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Investing in Success

The Case for Supporting the Human Services Workforce

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Introduction

Government and nonprofit service providers rely on over 200,000 human services workers in New York City to provide a range of supports to individuals and families.[1] This workforce is made up of case managers, social workers, domestic violence counselors, mental health and substance abuse counselors, and many others serving populations with the most need—people experiencing homelessness, immigrants, people with disabilities, the elderly, and many more. During the COVID-19 pandemic, many frontline nonprofit workers (including those at Win) continued to provide much needed services, putting their own health at risk to serve others. Win, like many nonprofits in the field, relies on city contracts to fund our work. However, when it comes to providing resources to support and fairly compensate the human services workforce, the city fails to adequately fund the nonprofits in the human services sector that care for the most vulnerable.

The facts are plain:

- The average income for the social assistance sector was just over **$34,000** in 2019.[2]
- The human services workforce is disproportionately women of color, making the city's disinvestment an issue of equity.
- The low pay of the sector makes it difficult to retain employees, and clients lose workers with whom they have built trust.

Failing to fairly compensate the workforce that is called upon to bolster and care for those who are struggling and need help has implications for the quality of services they receive, as well as for issues of racial and gender pay equity. As a nonprofit shelter provider, Win has experienced many of the challenges that result from underinvestment in the human services workforce. The low pay of the sector means workers dedicated to serving those in need may be unable to meet their own needs. As a workforce comprised disproportionately of women of color, underpaying the human services workforce perpetuates inequality. Low pay also impacts staff morale, making it difficult to retain those who do enter the field. And all of these challenges complicate staff's ability to build relational safety and trust with clients, negatively impacting the work meant to support them. The lack of adequate investment in the human services workforce does a disservice both to the staff who work tirelessly to meet the needs of clients and to the clients themselves.

Many nonprofits know the value of their employees and are making their needs a priority, but need government's help to fully realize this change. The wages that Win and other city-funded nonprofits can pay staff, and any additional funds for staff professional development and training, are constrained by city contracts. While Win advocates with the Department of Homeless Services and privately fundraises to help fill the gaps, these issues are shared across the human services sector and must be addressed in the city budget. In New York City, the Human Services Council and Homeless Services United have blazed the trail by conducting research, raising awareness, and advocating for concrete fixes. It is time for the city to finally make these long-needed changes to increase investment in the human services workforce. In this brief, we use external research and internal findings from staff insight groups to outline the problem of the city's underinvestment in the human services workforce and explain how the city can partner with nonprofits to provide solutions.

Problem: The city fails to adequately invest in the human services workforce.

Win has long struggled with a fundamental problem it cannot solve alone—our frontline workers are underpaid. This is evident in a number of measures. In 2015, the average pay of human services workers generally covered about 30 to 45 percent of the bare-bones survival budget of a four-person household in New York.[3] Little progress has been made, with the average income for the social assistance sector (the Department of Labor classification for the human services workforce) at just over $34,000 in 2019.[4] The low pay in the sector means that 15 percent of all workers qualified for government assistance to buy food (SNAP benefits), higher than private sector (12 percent) or government employees (9 percent).[5] In insight groups Win held with staff in 2021, participants expressed that even "affordable" housing in New York City was often unaffordable for them.

The depth of underpayment in the human services workforce is further illuminated when compared to the public sector. Analysis from the Human Services Council shows that nonprofit human services workers make approximately 71 percent of what government employees in similar roles make.[6] This means that for workers with the same job title, the nonprofit employee makes a fraction of what the government employee makes. Going into the nonprofit sector and dedicating one's work to helping those in need more often means not meeting one's own needs.

Fair pay for the human services workforce is an issue of racial and gender equity; and low wages in the sector reflect the structural racism and sexism inherent in our economy. Analysis from the New York City Comptroller's office shows that the essential worker group of childcare, homeless, food, and family services is 81 percent women, compared to 63 percent for all frontline workers. This essential worker group had 13 percent of workers at or below the poverty line, and 34 percent at or below twice the poverty line.[7] And these women are disproportionately women of color. While women of color made up 26 percent of all New York City private sector workers, they made up 46 percent of human services workers.[8] The low pay of the human services sector is part of a larger system that devalues the work of women of color.

The low wages of human services workers make it difficult for nonprofits to recruit and keep talented employees. A survey of New York City nonprofit human service providers found that 80 percent cited that inadequate pay significantly impacted their ability to hire for open positions.[9] Additionally, over 30 percent of the nonprofits surveyed had a vacancy rate higher than 15 percent.[10] High rates of turnover coupled with difficulty hiring for vacant roles means that employees must take on more work to meet clients' needs, further contributing to burnout and potentially leading to more turnover. At Win, we have experienced a cycle of staff gaining work experience and training from us, then leaving for a government or private hospital position that pays more than we are able to offer. The cycle of recruiting and losing talent places a tremendous strain on nonprofits, which operate on shoestring administrative budgets. It is also felt by clients, who lose workers with experience and with whom they've built relationships.

