

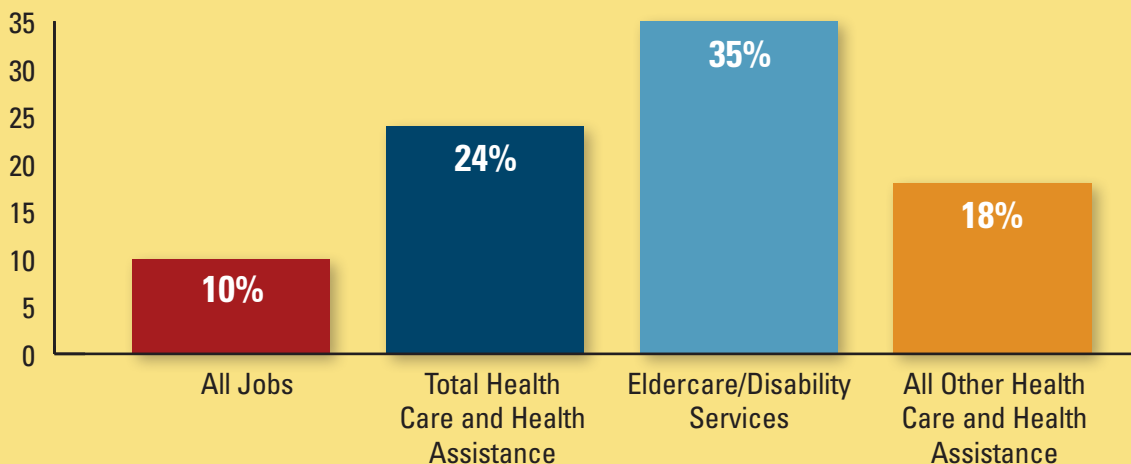
Eldercare/Disability Services: Untapped Engine for Job Creation *and* Economic Growth

Summary: The eldercare/disability services industry (see definition on page 2) employs more people than nearly any other industry in the country. Direct-care jobs are the employment core of this industry and are among the nation’s fastest-growing occupations. Improving the quality of these jobs—home health aide, certified nurse aide and personal care attendant—is not only vital to our social infrastructure, but has the potential to drive economic growth, particularly within low-income communities. Given the sheer numbers of these occupations today as well as their tremendous expected growth, direct-care jobs are uniquely positioned to help repair and stabilize our faltering economy.

Eldercare/Disability Services Is a Leading Industry for Job Growth

■ The health care sector has been a major engine of economic growth in the U.S. over the last five years. In fact, in some states, health care has been the only employment sector that has grown, while all other sectors have declined or remained flat. National projections for the period 2006 to 2016 indicate that health care jobs will continue to outpace overall job growth, increasing at more than twice the rate (24 percent compared to 10 percent).

U.S. Employment Growth, 2006–2016



- Less well-known is that, within the health care and health assistance sector, the **eldercare/disability services industry is the key driver of job growth**. Employment within eldercare/disability services is expected to increase 35 percent over the decade, compared to 18 percent for all other jobs in the health care and health assistance sector.

Defining the Eldercare/Disability Services Industry

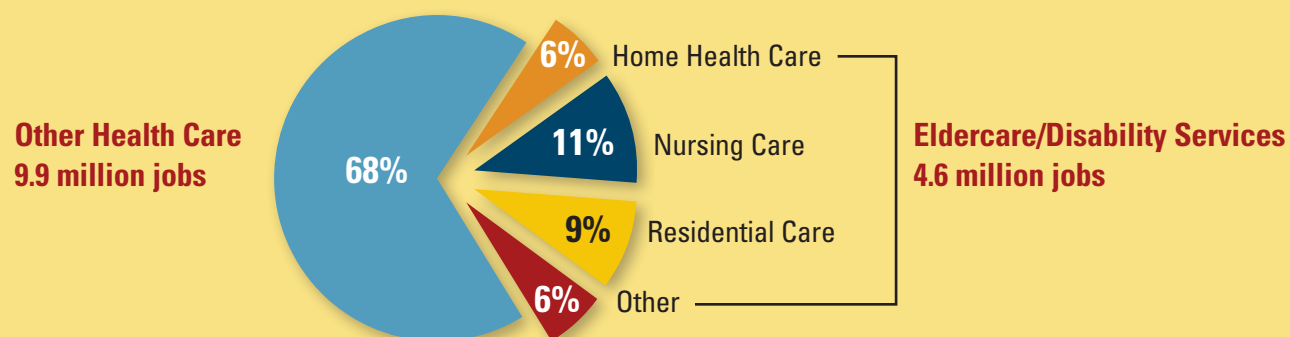
The **health care sector** is traditionally defined to include three industry groupings: Hospitals, Ambulatory Health Care Services, and Nursing and Residential Care Facilities. Ambulatory services include, among other things, offices of physicians, dentists and other health care providers and also home health care services.

