

COMPENSATION AND BENEFITS AMONG NEW YORK CITY'S FRONTLINE WORKFORCE PROFESSIONALS

DATA REPORT 2 JANUARY 2021







INTRODUCTION



Regardless of the position, wages and benefits typically factor prominently into one's decision to accept a job offer. Getting a handle on what is fair and acceptable compensation, however, remains an opaque and mystifying process for many jobseekers. Self-disclosure of one's salary remains relatively taboo, providing limited benchmarks for assessing an offer. Not all businesses list a salary range or available benefits in job postings, requiring candidates to assess relatively in the dark whether to even pursue a position. Factors including experience, education, and specialized skills-along with typically unspoken considerations of gender, race, and age-can impact the salary offered, leading to wide variation among individuals occupying similar positions.

"There's little consistency in how frontline professionals can experience wage gain and promotion. It sometimes seems as though they have to rely more on luck than anything." Though salaries can vary wildly across similarly situated individuals in comparable roles, the variation is constrained by some parameters,

-NONPROFIT LEADER

including wages for similar roles in a given market and demand for the product or service produced. For organizations that run workforce development programs, grants and contracts factor significantly into those parameters, especially within nonprofit organizations. When a program is financed primarily through grants or performance-based contracts and is not designed to generate revenue, the value of the contract weighs significantly in shaping wages for staff required to operate the program.

The <u>Voices from the Frontline</u> initiative, led by <u>Workforce Professionals Training Institute</u> (WPTI), seeks to shed light on frontline workforce professionals, the individuals responsible for preparing and connecting job seekers to employment. Data gathered through the **2020 Survey of NYC Frontline Workforce Professionals** includes detailed information on the work environment, personal characteristics, employment satisfaction, and future aspirations of 362 frontline workforce professionals working in New York City. This brief report, the second in the *Voices from the Frontline* Data Report series, focuses on the pay and benefits of those individuals.







VOICES FROM THE FRONTLINE

A note to readers: The 2020 Survey of NYC Frontline Workforce Professionals was conducted in January and February of 2020, prior to the COVID-19 pandemic. As such, all data presented reflect prepandemic responses and sentiments. To better understand how frontline workforce professionals have been impacted by the pandemic, WPTI, in collaboration with the Center for New York City Affairs at the New School, will re-engage this population throughout 2021 through additional surveying, focus groups, and other forms of data collection. As aptly noted by a nonprofit leader, "Even before COVID-19 this has been an underpaid and undervalued sector. There have always been issues about pay, benefits, and parity, which are now being amplified." Stay tuned for more information.

WHAT DO FRONTLINE WORKFORCE PROFESSIONALS EARN?

As highlighted in the first <u>Voices from the Frontline Data Report</u>, 91 percent of survey respondents work for nonprofit organizations. In general, nonprofit compensation tends to be lower than comparable private sector levels. As stated by a leader in the New York City workforce development field, "there's a general belief that you shouldn't get paid well if you're 'doing good' or in the nonprofit space." A 2016 Bureau of Labor Statistics study of nonprofit compensation found that wages for management and professional employees of nonprofit organizations are, on average, \$3.36 per hour less than those earned by similarly situated employees of for-profit companies; the difference increases to \$4.67 per hour less when the value of benefits is included.

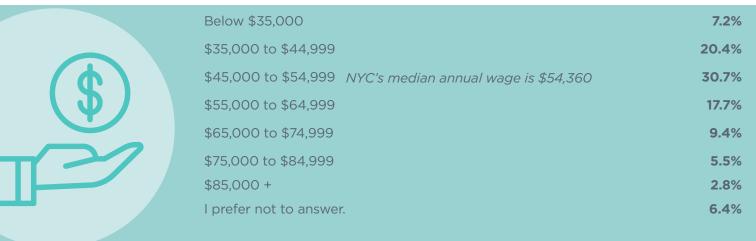
With that context in mind, compensation for frontline workforce professionals varies widely, but the approximate median salary is similar to the citywide median of \$54,360 (see Table 1), as just over half (58 percent) of respondents earn less than \$55,000 per year.² As noted in the first Data Report, three-quarters of respondents possess at least a Bachelor's degree, compared to 44 percent of New York City's working population.







