



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# Wage Equity For Human Services Contracts

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# Inflationary Adjustments versus Wage Equity

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- SMC 3.20.060 requires an inflationary adjustment for most contracts administered by the Human Services Department (HSD)
- Wage equity increases are intended to increase wages beyond simply adjustments for inflation.

# University of Washington Wage Equity Study

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- Council provided \$600,000 in the 2022 Adopted Budget for a study analyzing the comparable worth of human services jobs as compared to similar jobs in different fields.
- In 2022, HSD contracted with the University of Washington (UW) to conduct a Wage Study for non-profit human services workers, which was published in February 2023.
- Key findings from the [UW Wage Study](#) include:
  - Median annual pay for human services workers in the non-profit sector is 37 percent 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 seven percent a year later (relative to workers who stay in human services)
  - Women are over-represented in the human services industry, making up almost 80 percent of human services workers
  - Black/African American workers are almost three times as likely to work in human services as they are to work in non-care industries

# Resolution 32094

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In 2023, City Council passed [Resolution 32094](#), which stated Council's intent to recognize the short-term and long-term recommendations in the UW Wage Equity Study without necessarily committing to implement all of them. Recommendations included:

- Increase human services worker wages by at least seven percent by 2025
- Substantially increase wages for non-profit human services workers to align with those of workers doing comparable work in other sectors and industries by 2030.
- That a salary grade system and minimum pay standards based on job characteristics be established
- Public contracts be used to further wage equity.

# Resolution 32094 (continued)

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The Resolution also:

- Recognized that collaboration with private and public funders is needed to make joint progress on wage equity.
- Requested a plan from HSD on how the department would incorporate wage equity into the application evaluation and contracting process, in order to help ensure that increases in contracts for purposes of wage equity were used to increase worker wages.
- Requested that the Executive consider wage equity increases for human service contracts administered by departments outside of HSD and provide a report with information on those contracts.

# Wage Increases in Recent Adopted Budgets

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- 2024 Adopted Budget included a two percent wage equity increase for human services contracts administered by HSD plus a handful of contracts administered by the Department of Early Learning and the Department of Neighborhoods. Total wage equity increase was \$4.6 million
- 2026 Adopted Budget included another two percent wage equity increase for human services contracts administered by HDSD, for a total of \$5 million
- Council also adopted [ORD 126963](#), requiring that HSD submit a report on use of wage equity funding provided in the 2024 Adopted Budget. HSD submitted that report in December 2025.

# Workforce Stabilization Fund for Permanent Supportive Housing

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Since 2023, OH has been using a combination of Housing Levy and Payroll Expense Tax (PET) funds to support a Workforce Stabilization Fund (WSF) for Permanent Supportive Housing (PSH). Eligible uses of funds include a variety of operational and infrastructure needs, which allows providers to shift resources to bolster staff compensation or provide other supports that result in improvements to hiring and retention, across OH's portfolio of PSH buildings.

## In 2024:

- Total WSF awards were \$26 million for 11 PSH providers; more than half of program funds supported staff compensation.
- WSF funds supported the wages and benefits of 975 frontline PSH staff
- Over the course of the year, their wages increased by \$1.32 per hour, representing an approximately 4.2%, and outpacing the 2.9 percent rate of inflation
- The ratio of open positions to filled positions, decreased from 11 percent in 2023 to 7.2 percent at the beginning of the 2024 and to 6.7 percent at the end of the year.
- Turnover in the local PSH sector remains high. In 2024, organizations receiving WSF collectively had a turnover rate of 32.4 percent.

# Questions?