

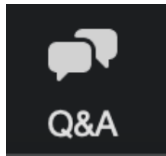
The Gender Wage Gap and Occupational Segregation: Tackling the Undervaluation of Human Services and Care Work

Wednesday, 28th June 2023
4:00-5:15pm EST

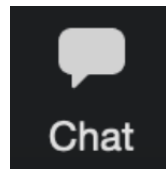
**EQUAL
PAY
TODAY**

 **INSTITUTE
FOR WOMEN'S
POLICY
RESEARCH**

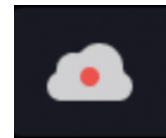
A few issues to start with



Please put your questions for panelists in the Q&A by clicking the **Q&A button** at the bottom of the screen.



Please use the Chat to introduce yourself and to chat with fellow attendees.



The webinar will be recorded and made available after the event.

We encourage you to use the chat to connect during this webinar. We ask that you keep all discussion in the chat respectful and follow Zoom's community standards which prohibit abuse and hateful conduct. We reserve the right to remove individuals from the webinar if they violate these guidelines.

The Gender Wage Gap and Occupational Segregation: Tackling the Undervaluation of Human Services and Care Work

- **Deborah J. Vagins**, Equal Pay Today and Equal Rights Advocates: Welcome
 - **Ariane Hegewisch**, Institute for Women's Policy Research: Introduction and moderator
 - **Meg Smith**, School of Business, Western Sydney University, Australia
 - **Jennie Romich**, West Coast Poverty Center and School of Social Work, University of Washington
 - **James Parrott**, Center for New York City Affairs at the New School
- Comments and questions**



Wednesday, 28th June 2023



◦ The Gender Wage Gap and Occupational Segregation: Tackling the Undervaluation of Human Services Work and Care Work

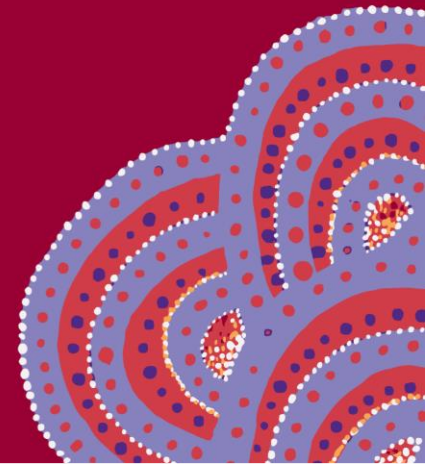


The Australian Aged Care Work Value Case: Addressing the gender-based undervaluation of care work

Professor Meg Smith
School of Business
Western Sydney University
Sydney, Australia
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28 June 2023

With respect for Aboriginal cultural protocol and out of recognition that its campuses occupy their traditional lands, Western Sydney University acknowledges the Darug, Eora, Dharawal (also referred to as Tharawal) and Wiradjuri peoples and thanks them for their support of its work in their lands in Greater Western Sydney and beyond.



Outline



- Addresses industrial proceedings in aged care in Australia, proceedings that resulted in a 15 per cent wage increase for all direct care workers in that industry
- Position this key decision, which explicitly recognised the historical undervaluation of the work, against the challenges in Australian labour law of addressing the objective of equal remuneration for work of equal or comparable value.
- Identify the analyses/evidence that were persuasive to the tribunal's finding that the work was undervalued.
- Pose the question of whether the Aged Care decision constitutes a new approach to the resolution of gender pay inequity/gender pay inequality

Awards – a feature of Australian labour law



- In Australian labour law, awards establish the minimum wages and conditions for those employers and workers that fall within the scope of that award. Awards are determined by a federal industrial tribunal – currently the Fair Work Commission.
- There are 154 federal awards in Australia, 70 per cent of which are industry awards (Stewart and Bray, 2020).
- The majority of workers in Australia fall within federal labour law jurisdiction (as opposed to state or provincial coverage).
- There are three awards with particular application to the aged care industry: the *Aged Care Award*; the *Social, Community, Home Care and Disability Services Industry Award*, and the *Nurses Award* (Stewart, 2020).

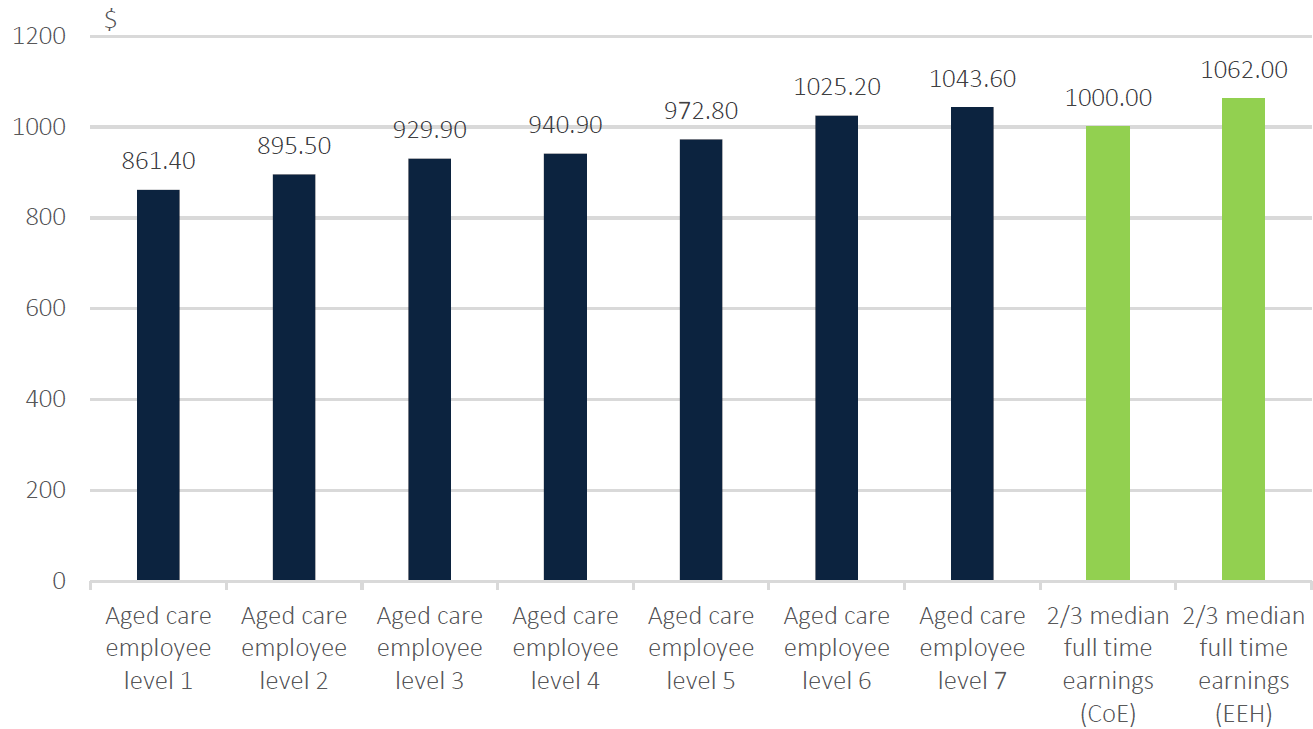
Awards – multiple ‘minimum rates’



Aged care employee—level 1	861.40
Aged care employee—level 2	895.50
Aged care employee—level 3	929.90
Aged care employee—level 4	940.90
Aged care employee—level 5	972.80
Aged care employee—level 6	1025.20
Aged care employee—level 7	1043.60