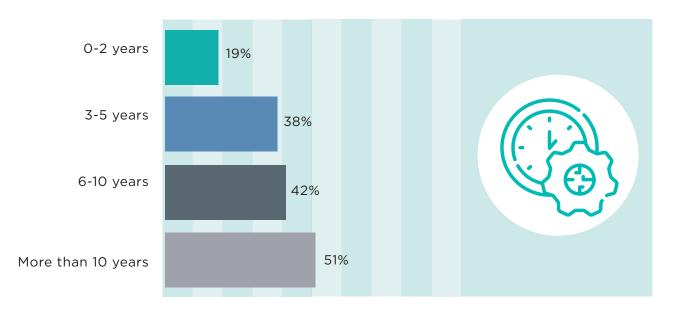
Table 1: Annual Salary



Much of the analysis and discussion that follows will group respondents into two categories: those earning below \$55,000 and those earning \$55,000 or higher. This dividing line, conveniently, aligns with the city's median salary, but also corresponds with some of the most compelling differences between survey respondents.

As one might expect, longer tenure with a given employer correlates with higher earnings. Nearly two-thirds (63 percent) of those reporting less than two years with their current employer earn less than \$55,000; by contrast, 61 percent of those earning more than \$55,000 have been with their employer for three or more years. Similarly, more years in the workforce development field corresponds with higher earnings (Figure 1).

Figure 1: Percent of Survey Respondents Earning more than \$55,000 by Years Experience in Workforce Development









The term "frontline workforce professional" encompasses a broad array of positions, as detailed in Data Report 1, and some of these roles pay, on average, lower wages than others.

More than three-quarters of respondents in the following positions earn less than \$55,000:

- Job Coaches 84%
- Administrative Assistants 82%
- Retention Specialists 79%
- Case Managers 76%
- Intake Coordinators 76%

Respondents with the title of Data Analyst were the only group to report that a majority (67 percent) earn more than \$55,000.

"It's always confusing that there's double messaging on whether or not nonprofits treat their workers as well as they should with the sense that they're a nonprofit and can't afford to provide good pay."

-WORKFORCE FIELD LEADER

SALARIES AND DEMOGRAPHICS

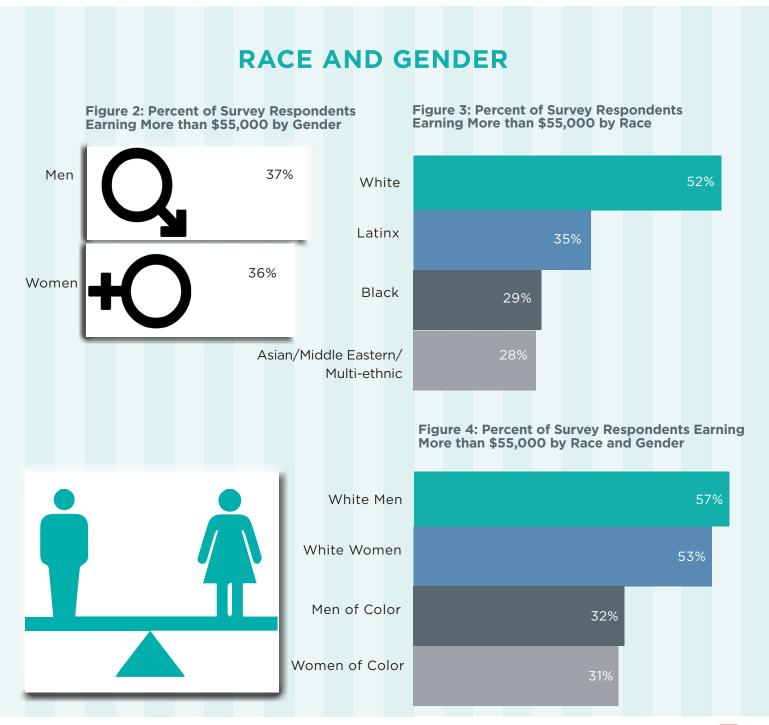
Data Report 1 included information on salaries by gender, race, and education level, using \$35,000 as the touchpoint for analysis-a figure that just exceeds New York City's 2018 living wage. The graphics on the next two pages illustrate differences in salaries by an array of demographic characteristics using this Report's framework of \$55,000 as the dividing line.







