



# WAGE EQUITY CAMPAIGN OVERVIEW

APRIL 2019 WAGE & BENEFIT SURVEY HIGHLIGHTS

**Human Care Alliance**

# WELCOME & INTRODUCTIONS

# WHAT DO WE WANT TO ACCOMPLISH TODAY?



Engage key stakeholders\* in a nonprofit wage equity conversation to make local nonprofits more sustainable

1. Preview key findings from most recent wage survey results and related research
2. Learn from state and national nonprofit and wage experts
3. Inspire stakeholders to support nonprofit wage equity and the preservation of existing services

\* Nonprofit Agencies, Institutional Funders & Donors

# HUMAN CARE ALLIANCE

HCA is a 501(c)(3) membership organization made up of health and human service nonprofit agencies in Santa Cruz County. Our **MISSION** is to:

- Educate the public and advocate for health and human services.
- Ensure effective and efficient services by promoting diversity, communication, collaboration and mutual assistance among nonprofit providers.
- Maintain service through the cooperative cultivation of public and private funding and support.

# HCA POLICY AGENDA

**Strong and Safe Neighborhoods:** *Housing for all.*

**Health Equity:** *Healthy people who have equal access to the resources needed to live a healthy life.*

**Economic & Social Justice:** *A just and equitable economy where working people do not live in poverty*

# The New Face Of Poverty

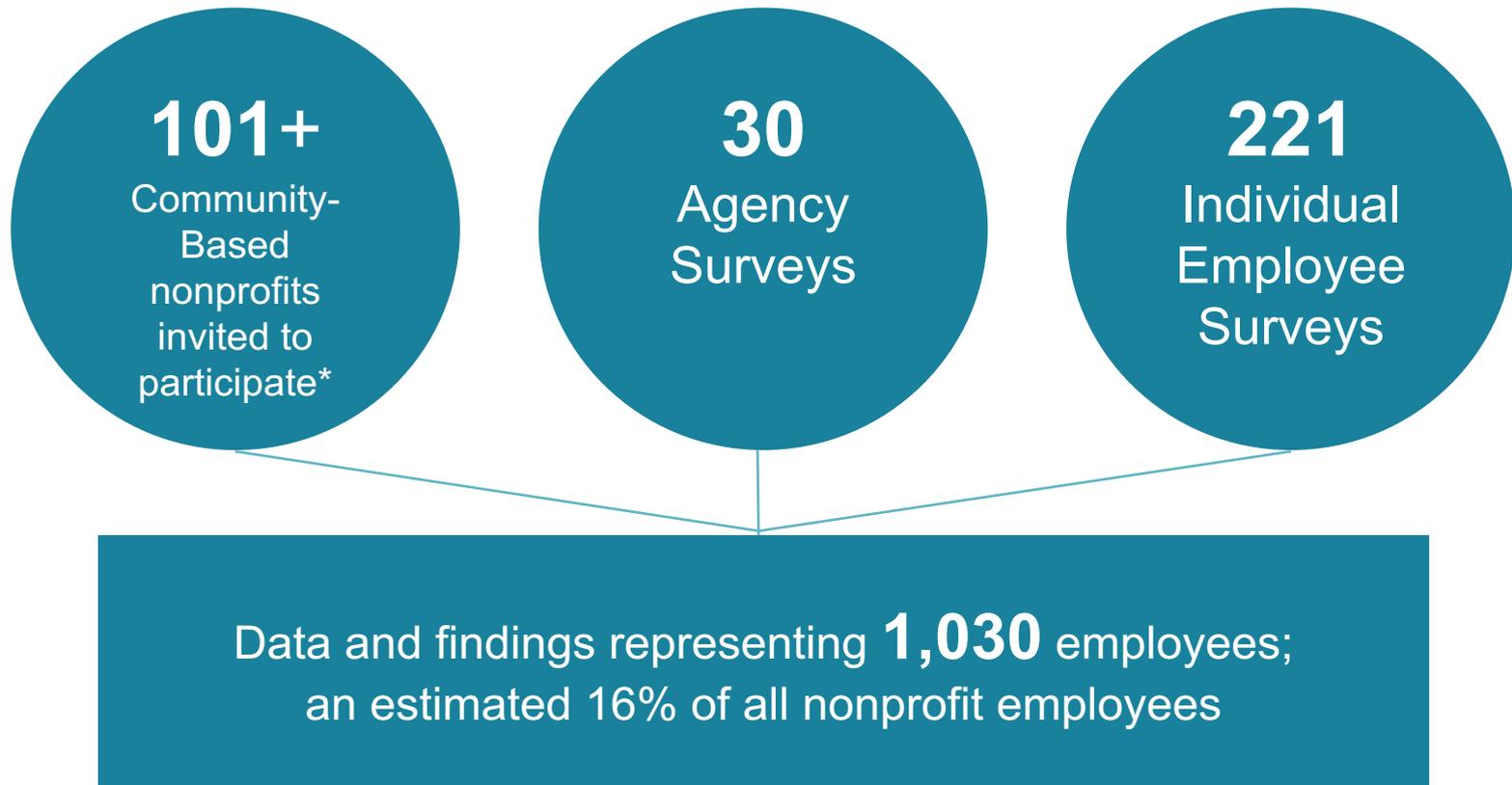
*“I am forced to work multiple jobs in order to afford housing in Santa Cruz. I am unable to save money for retirement. I am unable to afford the medical care I need because I don't have the financial resources to do so. I am in a large amount of debt and I am forced to declare bankruptcy because I am unable to pay my bills.”*

