

Michigan's Direct-Care Workforce

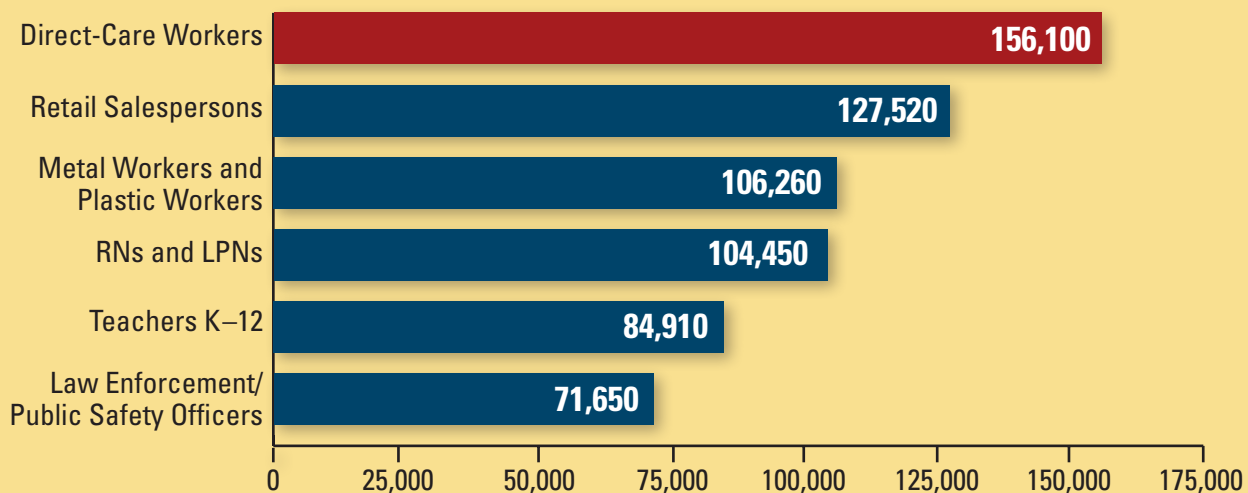
In Michigan each day, personal attendants, home health aides, and nursing aides provide essential daily living services and supports to persons with disabilities and chronic care needs, including elders and those with physical or intellectual and developmental disabilities.¹

Responsible for 70 to 80 percent of paid hands-on care, these workers attend to the health, well-being, and independence of people needing supports or services in their own homes, in residential settings, and in non-residential programs. Direct-care workers assist with everyday living activities, such as eating, bathing, and dressing, as well as shopping, cooking, and household chores and sometimes also with health and nursing services. In addition, these workers are often a part of the supports and services team and provide critical support for family members seeking to balance employment and other responsibilities with caregiving for a family member.

A large and growing workforce

Michigan's direct-care workforce today totals over 156,000 workers and is larger than any other occupational grouping in the state.

Michigan's Largest Occupational Groups



Among the fastest-growing occupations creating the most new jobs

In Michigan, direct-care workers are among the top five occupations expected to create the most new jobs between 2008 and 2018. Nearly 40,000 job openings for direct-care workers are expected.

Top Five Occupations Generating the Most Jobs, 2008–2018

Occupation	Openings due to growth & replacements
1. Retail Salespersons	51,440
2. Cashiers	50,600
3. Waiters & Waitresses	46,430
4. All Direct-Care Workers	37,620
5. Registered Nurses	32,850

Furthermore, home health aides are projected to be the second fastest-growing occupation in the state, increasing by 44 percent over the ten-year period ending in 2018.

Top Five Fastest-Growing Occupations, 2008–2018

Occupation	Growth Rate
1. Biomedical Engineers	70.3%
2. Home Health Aides	44.4%
3. Network Systems and Data Communications Analysts	41.8%
4. Financial Examiners	33.4%
5. Physical Therapist Aides	32.3%

Largely employed in home- and community-based settings

Approximately two-thirds of Michigan's direct-care workers are employed in home- and community-based settings. The remainder are employed in facility-based or congregate settings such as nursing homes, hospitals, homes for the aged, and adult foster care homes.

