

Labor Market Trends and Issues  
in the New York City  
Non-Profit Social Services Sector

Fiscal Policy Institute

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## 1. Overview

### The Fiscal Policy Institute Labor Market Analysis Project

The Fiscal Policy Institute Labor Market Analysis Project aims to provide timely, accurate, and useful labor market information to New York City and State business, labor, government, and civic institutions. The project is informed by a concern with the pronounced erosion of quality labor market opportunities for low- and middle-income New Yorkers, documented by FPI in *The State of Working New York*. This concern leads us to the belief that an immediate need exists to focus attention on helping more New Yorkers establish the skills and credentials required to move into jobs that provide real self-sufficiency, stability, and family security. It is equally important to understand how labor market institutions affecting low- and middle-income workers can be improved.

Founded in 1991, the Fiscal Policy Institute (FPI) is a non-profit, non-partisan research and education organization that focuses on tax and fiscal policy, economic analysis, and labor market research in New York City and State.

### Sponsors and Purpose of this Study

Funding for this report was provided by the Institute for Business Trends Analysis at the Borough of Manhattan Community College (BMCC). BMCC is part of the City University of New York (CUNY). Indispensable additional support has also come from the Consortium for Worker Education (CWE).

The purposes of this report are

- To examine how the non-profit social services sector ~ one of the fastest growing industries in New York City ~ fits into the city's economy; and
- To provide an understanding of the labor market, career ladders and mobility within the non-profit social services sector, and propose strategies that CUNY and other educational institutions and training providers can utilize to place interested students onto the most promising ladders within this industry; and
- To identify barriers that exist to investment in training and creation of more explicit career ladders within the non-profit social services sector, and propose ways in which government and the non-profit social services sector can overcome those barriers.

## Methodology

The information and analysis presented in this sector report draw from three main sources. First, the report reviews employment, wage, establishment and occupational data from the New York State Department of Labor, the Occupational Employment Survey, the U.S. Census Bureau, and surveys carried out by the industry itself. Second, we conducted a literature review in order to understand what professionals and academics in the social work field perceive as key workforce issues. Third, we interviewed a range of New York City social work professionals, technical assistance providers and educators in order to gain their perspective.

Our objective in preparing this report is not to provide an exhaustive overview of this large and complex industry. Our aim, rather, is to set the stage for a sector strategy by providing as much actionable information as possible in a concise format.

## Summary Economic/Labor Market Findings

- 1.) The non-profit social services sector grew rapidly in the 1990's, adding nearly 40,000 new jobs to the city's local economy.
- 2.) Personal home care and home health aides made up almost half of the largest subsector of non-governmental social services workers (SIC 832) in 1998.
- 3.) Non-profit social services workers are compensated poorly when compared to workers in New York City's public and private sectors. According to a just completed salary study of the human services sector, direct service workers without a Master's Degree earn full-time median starting salaries of \$25,000, while salaries of less than \$20,000 are not uncommon. Supervisors with a Master's Degree earn a median salary of \$46,000.
- 4.) There is a relationship between the sector's poor compensation levels and the government grants and contracts that fund the majority of non-profit social services provided in New York City.
- 5.) Two-thirds of workers in non-profit social services agencies are women; two-thirds of workers in this sector are people of color.
- 6.) Despite the shrinking proportion of Bachelors of Social Work (BSW) and Masters of Social Work (MSW) holders in the field, the social services workforce is perceptibly divided between those with formal training and those without.
- 7.) Obtaining a MSW is the most powerful vehicle for advancement (in terms of status and wages) in the social services sector. BSW holders have advanced standing in MSW programs.
- 8.) The large number of small social services providers (with fewer than 20 employees) contributes to labor market inefficiency. Small agencies often do not have the resources necessary to provide formal training to staff members. On the other

hand, untrained staff can assume high levels of responsibility at small agencies yet are unable to obtain comparable positions in larger agencies or in other sectors because of their lack of formal training.

- 9.) Additional training for incumbent workers -many of whom lack formal social work training- offers the most promise in terms of building a highly-skilled and well-compensated social services workforce.

### **Program Development Recommendations**

Based on our research and analysis, FPI has developed the following initial program development recommendations for CUNY and other educational institutions and workforce training providers.

- 1.) Linkages should continue to be strengthened between community colleges and BSW programs in the city so that community college graduates are appropriately prepared for entry into BSW programs.
- 2.) Community colleges and BSW programs should work with “high road” social services providers to target staff who appear particularly receptive to additional training.
- 3.) In addition to training that can put these staff members on the road to a BSW or MSW, there must be comprehensive support services that acknowledge the challenges confronting social services workers as they try to advance (need for childcare, time for study, etc.) Employers, community colleges and labor can collaborate in providing these services.
- 4.) Working with leading providers and trainers, establish certificate level “degrees” or skills modules to increase capacity and pay levels. For example, there is a movement to supply traveling case workers (who make home visits, etc.) with laptops in order to facilitate their access to client records and resources that could be useful to clients. A module in this area could help workers on the job and might even be a mini-career ladder. A system of mini-career ladders via skills modules could be particularly helpful for social services workers on the road to a BSW.
- 5.) Non-profit social services providers and policy advocates should collaborate to determine how labor market issues can best be addressed in contract negotiations with the city. Questions of compensation, access to training and well-defined career ladders should be raised as part of the contracting process. One possibility could be that agencies in the same service areas (senior citizens, youth, etc.) would negotiate collectively with the city.
- 6.) The City should increase funding for social services provision and directly tie this additional funding to improved wages and benefits for incumbent workers in contracted non-profit agencies.

**The FPI Research Team**

FPI Research Analyst Sarah Crean was the primary author and researcher of this report. Matthew Mitchell, director of FPI's Labor Market Research Project, edited and supervised the production of the report. James Parrott is FPI's chief economist and director of the FPI New York City office.

The research team wishes to specially thank Rodney Alexander at the CUNY Institute for Business Trends Analysis, and the Consortium for Worker Education for sponsoring the work reflected in this study.

## 2. The Non-Profit Social Services Industry in the Regional Economy

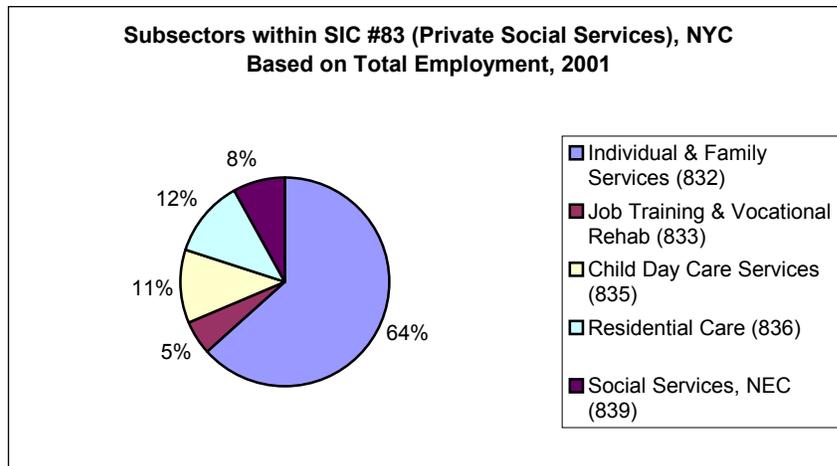
This section of the report provides a basic overview of the non-profit social services industry and its unique role in the New York City economy. This is intended as necessary context for a discussion about the specific workings of the social services labor market in part three.

### How this Study Defines “Non-Profit Social Services”

This study is primarily concerned with non-profit organizations that provide individual and family services. Government data for individual and family services does include non-medical home care, home health and mental health services. This report attempts to focus on social services provision that is not home health or home care-related whenever possible, however. The home health and home care sectors clearly require separate study because of their unique characteristics. Our quantifiable unit of analysis is Standard Industrial Classification (SIC) Code #832, which encompassed 114,089 private-sector workers in New York City in 2001<sup>1</sup>. Public sector workers make up a tiny portion (1%) of all employees in SIC #832.