*- Nonprofit Employee*

# SURVEY OVERVIEW & AGENCY DATA

# SURVEY AT A GLANCE

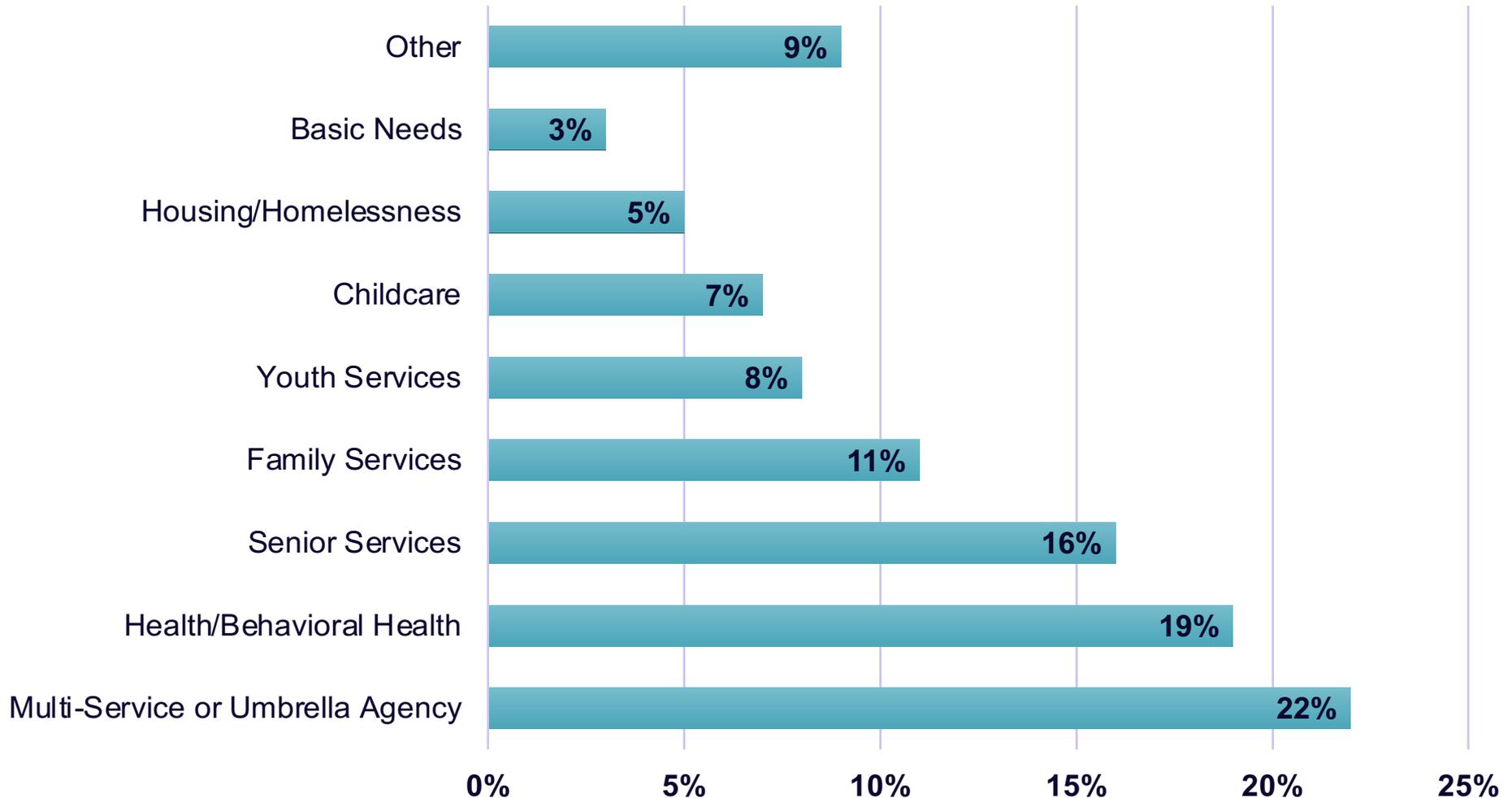
- Applied Survey Research (ASR) commissioned to help prepare and process survey data
- Survey issued April 2019