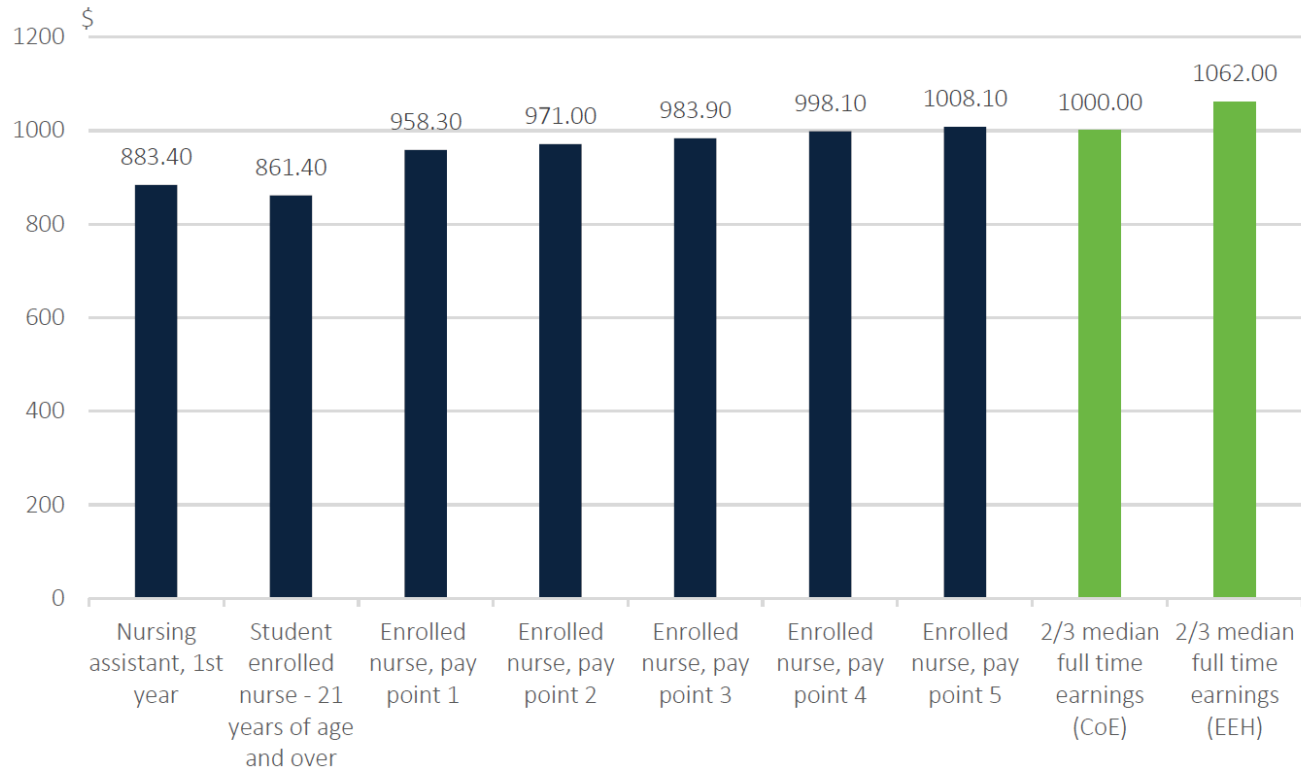
Source: Weekly minimum wages (\$AUD), *Aged Care Award*, July 2022

Comparison of minimum, full-time weekly wages in the *Aged Care Award* and two-thirds of median full-time earnings, enrolled nurses, 2021-2022



Source: [2022] FWCFB 200 at [475]

Comparison of minimum, full-time weekly wages in the *Nurses Award* and two-thirds of median full-time earnings, enrolled nurses, 2021-2022



Source: [2022] FWCFB 200 at [476]

Explicit Equal Pay Regulation - Australia



- **1969-1974** From Equal Pay to Equal Pay for Work of Equal Value
- **1974-2008** National failures to establish equal or comparable value
 - 1986 Nurses Case: failure of 'comparable worth' approach
 - 1993 Legislative commitment to Equal Remuneration for Work of Equal or Comparable Value –capacity for equal remuneration orders – applicants required to show discrimination
- **2000-2019** State successes with Gender-based Undervaluation approach
 - 2000 NSW and 2002 Queensland Equal Remuneration Principles identifies state jurisdictions where the objective of equal remuneration could be assessed through the constructs of historical undervaluation of work and with a view to ensuring that the value of the work was properly set
- **2008-2021** Continuing national ambiguities with equal remuneration applications/cases
 - 2012 Social and Community Services case – some acceptance of historical undervaluation but remedy required applicants to quantify contribution of gender to undervaluation
 - 2015 Early Childhood Education and Care case – Federal tribunal assessed that the objective of equal remuneration for work of equal or comparable value required applications to use a 'binary' comparator (Smith and Whitehouse, 2020).

Aged Care Case

Barriers to Proper Work Value Assessment



Evidence addressed the **barriers to proper work value assessment by tribunals** in **female dominated industries** and the impact of these on setting award minimum rates.

Gender-based undervaluation

- and related terms refer to work value and wage setting **practices** that are impacted by gender and which contribute to a failure to recognise work value in assigned wages:-
 - the **absence** of work value **assessments, incomplete** or inadequate work value assessments
 - inadequacies in the **description** and **classification** of work
 - the effect of **socially constructed understandings of gender** on the assessment of skill and work value (Smith and Lyons, 2022).

Aged Care Case

Substance of Undervaluation



Work of Anne Junor (2022)

- Describing & applying the **Spotlight invisible skills job analysis tool** to provide data coded from completed questionnaires and interview transcripts
- Identifying any **skills, effort, responsibility, and conditions** of work of the aged-care workers who provided the data
- Identifying which skills were '**invisible**' in the sense of being **unrecognised**.

Invisible skills:

- **Hidden** - diplomatically kept unnoticed or downplayed because it is 'behind the scenes'
 - **Under-defined** - non-verbal, applied in rapidly-changing situations
 - **Under-specified** – seen as 'soft' or 'natural'; misdescribed as innate and personal
 - **Under-codified** - integrative, involves interweaving one's own activities with others' activities to maintain a workflow
- + Training and **experiential learning** not recognised in credentials

Aged Care – The Decision - Undervaluation



- “Undervaluation occurs when work value is assessed with gender-biased assumptions. The reasons for gender-based undervaluation in Australia include the continuation of occupational segregation, the weaknesses in job and work valuation methods and their implementation, and social norms, gender stereotypes and historical legacies.”
- “The approach taken to the assessment of work value by Australian industrial tribunals and constraints in historical wage fixing principles have been barriers to the proper assessment of work value in female dominated industries and occupations. In particular:
 - limited capacity to address what may have been errors and flaws in the setting of minimum rates for work in female dominated industries and occupations.
 - Errors in the valuation of work may have arisen from the female characterisation of the work, or the lack of a detailed assessment of the work. The time frame or datum point for the measurement of work value which limit assessment of work value to changes of work value ... [have] mitigated against a proper, full-scale assessment of the work free of assumptions based on gender.
 - The capacity to address the valuation of feminised work has also been limited by the requirement to position that valuation against masculinised benchmarks. Work value comparisons continued to be grounded by a male standard, that being primarily the classification structure of the metal industry awards” [2022] FWCFB 200 at [758]

Aged Care – The Decision – Invisible Skills



- “We also reject the Joint Employers’ characterisation of certain Spotlight skills as personality traits or dispositions. In doing so we note that such characterisation has led to the undervaluation of these skills. Further, we reiterate that the application of a skill in the context of a particular workplace, is an integral and essential aspect of assessing the value of that skill.” [2022] FWCFB 200 at [854].
- The evidence supported the applicant’s contention that skills exercised by Registered Nurses, Enrolled Nurses, Assistants in Nursing/Personal Care Workers in the aged care are not compensated by the modern award minimum rates of pay applicable to their roles [2022] FWCFB 200 at [857]. Accepted the evidence that the skills should be “brought to account in the assessment of work value” [2022] FWCFB 200 at [896].
- “Indeed it seems to us the mischaracterisation of the so called ‘soft skills’ as personality traits or ‘the simple cognitive activity of adults is at the heart of the gendered undervaluation of work.” [2022] FWCFB 200 at [848].