A substantial number of "independent providers" work directly for consumers in participant-directed programs like Michigan's Home Help program. In 2010, Home Help relied on more than 60,000 independent providers to provide supports and services to 64,000 Medicaid Home Help participants.

Michigan's direct-care workforce at a glance*

Demographic Characteristics

Gender

Female: 88%

Male: 12%

Average Age

All direct-care workers: 40

In nursing care facilities: 38

In home health care: 42

Race/Ethnicity

White, non-Hispanic: 66%

African American, non-Hispanic: 27%

Immigration Status

Foreign born: 7%

Education

High school diploma or less: 47%

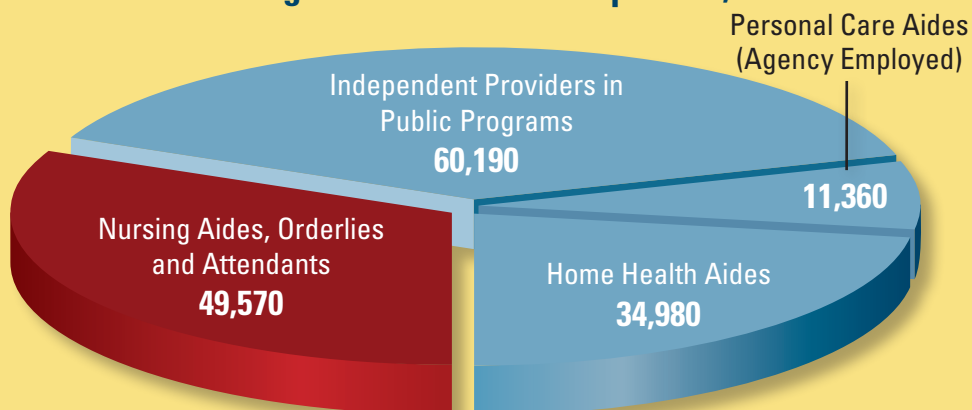
Some college or advanced degree: 53%

Head of Household

Single parent: 15%

**For "At A Glance" Data Sources, see page 7*

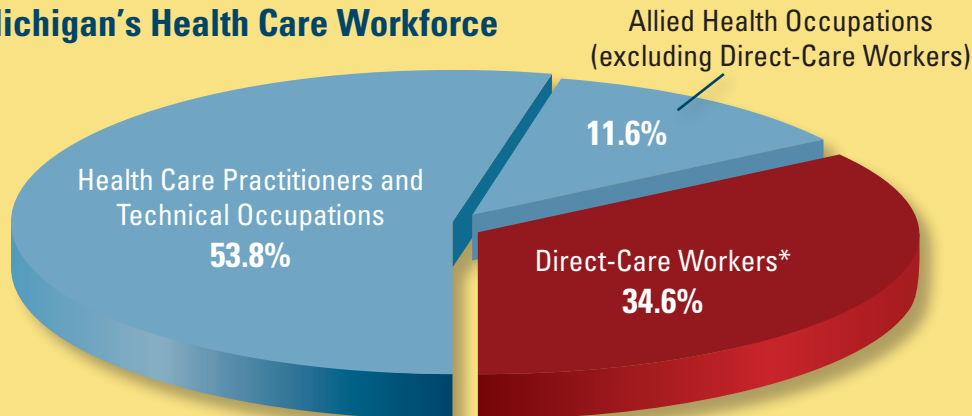
Breakdown of Michigan Direct-Care Occupations, 2010



Significant proportion of Michigan's health care workforce

Direct-care workers account for more than a third of Michigan's entire health care workforce. Direct-care workers outnumber by three to one all allied health occupations, such as medical and dental assistants, and therapy assistants and aides.

Michigan's Health Care Workforce



*Includes Independent Providers in public programs

Uncompetitive wages and inadequate health insurance

The median hourly wage for all occupations in Michigan was \$16.26 in 2010. In sharp contrast, wages for personal care aides and home health aides working in Michigan are among the state's lowest, with levels that fall substantially below 200 percent of the federal poverty line for a single person (\$10.42). The 200 percent poverty level is low enough to qualify households for many state and federal assistance programs. Wages for nursing aides are higher (\$12.27), yet still far below the state's median wage.