We generally do not look at providers of job training and vocational rehabilitation, child day care and residential services, all of which fall under the broader definition of the term “social services”, categorized as SIC #83. SIC 83 contains 180,000 employees. Two-thirds of these workers are found in SIC 832 (individual and family services), SIC 83’s largest subset.

Chart 1



Source: ES202 data/NYS Department of Labor

<sup>1</sup> ES202 data, NYS Department of Labor

According to the Office of Management and Budget, individual and family services (SIC # 832) includes the following entities and activities:

- Senior citizen centers and associations
- Adoption services
- Day care centers, adult and handicapped
- Alcoholism/gambling counseling and organizations
- Community centers/settlement houses
- Crisis/counseling centers
- Disaster/temporary relief/refugee services
- Emergency shelters
- Family services (counseling, location, etc.)
- Non-medical homemaker's services
- Hotlines and telephone counseling
- Child guidance/youth centers and organizations
- Offender/parole/probation agencies
- Traveler's aid centers
- Meal delivery programs
- Neighborhood/outreach & referral/general social services centers

**Non-Profit Social Services Providers: Numerous small agencies but the bulk of employees are in large agencies**

The majority of social services providers are small in terms of staff size. Of the approximately 1,800 individual and family service organizations in the New York City metro area, 1,311, or 72%, had fewer than 20 employees<sup>2</sup>. Nonetheless, the majority of individual and family service workers are employed in agencies with 100 or more staff members. Only 5.5% of social services providers employ one-hundred persons or more, yet they employ 72% of the industry's workforce<sup>3</sup>. Census Bureau data from 1999 indicates that the concentration of social services employment in large agencies may not be quite as extreme at the national level.

Services provided by social services organizations are as diverse and varied as New York City's population. Social services providers exist for youth and the elderly, ethnic and other social groups, individuals, families, married couples, domestic partners, etc., and for those confronting physical, emotional or economic challenges, whether those challenges are on a long- or short-term basis. Services range from counseling to provision of information and referrals to recreational and therapeutic activities to assistance with tasks that have become undoable because of age or illness or personal upheaval.

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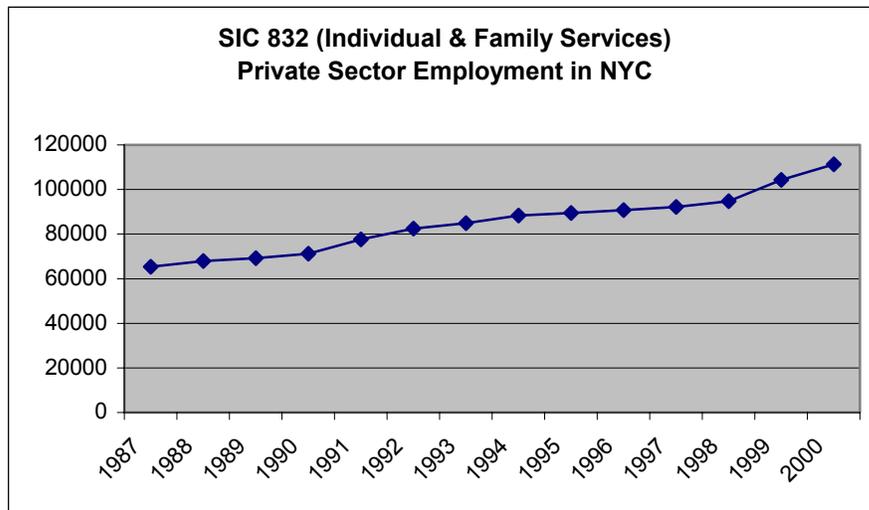
<sup>2</sup> County Business Patterns, U.S. Census Bureau, 1999

<sup>3</sup> Phone interview with James Brown, analyst for the NYS Department of Labor Office of Research and Statistics, May, 2002

### Social Services Growth Trends in New York City and the Nation

The growth in number of private social services organizations and employees in New York City far surpassed the city's private sector overall during the 1990's. Between 1989 and 2000, private sector employment in New York City grew by 4%, while private social services employment grew by 61%. Over 42,000 new social services jobs were created during this 11-year period<sup>4</sup>. The growth in number of the agencies themselves was even more disproportionate. Private sector firms grew by 8% between 1989 and 2000, while the number of private social services agencies grew an astonishing 83%<sup>5</sup>.

Chart 2

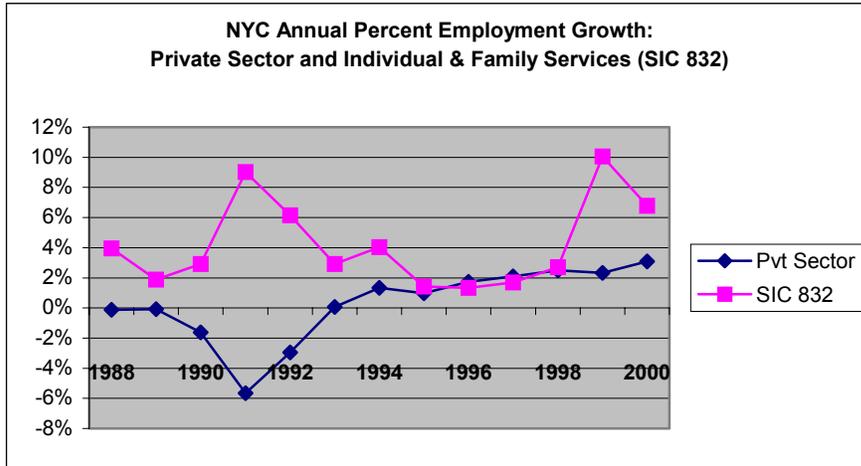


Source: ES202 data/NYS Department of Labor

<sup>4</sup> According to the NYS Department of Labor Office of Research and Statistics, some of the employment increase found in SIC 832 is due to the fact that 5,000 non-medical home and health care aides were moved into this SIC (from SIC 808) in 1999.

<sup>5</sup> All data in this paragraph is ES202/NYS Department of Labor data

Chart 3



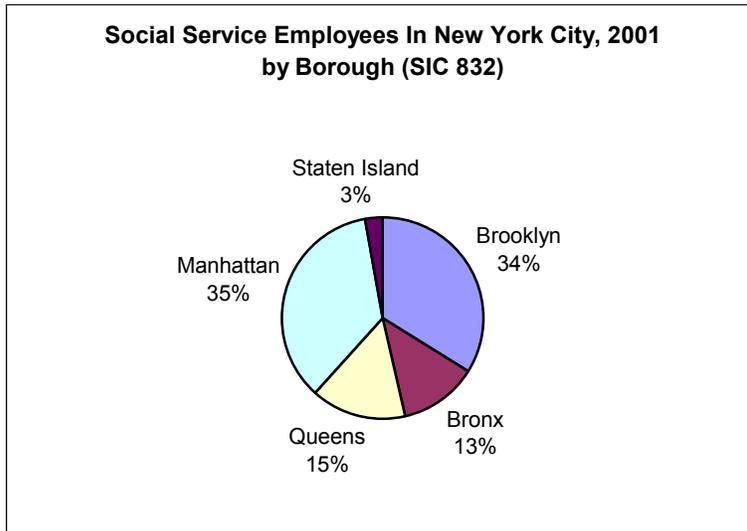
Source: ES202 data/NYS Department of Labor

New York City's experience does not appear to be anomalous in this area. The number of individual and family service workers throughout the U.S. grew by 86% between 1989 and 2000<sup>6</sup>.

### The Borough Picture

Private social services employment is concentrated in Manhattan and Brooklyn. Sixty-nine percent of all individual and family service workers are employed in those two boroughs.