SALARY AND DEMOGRAPHICS









SALARY AND DEMOGRAPHICS EDUCATION AND AGE

Figure 5: Percent of Survey Respondents Earning More than \$55,000 by Education

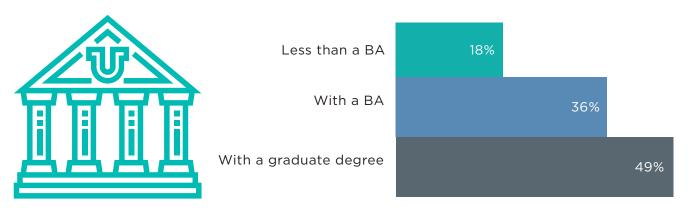
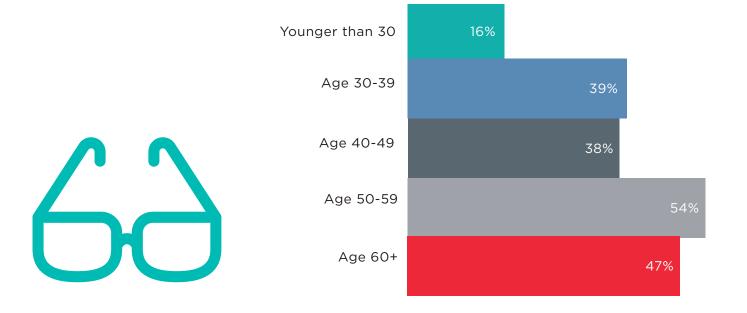


Figure 6: Percent of Survey Respondents Earning More than \$55,000 by Age









DO PERCEPTIONS OF ONE'S WORK ENVIRONMENT DIFFER BY SALARY LEVEL?

Staff occupying different roles throughout an organization are subject to varying expectations, opportunities, and stressors. The individuals responding to the 2020 Survey of NYC Frontline Workforce Professionals work in client-oriented roles ranging from entry level through management, contributing to differing responsibilities and experiences.

ACROSS THE SURVEY SAMPLE, 12 PERCENT ARE EXPECTED TO WORK OVERTIME REGULARLY.

Nearly half of those with overtime expectations earn between \$55,000-\$74,999. The vast majority (80 percent) of respondents expected to work overtime are not compensated for their time, though the likelihood of receiving compensation is spread evenly across income levels.

RESPONDENTS LARGELY AGREED (80 PERCENT) THAT THE HOURS WORKED EACH WEEK TEND TO BE PREDICTABLE.

Among those reporting an unpredictable schedule, more than half (56 percent) earn between \$55,000 to \$74,999. Individuals earning more than \$75,000 report the most stable schedules, with only 14 percent registering some level of unpredictability.

By and large, respondents are paid a consistent rate for their work, with only 11 percent reporting variation. Of those reporting inconsistency in the amount paid each period, one-quarter are not employed full-time and nearly all (95 percent) work for nonprofit organizations. Notably, three-quarters of those who are not paid a consistent rate earn less than \$55,000.

The impacts and costs of employee turnover on an organization and the remaining workers are well documented and include decreased productivity, stress, increased workload in the interim and until a new employee gets up to speed, and a shift in focus from strategy or long-term goals to the immediate.³ One study estimates it can take a year or more for a new employee to be fully productive in their role, placing additional productivity burdens on existing employees.⁴ Overall, 39 percent of respondents feel employee turnover impacts their ability to perform their job. Nearly half of those earning between \$45,000-\$64,999 cited a personal impact from turnover, setting this group apart.

"If the organization paid what I and my co-workers are worth, there would be less turnover."

-FRONTLINE WORKFORCE PROFESSIONAL More than two-thirds (69 percent) of all respondents are satisfied with their jobs. Those earning more than \$55,000 are somewhat more satisfied (75 percent) than those earning less than that amount (66 percent). Those earning less than \$55,000 are somewhat more likely to look for a new job in the next year, with 56 percent indicating as such compared to 45 percent of their more highly compensated peers.







WHAT IS THE RELATIONSHIP BETWEEN SALARIES AND PERSONAL FINANCIAL STABILITY?

The cost of living in New York City ranks among the highest in the world.⁵ As such, noting that more than half of survey respondents earn below the city's median wage signals the likelihood of at least some frontline workforce professionals struggling to make ends meet.