Michigan's direct-care workforce at a glance

Employment and Income Characteristics

Employment Status

Employed full-time year-round: 56%

Employed part-time or full-time part of the year: 44%

Median Annual Earnings

All direct-care workers: \$15,500

In home health care: \$12,000

In nursing care facilities: \$17,000

Health Insurance Status

All direct-care workers, uninsured: 32%

Uninsured in nursing care facilities: 27%

Uninsured in home health care: 41%

Family Poverty Status

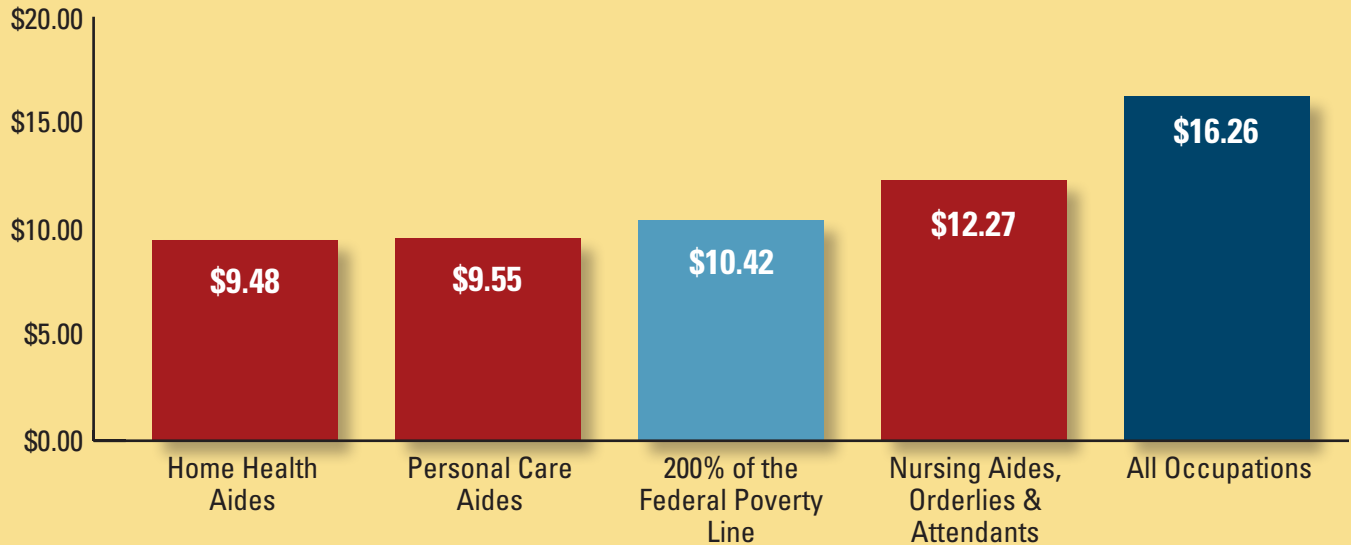
In households under 100% of the federal poverty line: 18%