Chart 4

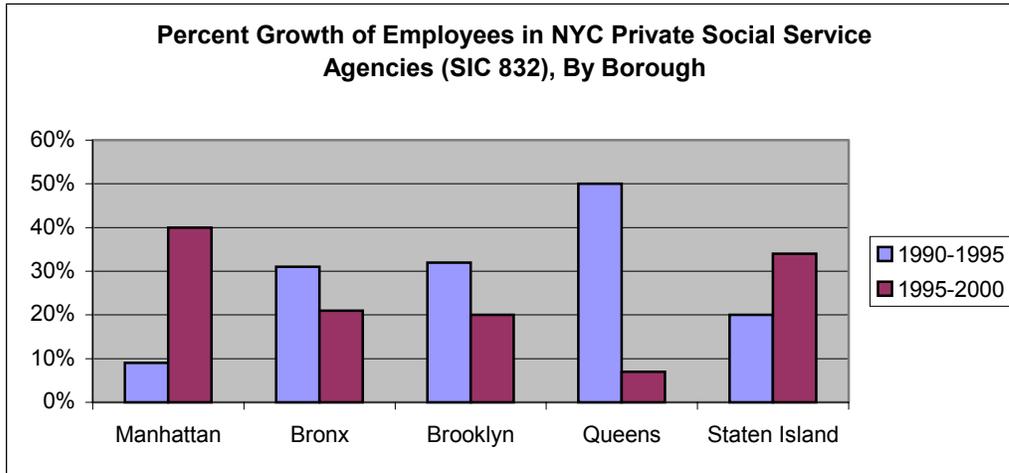


Source: ES202 data/NYS Department of Labor

<sup>6</sup> Bureau of Labor Statistics

All five of New York City's boroughs experienced social services employment and agency growth in the 1990's. The chart below indicates that Brooklyn, the Bronx and Queens experienced more employment growth between 1990 and 1995, while Manhattan and Staten Island gained more employees in the latter half of the 1990's.

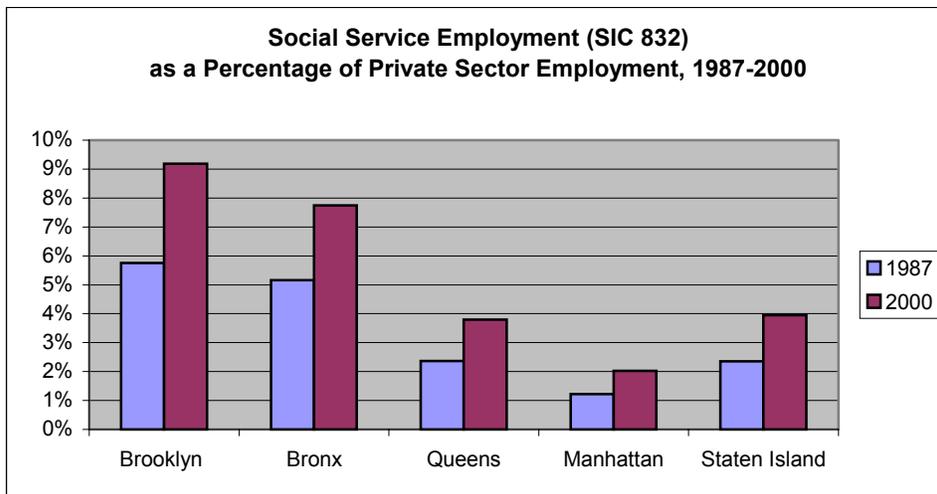
Chart 5



Source: ES202 data/NYS Department of Labor

Private social services employment is a far more important part of the employment base of Brooklyn and the Bronx than Manhattan, Queens or Staten Island. SIC 832 (individual and family services) is the single largest 3-digit employment category in Brooklyn. As is also visible in the chart below, private social services employment has grown as a percentage of overall private sector employment in every borough since 1987.

Chart 6

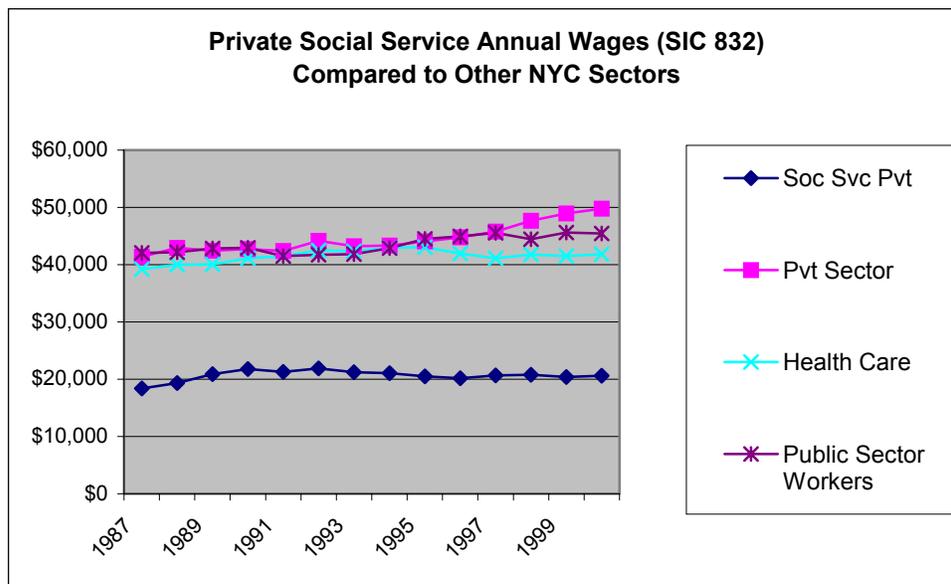


Source: ES202 data/NYS Department of Labor

## Wages

We encountered a universal sense in our interviews that workers in the non-profit social services do not earn competitive wages. This is borne out by wage data from the New York State Department of Labor. As shown in the chart below, social services wages in the private sector have been unable to keep pace with private sector wages in general. (Securities wages are excluded.) Average wages in the city's health care sector and public sector overall are at least twice those found in private individual and family services (SIC 832).

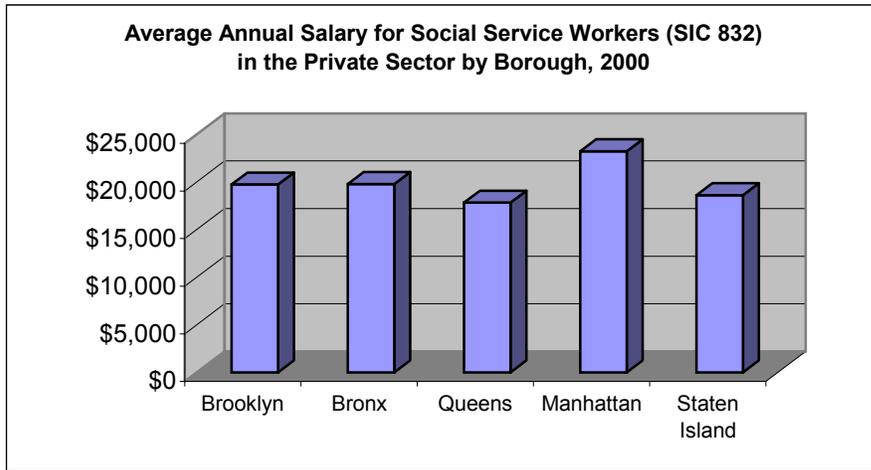
Chart 7



Source: ES202 data/adjusted for inflation/2000 dollars

Wages paid by Manhattan social services agencies are slightly higher on average than those offered by agencies in other boroughs.

Chart 8



Source: ES202 data/NYS Department of Labor

### **The nature of funding for social services and how this affects employment, wages and compensation**

Non-profit social services organizations in New York City are overwhelmingly funded via local, state and federal government contracts. Wage levels are indirectly, and often directly, determined by the public sector.

A study released in May, 2002 by the New York City Nonprofits Project reported that “organizations in the human service sector received more than 64% of their income from the combination of government grants and contracts”<sup>7</sup>. Preliminary analysis by FPI of New York City human service organizations, which receive some United Way funding, indicates that 31.5% of these organizations’ budgets came from the City of New York alone. The city agencies that outsource the largest percentage of human services are the Departments of Mental Health (80%), Youth and Community Development (80%), Aging (77%), Employment (65%) and the Administration for Children’s Services (60%)<sup>8</sup>.