Aged Care Case – The Outcome



- Decision noted considerable common ground between the parties as to the aged care industry including that the work had changed significantly in the past two decades
- Tribunal was satisfied in respect of direct care workers in the aged care sector that the evidence establishes existing minimum wage rates do not properly compensate employees for the value of the work performed. [2022] FWCFB 200 at [899]
- Awarded an increase of a 15 per cent increase for direct care workers employed in the aged care industry across the three awards – full increase applicable from July 2023 – not phased in
- Australian government’s federal budget included \$11.3 billion over 4 years to fund the increase (and other reforms)
- Scope for parties to make submissions in terms of classification structures, in addition to further submissions concerning the applicants’ original application concerning a 25 per cent wage increase

A future trajectory



Following the decision, key questions include:

- the capacity for such changes to address sameness/differences challenges in Australian labour law, namely women achieving equality only where they demonstrate a 'sameness' to men, or labour law struggling to afford work value to work that is 'different' from masculinised norms
- the capacity to review the valuation of work in awards given that recent eras of minimum wage regulation have limited the opportunities for increases in wages outside of annual wage reviews
- future coherence in classification structures across industry awards
- the future of equal remuneration orders – the latter having the potential to address gender-based disparities in paid rates remuneration.

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Aged Care Work Value Case [2022] FWCFB 200; [2023] FWCFB 93 – see <https://www.fwc.gov.au/hearings-decisions/major-cases/work-value-case-aged-care-industry/decisions-statements-work-value>

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<https://www.fwc.gov.au/documents/sites/work-value-aged-care/submissions/am202099-63-65-corr-amend-sub-anmf-040522.pdf>

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The Gender Wage Gap and Occupational Segregation: Tackling the Undervaluation of Human Services and Care Work

Jennie Romich, Ph.D.

West Coast Poverty Center and School of Social Work,
University of Washington



Wednesday, 28th June 2023





WAGE | EQUITY | STUDY

Wage Equity for Non-Profit Human Services Workers:

A study of work and pay in
Seattle and King County



WAGE | EQUITY | STUDY

Wage Equity for Non-Profit
Human Services Workers:
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Seattle and King County

FEBRUARY 2023

Table of contents

- Executive summary 5**
- Introduction 8**
 - About this study 8
 - Box 1. About the Seattle/King County Wage Equity in Human Services Study 9
 - Human Services Work 10
 - Box 2. Key terms and concepts 11
- Understanding wage inequity 13**
 - Comparable worth theory 13
 - How wages are set..... 13
 - Box 3. Comparable worth/wage equity in other contexts..... 17
- Market analysis..... 17**
 - Median earnings are lower in human services than in other industries..... 18
 - Multivariate analyses show wage gaps controlling for worker characteristics.. 20
 - Leaving human services jobs increases pay..... 21
 - All three market data analyses show wage gaps..... 23
- Job evaluation analysis 23**
 - About the job evaluation instrument 23
 - Participants..... 24
 - Box 4: How the job evaluation instrument works 25
 - Data and analysis..... 26
 - Job evaluation study findings 26
 - Additional observations 29
- Summary..... 30**
 - Limitations 31
 - Comparisons..... 32
- Conclusion and Recommendations..... 33**
 - Steps for implementing the recommendations 36
- References 38**
- Information about appendices 39**
- Appendix 1. Study personnel 40**
- Appendix 2. Overview of the historical and policy context 42**
- Appendix 3. The relative earnings of human services workers:**
 - A market analysis 55
- Appendix 4. Human services workers: A job evaluation study..... 126**

About this study

- Advocacy: Seattle Human Services Coalition (SHSC)
- Funding: City of Seattle Human Services Department
- University of Washington (Seattle) - led team of national and international scholars
 - Advised by a Steering Committee convened by the SHSC
 - Interpretations and conclusions are ours alone

The Seattle Times

Seattle homelessness nonprofits struggle to hire, complicating plans to expand shelters and housing

Sep. 7, 2021 at 6:00 am | Updated Sep. 14, 2021 at 7:23 am

By [Scott Greenstone](#)

Seattle Times staff reporter

When Aaliyah Bains was hired as a building assistant at the Bob and Marcia Almquist Place in July 2020, she knew it would be a tough job. She knew it was home to more than 100 newly housed, disabled people, most of whom had moved in after years in homeless shelters or the street.

She also knew she'd be making less than \$40,000 a year and could only afford a 200-square-foot studio in the University District. But she was a college student and thought she could make it work. And for over a year, she



1 of 4 | Aaliyah Bains, center, prepares food at the Bob and Marcia Almquist Place in May, during an event celebrating the building — which houses more than a hundred formerly homeless people — being open for a year. The pandemic and... (Courtesy of Aaliyah Bains) More

Building on knowledge that non-profit human services workers are paid less than other workers in our region.

- Study goals:
 1. Estimate the wage gap
 2. Examine **comparable worth**
 - Comparable worth = “equal pay for equivalent work”
- Methods: policy review plus original data analysis
 - Market analysis
 - Job evaluation analysis

Human services workers

Human services workers

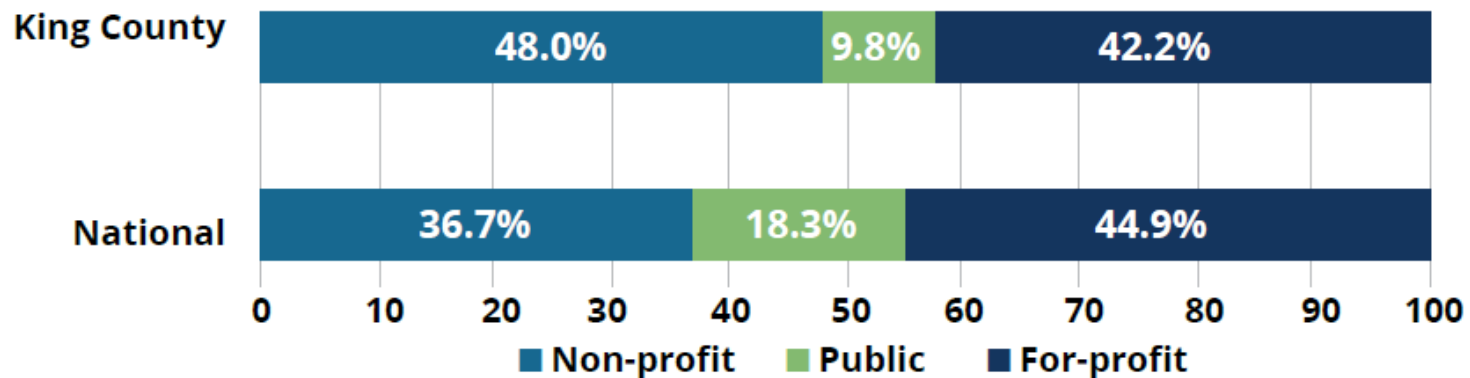
- Examples: youth services, older adult services, childcare, supportive housing, services for persons who are homeless

Human services workers

- Examples: youth services, older adult services, childcare, supportive housing, services for persons who are homeless
- Disproportionately in the non-profit sector