Solution: Fund increased wages and adjust contracts to raise wages for human service workers.

Nonprofits in the human services sector want to address the pay disparities in the workforce, but they cannot solve the problem alone. The challenge is twofold; not only is pay below what is needed to survive in New York City, but also, wages fall further behind without appropriate annual increases to keep up with inflation. As a sector whose staffing parameters and budgets are dictated by city contracts, the government must provide funding for nonprofits to increase wages. While the Fiscal Year 2022 budget included a one-time bonus of $24 million for the human services sector, it falls short of the $48 million needed to fully fund the three percent cost of living adjustment advocated for by the sector.[11] And, that was the amount needed just to keep salaries in line with inflation, well below what is needed to address the disparities we detail above (estimated by Homeless Services United to be at minimum $310,000,000 for the sector).

New York City must commit to raising wages for human services sector workers. The Mayor must set aside and baseline funding to cover the increased costs that will provide workers with fair pay. If the Mayor does not take action, the City Council should negotiate and allocate funding for this in the budget. In the homeless services context, the Department of Homeless Services should reopen model budget negotiations with providers to make wage adjustments that reflect pay parity for the human services workforce. This should include renegotiating the fringe cap to provide the funding to pay for enhanced benefits as part of compensation. Changes in wages should reflect pay parity across the sector to bring nonprofit workers on par with their government equivalents. These negotiations should also include automatic cost of living adjustments to maintain parity over time.

Summary:

The Mayor must set aside and baseline funding to cover wages that would provide workers with fair pay. For homeless services providers, DHS should reopen model budget negotiations to make wage adjustments, including the fringe cap to pay for enhanced benefits as part of compensation.

Solution: Provide funding for professional development and subsidies for training and continuing education.

Given the current low pay in the sector, workers are less likely to remain in the field without a pathway to further their education or develop skills needed for upward mobility in their careers. Supporting professional development is a critical way to retain experienced workers. Win staff have expressed the desire for more training opportunities to expand their skills and provide better services for clients, which requires funding to pay for training. Investing in the professional development of workers improves organizational productivity, employee morale, and ultimately improves the quality of services provided.[12]

Resources for professional development can also aid racial and gender equity within nonprofit organizations. Considering the human services workforce is disproportionately comprised of women of color, offering educational supports can provide opportunities for career advancement and pay equity within the sector. An analysis of the American Community Survey shows that within social service organizations, the racial pay gap largely disappears for workers with a master's degree.[13]

New York City has taken a first step toward continuing education supports through the recently announced human services career advancement scholarship. This program will provide financial support to qualifying human services workers looking to get their Associate, Bachelor, or Master's degree, or take a Licensed Master Social Worker test prep course.[14] This program is a useful starting point, but a much more robust program is necessary to fully meet the needs of the sector. For example, this program is only available to people with previous college credits. And the available slots are extremely limited: 50 slots for people pursuing master's degrees; 70 for associate or bachelors; and 300 for test preparation for the social work licensing examination. Not only are more slots necessary, but also, the program needs to be dramatically expanded to meet the workforce where is and to meet its range of needs. In addition to this program, the city can support the human services workforce by building in funding for staff professional development and training into contracts with service providers, and by providing additional scholarship or subsidy programs to assist with other needs such as administrative fees, textbooks, or childcare. The city must expand this program, or opportunities like it.

Having a well-trained workforce is essential for the human services workforce to best serve clients. Staff should be empowered to continue their education and attend evidence-based trainings that support their work and allow them to grow professionally.

Summary:

The city can support human services workers by expanding the human services career advancement scholarship, building in funding for staff professional development into contracts, and providing additional scholarship or subsidy programs for other needs such as textbooks or childcare.

Conclusion

Frontline staff in New York City's homeless shelters, and others in the human services workforce, provide some of the most critical services for our city and have some of the most demanding jobs. We ask so much of this workforce, yet we do so little to support them and appropriately compensate them for their important and challenging work. New York City has underinvested in the human services workforce for too long. As a result, nonprofits that serve the most vulnerable New Yorkers struggle to recruit and retain staff. And the low pay in the sector perpetuates gender and racial inequality as it is disproportionately staffed by women of color.

Win and other nonprofits aim to provide the resources our staff need, but that often takes the shape of organizations advocating individually with city agencies and privately fundraising for additional needs. Nonprofits cannot systematically make these changes without financial support from the city. The city must do the right thing—it must give these workers a fair wage and provide funding for professional development and subsidies for training and continuing education. Not only do these essential workers deserve nothing less, but also, the success of our human service agencies and the lives of hundreds of thousands of the most vulnerable New Yorkers whom they serve depend on it.

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ABOUT WIN

Win is New York City's largest provider of shelter and services for homeless families with children. Across its shelters and supportive housing, Win transforms the lives of New York City's homeless women and their children by providing a holistic solution of safe housing, critical services and innovative programs they need to succeed on their own—so the women can regain their independence and their children can look forward to a brighter future.

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