\* Identified nonprofits contracted with local jurisdictions

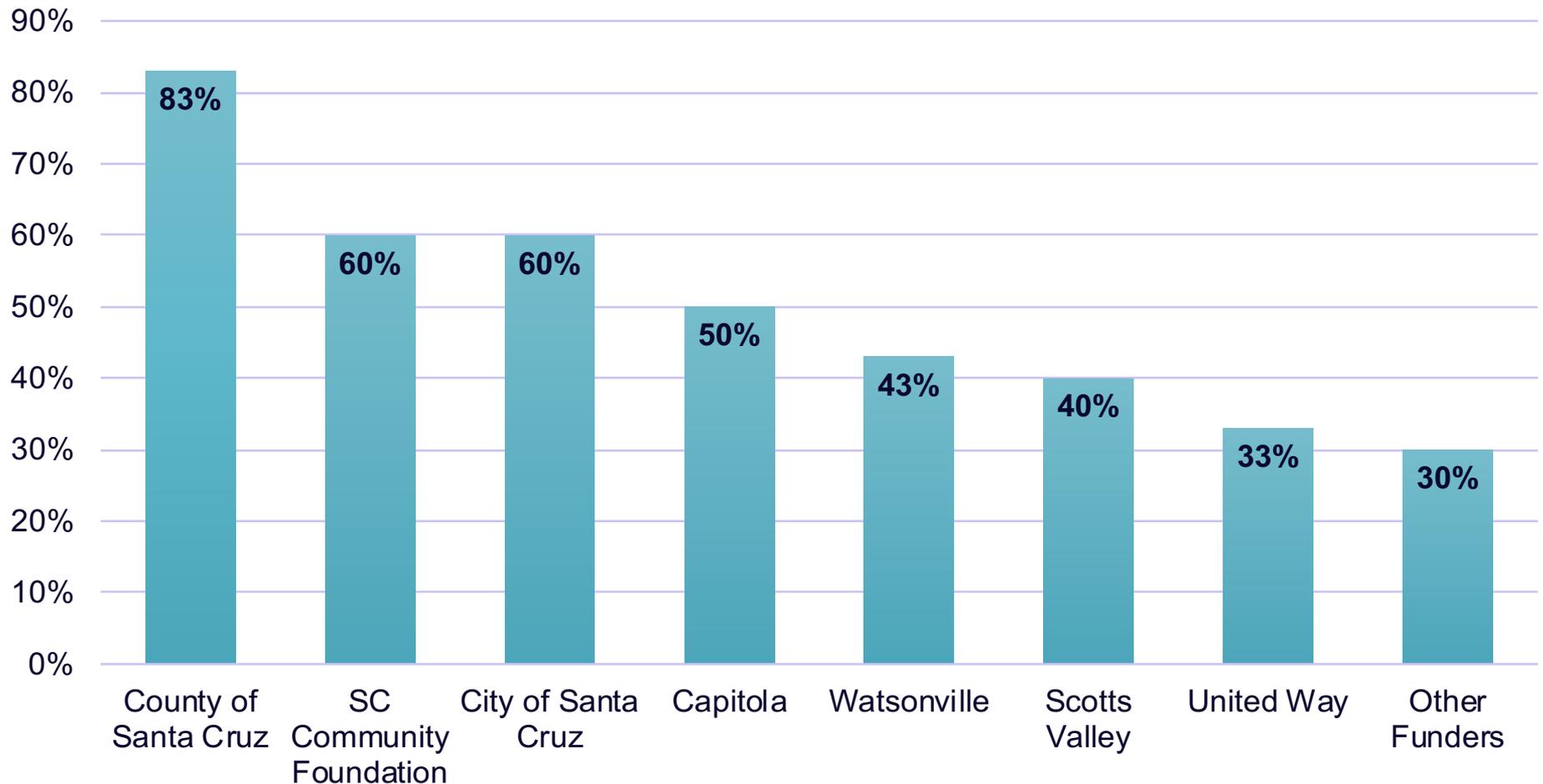
# SURVEY RESPONDENTS BY SECTOR

## Agency Type



# SURVEY RESPONDENTS HAVE BROAD COMMUNITY SUPPORT

## Funding Sources



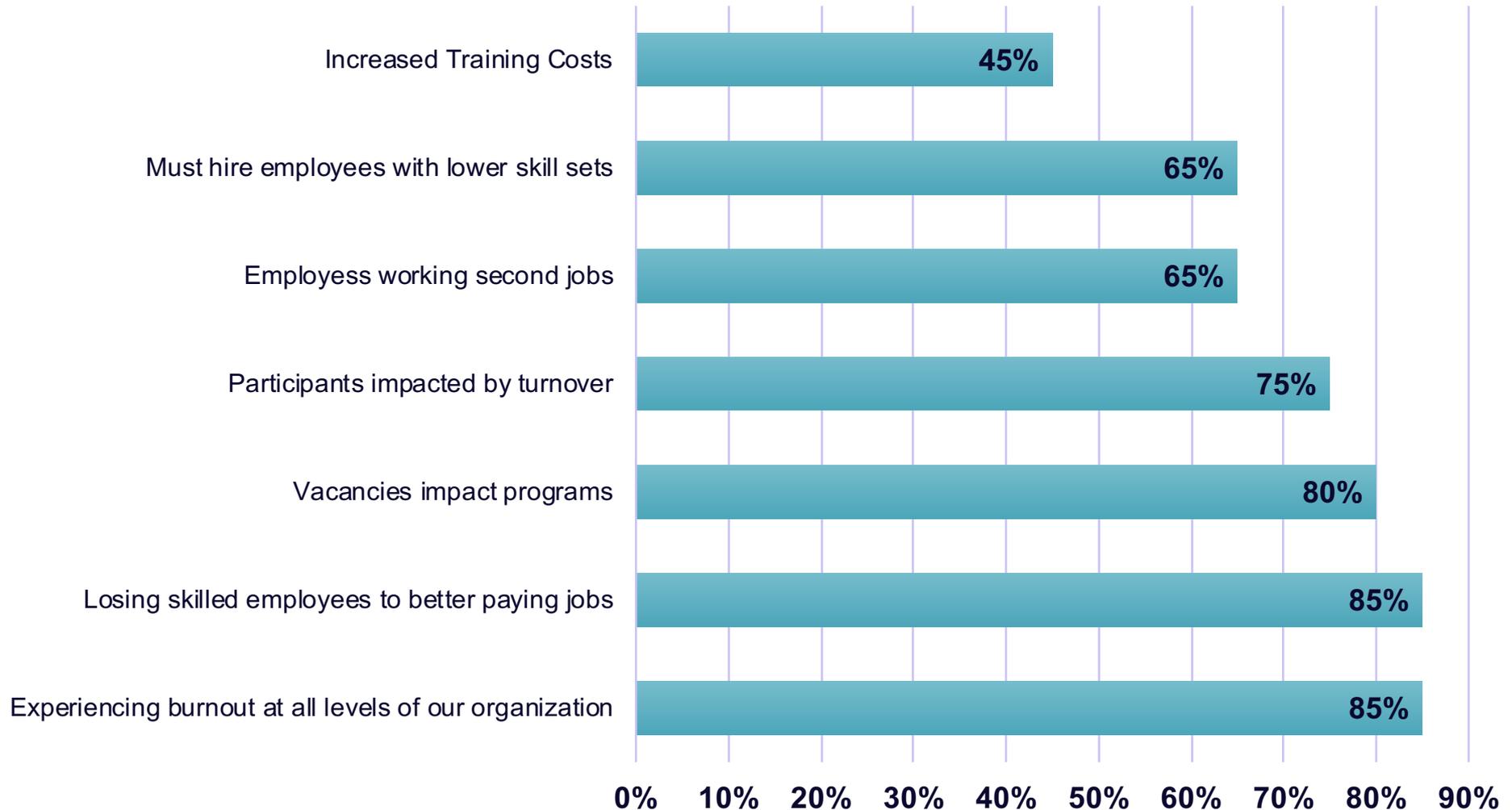
# SIZE OF PARTICIPATING AGENCIES

53%  
Fewer  
than 20  
employees

79%  
Budgets  
of less  
than \$3  
Million

# COST OF LOW WAGES

## Percentage of Agencies Reporting



# IMPACT OF LOW WAGES

Not one agency indicated that they were NOT impacted by low wages

*“A great staff member resigned due to not being able to find housing they could afford. It took several months to hire a replacement, the program suffered and many participants left.”*

# MINIMUM WAGE IMPACTS

Estimated revenue needed for 103 agencies to comply with minimum wage requirements

\$30/HR Exempt Staff

\$4,532,000

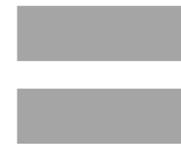
\$44K average agency budget increase county-wide