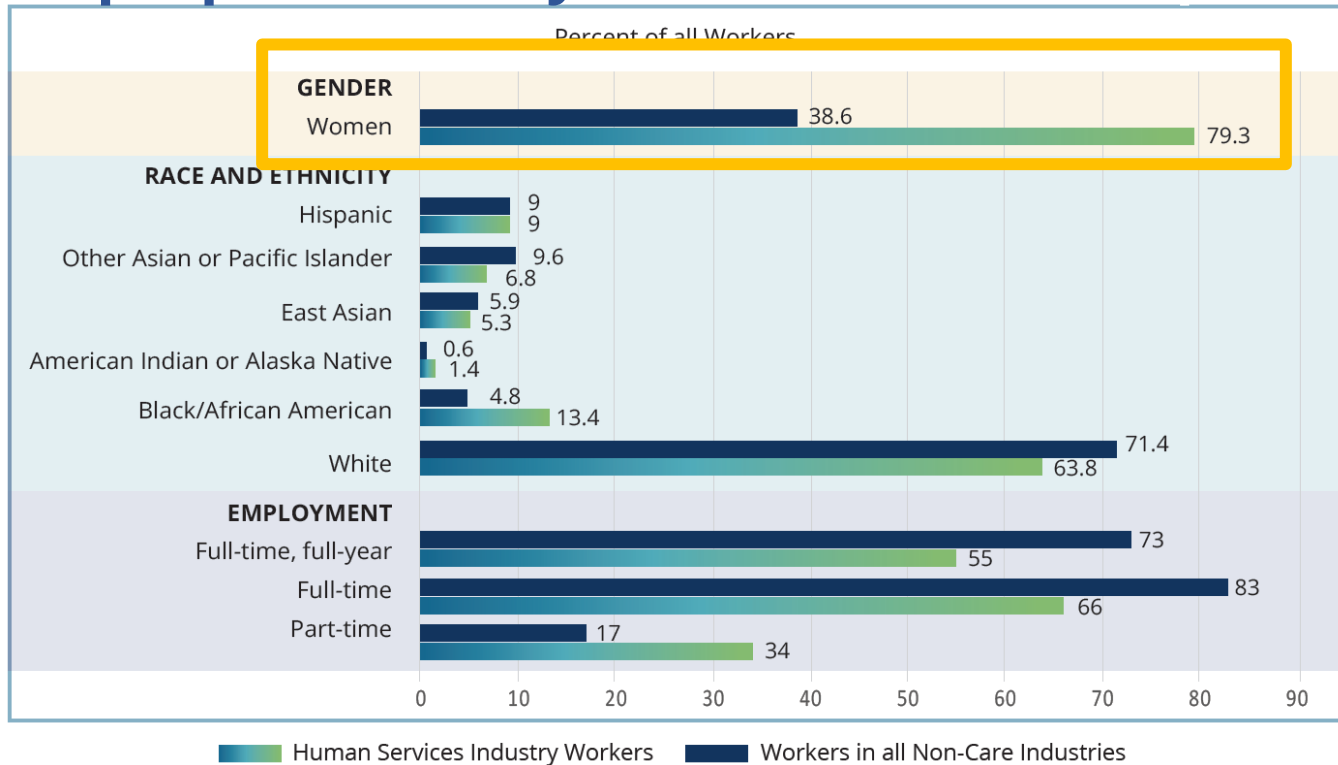
Human services workers

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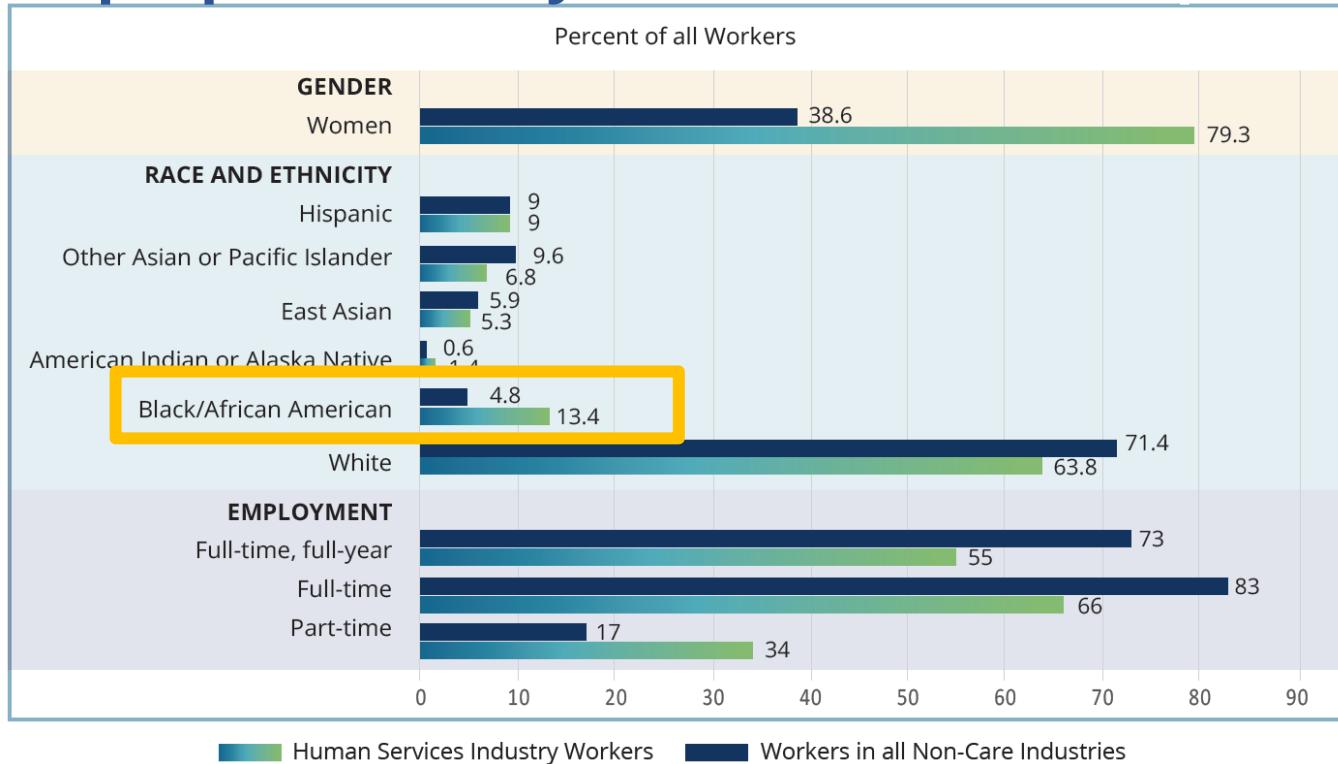
Analysis of 2005-2019 American Community Survey. All workers. Figure 1 in main report and Appendix 3, Table 1.

King County human services workforce is disproportionately female



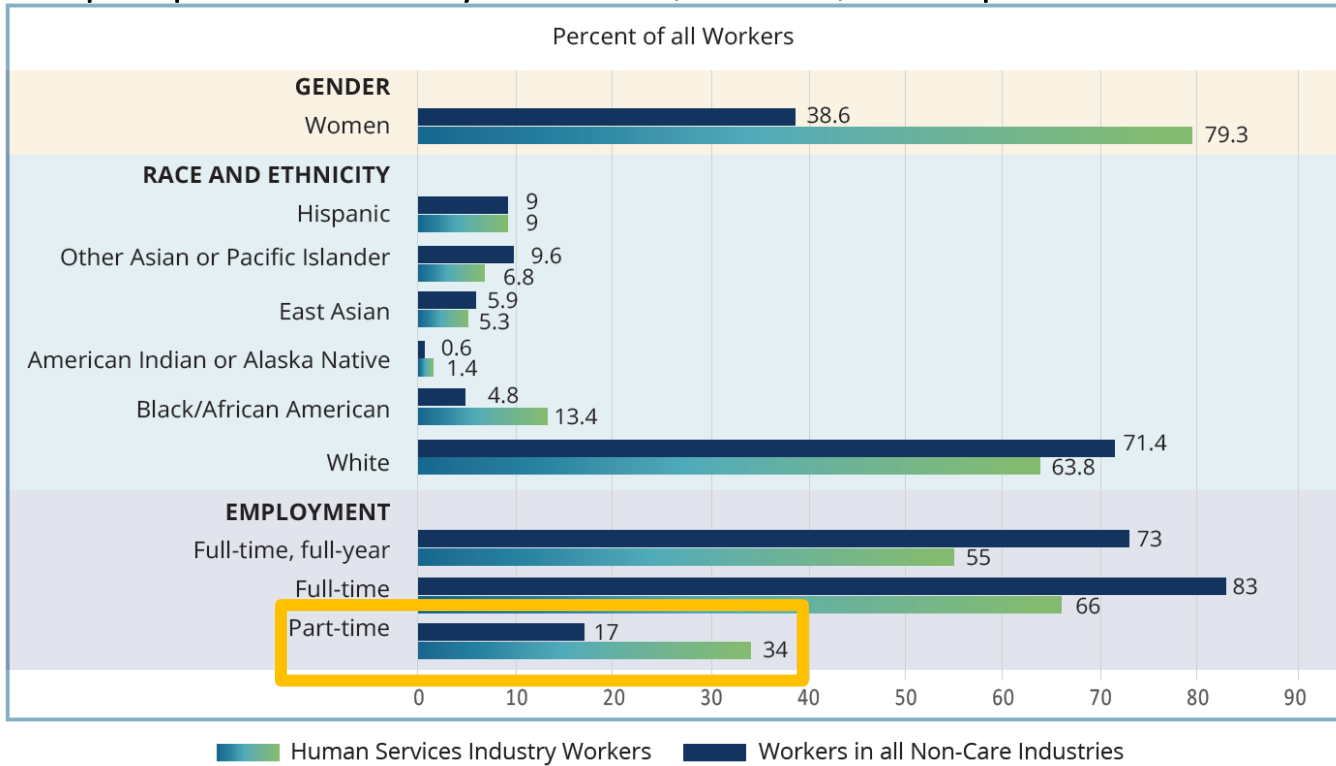
Analysis of 2005-2019 American Community Survey. All King County workers. Figure 2 in main report and Appendix 3, Table 1.