<sup>7</sup> *New York City’s Nonprofit Sector*, John E. Seley and Julian Wolpert, the New York City Nonprofits Project, May 2002

<sup>8</sup> 1998 Citywide Employment Database System Workforce Consumption Summary as presented by Professor Walter Stafford in “Labor Market Segmentation: Analysis of Industrial and Occupational Employment in New York City Public and Private Sectors by Race/Ethnicity and Gender”.

The National Association of Social Workers refers in some of the policy statements on its website to the dual pressures of expanding social need and the diminishment of government resources that have led to “cost containment” in New York City non-profit agencies. This cost containment has had many effects including a general downward pressure on wages, and a tendency to hire persons with bachelors and associates degrees, as opposed to MSW’s. A senior services center staff member described the “decline in the quality of services where the city focuses on low-cost contracts rather than high quality services. One effect is that contractors often lower their costs by reducing wages and benefits, which in turn leads to a less trained staff and higher turnover...”<sup>9</sup>

The social consequences of the city’s contracting process are particularly evident in the experience of agencies providing services for the elderly. Services for the elderly are not considered entitlements and, according to one source we interviewed, the city consistently “low-balls” service provision and other factors when negotiating contracts. Positions providing services for the elderly pay the worst of all social services jobs, yet the work can be quite demanding and complex. The average case manager salary is slightly under \$30,000. According to this same source, Department for the Aging contract workers have no city funded pension and have not had a pay increase in 3 years. The Bloomberg contingency plan asked for a 5-day furlough for DFTA contract workers, in effect, a week without pay. The average caseload for a case manager is 91 seniors and there are long waiting lists. The proportion of MSW’s in the field is steadily decreasing at the same time. Under these conditions, it is not surprising that agencies do not have the level of qualified staff necessary to meet the needs of the growing number of elderly New Yorkers.

For non-profit social services agencies who receive funding from city agencies, a 2000 City Project study<sup>10</sup> found that the procurement process is “frustrating and expensive...and in need of serious reform”. Social services agencies reported to the City Project that the average time between award of a contract and payment was almost four months. Over half of the interviewed agencies stated that they took out loans to begin service provision on time. None of the interest or other fees related to the loans was reimbursable. Payment delays were cited as directly interfering with an agency’s ability to make payroll and contributing to poor staff morale. Processing the layers of paperwork related to procuring and renewing city contracts was also cited as an enormous expense by interviewed agencies. Agencies interviewed by City Project employed four persons on average whose responsibility, at least in part, was processing city contracts.

Interestingly, the Citizens Budget Commission is advocating that the city implement “e-procurement”, which they believe could save the City between \$135 and \$200 million annually. These significant savings would be realized because of lower per-transaction costs of City purchases, and lower prices for goods and services due to the reduced cost of

<sup>9</sup> “Delay, Confusion, and Financial Burdens for CBO’s: The Failures of New York City’s Procurement Policy”, the City Project, December, 2000.

<sup>10</sup> “Delay, Confusion, and Financial Burdens for CBO’s: The Failures of New York City’s Procurement Policy”, the City Project, December, 2000.

pursuing City business for vendors<sup>11</sup>. While the social services provided by non-profit agencies are complex and not entirely quantifiable, a general movement toward streamlining –especially in the areas of contract renewal and filing the same contract with multiple city agencies- could be quite positive for city-contracted social services providers. Agency savings due to considerably less staff time spent on contract processing could be directed toward better compensation packages and/or additional staff. The skill requirements for agency staff responsible for contract processing would increase, as computer skills would become imperative.

The social services industry has also witnessed the emergence of a quantifiable, results-oriented approach to direct services partially because of an increase in the number of city contracts that are performance based. This has compounded the paperwork demands placed on social workers at all levels. Improving the computer skills of direct service workers will help them to stay ahead of the curve as aspects of the industry, such as maintenance of case records, become computerized.

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<sup>11</sup> From April 15<sup>th</sup> 2002 testimony of Marcia Van Wagner, Deputy Research Director of the Citizens Budget Commission, to the NYC Council Committee on Technology in Government.

### 3. Labor Market Trends in the Non-Profit Social Services Industry

Anomalies in the way occupational data is handled in the non-profit social services industry make labor market analysis a challenge. A key problem is the fact that nearly half of the workers classified under SIC 832 (Individual and Family Services) are in fact home care and home health care workers. From an occupational standpoint, home care crosses into SIC 80 (Health Care), and very much merits an extended labor market study of its own. For this reason, FPI has (insofar as it is possible) chosen to exclude home care issues in this report, and focus instead on the more traditional social services occupations.

Our basic structural and institutional findings about the NYC social services labor market are that: 1) a clear trajectory of educational credentials exists – in the form of BSW and especially MSW degrees – that allows mobility into the “good” jobs that exist within the industry; but that, 2) the great bulk of the current labor force (many of whom are women of color) lacks both these credentials and reasonable access to them; and that, therefore, 3) social services may be characterized as a labor market that overwhelmingly involves paraprofessionals with low wages and limited career mobility. This may be contrasted with the paraprofessional labor market in a field like health care (also heavily dominated by women of color), where a wide variety of relatively well-paying credentialed technical occupations exist for those with associates’ degrees or less.

The following discussion serves to substantiate and further develop these basic findings.

#### Demographic Trends within the Private Social Services Sector

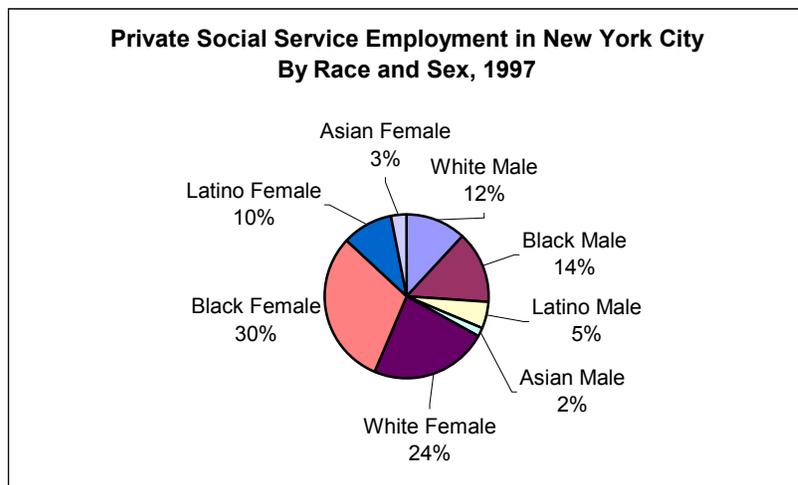
Women, particularly women of color, dominate the non-profit social services workforce. Females of all races composed 67% of the sector’s workforce in 1997. Two-thirds of female social services workers are non-white, according to analysis of EEOC and NYS Department of Labor data<sup>12</sup>. The same data shows that just under half (49%) of the city’s total private sector workforce was female in 1997. Forty-five percent of female private sector workers were non-white.

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<sup>12</sup> NYS Department of Labor and Equal Employment Opportunity Commission (EEOC) data as presented by Professor Walter Stafford in “Labor Market Segmentation: Analysis of Industrial and Occupational Employment in New York City Public and Private Sectors by Race/Ethnicity and Gender”.

Between 1992 and 1997, the percentage of whites (male and female) working in the non-governmental social services sector decreased. The percentage of black males and black females, especially, increased. Black females are now the largest group in this sector. The percentage of Latino females in the sector also increased. Note that the EEOC data utilized above only includes larger institutions with 100 employees or more.

Chart 9



Source: NYS Department of Labor and Equal Employment Opportunity Commission (EEOC) data as presented by Professor Walter Stafford in "Labor Market Segmentation: Analysis of Industrial and Occupational Employment in New York City Public and Private Sectors by Race/Ethnicity and Gender".