Overall, nearly half (49 percent) of respondents agree their salary is sufficient to cover basic living expenses; a larger percentage of those earning more than \$55,000 agree with the statement, 58 percent compared to 44 percent of those earning less than \$55,000. One-third agree that they are able to put some earnings into savings on their current salaries. The ability to save increases to 50

percent for those earning more than \$65,000.

Personal finances can affect one's job performance; nearly half (47 percent) of all respondents disagreed with the statement, "I am able to focus on my work and not worry about my personal financial situation." Nearly two-thirds (66 percent) of those who disagreed with the statement earn less than \$55,000. On a related note, while 52 percent of those earning more than \$65,000 agree that they could cover one month of household expenses in an emergency (e.g., a spouse or partner loses a job), less than one quarter of all other respondents feel confident they could do the same.

ABILITY TO SAVE



"The salary is terrible, and I find it a challenge to decide between paying a bill or eating at times. This in turn affects employee morale for all staff who are experiencing the same. Paying rent as an adult earning a teenager salary is an impossible task."

-FRONTLINE WORKFORCE PROFESSIONAL







BENEFITS

Wages constitute one component of an employee's compensation package; fringe benefits are touted to prospective employees and given a valuation to calculate an employee's total compensation. Benefits take many forms and are of varying value in the absolute and relative sense. As such, they can sweeten an employment offer or go unused and unvalued by recipients.

Among survey respondents, nearly all employers (94 percent) offer some combination of benefits, even to those working part-time. The most commonly offered benefits include health insurance (medical, dental, and vision), vacation, and sick leave, with more than three-quarters of respondents reporting receipt. For relevant points of comparison, Nonprofit New York's 2020 Nonprofit Compensation Report⁶, and a 2017 compensation and benefits survey of nonprofits in Southern New England and Westchester County, New York conducted by TSNE MissionWorks⁷ reported the following rates of benefit provision among the samples:

Table 2: Benefit Provision, Three Recent Surveys

2020 SURVEY OF FRONTLINE WORKFORCE PROFESSIONALS		NONPROFIT NEW YORK 2020 COMPENSATION REPORT	2017 TSNE MISSIONWORKS
Medical Insurance	92%	91%	89%
Dental Insurance	90%	65%	71%
Vision Insurance	85%	59%	36%
Life Insurance	58%	51%	61%
Pension/Retirement Plan	74%	80%	93%
Vacation Time	88%	93%	75%
Transit/Commuter Benefits	56%	71%	no data
Flex Time	26%	no data	42%

While a sizable majority of all respondents have access to the benefits noted above and others, disparities in availability based on income do exist in some instances. Using the dividing line of \$55,000 again, those earning more than that amount were more likely to report access to the following benefits as shown in Table 3 on the next page than those earning below the amount.







Table 3: Benefits Reported by Respondents to 2020 making more making less Survey of NYC Frontline Workforce Professionals than \$55,000 than \$55,000

+	MEDICAL INSURANCE	98%	90%
	DENTAL INSURANCE	95%	88%
\$	PENSION/RETIREMENT ACCOUNT	86%	69%
	VACATION TIME	95%	86%
	COMMUTER BENEFITS	67%	51%
5	FLEXIBLE SPENDING (FSA)	66%	52%
00	FLEX TIME	33%	22%
\$	LIFE INSURANCE	67%	56%

It is possible a source of the disparities includes lack of knowledge about the benefits offered, especially if one does not have cause to use a benefit. Four percent of all respondents indicated they were unsure of what benefits their employers provided, all of whom earn below \$55,000. However, that admitted uncertainty accounts for only a portion of the gap in benefit access by income.

Benefits like the various forms of health insurance often come with cost sharing expectations, including monthly premiums, co-pays, and deductibles. If those costs are perceived as too high or not proportionate to personal need, an employee might choose to opt out of the benefit or limit use. Across the three types of health insurance-medical, dental, and vision-nearly half of respondents with access to each respective benefit indicated that the benefit is both affordable and provides sufficient coverage. By contrast, around one-third of respondents with access to each respective benefit feel the benefit is neither affordable nor provides sufficient coverage. Interestingly, these assessments of affordability and coverage sufficiency do not vary notably by income level.



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CONCLUSION AND WHAT'S NEXT

Frontline workforce professionals accept their positions for an array of reasons, including identification with an organization's mission, possession of a relevant skill set, and a desire to work with a specific population, as well as economic necessity. As demonstrated in this Data Report, the pay and benefits of frontline workforce professionals vary for reasons one would expect, including tenure and education, and the salary levels of frontline workforce professionals are correlated with differences in experience in the workplace.