King County human services workforce is disproportionately female, Black



Analysis of 2005-2019 American Community Survey. All King County workers. Figure 2 in main report and Appendix 3, Table 1.

King County human services workforce is disproportionately female, Black, and part-time



Analysis of 2005-2019 American Community Survey. All King County workers. Figure 2 in main report and Appendix 3, Table 1.

Understanding wage structures

Sexism

Racism

**Care work
under
valued**

**Low
client
power**

**Non-profit
sector**

**Penalties that depress wages for
non-profit human services workers**

Market analysis

- What are human services workers in King County paid relative to workers in other care and non-care industries?
- Two data sources
 - American Community Survey (Census Bureau)
 - Washington State Employment Security Department

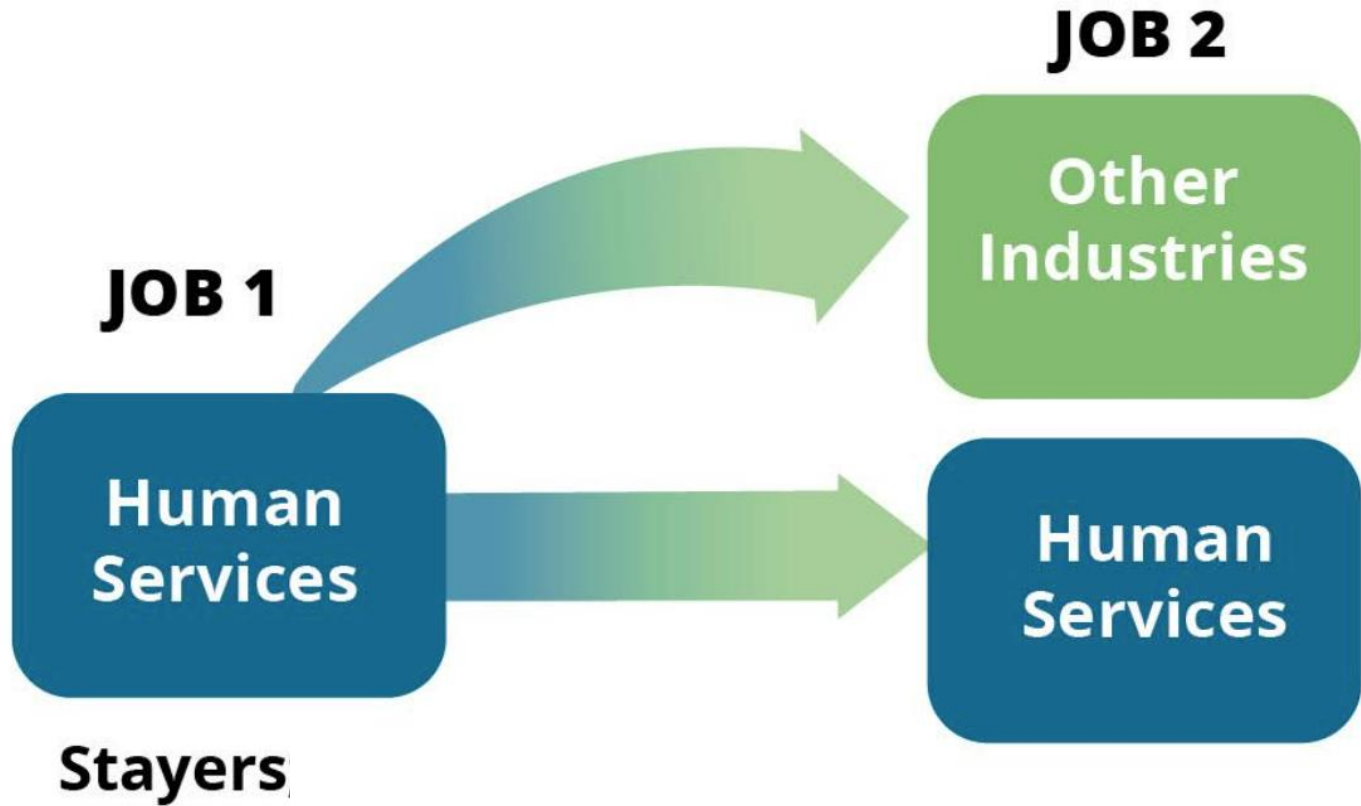
Industry and sector wage penalties, Washington state

Relative to workers in non-care industries...



Multivariate analysis of American Community Survey data for full-time, full-year workers ages 18-64. Analysis controls for worker characteristics and time trends. Source: Appendix 3, Exhibit H.

Job switching analysis



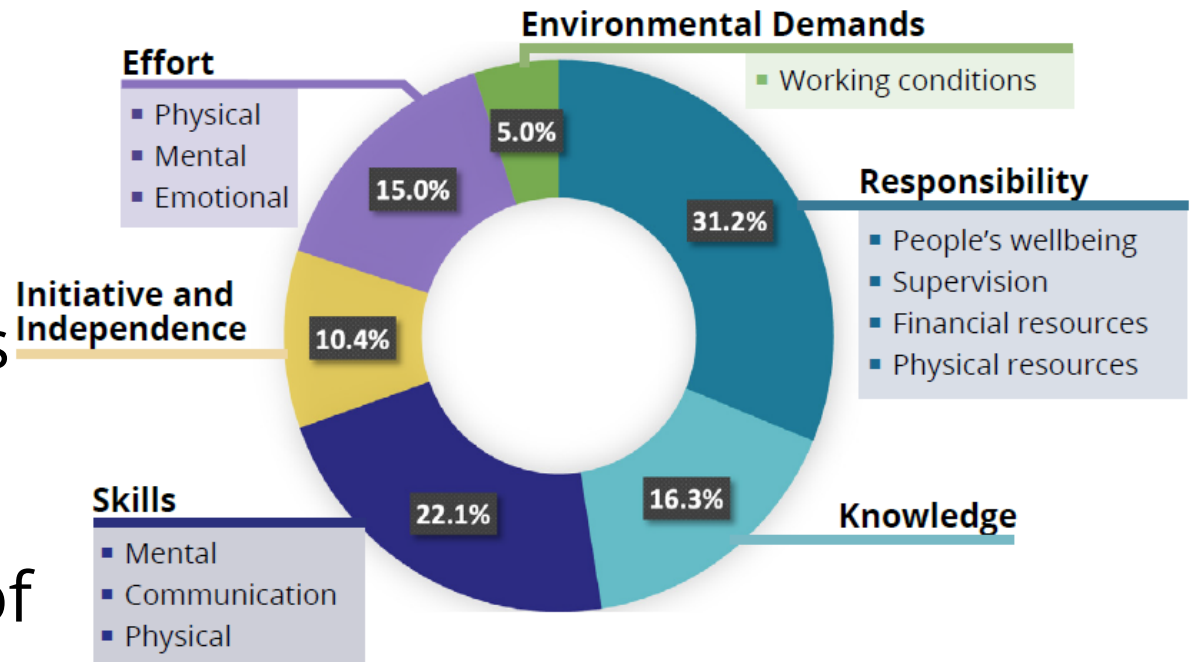
Job evaluation analysis

- Compare different jobs based on characteristics
- In-depth examination of specific jobs