Interestingly, social services workers in the public sector had the opposite experience. According to Professor Walter M. Stafford, "job losses in (city) health and human service agencies had a major effect on the employment of blacks and Latinos. Blacks suffered a net loss of 9,345 jobs in the agencies concerned with health and human services, and citywide services. The preponderance of these losses was in the Department of Social Services."<sup>13</sup> Stafford reports that the number of black workers in the New York City Department of Social Services dropped by an astonishing 45% between 1992 and 1997. As was reported in an analysis of New York City social services wages conducted this spring<sup>14</sup>, public sector social services workers are substantially better-paid than their non-profit counterparts.

<sup>13</sup> "Labor Market Segmentation: Analysis of Industrial and Occupational Employment in New York City Public and Private Sectors by Race/Ethnicity and Gender", Professor Walter M. Stafford

<sup>14</sup> Analysis performed by the Human Services Council of New York City as part of its Human Services Workforce Campaign

### **Occupations in the Non-Profit Social Services Sector: An Overview**

SIC #832 (Individual and Family Services) included over 96,000 workers in 1998. As noted above, however, home care and home health aides alone made up 47% of all workers in SIC 832 in 1998 according to Occupational Employment Survey (OES) data. Table 1 on the following page presents information about the top 20 occupations found within individual and family services agencies.

OES data from 1998 indicates that just under 9,000 workers in SIC 832 were designated as either “social worker” (conceivably having a BSW or MSW) or “human services worker” (conceivably but by no means necessarily having an associate’s degree). SIC 832 also included 1,300 medical and psychiatric social workers in 1998. At least 4,000 additional persons were employed in program-related work with clients as teacher aides and assistants, recreation workers, and vocational and residential counselors. Finally, the individual and family services sector consists of a myriad of agency support, administrative, and managerial positions, ranging from secretaries to fundraisers to custodians to cooks to executive directors. Please note also that OES categories are based on type of work performed not educational background, so there is no real way of knowing whether a term such as “social worker” always signifies someone with formal social work training.

As a point of reference, the New York State Board for Social Work reported that as of June 21<sup>st</sup>, 2002, there were 14,724 certified social workers in the five boroughs of New York City. A certified social worker is a holder of an MSW who has also passed a state social work exam. Certified social workers are found within several SIC codes and in many cases do not work for social services providers, such as those found in SIC 832. In addition to what has been their more traditional role (assisting disadvantaged communities in gaining better access to jobs, housing, support, and the like), a significant number serve as mental health professionals, either in an institutional setting, such as a school or workplace, or working with private clients.

Labor Market Trends and Issues in the  
New York City Non-Profit Social Services Sector

<b>Occupation</b>	<b># of workers with this occupation in SIC 832</b>	<b>This occupation as a percentage of SIC 832</b>	<b>SIC 832's share of this occupation</b>	<b>Mean Hourly Wage for this Occupation<sup>15</sup></b>
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Labor Market Trends and Issues in the  
New York City Non-Profit Social Services Sector

**Table 1: Top 20 Occupations Within Individual & Family Services (SIC 832), 1998**  
(Source: Unadjusted NYS Department of Labor Occupational Employment Survey Data)

Personal home care aides	27,608	28.7%	73.5%	\$8.18
Home health aides	17,254	17.9%	48.8%	\$8.02
Nursing aides & orderlies	9,560	9.9%	20.4%	\$11.12
Human services workers	5,397	5.6%	43.3%	\$11.20
Social workers, except medical & psychiatric	3,546	3.7%	24.1%	\$17.81
Maids & housekeeping cleaners	2,513	2.6%	9.0%	\$11.20
Managers & administrators, n.e.c.	2,071	2.2%	5.5%	\$30.94
General managers & top executives	1,751	1.8%	2.1%	\$40.57
Secretaries, except legal & medical	1,433	1.5%	1.6%	\$15.73
Clerks, general office	1,407	1.5%	1.3%	\$11.68
Residential counselors	1,337	1.4%	33.7%	\$10.59
Social workers, medical & psychiatric	1,311	1.4%	18.1%	\$19.90
Vocational & educational counselors	1,081	1.1%	17.3%	\$23.13
Bookkeeping, accounting, auditing clerks	1,027	1.1%	1.9%	\$15.07
Clerical supervisors	918	1.0%	1.4%	\$20.71
Recreation workers	853	.9%	21.1%	\$10.42
Receptionists, information clerks	788	.8%	2.2%	\$11.34
Teacher aides & education assistants	778	.8%	5.6%	\$9.77
Janitors & cleaners	733	.8%	.84%	\$12.21
Maintenance repairers, general utility	673	.7%	2.2%	\$14.40
SUBTOTAL (for these top 20)	82,039	85.3%	---	---
GRAND TOTAL/ SIC 832	96,182	100%	---	---

As is evident in Table 2 below, the number of social workers is expected to grow at a somewhat faster rate (16.7%) than the city’s overall workforce between 1998 and 2008. Human service workers are projected to grow at twice the rate of social workers. Home health and personal home care aides are projected to grow at rates significantly beyond that of both social and human service workers, and the private sector overall.

**Table 2: Growth Rates of Select Occupations Connected to SIC 832**

Source: Unadjusted NYS Department of Labor Occupational Employment Survey data, 1998

Occupation	1998 NYC Employment	Projected 2008 Employment	Projected 1998-2008 Growth Rate
Social Worker <i>(excluding medical &amp; psychiatric)</i>	20,700	24,150	16.7%
Human Services Worker	14,590	19,420	33.1%
Personal Home Care Aide	38,590	48,600	25.9%
Home Health Aide	36,480	52,360	43.5%
Total NYC Workforce	3,820,140	4,331,810	13.4%

**Social Services Wages: Those Who Serve the Poor Receive Low Wages Themselves**

The Human Services Council of New York City (HSC) gathered wage and attrition data from social services providers throughout New York State as part of its Human Services Workforce Campaign in the spring of 2002. HSC’s overall conclusion was that non-profit social services compensation packages (salary, benefits, education and training, etc.) are “far below” those of the public sector. This is creating a “crisis of critical proportions” for the social services industry. Information gathered in our interviews is confirmed by HSC’s findings, particularly regarding the positive impact of a post-bachelor’s degree and the noticeable difference in wages based on population served.

*Effect of Post-Bachelors' Degrees on Full Time Wages*

Wage data collected from New York City agencies by the HSC indicates that employees who have completed a post-bachelor's degree education (MSW, M.A., or higher), generally earn more than their counterparts who do not yet have advanced degrees. However, a master's degree does not have uniform ramifications for all areas within the non-profit social services sector.

Salaries for full-time direct care employees with graduate and professional degrees averaged between \$25,998 and 32,500 for those working in childcare, domestic violence and senior services (below the median for all post-bachelor's degree holders). Some agencies reported starting salaries as low as \$22,000 - \$25,000 for employees with graduate and professional degrees. As indicated earlier in this report, New York City private sector workers (excluding those employed in the securities industry) earned an average salary of \$49,765 in 2000.

Table 3 shows median annual earnings of different categories of full-time workers.

**Table 3: Median Annual Earnings: Full-Time Nonprofit Human Services Workers (NYC)**

<b>Type of Employee</b>	<b>Median Salaries (Employed &lt; 1 year)</b>	<b>Median Salaries (Employed at least 1 year)</b>
Direct Care (w/out post-bachelor's degree)	\$25,000	\$26,000
Direct Care (with post-bachelor's degree)	\$34,254	\$35,276
Supervisor (w/out post-bachelor's degree)	\$36,950	\$35,333
Supervisor (with post-bachelor's degree)	\$42,500	\$45,879

Chart courtesy of Human Services Council of New York City

Salaries for direct care workers without professional degrees, particularly in the areas mentioned below, do not meet the New York City self-sufficiency standard for a single adult with a child or children<sup>16</sup>. Agencies with direct care full-time employees working in child welfare, mental retardation/developmental disability, childcare, domestic violence, and homeless services received average starting salaries less than \$24,810 and reported salaries as low as \$16,640. The median salary for full-time direct care employees (without a post-bachelor's degree) working in senior services for at least one year is \$20,400.