We expand the accounting of the traditional health care sector to include **health assistance services**, which refer to non-residential and non-medical personal and social assistance services and supports delivered in homes and settings such as day programs. These services and supports sometimes complement other health-oriented services and provide people assistance with essential activities of daily living that relate to general physical, emotional and cognitive well-being.

Services provided through the **eldercare/disability services industry** span both the conventional health care sector and health assistance services. Traditionally, eldercare/disability services providers have referred to Nursing Care Facilities, Residential Care Facilities, and Home Health Care Agencies. But other settings and service providers have been gaining in importance, and are included in the accounting provided here. These non-traditional settings include: private households that directly employ direct-care workers, self-employed direct-care workers, employment services that hire out direct-care workers to nursing and residential care facilities, and community-based establishments (such as day programs) that provide non-residential, non-medical, and/or rehabilitation personal and social assistance services and supports to persons with disabilities.

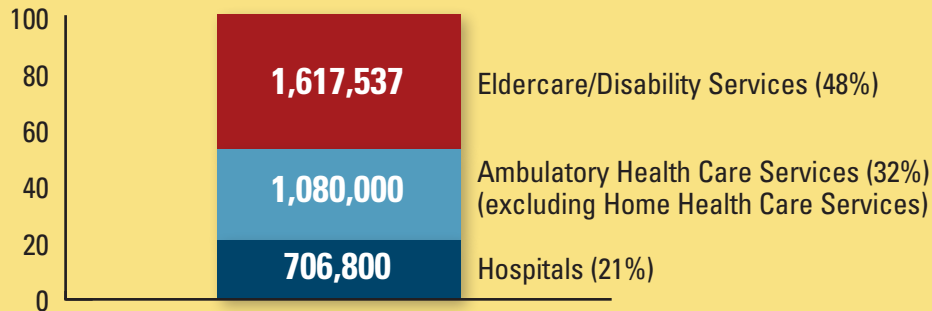
- The **eldercare/disability services industry already comprises a third of total employment** in the U.S. health care and health assistance sector—approximately 4.6 million jobs out of 14.5 million jobs. In 2006, only two other industries employed more people than eldercare/disability services: elementary and secondary schools (8.3 million) and general medical and surgical hospitals (5 million).

U.S. Health Care and Health Assistance Sector Employment, 2006



- The eldercare/disability services industry is expected to generate roughly one out of every two new jobs in the health care and health assistance sector from 2006 to 2016, or 1.6 million out of the 3.4 million new jobs projected.

3.4 Million New Health Care and Health Assistance Jobs by 2016



- Eldercare/disability services is projected to be one of the country's leading employment growth industries, with jobs in this sector increasing three times as fast as jobs within the economy as a whole.

Direct-Care Jobs Are Among the Nation's Fastest Growing

- The vast majority of jobs in the eldercare/disability services industry are performed by three categories of direct-care workers—**Home Health Aides; Personal and Home Care Aides; and Nursing Aides, Orderlies and Attendants**—not by doctors or nurses or social workers.
 - Two direct-care worker occupations in particular—Personal and Home Care Aides and Home Health Aides—are expected to be the second and third fastest-growing occupations in the nation, increasing at rates of about 50 percent from 2006 to 2016.

Top Ten Fastest-Growing U.S. Occupations, 2006–2016

	Occupational Titles	Growth Rate (%)
1	Network systems and data communications analysts	53.4
2	Personal and home care aides	50.6
3	Home health aides	48.7
4	Computer software engineers	44.6
5	Veterinary technologists/technicians	41.0
6	Personal financial advisors	41.0
7	Makeup artists	39.8
8	Veterinarians	35.0
9	Substance abuse and behavioral disorder counselors	34.3
10	Skin care specialists	34.3

- Moreover, all three direct-care occupations are on the list of the top ten occupations projected to register the largest number of new jobs in the United States.

Top Ten U.S. Occupations with the Largest Job Growth, 2006–2016

Occupational	Number of positions to be added
1 Registered nurses	587,000
2 Retail salespersons	557,000
3 Customer service representatives	545,000
4 Combined food prep and serving workers (includes fast food)	452,000
5 Office clerks, general	404,000
6 Personal and home care aides	389,000
7 Home health aides	384,000
8 Postsecondary teachers	382,000
9 Janitors and cleaners, except maids and housekeeping cleaners	345,000
10 Nursing aides, orderlies, and attendants	264,000

Direct-Care Jobs Have Significant Economic Impact

- **Direct-care jobs undergird local economies.** Direct-care jobs constitute a \$56 billion economic engine fueled by the personal income that over 3 million direct-care workers spend largely on locally produced goods and services in their communities.
- **Direct-care workers support employed family caregivers and their employers.** A stable, well-prepared direct-care workforce is critical for supporting an estimated 15.9 million additional workers who balance full-time employment with caregiving for a family member over age 18. The lost productivity of family caregivers who are also employed full time is estimated to cost employers \$33.6 billion annually, with a third of the costs attributable to workers either leaving their jobs or switching from full- to part-time work in order to accommodate their family caregiving responsibilities.
- **Poor quality direct-care jobs strain public resources.** The vast majority of direct-care jobs are publicly funded, paid for by Medicaid and Medicare. However, high rates of annual turnover—more than 70 percent in nursing homes, and between 40 and 60 percent in home care agencies—lead to staggering turnover costs conservatively totaling \$5 billion annually. In addition, 40 percent of direct-care workers live in households that rely on one or more public benefits, such as Medicaid or food stamps, reflecting the heavy public subsidies required to compensate for the low wages and inadequate benefits received by most of these workers.

