

HSD's 2024 Provider Pay Report

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Agenda

- HSD Overview
- Provider Pay Background
- Provider Pay Report
- Summary of Key Results
- Provider Pay in 2026
- Questions



HSD Overview

The Human Services Department (HSD) mission is *to connect people with resources and solutions during times of need, so all Seattle residents can live, learn, work, and take part in strong and healthy communities.*

Through the lens of racial equity, HSD provides direct services and contracts with over 200 community-based providers in six different impact areas:

1. Preparing Youth for Success
2. Supporting Affordability and Livability
3. Addressing Homelessness
4. Promoting Public Health
5. Supporting Safe Communities
6. Promoting Healthy Aging



Seattle
Human Services
Equity • Support • Community



Background

- In the 2022 Adopted Budget, Council added nearly \$500K for a Human Services Sector Wage Analysis
- In 2022, HSD ran a [Request For Proposals](#) and the UW School of Social Work was selected
- UW conducted their study from Fall 2022 to Winter 2023 and produced their 2023 [Wage Equity Report](#)
- In the 2024 Adopted Budget, \$4.2M was added for a 2% provider pay increase across all HSD contracts for human service providers



Background: Coverage

Study: Human Service Wages Are Even Worse Than You Imagined



Invest in human services workforce to strengthen families, communities

March 26, 2023 at 12:01 pm

The Seattle Times

UW study makes clear the gulf between human services pay and region’s cost of living

Auhtors recommend a 40% pay increase for all childcare and other human services workers by 2030

Seattle’sChild

New UW report shows Seattle social services workers are severely underpaid



New UW study says human-services workers are underpaid by 37%

Provider Pay Report

[Ordinance 126963](#) asked HSD to provide a [report](#) that includes:

- A. A **list of all organizations** whose contracts include appropriated money expressly reserved for human services provider pay, including the prime contracts and sub-contracted organizations
- B. The **amount of such appropriated money** included in each of the organizations' contracts
- C. A list of **organizations that declined** such appropriated money and the reason why it was declined
- D. A narrative on **how such appropriated money was used by providers**, including which positions had wage increases due in part or in whole to the appropriated money
- E. A **description of other funding sources** that contributed to increases in human services worker wages at contracting organizations during the same time period
- F. A **description of inflationary adjustments provided to staff**, including the amount of the inflationary adjustments and, if applicable, the extent to which inflationary adjustments provided under Seattle Municipal Code Section 3.20.060 was used to pay for staff inflationary adjustments.



Provider Pay Report - Section A

A **list of all organizations** whose contracts include appropriated money expressly reserved for human services provider pay, including the prime contracts and their sub-contracted organizations

- 244 contracts across 148 agencies received provider pay funds
- 13 contracts included sub-contracts
- Full list can be found in Appendix B of the report



Provider Pay Report - Section B

The amount of such appropriated money included in each of the organizations' contracts

- Roughly \$4.2 million was added to 2024 HSD contracts
- 2% increase from base contracts
- Most contracts (85%) received less than \$10,000 increase
- Full list can be found in Appendix B of the report

| Amount of Human Services Provider Pay Funds Received in 2024 | # of Contracts | % of Contracts |
|--|----------------|----------------|
| \$16-\$3,999 | 125 | 51% |
| \$4,000-\$9,999 | 83 | 34% |
| \$10,000-\$24,999 | 27 | 11% |
| \$25,000-\$59,999 | 4 | 2% |
| \$60,000-\$99,999 | 2 | 1% |
| \$100,000+ | 3 | 1% |
| Grand Total | 244 | 100% |



Provider Pay Report - Section C

A list of **organizations that declined** such appropriated money and the reason why it was declined

- Provider pay funds were automatically incorporated in 2024 contracts
- No agency declined the appropriated money



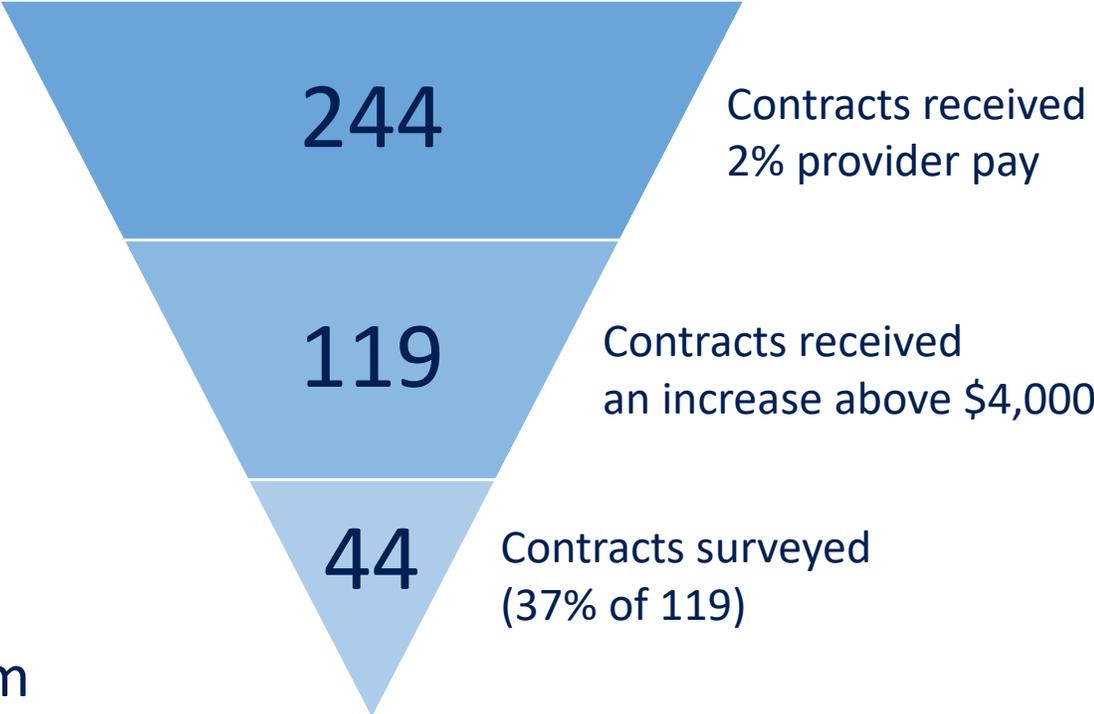
Provider Pay Report - Section D-F Sample