Next month, we will release the third Data Report in our Voices from the Frontline series, addressing issues of diversity, equity, and inclusion. The report will focus on racial justice and its intersection with issues of pay, career advancement, and job quality for frontline workers in the workforce development sector. As the workforce development system has been positioned to advance racial equity and promote economic mobility for historically marginalized populations, it is especially critical that the sector promotes equitable policies and practices with regard to its own workforce.

A forthcoming Data Report in the Voices from the Frontline series will explore how external factors, including workforce program contracts and outcomes, influence the experiences, pressures, and opportunities of frontline workforce professionals. In addition, follow-up surveying of frontline workforce professionals in 2021 will more directly explore how the COVID-19 pandemic has impacted these individuals, including their assessments of compensation adequacy.







ACKNOWLEDGEMENTS)

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The 2020 Survey of NYC Workforce Professionals was designed in partnership with the CUNY Labor Market Information Service (LMIS); LMIS administered the online survey and conducted initial analysis of the data. Matthew Vanaman, Research Consultant, performed additional data analyses for this report. East End Advertising designed this report, and Momentum Communication Group provides messaging, media outreach, and communication strategy support. Dana Archer-Rosenthal serves as a strategic advisor to the initiative.

WPTI wishes to express gratitude to the dozens of frontline workforce professionals, leaders, and intermediary partners from across the New York City workforce ecosystem who participated in focus groups and stakeholder interviews, broadly disseminated the 2020 Survey of NYC Frontline Workforce Professionals, and provided valuable feedback to realign initiative priorities in the wake of the COVID-19 pandemic. These individuals provided informed, candid, and often heartfelt assessments of the roles assumed by frontline workforce professionals; the challenges encountered within workforce organizations and embedded into the fabric of the workforce system; and the importance of the often passion-driven work of frontline workforce professionals in their efforts to position more New Yorkers for success in the labor market.

Additionally, we thank the more than 350 frontline workforce professionals who participated in the 2020 Survey of Frontline Workforce Professionals; without their input, the Voices from the Frontline initiative would not be possible. Finally, we are grateful for the support of WPTI's Executive Director, Sharon Sewell-Fairman, and full WPTI team for working every day to provide support, increase capacity, and raise the standards of quality service throughout New York City's workforce development field.

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Voices from the Frontline is an initiative devoted to examining and elevating the experiences of the professionals providing frontline services across the New York City Workforce System. The 2020 Survey of NYC Frontline Workforce Professionals explores the motivations of workforce professionals, their working environments and long-term career goals, and challenges they face. Findings from the survey and resulting recommendations will inform field-wide leadership of better strategies for worker engagement and satisfaction, and improved program performance.

The <u>Workforce Field Building Hub</u> brings together key leaders from across the interdisciplinary and diverse New York City and national workforce community to identify common issues and solutions to build and strengthen the field of workforce development.

Workforce Professionals Training Institute (WPTI) increases the effectiveness of people, programs, and organizations that are committed to generating pathways out of poverty through employment. Our three-tiered approach – professional training, organizational consulting, and systems building – strengthens capacity at all levels of the workforce development system.









- 1 <u>Nonprofit Pay and Benefits: Estimates from the National Compensation Survey.</u> US Bureau of Labor Statistics. *Monthly Labor Review.* January 2016.
- 2 Survey respondents selected the range within which their annual salary fell. As such, we can only approximate that the median salary falls close to the citywide median.
- 3 See, for example, O'Connell, Matthew, and Mei-Chaun Kung. "The Cost of Employee Turnover." Industrial Management. January 2007. Vol. 49, Issue 1.
- 4 Herbert, Mark. <u>"The Importance of Employee Retention."</u> *Human Resources Today.* June 2, 2020. Accessed December 3, 2020.
- 5 "Worldwide Cost of Living 2020: How is COVID-19 Affecting the Price of Consumer Goods?" The Economist Investigative Unit. 2020.
- 6 "2020 Nonprofit Compensation Report: Salary + Benefits". Nonprofit New York. September 2020.
- 7 Valuing Our Nonprofit Workforce: A Compensation and Benefits Survey of Nonprofits in Southern New England and Westchester County, New York. TSNE MissionWorks. July 2017.