\$15/HR Hourly Staff

\$1,339,000

\$13K average agency budget increase county-wide

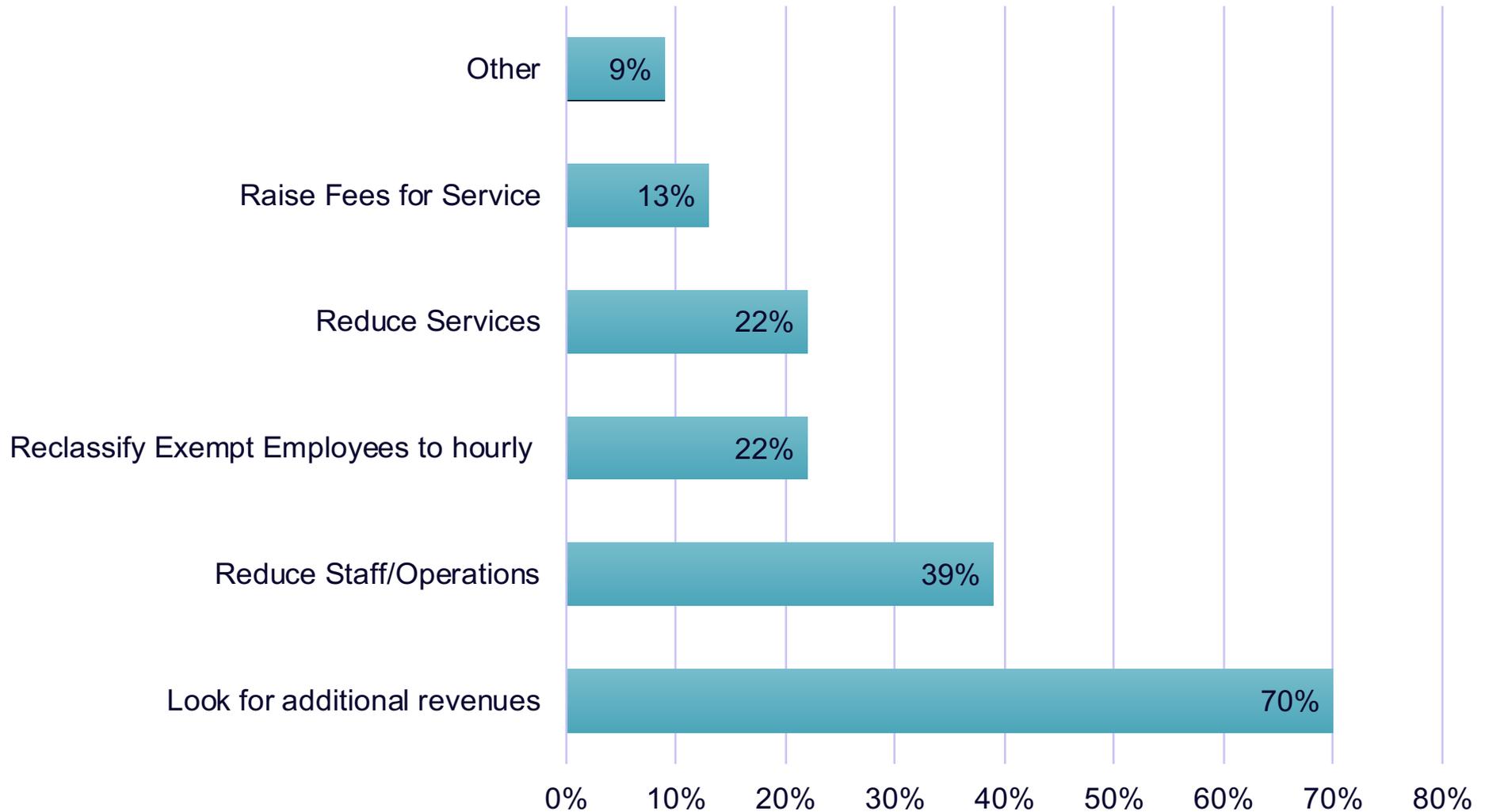


ESTIMATED TOTAL

\$5,871,000

Total ADDITIONAL revenue needed

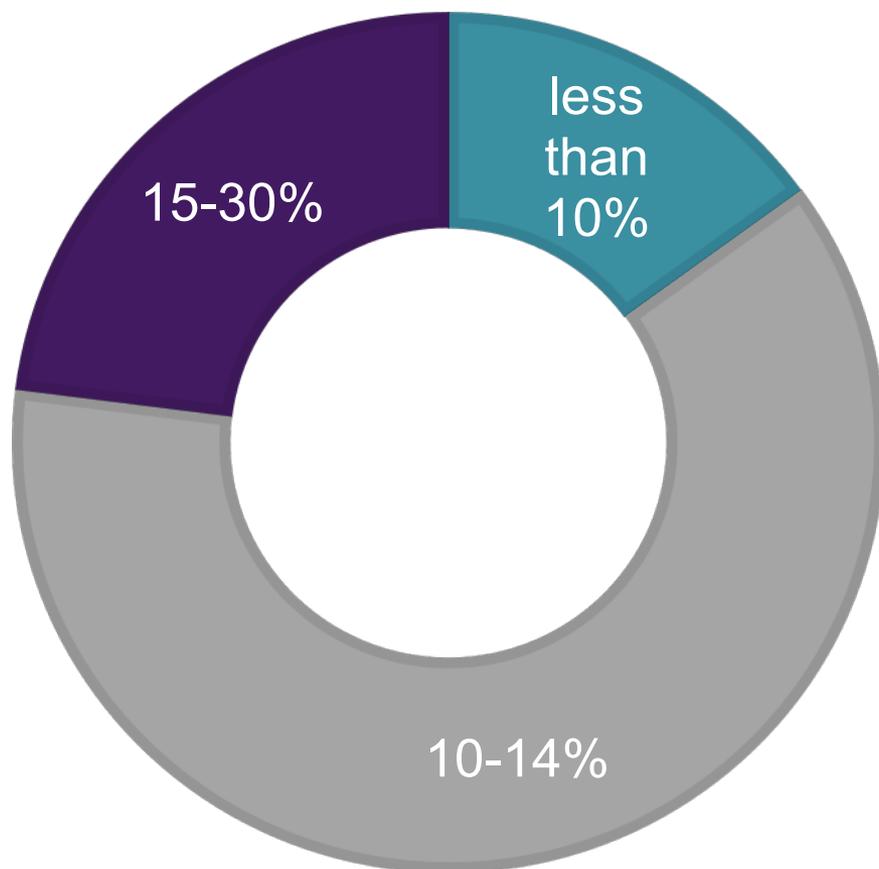
# AGENCY PLANS TO PREPARE FOR MINIMUM WAGE INCREASES



