

Many grant makers are committed to and already supporting wage equity efforts through their investments and funding practices as well as learning about and sharing strategies through the Wage Equity Funding Roundtable. The information below was gathered from a survey of a small sample of philanthropic partners supporting human service organizations across Washington state with substantial funding in but not limited to King County and the City of Seattle. **Philanthropic partners providing information below include Ballmer Group, BECU Foundation, University Christian Church Legacy Foundation, Medina Foundation, The Norcliffe Foundation, Sheng-Yen Lu Foundation, Stolte Family Foundation, and United Way of King County among others.**

Philanthropic organizations vary widely in their funding priorities, operational structures, data tracking and practices. The information below outlines a few ways in which grant makers have been and continue to be willing partners and strong supporters of wage equity in human service organizations.

## Funder Practices Advance Wage Equity

Philanthropic dollars often provide flexibility. Other practices also serve as a model to improve cash flow, reduce administrative burden, improve wages and work conditions and access to services. These include:

- **Cost of Living Adjustments and rapid response inflation relief grants.** Some funders provided additional dollars to increase wages, support and retain staff, and insure services are provided. In one specific example, a foundation worked directly with an organization to maintain a home visiting program when public funding did not keep pace with costs. Another quickly provided inflation relief grants out of their normal grant making cycle to mitigate rapidly increasing costs.
- **General Operating Grants.** These grants maximize flexibility to organizations to pay and support staff, offer quality working conditions and services and other supports such as benefits, trainings, and supplies which may not otherwise be covered in contracts for services. The majority of funders either already provide or are moving toward offering general operating grants.
- **No tracking or required indirect rate.** This practice maintains flexibility to pay all staff and simplify grant management and reporting. Grant makers do not track indirect costs or they establish expectations in grant agreements as determined in partnership with the grantee.

**“I hope what we are doing is freeing up community power to dismantle systems of oppression and achieve a more equitable world.”**

*Reducing the time it takes to complete an application from twenty hours to one might seem small, but it is an element over which we have control. Other changes to support rather than drain community power include making grant applications and reporting easier, allowing grantees to tell authentic stories, responding to the needs grantees highlight instead of deciding what organizations should be doing, and supporting leaders so they are not burning out on the job. In the end, we see these changes as returning resources to the community in ways that are supportive as opposed to onerous. - Rachel Allen, Vice President, Director of Programs and Operations, Sheng-Yen Lu Foundation*

[Sheng-Yen Lu Foundation Learning in Action Case Study, Realizing Economic Justice, Asset Funders Network, 2022](#)

- **Tracking and increasing investments in organizations led by and serving communities of color.** This practice supports wage equity to organizations which have long been undervalued resulting in low pay and wealth for staff over time. Many funders are working to improve tracking. Many funders increased giving to organizations led by and serving communities of color or the vast majority of their grants already go to these organizations. Certain grant makers funded Sabbaticals to leaders of color as another form of advancing wage equity. Sabbatical grants can also include organizational support while the Executive Director is on leave.
- **Multi year grants.** The majority of grant makers in this sample provide stability to organizations through multi-year grants. At least one funder has invested in organizations year over year for over a decade. Another directly discusses building in wage increases over the life of a multi-year grant.
- **Simple, limited, or no reporting.** Simplified application and reporting requirements frees up resources within the organization which can be deployed toward wages, benefits, or in any manner that best serves the organizations. A number of grant makers provided examples of how phone calls or short videos replace reporting and tracking requirements. In some cases smaller grants under \$30,000 did not require any reporting.

## Investing in Human Services

### **Grant makers have provided long standing support for human services**

Funders have provided a long track record of funding human service organizations. Most offered information about the past five years of funding though a number of grant makers have been funding human services for many years.

### **Significant investments each year**

In 2022 within Washington over \$142 million dollars was invested in human services. This is a significant undercount as this number represents only a small sample of funders. Due to differences in data tracking it is not possible to assess funding specifically within King County and the City of Seattle.

### **A significant share of funding is already invested in human services**

A number of grant makers indicated that funding to human service organizations represents the largest percentage of their giving. For others, human service organizations represent 80-90% of their grant making.

### **Investments continue to increase**

Of the funders providing information, over the last five years, the majority indicate a trend of increasing investments in human service organizations.

At least one funder disburses 20% of its available funds, far above the traditional 5% payout.

## The Work Ahead

While philanthropy already provides a firm foundation of support for wage equity within human services, both public and private funders and nonprofit organizations have more work to do to support quality work environments and community services. A budget increase for wages will be a critical first step forward which should be implemented in partnership with community organizations. The work to improve wages and working conditions and access to quality services goes beyond a 7% budget increase.

### Modernize and improve public funding processes

Other states and communities are working to modernize nonprofit pay and funding. Oregon recently passed the [Nonprofit Modernization Act](#) supported by the Northwest Health Foundation [The California Nonprofit Equity Initiative](#) supported by Philanthropy California is advocating for a number of bills working their way through the California legislature addressing:

- **Advance payments for all**
- **Flexibility during emergencies**
- **Modernizing contracting processes**
- **Streamlining small grant programs**
- **Standardizing indirect cost coverage**
- **Equity in prompt payments**

### Improve equity in our revenue streams

Washington is well known to uphold [the most regressive tax structure](#) in the country. Working together we can improve our tax structure to produce more equitable revenues which will support the full cost of providing essential community services including equitable wages, quality work conditions and which will facilitate equitable wealth building.