*Part-Time Workers: A significant component of the non-profit social services workforce*

Of particular concern is the issue of part-time employees. Of all the non-profit industries, social services has the second highest percentage (26%) of part-time workers in New York City. Only the non-profit arts sector employs more part-time workers. Half of the City's workfare or Work Employment Program (WEP) workers within the nonprofit sector are situated in social services organizations<sup>17</sup>.

According to the HSC, the average direct care part-time employee without a professional degree working in childcare, senior services, and mental retardation/developmental disability services made less than \$10.00/hr.

**Table 4: Median Annual Earnings: Part-Time Nonprofit Human Services Workers (NYC)**

Type of Employee	Median Earnings at 20 hours/week (Employed < 1 year)	Median Earnings at 20 hours/week (Employed at least 1 year)
Direct Care (w/out post-bachelor's degree)	\$10,998	\$11,565
Direct Care (with post-bachelor's degree)	\$20,207	\$20,394
Supervisor (w/out post-bachelor's degree)	\$16,411	\$15,553
Supervisor (with post-bachelor's degree)	\$25,719	\$28,376

Chart courtesy of Human Services Council of New York City

### The Employee Turnover Crisis

Both the responses to HSC's Human Services Workforce Campaign survey and interviews conducted by FPI (along with a 2001 survey of United Way grantees who also receive city funding) reveal that social services agencies in all areas are experiencing severe difficulty in recruiting and retaining professional staff. According to the HSC, turnover rates are higher among direct care workers (20% annually) than supervisors. Part-time direct care workers have the highest turnover rates (26% annually). Supervisors with and without professional degrees were found to have annual turnover rates of 14% and 17% respectively.

It is unquestionable that turnover rates of this degree have a negative effect on: 1) the level of training held by social services workers; 2) worker productivity; and 3) the movement of social services workers along defined career paths. The relatively short tenure of a significant number of social services workers, and the institutional instability that this creates, ultimately has a tremendous effect on the quality of services provided at the

agencies themselves. It is also costly for agencies to recruit and train new staff to the degree that they are forced to do so.

*Efforts to address the problem of low wages*

In an effort to address the industry's low salaries, the New York City chapter of the National Association of Social Workers (NASW) first established industry salary standards in 1993. As of January, 2001, the NYC NASW recommends that the beginning salary for new MSW's be \$41,342 and rise to \$47,543 after three years of experience. Likewise, new BSW's are to be paid a starting salary of \$33,074, which should rise to \$38,035 after three years<sup>18</sup>. Compliance with these standards is obviously completely voluntary on the part of the agencies, and is constrained by the government contracts that often fund the provision of social services.

Despite the fact that social services workers earn non-competitive wages in general, the attainment of a MSW or other advanced degree makes a difference, according to the information gathered by the HSC and our own interviews. The NYC NASW similarly raises the question of the "fragmentation" between a small number of relatively well-paid social workers (BSW and, even more so, MSW holders) and the rest of the profession. As is evident in the occupational chart on page 18, "social workers" make up a small percentage of employees within the individual and family services sector. They are also the highest paid (with one exception) direct service workers in the sector, earning a median hourly wage of \$17.81. All other occupations involving work with clients, except for vocational/educational counselors, earn less than \$12 per hour. It is a reasonable assumption that the "social workers" indicated on page 18 are more likely than any other direct service workers to have a BSW or MSW. Supervisory status, even without an advanced degree, clearly makes a difference as well in terms of wages. (Social work educators interviewed for this study explained that BSW holders cannot be supervisors yet we are finding that this does occur in agencies.)

A problem is that – for a majority of workers in the sector – attainment of a BSW or MSW represents a huge jump up the educational ladder. More intermediate steps need to be constructed.

*The Question of Unionization*

The question of unions in the non-profit social services sector emerged several times in interviews. There was a uniform sense that unionized facilities offer superior wages and benefits (including tuition assistance in certain cases). It may also be possible that higher rates of unionization within the industry could enable it to negotiate more effectively in the

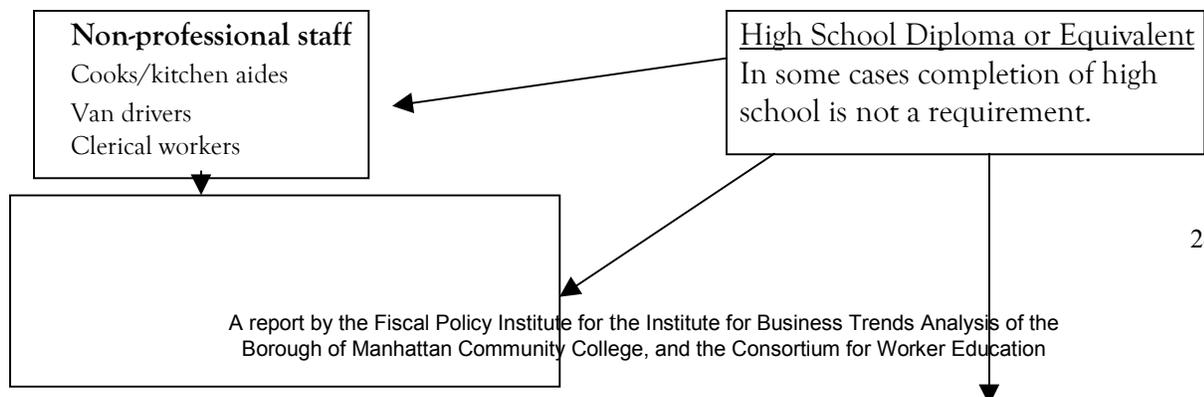
contracting process. One barrier to unionization in the non-profit social services sector could be that the agencies are often quite small. Smaller agencies may find it very difficult to imagine absorbing increased wages and other costs related to a union contract, especially in a period of cuts in social services spending.

### Career Mobility and Licensing Issues in the Non-Profit Social Services Sector

The chart on the following page delineates the main occupational groups found within the non-profit social services sector, and also indicates the educational background typically required for each occupational group. The chart is a culmination of information gathered in interviews. It is also based on a career counseling guide, revised in 1997, by the United Neighborhood Houses (UNH), an umbrella group for New York City settlement houses which employ over 8,000 people.