Investing in Direct-Care Jobs Makes Economic Sense

- **Direct-care jobs are both critical to our economy and vital to the social infrastructure that holds our society together.** These jobs—the employment core of the eldercare/disability services industry—are plentiful and among the fastest growing; they are relatively recession-proof and can't be outsourced; and they offer opportunities for low-income individuals, displaced workers and students. And at the same time, they deliver critical services and supports to growing numbers of individuals and families.
- **Currently, direct-care jobs are seen as low-quality, dead-end jobs—but careful injection of public and private investment can help re-shape these critical occupations.** Through improvements in job design, wages and benefits, training and credentialing, and opportunities for advancement, we can transform these jobs and build the workforce needed to meet the growing future demand for eldercare/disability services.
- **Investment in direct-care jobs would promote economic recovery in local communities,** which is the paramount concern for states and the federal government seeking to stem job loss, stabilize low-income families, and revitalize communities in the face of the current economic downturn.
- **States can realize additional economic and social benefits** by investing in direct-care jobs—higher tax revenues, reduced reliance on public benefits by direct-care workers, more efficient use of Medicaid and Medicare funds due to lower turnover costs, better retention of workers, and improved quality of care for aging and disabled populations.

The Direct-Care Workforce

Direct-care workers—including home health aides, personal care aides, and certified nurse aides, among others—are our nation's "frontline" paid caregivers, most of whom provide services and supports to the elderly and people with disabilities. The majority of these staff work in the consumer's own home, or in residential settings such as nursing homes and assisted living facilities. A smaller portion of these staff work in acute care settings, such as hospitals and clinics.

For more information on the direct-care workforce and the impact of implementing a "quality jobs strategy" for economic growth, contact National Policy Director Steve Edelstein at sedelstein@PHInational.org or Director of Policy Research Dr. Dorie Seavey, at dseavey@PHInational.org.

Data Sources

Industry classifications follow the North American Industry Classification System (NAICS). For industry definitions, see U.S. Census Bureau, NAICS Codes and Titles, available at: www.census.gov/epcd/naics02/naicod02.htm.

Industry employment projections data are taken from U.S. Department of Labor, Bureau of Labor Statistics, Employment Projections Program, 2006-16 National Employment Matrix, available at: www.bls.gov/emp/empiois.htm.

Direct-care occupational categories are defined by the Standard Occupational Classification (SOC) system developed by the Bureau of Labor Statistics at the U.S. Department of Labor. Definitions of the three standard direct-care occupations—Nursing Aides, Orderlies & Attendants, Home Health Aides, and Personal & Home Care Aides—can be found at: www.bls.gov/SOC.

Occupational projections data for direct-care worker are presented in PHI (April 2008) *Occupational Projections for Direct-Care Workers 2006-2016*, Facts 1, Bronx, NY: PHI, available at: www.directcareclearinghouse.org/download/BLSfactSheet4-10-08.pdf.

For statistics on turnover for direct-care jobs, see D. Seavey (October 2004) *The Cost of Frontline Turnover in Long-Term Care*, Better Jobs Better Care Practice & Policy Report, Washington, DC: IFAS, available at: www.directcareclearinghouse.org/download/TOCostReport.pdf.

For statistics on the lost-productivity costs of employed caregivers, see MetLife Mature Market Institute (July 2006) *The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business*, available at: www.caregiving.org/data/Caregiver%20Cost%20Study.pdf.

Statistics relating to the reliance of direct-care workers on public benefits are based on PHI analysis of the Current Population Survey (CPS), March Supplement, 2007 from the U.S. Census Bureau. See: PHI (forthcoming 2008) *National Direct-Care Workforce 2008*, Facts 3, Bronx, NY: PHI.

Facts is a series of short issue briefs and fact sheets on the national and regional status of the direct-care workforce. For more information about PHI and to access other PHI publications see www.PHInational.org

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PHI (www.PHInational.org) works to improve the lives of people who need home and residential care—and the lives of the workers who provide that care. Using our workplace and policy expertise, we help consumers, workers, employers, and policy-makers improve eldercare/disability services by creating quality direct-care jobs. Our goal is to ensure caring, stable relationships between consumers and workers, so that both may live with dignity, respect, and independence.