Job evaluation analysis

- Compare different jobs based on characteristics

- In-depth examination of specific jobs



Findings: King county non-profit human services workers are paid less for jobs that are as or more demanding than other jobs

Table 2. Job evaluation (JE) scores and median King County salaries, non-profit human services jobs

JE score	Job title	Area median salary
404	Teaching Assistant	\$39,177
430	School Age Enrichment Worker	\$45,752
447	Youth Advocate	\$43,663
460	Office Assistant/Intake Coordinator	\$41,600
505	Early Learning Director/Site Coordinator	\$66,048
522	Case Manager	\$60,099
528	Program Manager	\$66,048
581	Manager – Housing Services	\$58,033
601	Coalition Director Programs and Membership	\$66,048
669	Children's Advocate	\$55,059
684	HR Director, Housing Organization	\$140,442
716	Director – Housing Services	\$78,162

Table 3. Job evaluation (JE) scores and median area salaries, comparator jobs

JE score	Job title	Area median salary
367	Office Manager	\$62,710
370	Public Sector Administrator/Project Manager	\$76,860
427	Journey Electrician	\$79,020
449	Dispatcher/Office Manager	\$55,070
492	Business Representative	\$130,750
512	Facilities Manager/Administrator	\$81,465
577	Private School Equity Director	\$133,243
593	Attorney	\$129,147
599	Compliance Director	\$132,230
710	Construction Project Manager	\$104,458

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404 Teaching Assistant

716 Director - Housing Services

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599	Construction Project Manager	\$99,110
710	Construction Project Manager	\$104,458

367 Office Manager

710 Construction Project Manager

Figure 9. Teaching Assistant Job Comparison

Comparing job evaluation factor scores and pay for a non-profit human services job and a similarly-scored job not in human services



FACTOR	SCORE	
Knowledge	80	60
Skills		
Mental	39	39
Interpersonal Communication	52	52
Physical	26	26
Demands		
Physical	20	10
Mental	30	20
Emotional	20	10
Responsibility		
For People	39	26
For Supervision	13	26
For Financial Resources	13	26
For Physical Resources	13	26
Working Conditions	20	10
Initiative/Independence	39	39
TOTAL	404	370

Source: Job evaluation scores from study analysis (see text and Appendix 4 for details). Human services salary data from 2021 King County Nonprofit Wage and Benefit Report (501 Commons, 2021). Comparison salary data from Bureau of Labor Standards (2022) for Seattle-Bellevue-Tacoma metro area.

Figure 10. Director of Housing Services Job Comparison

Comparing job evaluation factor scores and pay for a non-profit human services job and a similarly-scored job not in human services



FACTOR	SCORE	
Knowledge	121	142
Skills		
Mental	65	78
Interpersonal Communication	65	65
Physical	26	39
Demands		
Physical	20	20
Mental	40	40
Emotional	40	20
Responsibility		
For People	65	52
For Supervision	65	39
For Financial Resources	52	65
For Physical Resources	39	52
Working Conditions	40	20
Initiative/Independence	78	78
TOTAL	716	710

Source: Job evaluation scores from study analysis (see text and Appendix 4 for details). Human services salary data from 2021 King County Nonprofit Wage and Benefit Report (501 Commons, 2021). Comparison salary data from Bureau of Labor Standards (2022) for Seattle-Bellevue-Tacoma metro area.

Short-term recommendations

1. Raise real wage rates by a minimum of 7% for non-profit human services workers in the near term.
2. Adjust for inflation separately.
3. Maintain or improve benefits and job characteristics.
4. Consider wages in racial and gender equity work.

Longer-term recommendations

5. Substantially increase wages for non-profit human services workers to align with those of workers doing comparable work in other sectors and industries.
6. Create a salary grade system.
7. Use public contracts to further wage equity.

The math...

- Closing a 30% gap
 - \$70,000 to \$100,000 requires a 43% raise
- Closing a 37% gap
 - 63,000 to \$100,000 requires a 59% raise

Longer-term recommendations

5. Substantially increase wages for non-profit human services workers to align with those of workers doing comparable work in other sectors and industries.
6. Create a salary grade system.
7. Use public contracts to further wage equity.

For more information, see
<https://socialwork.uw.edu/wageequitystudy>



THE
NEW
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CENTER FOR
NEW YORK
CITY AFFAIRS

The Systematic Underpayment of Wages and Benefits for Women of Color in NYC Government Human Services Contracting

James A. Parrott, PhD
Center for New York City Affairs at
The New School

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Institute for Women's Policy Research and Equal Pay Today

The Gender Wage Gap and Occupational Segregation:
Tackling the Undervaluation of Human Services and Care
Work

June 28, 2023

Overview

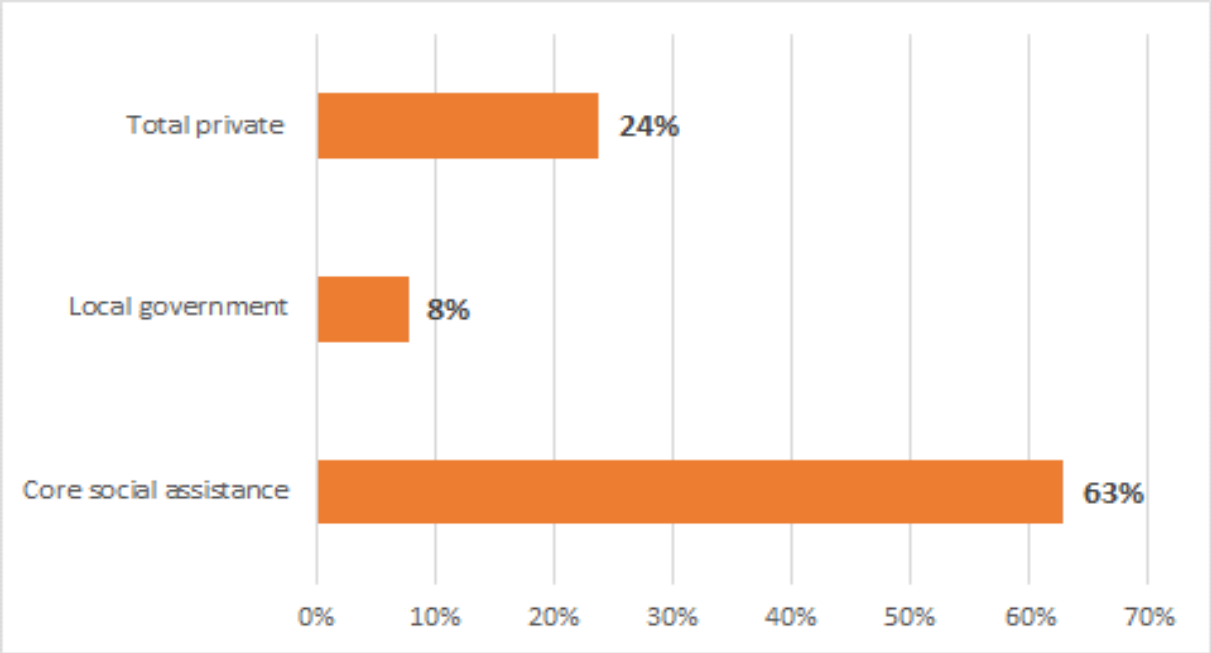
- The nonprofit human services sector has grown steadily since the 1960s as public pressure has built to respond to critical and emerging needs.
 - Today, 80,000 NYC nonprofit sector workers are employed under NYC's \$6B in human services contracts.
 - These contracts have been chronically under-funded with the result that predominantly well-educated women of color workforce are paid unusually low wages and 20-30% less than similarly educated City government human services employees, with inferior benefits.
 - We'll review the data documenting this significant pay disparity, the policies that produced this result, and possible strategies to correct these inequities.
- This presentation draws from an updating of the Center's March 2022 report, *The Case for Ending Poverty Wages for NYC's Human Services Workers*, prepared with my colleague Lina Moe.