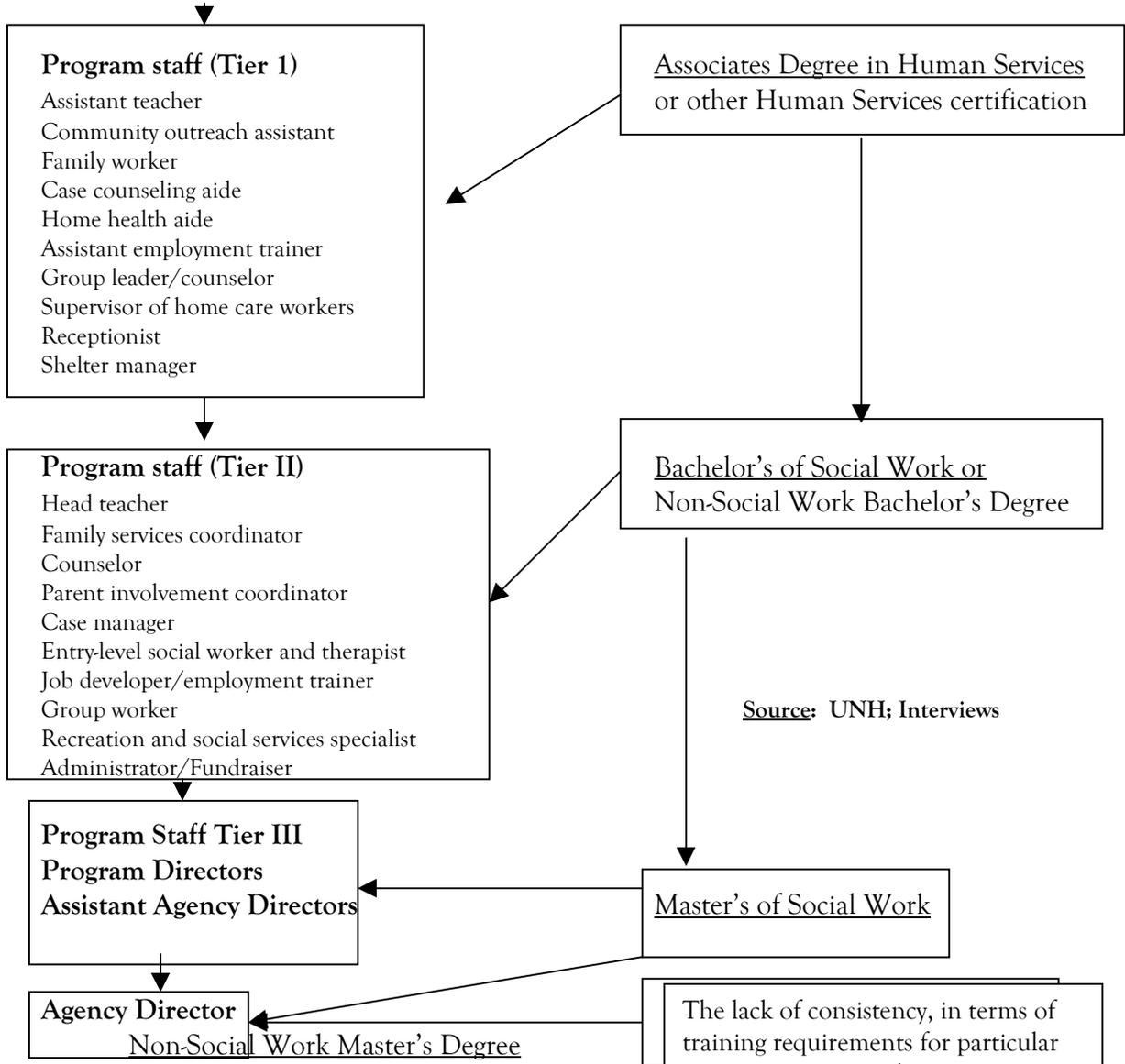
There are two categories of entry-level positions (requiring a high school diploma or less): non-professional support and non-professional direct-service staff. Non-entry-level program/direct service staff are then broken down into three main categories, based on educational background.

### Typical Occupations and Educational Requirements within Non-Profit Social Services Agencies



**Non-professional direct service staff**

- Teacher's aide
- Assistant counselor
- Homecare worker
- Overnight aide



Source: UNH; Interviews

Training/Educational Background Typically Required in the Non-Profit Social Services Sector

Interviews with social services agency administrators and educators indicate that there are four basic educational tiers which largely determine

The lack of consistency, in terms of training requirements for particular occupations in social services agencies, ultimately affects career mobility and compensation. When untrained workers are advanced because of high performance and agency need (especially in smaller organizations) they are often unable to obtain a comparable position in another agency, and even less so, in another industry. The ability for untrained workers to obtain wages commensurate with ability and experience level is also severely compromised. Workers can become trapped in their agencies.

occupation (attainment of a high school diploma or equivalent, associates degree, BSW or BA, and MSW). The boundaries between these tiers can be somewhat fluid depending on the agency. Previous experience in certain cases, especially in a smaller agency, can be as important as professional accreditation and/or level of education. One reason for this is the enormous financial pressure under which social services agencies often find themselves. Agencies will “make-do” with staff members that have no formal social work training because they are unable to offer wages attractive to better-trained candidates. This shifting of occupational requirements is perceived as a very serious problem, both by the National Association of Social Workers and social work educators. As one educator remarked, “we are losing control of our profession”.

*MSW's and BSW's: The Two Tiers of Formal  
Social Work Training*

Social work educators, in particular, stressed the importance of advanced social work education to the quality of services provided by the profession. MSW students are required to have a thorough understanding of both the philosophical and analytical underpinnings of social work practice upon graduation. They also undergo a year of clinical experience in an agency under the supervision of an MSW-level supervisor in order that their practice in the field can be thoroughly evaluated. A Doctorate of Social Work (DSW) is the pinnacle of the industry's formal training apparatus and involves considerably more academic coursework, extensive independent research and production of a dissertation.

MSW's hold a wide range of supervisory and leadership positions within social services agencies. They are particularly involved in program development and administration, and the supervision of other direct service staff (normally within the first five years after graduation). MSW's also perform the most complex social work tasks in their respective agencies, whether this involves group therapy, community organizing or head teaching.

Several of the persons interviewed for this study stated that they observed a shrinking proportion of MSW holders in social services agencies. This is apparently the case both at the direct service and administrative levels. (It is unclear to what degree poor compensation packages or general workplace conditions are actively discouraging MSW's from remaining in the social services sector.) Depending on the size of the agency and the degree of administrative specialization, it is becoming more common for individuals with advanced training in other areas (finance, administration, information/technology, etc.) to assume executive level positions.

BSW students are also expected to have a certain mastery of social work concepts and approaches, and complete an internship at an agency as part of their training. This study interviewed the directors of the BSW programs at York and Lehman Colleges. Two to three-hundred students complete the BSW programs at York and Lehman Colleges each

year. Entrance to the York and Lehman College programs is competitive, indicating that the degree is perceived as providing a professional identity, relevant training and more marketability in the job market. CUNY also has a third BSW program at the College of Staten Island and is planning to create a fourth program at Brooklyn College. Some private higher educational institutions in the region, including Fordham University and Murray College, also have BSW programs.

There appears to be widespread industry concern regarding the fact that BSW and BA holders often receive similar positions in agencies. The issue of employee burn-out was raised repeatedly. When individuals with no social work training are thrown into demanding and stressful situations, for which they have no formal preparation, the likelihood that they will leave within a short period of time increases. The fact that hiring non-BSW holders places one-hundred percent responsibility for training on the agencies themselves was also cited. The Director of Hunter College's School of Social Work stated simply that, "the industry needs more people with BSW's." There are currently a limited number of BSW's in the field and they are apparently unable to fill all of the positions available to persons with their credentials. The directors of the York and Lehman BSW programs indicated that their graduates have no difficulty in finding work and that there is high demand for trained case managers and social workers without MSW's. One director noted that this was not always the case; that in the early 1980's it was very difficult to find a social work position if one did not have an MSW.

*The current debate over licensing/certification*

The reality that there are not enough trained social workers to fill all of the positions within social services agencies has been an obstacle for the NYC Chapter of the National Association of Social Workers as it has attempted to push forward state legislation requiring all social workers to be licensed. Regardless of the value of BSW training, the NASW was forced to remove its demand that mid-level social work positions be restricted to licensed BSW's. The state legislature argued that the industry relies too heavily on other BA's to fill mid-level positions. The NASW has been far more successful in lobbying New York State to require that all MSW's should be licensed. They state that if licensing were not a requirement, the status of the industry, especially in the mental health field, would be considerably degraded. It is hoped that legislation will be passed by Fall, 2002, mandating that persons performing advanced social work tasks be either a Licensed Master Social Worker (LMSW) or a Licensed Clinical Social Worker (LCSW). (Only LCSW's would be able to engage in clinically oriented private practice, according to the NYC NASW.) Interestingly, the New York City and State chapters of the NASW have partnered with labor to create the 1199/SEIU Social Work Alliance, which is articulating a workforce agenda for the non-profit social services sector at the state level. This agenda also includes student loan forgiveness for both BSW and MSW holders, and increased government funding for social work salaries.

Career mobility within the industry and access to training

In a nutshell, there is a highly defined educational trajectory within the social services sector, which is directly linked to career mobility. However, the institutions making up this trajectory (BSW and MSW programs) do not have the capacity to train the large numbers that exist in the profession. Analysis of OES data suggests that the percentage of workers in the non-profit social services with a BSW or MSW is extremely small. There is little chance of career advancement without at least a BSW or a BA (not necessarily in terms of responsibility but clearly so in terms of salary and position). In addition, many at the lower end of the profession's wage scale have received little or no information about the existing social work educational infrastructure. This raises the obvious question of whether BSW programs should be expanded (which it appears is already happening), and whether there are other ways that skill upgrading can occur and wages can rise.