In households under 200% of federal poverty line: 46%

Reliance on Public Benefits

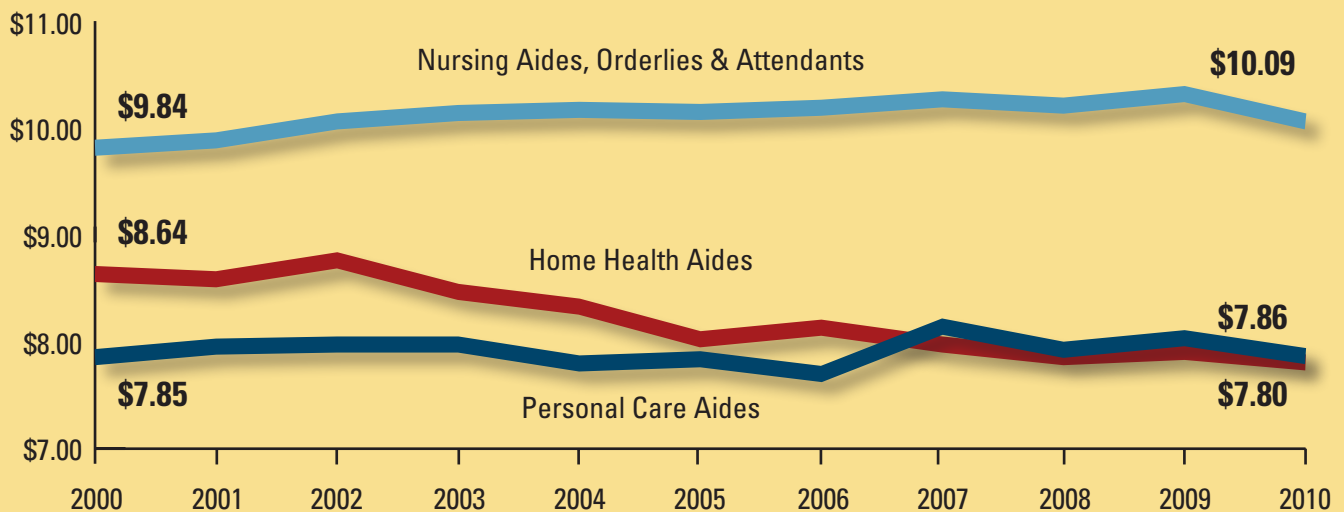
In households receiving any public assistance: 41%

Median Hourly Wages in Michigan, 2010



Over the last 10 years, inflation-adjusted hourly wages (i.e., “real wages”) for nursing aides, orderlies and attendants increased by 3 percent. Personal care aide wages have stagnated since 2000 and real wages for home health aides have actually declined.

Michigan Median Wages for Direct-Care Workers, adjusted for inflation (2000 dollars)

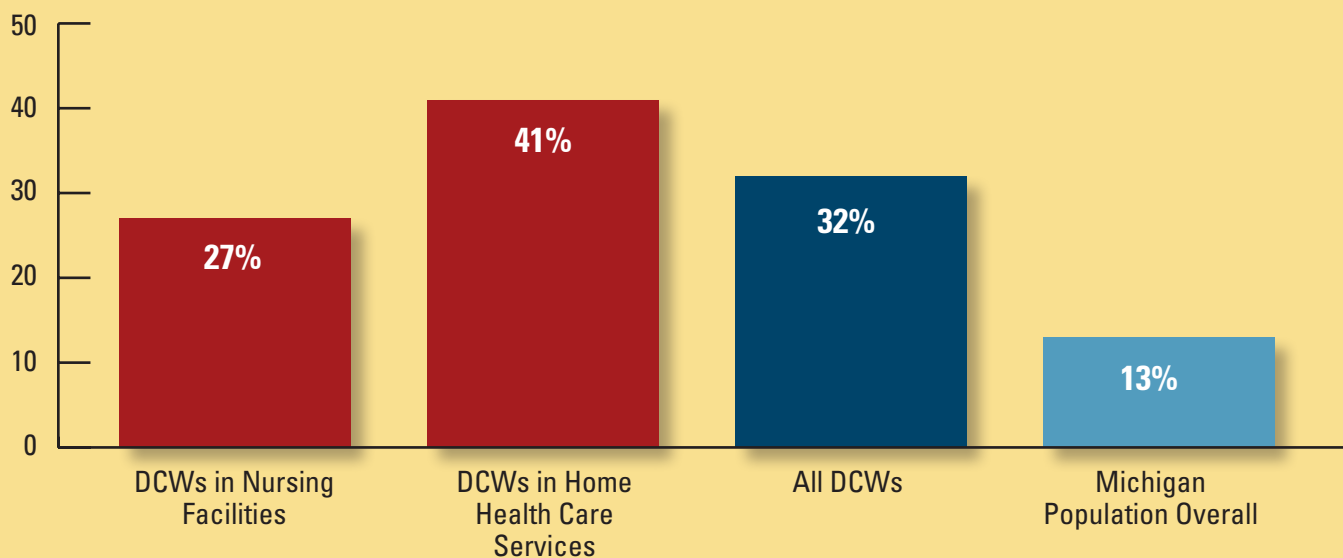


In addition, the gap between nurse aide and home health aide/personal care aide median hourly wages in Michigan has widened over time and is relatively large—29 percent—the fourth largest gap across all states and the District of Columbia. As demand increases for in-home services and supports relative to nursing facility care,

this gap in wages could make it difficult to attract workers to meet the growing need for in-home services.