<http://www.centrernyc.org/reports-briefs/the-case-for-ending-poverty-wages-for-new-york-citys-human-services-workers>

Why and how has the human services sector grown?

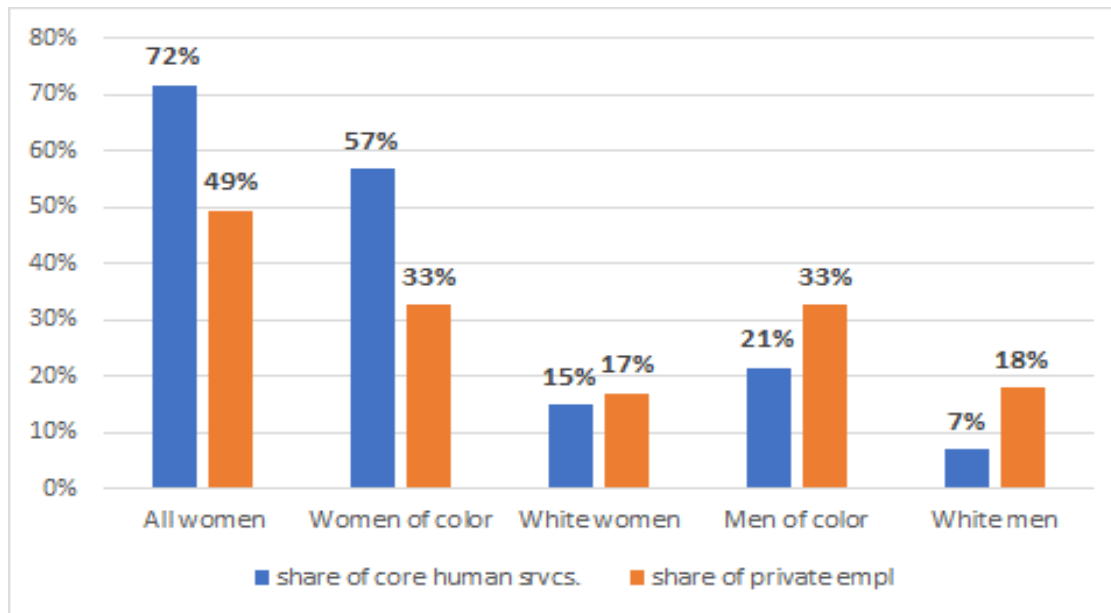
- Rapid growth in nonprofit human services sector
 - Long history of service provision by settlement houses
 - Contracted out in part to limit further growth in municipal unions (& do it for less \$)
 - Partly as a means to decentralize service provision in a very large city
 - As public commitment to address human services has expanded, so has nonprofit workforce.
- Multi-year contracts not based on the cost of providing the services
 - City procurement system geared to low-cost bidder
 - Entered-into by mission-serving nonprofits (some of which can supplement with philanthropic \$).
- While the dollar amount of contracts has always been less because of the lower pay for nonprofit employees, for many years there were regular pay adjustments in line w/ municipal labor contracts (that ended in 2007).
- City has backed away from limited efforts to provide health & pension benefits.

NYC core social assistance employment increased by 63% since 2000, more than 2.5 times the increase for all private sector employment



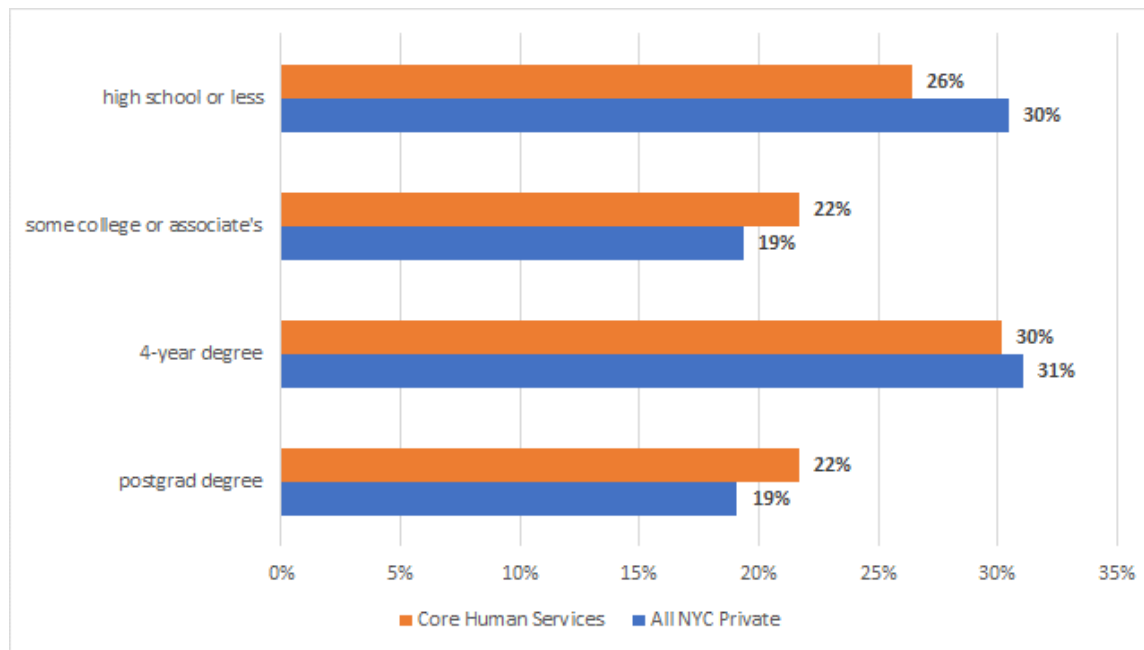
Source: NYSDOL, QCEW, 2022

Women of color predominate among NYC core human services nonprofit workforce



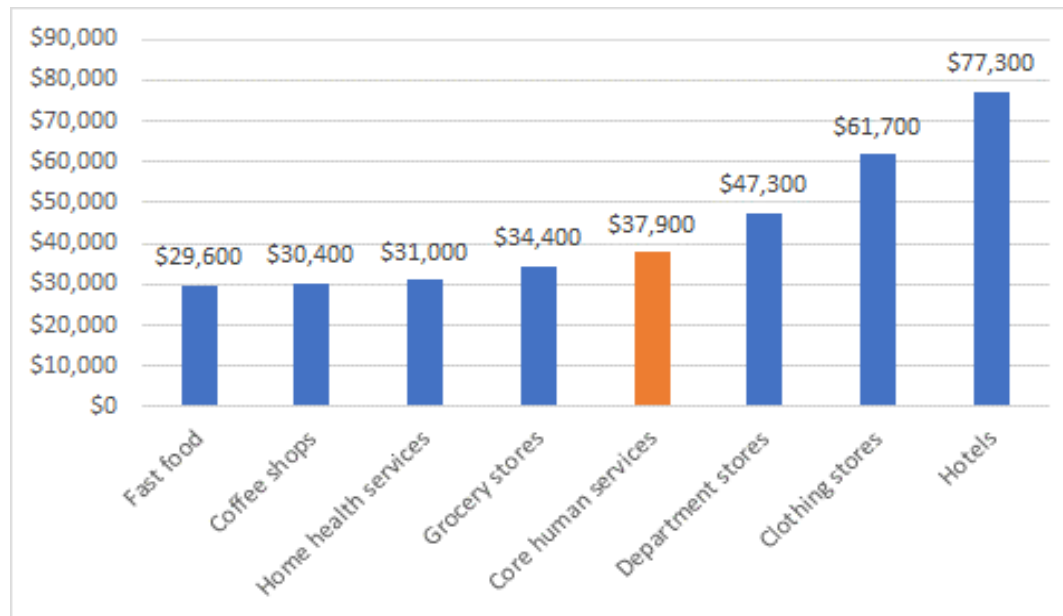
Source: CNYCA analysis of American Community Survey 2021 5-year sample.