Social work educators interviewed for this study mentioned a handful of certificate programs (in areas such as alcohol dependency and healthcare) that have already been developed. They were not always certain whether the programs still existed or whether completion of a certificate led to a wage increase. For example, Adelphi University offered an associates degree to child care workers (onsite at selected agencies), which was designed to place child care workers on a social work or teaching career path. A wage increase was part of this program. The State of New York offers intensive case management training to holders of bachelor's degrees (in any discipline), which also leads to a salary increase in selected positions. One social work educator stated, however, that there is a general hostility from the profession's national academic accrediting body, the Council on Social Work Education, to module and certificate programs. This may be at least partially due to the fact that social workers are fighting hard to link BSW's and MSW's to job requirements in order to raise wages. The Council may feel that modules or certificates could further weaken the importance of a social work degree. Despite these legitimate concerns, however, it appears that a substantial portion of the current social services work force now faces the huge hurdle of obtaining a four-year degree from scratch if they are to have reasonable prospects of progressing into a better-paid position.

A 1996 Bureau of Labor Statistics Occupational Outlook projected employment growth in social services agencies; however, the BLS pointed out "agencies will increasingly

The Implications of Lack of Training

A year-long investigation by the New York Times of adult homes for the mentally ill (SIC 836) found that untrained social services staff were a danger for all involved.

"It was clear that Toshua Courthan was in over her head. She had no mental health training yet after only a short time at Seaport, she was promoted to case manager and then director of social servivess, playing a pivotal role in overseeing more than 300 chronically mentally ill people...Ms. Courthan was hired as a receptionist at Seaport in 1999. With low salaries and mismanagement, workers were constantly quitting, and she was rapidly promoted...Soon, Ms. Courthan and Ms. Johnson were helping to run the place, at \$8 and \$9.50 an hour." -NYT, April 29, 2002

restructure services and hire more lower paid human services workers instead of social workers". In response to this, incumbent worker training has become an area of growing concern. Sources interviewed so far indicate that there is breadth in terms of the level of training

that agencies provide to their workers. However, there appears to be no formalized training apparatus in the vast majority of the non-profit agencies. Non-profit agencies are able to assist employees interested in a social work degree by allowing them to use their social work job as their field placement for school, but there is no systematic effort to encourage employees to obtain advanced training. The Jewish Board of Family & Children Services and the Jewish Child Care Association are well-known exceptions. Both agencies offer some form of tuition assistance to employees who are obtaining a BSW or MSW. In the past, according to some of the sources interviewed for this study, this type of financial assistance was far more prevalent.

[It is interesting to note that certain city agencies have made professional training a high priority. The Administration for Children's Services offers tuition assistance to employees obtaining MSW's at social work schools (both public and private) throughout the city. In addition to tuition assistance, ACS offers "release time", enabling workers to attend classes during business hours. ACS also operates its own "training academy" which provides monthly day-long sessions on HIV-AIDS, substance abuse and other topics relevant to clients. ACS employees sign up for trainings as they deem necessary.]

Several sources described social work career ladders in the non-profit sector as typically quite random and informal, with more job openings in the larger agencies but greater flexibility related to advancement requirements in smaller agencies. Career movement occurs both vertically and horizontally, and there is disagreement as to whether there is more movement out of the agencies or up through them. Perhaps due partially to funding constraints, there is a disincentive in some agencies to move high performing workers through the ranks because they may be quite difficult to replace.

CUNY's BSW Programs: Gateway to the social services profession

Despite the general lack of institutional support, a certain number of highly motivated social services workers, who are already employed in non-profit agencies, enroll in BSW programs every year. The remainder of BSW students are working class New Yorkers, often people of color, who were simply interested in the field. Norma Phillips, Director of Lehman College's BSW program, stated that most of the students in her program are transfers from community colleges. Lehman recruits heavily at community colleges and has articulation (credit transfer) agreements with all of the CUNY community colleges. Up to 60 credits from community college courses can be applied to Lehman BSW freshman and sophomore level courses. Likewise, a York College survey of BSW program alumni reported that three-quarters of the graduates had originally come from CUNY community colleges.

CUNY BSW students are often the first person in their family to complete college, tend to be older (30's and 40's), and some have experienced public assistance or incarceration firsthand. One-third of Lehman College BSW holders go on to MSW programs as soon as

they graduate. Another third do so a year or two later in order not to lose their advanced standing in MSW programs. The final third remain in their agencies. (63% of York College BSW graduates go to work in a social services agency in the first year after graduation; while 18% go directly on to graduate school.) Phillips believes that there are two main reasons for Lehman's BSW program's success (it has an 80% retention rate which is considered quite high). First, there are entrance requirements so that the students tend to be stronger. Second, the program offers intensive counseling to its students as they struggle to balance the demands of work, school and family. When asked to comment on the CUNY-based career ladder for social workers, Phillips stated, "when it works, it really works".

### The Critical Need for Support and Leadership

A significant part of the recommendations for CUNY and other workforce educators should involve establishing and/or strengthening linkages with BSW programs in the city, especially if there are new BSW programs on the horizon. (BMCC is already one of several "feeder" community colleges for York College, which has a BSW program.) An influx of BSW holders into social services agencies could have the effect of gradually raising wages and improving conditions for social workers in general. In addition, BSW holders have advanced standing when entering MSW programs (they can complete an MSW in one year), which should enable them to advance more quickly within the field. BMCC (or CUNY in general) should also begin discussions with the NYC chapter of the NASW regarding increasing the social services sector's training capacity. The NASW has focused on compensation and other workforce issues, is calling for an expansion of training opportunities within the industry and is concerned with raising the professional stature and marketability of trained social workers. It would seem that the NYC NASW and the CUNY community college system would be natural allies.

"We are asking a tremendous amount of the low-skilled workers (usually poor women of color) in this industry. They usually are raising families in addition to working full time at tough jobs. How do we expect them to be able to go to school?" -  
Public Policy Professor

Community colleges and leading social services providers should work together to target incumbent workers for training and provide the support necessary for completion of a BSW or MSW. It may not be financially feasible for non-profit social services organizations to provide childcare or tutorials to workers who have returned to school, however. (Some of the larger organizations may have this capacity.) This is an area in which the Consortium for Worker Education (CWE) or organized labor could play a critical role. Perhaps some of CWE's federal funding (via the Workforce Investment Act or something comparable) could be allocated toward covering work hours missed by social services workers due to classes or schoolwork. Providing support (through services to social services workers and

through grants to agencies) is something for which labor and workforce development organizations, such as the CWE, have a special capacity.

CWE (in conjunction with CUNY) should also consider creating skills upgrading modules that could be made available to social services workers at all educational levels. These modules should offer training in areas, such as computer skills, that can make workers more marketable both within and outside of the social services. Modules in non-social work skills may also make them more palatable to social work educational institutions, which are struggling to assert the importance of social work degrees.

The leadership for improving conditions for the non-profit social services workforce must come from the agencies themselves and the city and state, however. Questions of compensation, access to training and well-defined career ladders should be a central part of the contract negotiation process. The damaging effects of lack of training, poor compensation and high turnover on city and state contracted services must be made crystal clear to public officials. Funding for social services provision will need to increase and be directly tied to improved wages and benefits for incumbent workers in contracted agencies.

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*Art Zirzow*, United Neighborhood Houses

*Melanie Hartzog*, Human Services Council

*John E. Seley*, Ph.D., NYC Non Profits Project

*Marcia Brown*, Non-Profit Coordinating Committee

*Joann Ivry*, Hunter College School of Social Work

*Terry Mizrahi*, Hunter College School of Social Work/NYC Chapter, National Association of Social Workers

*Mark Levitan*, Senior Policy Analyst, Community Service Society

*Norma Phillips*, Director, Lehman College BSW Program

*Dr. Gila Acker*, Director, York College BSW Program

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