From 2007 to 2009, a third of direct-care workers (32 percent) in Michigan reported having no health insurance compared to 13 percent of the state's general population. Uninsurance rates for home care workers were significantly higher than those for aides employed in nursing facilities (41 percent vs. 27 percent). Only 50 percent of direct-care workers in the state received coverage through their employers at some point during the period.

Michigan Direct-Care Workers without Health Coverage, 2007–2009



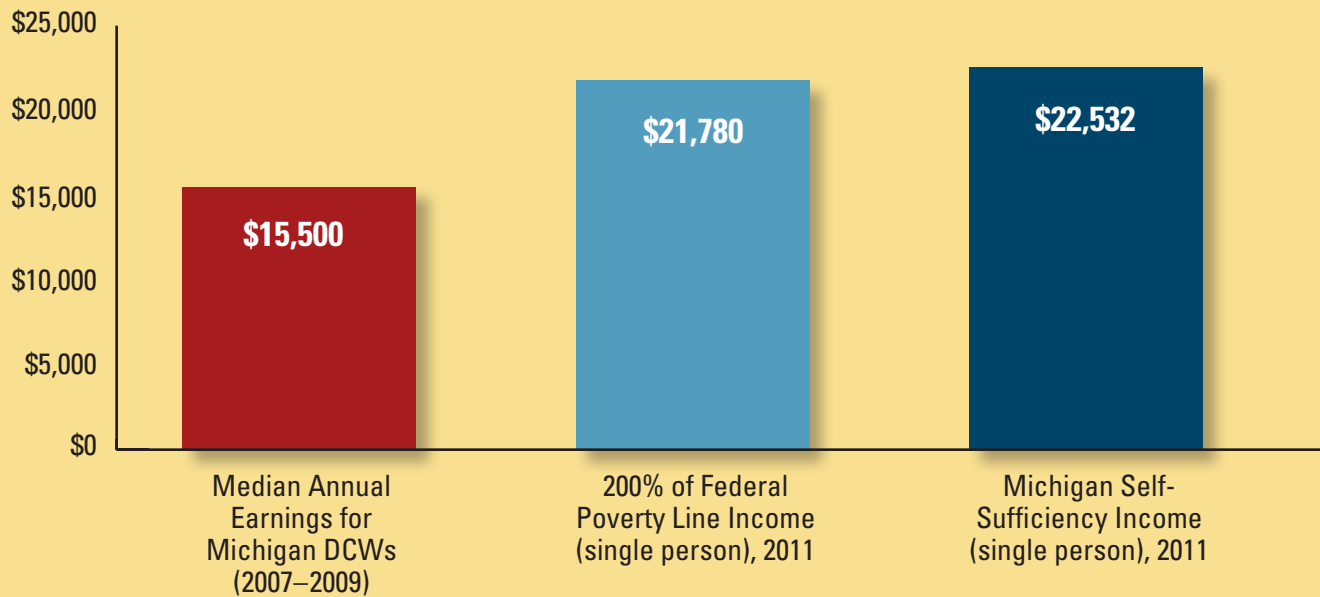
Part-time work common

Four in ten direct-care workers in Michigan (44 percent) report working part time. Part-time work combined with lower wages limit the annual earnings of Michigan's direct-care workers. From 2007 to 2009, median annual earnings for aides employed by Michigan home health care agencies averaged \$12,000. In contrast, aides working in Michigan nursing homes earned \$17,000.

Public subsidies required to meet basic needs

- Poverty status.** Of direct-care workers in Michigan, 46 percent live in households with incomes at or below 200 percent of the federal poverty line, which in 2011, for a single person, is \$21,780. For a family of two, the federal poverty line is \$29,420, and for a family of three, it is \$37,060. Over half of personal care aides (53 percent) live in these very low-income households, as do 40 percent of nursing and home health aides.