A greater share of full-time core human services workers has advanced degrees than in the city's overall private workforce



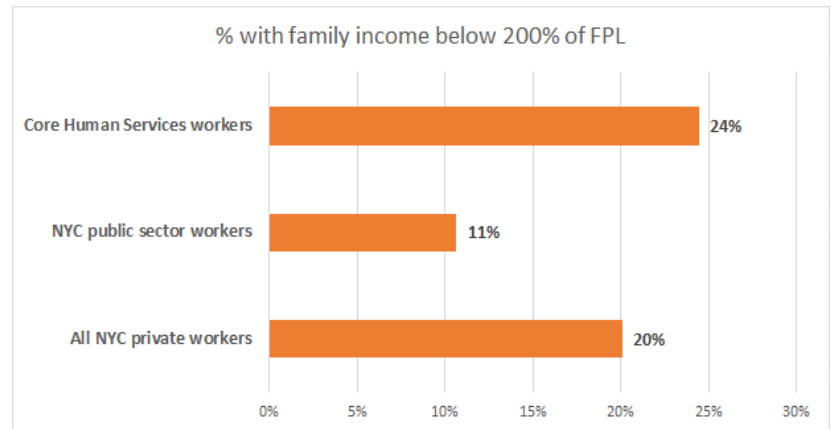
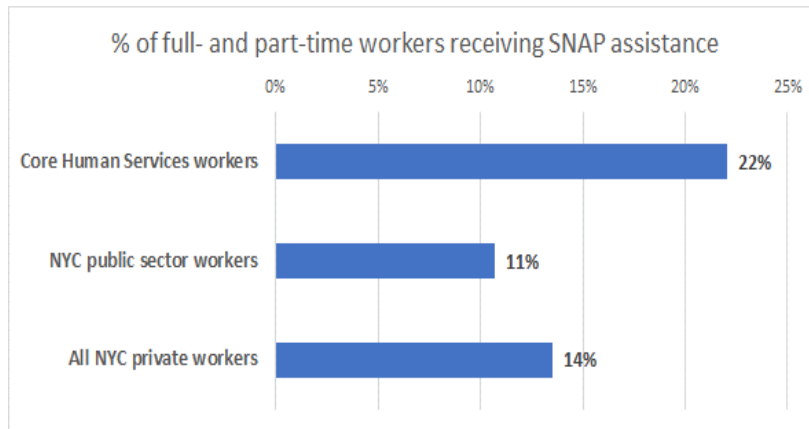
Source: CNYCA analysis of American Community Survey 2021 5-year sample.

In 2022, annual average pay in NYC core human services was \$37,900—one of the lowest-paying of all sectors, and paid less than clothing stores and hotels.



Source: NYSDOL, QCEW, 2022

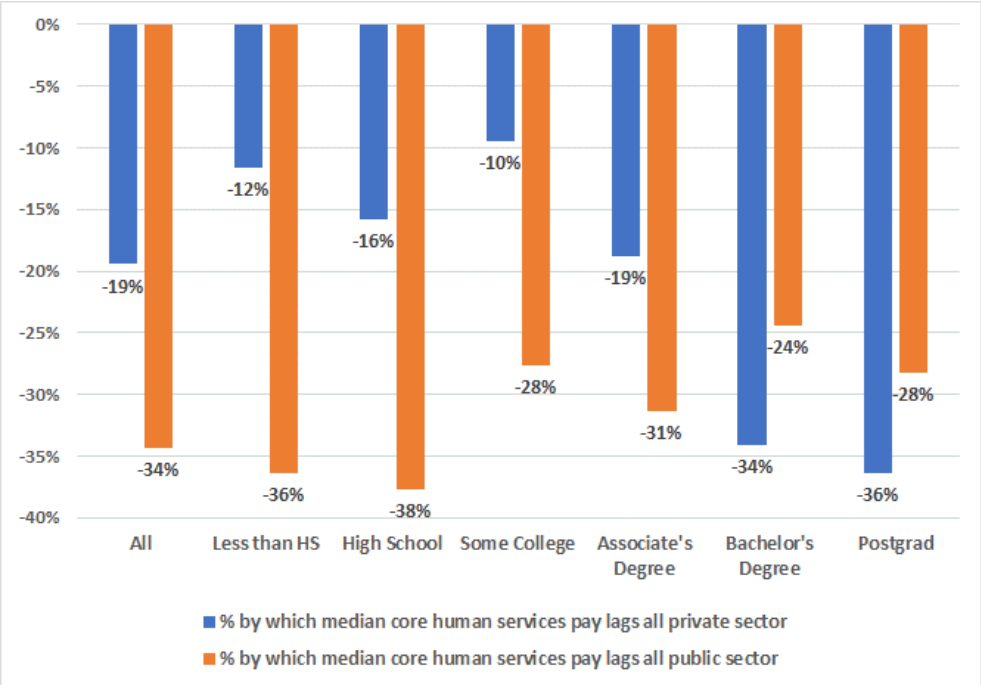
22% of NYC core human services workers receive SNAP assistance, and 24% have incomes below 200% of the FPL.



Source: CNYCA analysis of American Community Survey 2021 5-year sample.

➤ In 2019, 2/3 of all full-time core human services workers had earnings below the City's own near-poverty threshold.

Core human services full-time pay significantly lags the pay of public and private sector workers at every education level.



Full-time workers	Core HS NYC
All	\$44,500
Less than High School	\$27,000
High School	\$31,800
Some College	\$40,000
Associate's Degree	\$39,400
Bachelor's Degree	\$49,700
Postgrad	\$63,900

Source: CNYCA analysis of American Community Survey 2021 5-year sample.

Pay gaps between core human services and gov't remain sizable when holding education level constant.

Median salaries, full-time workers	Core human services	Gov't	% by which core human services pay lags Gov't
Counselors with B.A. degree	\$49,809	\$55,475	-10%
Counselors with a postgraduate degree	\$53,948	\$67,421	-20%
Social workers with B.A. degree	\$46,421	\$55,263	-16%
Counselors with a postgraduate degree	\$60,406	\$73,269	-18%

Source: CNYCA analysis of American Community Survey 2021 5-year sample.

Under NYC’s service contract prevailing wage law, many less-skilled workers are paid better than the median hourly pay for full-time nonprofit human services workers (\$27.00).

<u>selected occupational titles/ regular hourly rates</u>	<u>wage rate</u>	<u>supplemental benefit rate</u>
<i>effective July 1, 2023 - June 30, 2024</i>		
<i>Temporary office services</i>		
Administrative assistant	\$41.39	\$4.90
Computer assistant	\$35.87	\$4.90
File clerk	\$22.20	\$4.90
Secretary	\$23.29	\$4.90
 <i>Building service employees</i>		
Nonresidential building class "A" Handyman	\$32.15	\$14.84
Residential building cleaner/porter/doorperson/ elevator operator	\$29.47	\$14.84

Source: NYC Comptroller prevailing wage schedules.

Human services workforce labor market challenges

- Even before the pandemic, poor pay resulted in chronic turnover and retention problems, often leading to discontinuities in service delivery and quality.
 - Inadequate contract funding also means poor health and retirement benefits, and another reason workers leave to work for the City.
 - Since nonprofits have limited resources to invest in training or career advancement, the City recently established a Human Services Career Advancement Scholarship, but it is limited and needs to be expanded.
- Pay inequities can only be addressed through government policy.

Solution may be driven by a racial equity imperative

- Traditional measures to raise pay not sufficient (annual COLA, minimum wage, living wage, prevailing wage).
- Governor Hochul pushed through a flawed min. wage increase this year.
- Puzzling that unionization hasn't worked given NYC's high union density.
- Historic 2019 starting pay salary parity agreement in ECE needs to go further.
- Procurement reform to mandate full-cost contracting would be step in right direction, but effects of occupational segregation have kept care-related pay artificially low.
- NYC formed a Racial Justice Commission in the wake of George Floyd's murder and a citywide ballot initiative passed 70-30 in Nov. 2022 to establish the Mayor's Office of Racial Equity (a Commission on Gender Equity had been estab. in 2020).
 - Elected officials voice support for addressing longstanding racially disparate pay practices; will they do something about it?

Thank you

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Comments & Questions

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