HSD used an approved sampling technique in July 2025 to survey providers.

This allowed HSD to focus on the 119 contracts that received an increase above \$4,000.

Surveyed 37% of the contracts that received more than \$4,000 (44 contracts across 43 agencies).

- HSD oversampled to ensure the minimum sample size of 30% would be reached



Provider Pay Report - Section D

A narrative on **how such appropriated money was used by providers**, including which positions had wage increases due in part or in whole to the appropriated money

- Across 43 surveyed agencies, 455 positions were funded (at least in part) by their HSD contract
- 342 (75%) of those positions received a wage increase
- Agencies reported an average wage increase of 8%



Provider Pay Report - Section D

Most wage increases went to lower-paid positions.

74% went to positions earning under \$40/hr.

| Initial Hourly Wage Prior to Wage Increase | # of Positions | Avg. % of Wage Increase |
|--|----------------|-------------------------|
| Less than \$30/hr | 141 | 9% |
| \$30.00-\$39.99/hr | 113 | 8% |
| \$40.00-\$49.99/hr | 51 | 7% |
| \$50.00-\$59.99/hr | 16 | 6% |
| \$60.00-\$69.99/hr | 17 | 9% |
| More than \$70/hr | 4 | 5% |
| Grand Total | 342 | 8% |

Provider Pay Report - Section E

A **description of other funding sources** that contributed to increases in human services worker wages at contracting organizations during the same time period

- 38 agencies used provider pay funds to increase worker pay
- 32 agencies leveraged additional fund sources toward worker pay
- 5 agencies used provider pay funds to support staffing by:
 - Maintaining pay of existing staff due to decrease in other funding
 - Providing health, dental, vision, life insurance, and other benefits
 - Contributing to staff retirement accounts
 - Creating a new staff position



Provider Pay Report - Section E

Most agencies leveraged other fund sources in addition to HSD's provider pay increases.

The most common leveraged source was fundraising.

About half used additional government funds.

| Detailed Funding Source Used for Worker Pay | # of Contracts* | % of Contracts* |
|---|-----------------|-----------------|
| Fundraising (Non-Government) | 15 | 47% |
| State (Government) | 13 | 41% |
| County (Government) | 12 | 38% |
| Federal (Government) | 11 | 34% |
| Other Agency Funds (Non-Government) | 8 | 25% |
| Foundation (Non-Government) | 5 | 16% |
| Other City (Government) | 2 | 6% |

Provider Pay Report - Section F

A **description of inflationary adjustments provided to staff**, including the amount of the inflationary adjustments and, if applicable, the extent to which inflationary adjustments provided under Seattle Municipal Code Section 3.20.060 was used to pay for staff inflationary adjustments.

- 342 of the positions in the sample received a wage increase
- Agencies reported an inflationary increase separate from total wage increase for 158 of these positions
- Many agencies did not distinguish between the amount of wage increase attributed to inflation from other sources



Provider Pay Report - Section F

Agencies reported limited data regarding inflationary adjustments vs. other wage adjustments.

Of agencies that did, a majority reported inflationary increase between 2% to 4%.

| % of Inflation Increase | # of Positions | % of Positions |
|-------------------------|----------------|----------------|
| 0.04% - 1% | 17 | 11% |
| 2% - 4% | 97 | 61% |
| 5% - 7% | 29 | 18% |
| 8% - 10% | 15 | 9% |
| Grand Total | 158 | 100% |

Summary of Key Results

- 75% of staff working in HSD-contracted programs received a pay increase in 2024
 - Those staff received an average increase of 8%
- Most wage increases went to lower-paid positions
 - 74% of wage increases went to positions earning under \$40/hour
- Most agencies leveraged other fund sources in addition to HSD's human services worker wage increases
 - Top sources include Fundraising, State, County, and Federal



Provider Pay in 2026

- In the 2026 adopted budget, an additional 2% provider pay increase was added for contracts with human services providers
- The total provider pay increase since 2024 is 4%
- Provider pay increases are in addition to the annual inflationary requirement by the SMC, altogether totaling an increase of 18.5%, since 2024





Questions