# IMPACT ON SERVICES

## HOW MUCH WILL SERVICES BE CUT?

■ less than 10%   ■ 10-14%   ■ 15-30%

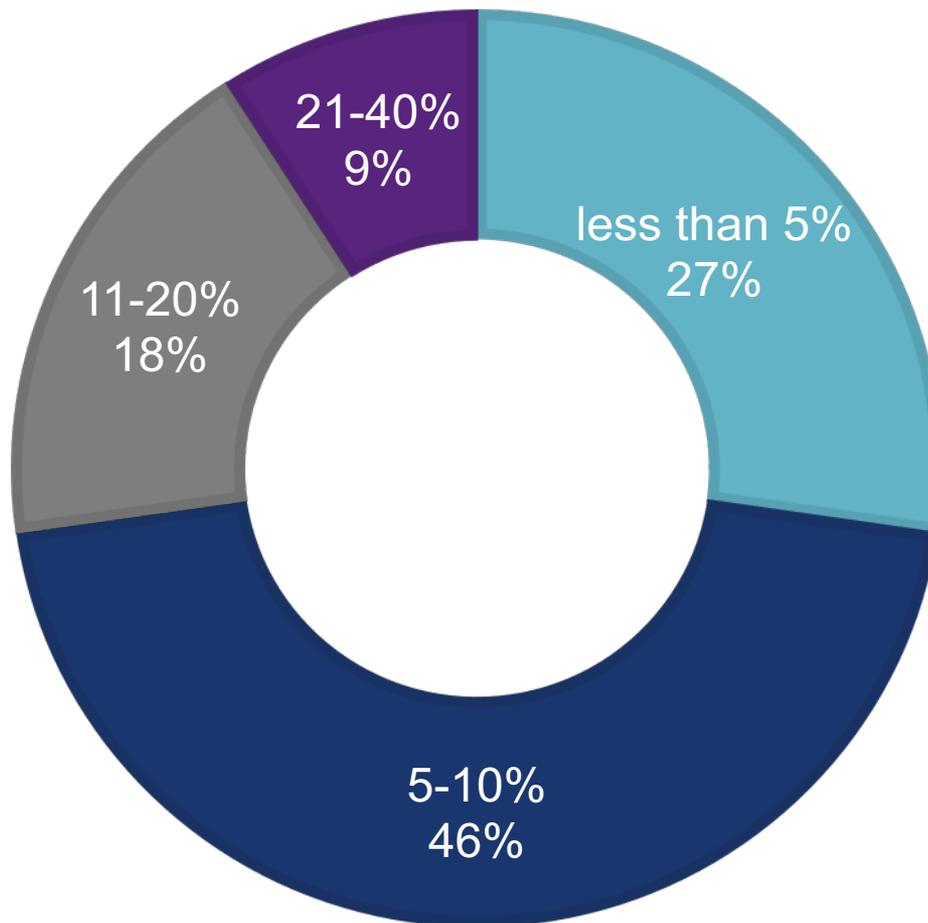


## WITHOUT FUNDING INCREASES

- 65% of nonprofits will cut services by 10-14%
- 23% will cut services by more than 15%
- **Thousands of people currently receiving services will go without the help they currently receive.**

