End Poverty Wages for Government-Contracted Human Services Workers

The Just Pay campaign is committed to ending the government exploitation of human services workers by demanding sector employees under contract with the New York City and State be paid fair wages for their labor. We must not allow the City and State budgets to be balanced on the backs of low-income neighborhoods and BIPOC communities. This practice has resulted in poverty-level wages for human services workers, who are predominantly women (66%) and people of color (68%).

To address this crisis, we are calling on the City and State to immediately adopt these core reforms:

1) Establish, fund, and enforce an automatic annual cost-of-living adjustment (COLA) on all human services contracts.
2) Set a living wage floor of no less than $21 an hour for all City and State funded human services workers.
3) Create, fund, and incorporate a comprehensive wage and benefit schedule for government contracted human services workers comparable to the salaries made by City and State employees in the same field.

How has the Current Contracting System Caused Harm?
Current City and State contracts have resulted in the essential human services workforce being some of the lowest paid workers in New York’s economy. This government-sanctioned “poverty pay” has resulted in nearly 25% of all human services workers qualifying for food stamps in 2016-2018. Low wages also have a sweeping effect on workplace conditions and the outcome of programs, with high staff turnover and vacancy rates resulting in heavy and unsustainable workloads.

What is the City and State’s Role in Setting Wages for Human Services Workers?
Because the Government is the predominant funder of human services, they are also the primary driver of human services salaries. Government contracts either directly set low salary levels, or do so indirectly by establishing low rates for services along with required staffing levels on a contract. This creates low start salaries that are often stagnant because human services contracts last five to seven years (or more) with no opportunity for cost-escalators to allow for increasing workers’ salaries.

Why Can’t Human Services Nonprofits Just Pay Their Workers More?
The systematic underinvestment in nonprofits is not an accident; the sector is treated this way because of who human services serve and employ. This has created a system where there is no money to keep up with the demand for services or holistically raise wages across all staff lines without increased funding. The average human services contract in New York pays only 70 cents on the dollar for direct program expenses. This chronic underfunding puts providers in the impossible position of taking contracts that do not pay fair wages nor fully fund needed services or turn down those contracts, lay off employees, and close vital community programs.

Is Now Really the Right Time to Reform the Contracting System?
Yes! Recovery from the impact of COVID-19 is an opportunity to rebuild better – not an excuse to maintain the status quo. Reforming the way government contracts with nonprofits to ensure essential human services workers are paid fair wages is an essential part of an equitable COVID-19 recovery. Our demands will bring money into communities most impacted by the pandemic, ensure higher quality services for New Yorkers, and help New York be better prepared for the next disaster by having a stronger sector.