services work should make sure that public contracts do not reinforce wage inequities in the economy as a whole. To avoid decreasing prevailing wages in more powerful industries, this means that government should adequately fund human services contracts so that employee wage levels do not fall below similar local jobs in the public sector.

This summary is based on the work of the Wage Equity Study team convened by the University of Washington. The full report is available at <https://socialwork.uw.edu/wageequitystudy>.