# IF FUNDING REMAINS THE SAME 45% WILL CUT STAFF

**ESTIMATED JOBS LOST: 130**



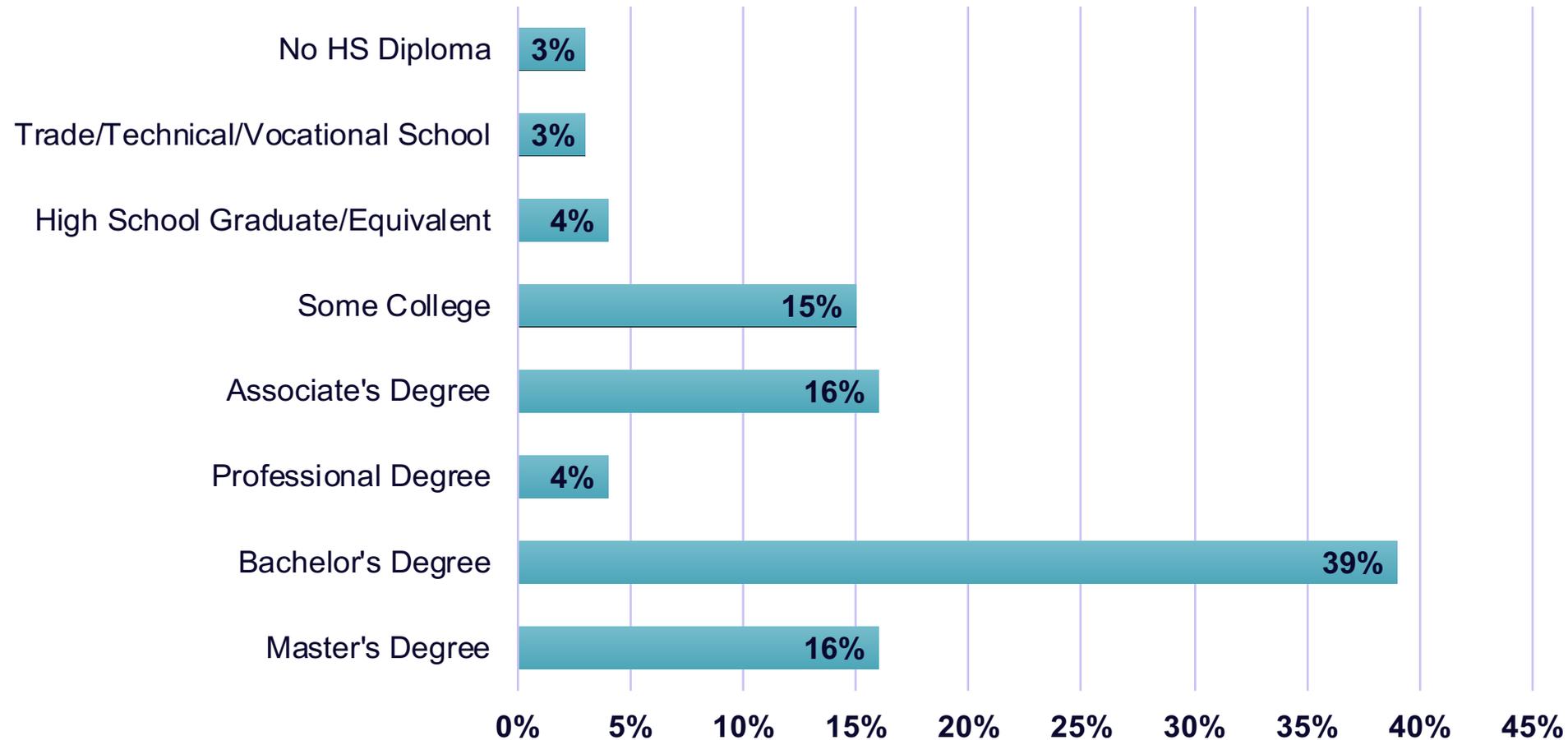
# STAFF SURVEY DATA

*“I am living paycheck to paycheck. I need a second job, and I am exhausted. I have to decide if I can afford food for the rest of the week or wait until my bills are met. Although healthcare coverage is provided at my job, I can’t afford the deductibles and co-pays.”*

*-Nonprofit Employee*

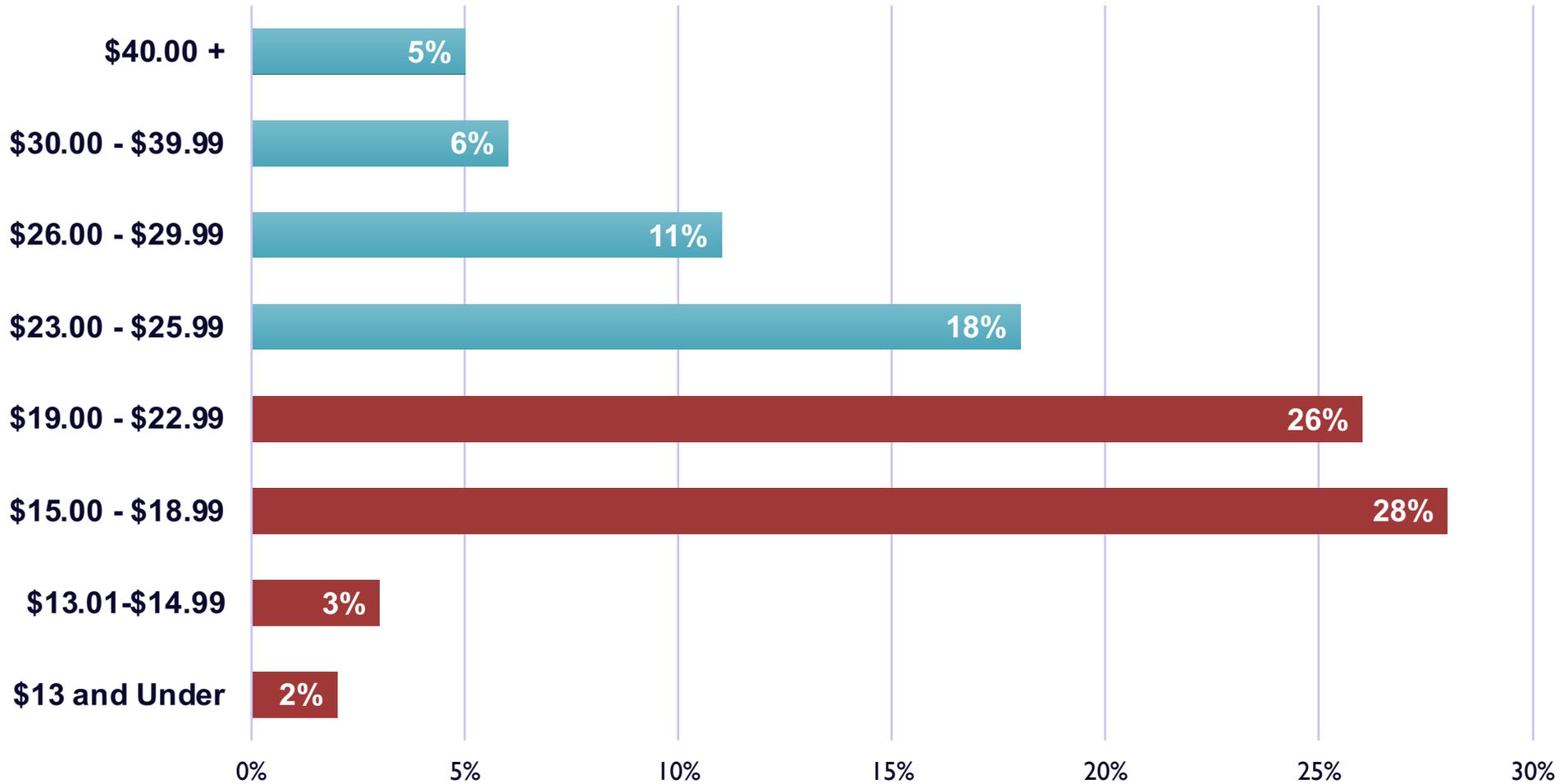
# HIGHLY EDUCATED, PROFESSIONAL WORKFORCE

## Highest Education Level Completed

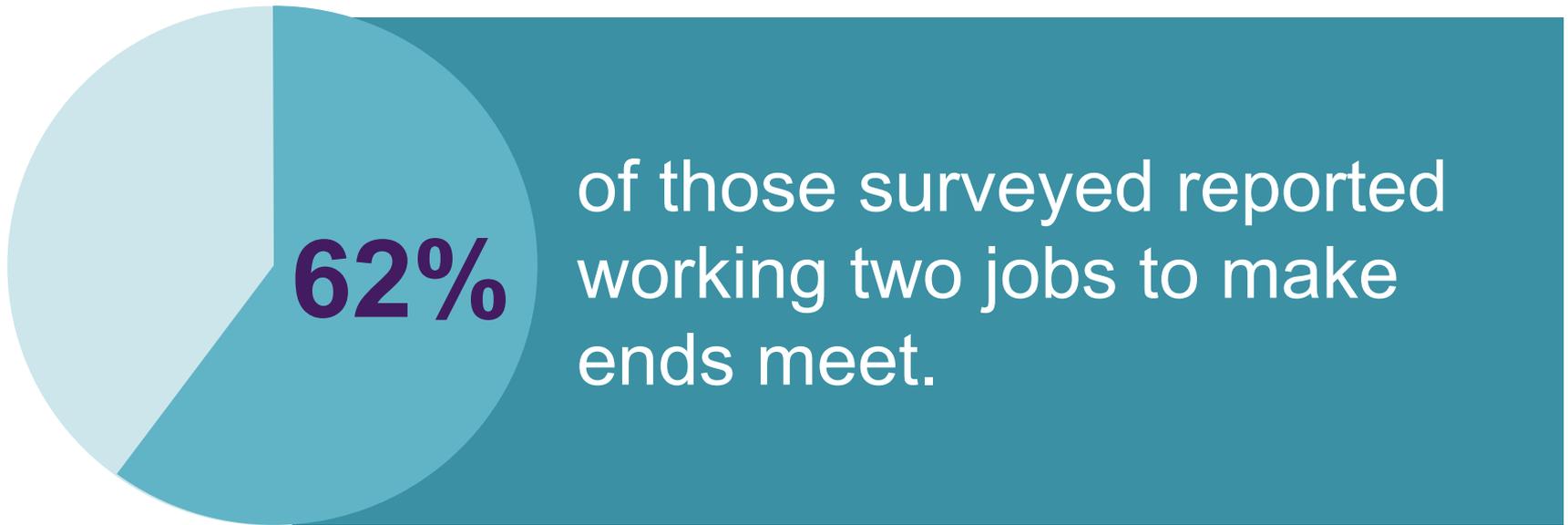


# HOURLY WAGE RANGE

## Percentage of Workers



# ONE JOB IS NOT ENOUGH



*“In the past I've had to work two jobs due to my low wage. I was working two shifts for two different organizations. My stress level became very high which lead to an anxiety attack, I developed health issues which I'm currently working on, my energy level was very low which impacted my performance at work and the services I provided to my clients.”*

# HCA ANALYSIS

What does this mean?

How does this data compare to other data?

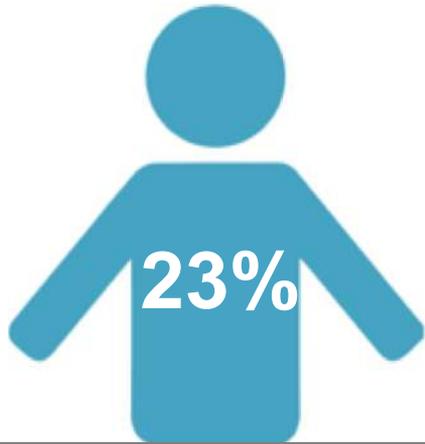
# NEED FOR PUBLIC SERVICES

**2X**

Survey participants are two times more likely than the general public to require the use of social services to survive

# BASIC NEEDS

Survey respondents reported going without a basic need to get through each month.



All Adults in Santa Cruz County\*



Survey Participants

*“My job is to promote the services our organization provides, to try to raise awareness, funding etc. I take photos of our food banks in action, and then I go home with very little food to eat myself. It feels sadly ironic that the charity organization that I work for can't pay me enough to feed myself.”*

# ANNUAL WAGES

Despite being more highly educated than the overall Santa Cruz County workforce, survey participants are paid significantly less than the average employee.

73% reported making less than



**\$54,517**

Santa Cruz County  
Average Annual Wage\*



**\$40,000**

Survey Participants

# HOUSEHOLD INCOME

Median household income for survey participants is **37%** less than the Santa Cruz County median household income.



Santa Cruz County Median\*

**vs**



Survey Participants

\* Source: US Census Data (2017)

# HOUSING BURDEN

*Paying more than 50% of income on housing*

Survey participants are more than three times more likely to be “Severely Housing Cost Burdened” than Central Coast residents.

73%

Survey Participants

29%

California

22%

Central Coast

# EMERGENCY SAVINGS

Survey participants were less likely to have \$400 in emergency savings than all Americans.

**40%**

All Americans

**vs**

**46%**

Survey Participants

# CONCLUSION

We did not find a single economic indicator where surveyed nonprofit workers were not earning less than their peers and experiencing poverty impacts at higher rates than their neighbors. Additionally....

91%

of agencies reported they are impacted by low wages and struggle to recruit qualified

46%

of agencies reported they they would need to reduce their FTE if funding remained the same through minimum wage mandate

# STAFF IMPACTS

*I have my full time job in a director's position plus a part time job. I have to have a roommate who pays rent in order to meet my financial obligations, which requires me to share a bedroom with my daughter. I do all of my own car repairs when I am able, but my car is not reliable and because my daughter has a chronic medical condition my credit is ruined. I pay \$400 a month out of pocket in co pays and prescriptions.*

*- Nonprofit Employee*

# RECOMMENDATIONS

What can we do to fix this?

# STRATEGIES FOR NONPROFIT AGENCIES

## Monarch Services

- 2016: Developed a plan to restructure compensation
- Bring all workers over the MIT sustainability threshold within 3 years.
- Turnover declined
- Morale increased

## Community Bridges

- Largest local nonprofit employer with many different types of workers
- Pledged to limit compensation to 5 times the amount earned by the lowest paid worker

# RECOMMENDATIONS

## NONPROFIT AGENCIES

1. Do not transfer unfunded agency costs to staff to preserve services. This unintentional transfer happens when freezing wages, cutting positions but not services, and transferring benefits costs to staff.
2. Always include staffing cost escalators into proposed budgets, even if that means reducing services.

# RECOMMENDATIONS

## NONPROFIT AGENCIES

3. Engage Board members and foundation partners in wage equity conversations.
4. Consider adopting a wage equity ratio of 1:5 between the lowest and highest paid workers.
5. Endorse and participate in the HCA Nonprofit Wage Equity Campaign.

# STRATEGIES FOR FUNDERS

## Keep Pace with Inflation

Santa Clara County, along with the cities of New York, Seattle, and San Francisco passed rules requiring annual increases in line with inflation for nonprofit multi-year grants and contracts.

## Invest in Catching up with Wages

San Francisco set aside an additional \$5.8 million to allow nonprofits they fund to increase wages of nonprofit workers. Santa Clara County and New York are creating similar initiatives for childcare workers.

# RECOMMENDATIONS

## INSTITUTIONAL FUNDERS

1. Commit to adding a minimum of 5% per year to the baseline for multi-year funding for the next three years to help advance equity in wages and benefits.
2. Incorporate annual cost of living increases into all multi-year contracts joining the cities of Seattle, San Francisco, and New York who have recently passed similar policies.

# RECOMMENDATIONS

## INSTITUTIONAL FUNDERS

3. Fully fund administrative costs. Begin by adopting a 20% administrative rate as instituted by the Ford Foundation in 2016.
4. Endorse the HCA Nonprofit Wage Equity Campaign.
5. Contribute to and participate in future campaign activities.

# RECOMMENDATIONS

## INDIVIDUAL DONORS

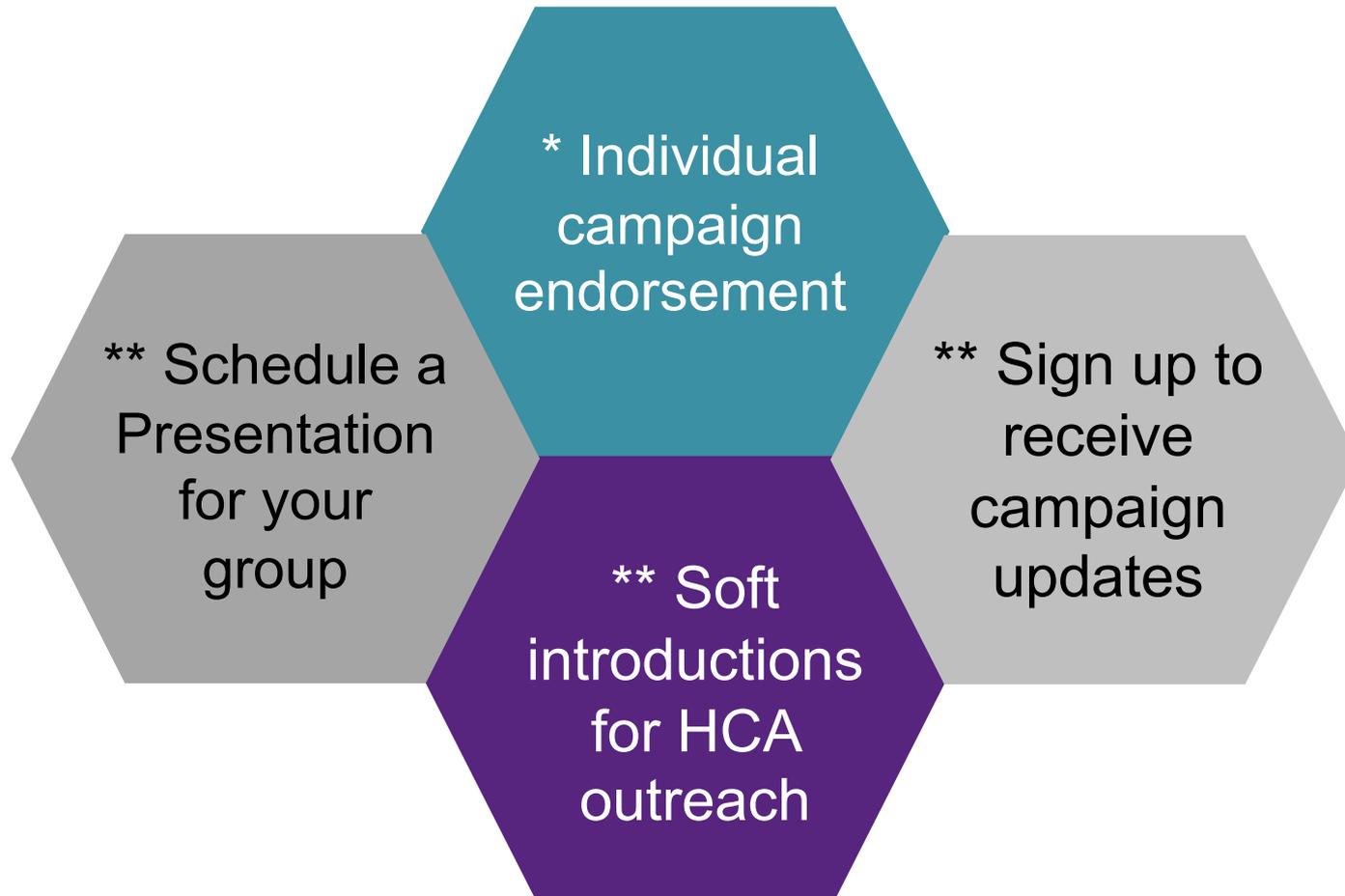
1. Ask private donors to increase their contributions by a minimum of 5% per year through 2022 to help establish a path out of poverty for staff dedicated to community service.
2. Do not exclude funding for salaries and reasonable overhead from gifts.

# RECOMMENDATIONS

## INDIVIDUAL DONORS

3. If you have a donor-advised fund, consider increasing gifts to at least the California State average of 8% of your fund's total value each year.
4. Plan to give your gift within your lifetime.
5. Endorse the HCA Nonprofit Wage Equity Campaign.

# WAYS TO GET INVOLVED NOW



\* [www.humancarealliance.org](http://www.humancarealliance.org) | \*\* [hca@humancarealliance.org](mailto:hca@humancarealliance.org)

# JOIN HCA

[www.humancareallince.org](http://www.humancareallince.org)

Cabrillo Stroke and Disability Learning Center



Conflict Resolution Center  
of SANTA CRUZ COUNTY



Community Action Board  
of Santa Cruz County, Inc.



CENTRAL COAST  
CENTER FOR  
INDEPENDENT LIVING

People Who Net, Inc.



BOYS & GIRLS CLUBS  
OF SANTA CRUZ COUNTY



CALIFORNIA RURAL LEGAL  
ASSISTANCE, INC.



SENIORS COUNCIL  
OF SANTA CRUZ AND SAN BENITO COUNTIES



Walnut Avenue  
— FAMILY & WOMEN'S CENTER —



*Thank You!*