Earnings for Michigan's Direct-Care Workers Compared to Basic Minimum Levels



- **Reliance on public benefits.** Of direct-care workers in Michigan, 41 percent rely on some form of public assistance (e.g., food stamps, housing subsidy, Medicaid). More than a third (36 percent) of the state's direct-care worker households rely on Medicaid.

Summing up

Michigan's direct-care workers now constitute the largest occupational grouping in the state. Totaling nearly 160,000, the number of direct-care workers exceeds the state's core manufacturing employment (metal and plastic workers and machinists), RNs and LPNs, teachers from kindergarten through high school, and all law enforcement and public safety officers. The magnitude of this workforce reflects the fact that these have been among the fastest-growing jobs in the state.

In addition, direct-care workers have assumed a pivotal role in Michigan's health care workforce, accounting for a striking 35 percent of the state's health care workforce, and far outnumbering doctors, nurses, and other health care occupations.

At the same time, poor job quality—four in ten direct-care workers rely on public assistance as a result of low wages and part-time hours—hampers recruitment and retention for this workforce. Michigan's booming demand for direct-care workers cannot be met without making these jobs more competitive so that they attract enough workers, especially at a time when the state has set goals to offer more long-term supports and services options to elders, their families, and persons living with disabilities. Careful injection of public and private investment can help re-shape the structure and quality of these vital occupations so that they can reflect the importance of this work and these jobs to Michigan families and communities.

Endnotes

1 In standardized government surveys of employment and compensation, direct-care workers are officially counted as Personal Care Aides; Home Health Aides; and Nursing Aides, Orderlies and Attendants.

Personal Care Aides may work in either private or group homes. They have many titles, including personal care attendant, personal assistant, and direct support professional (the latter work with people with intellectual and developmental disabilities). In addition to providing assistance with activities of daily living (ADLs)—such as eating, dressing, bathing, and toileting—these aides often help with housekeeping chores, meal preparation, and medication management. They also help individuals go to work and remain engaged in their communities. A growing number of personal assistance workers are employed and supervised directly by consumers.

Nursing Aides generally work in nursing homes, although some work in assisted living facilities, other community-based settings, or hospitals. They assist residents with ADLs, and also perform clinical tasks such as range-of-motion exercises and blood pressure readings. In some states, they may also administer oral medications.

Home Health Aides provide essentially the same care and services as nursing aides, but they assist people in their own homes or in community settings under the supervision of a nurse or therapist. They may also perform light housekeeping tasks.

Data Sources

Occupational projections data are from: MI Department of Technology, Management, and Budget, *Occupational Projections (Long-Term) 2008–2018, Michigan Statewide*, Labor Market Information Office.

Wage and employment data are from the U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) Program, available at: <http://www.bls.gov/oes/tables.htm>

Industry employment data are from: MI Department of Technology, Management, and Budget, Quarterly Census of Employment and Wages Program, 2009, Labor Market Information Office.

Statistics relating to direct-care worker demographics and employment/income characteristics (including health insurance coverage rates) are based on PHI analysis of U.S. Census Bureau, Current Population Survey, pooled data from the 2008, 2009, and 2010 Annual Social & Economic (ASEC) Supplements for Michigan, with statistical programming and data analysis provided by Carlos Figueiredo. The rate of uninsurance for Michigan is from the U.S. Census Bureau, Current Population Survey, 2010 Annual Social & Economic (ASEC) Supplements for Michigan.

Michigan self-sufficiency income is taken from the Michigan League for Human Services, *Economic Self-Sufficiency in Michigan—A Benchmark for Ensuring Family Well-Being*, June 2011. Available at: <http://www.milhs.org/wp-content/uploads/2010/07/SSJune2011.pdf>

More Information about Quality Care and Quality Jobs

PHI offers both public policy and workplace solutions to the workforce crisis in long-term services and supports. Visit our website at www.PHInational.org to find out more about how our experts can help you address recruitment and retention of workers and improve quality of care for consumers.

To learn more about our Michigan services, visit <http://phinational.org/michigan> or contact Hollis Turnham, PHI Midwest Director, at hturnham@PHInational.org. Ph: 517.327.0331.

For state-based data and policy initiatives related to strengthening the direct-care workforce, visit the PHI State Data Center at www.PHInational.org/statedata

Five Ways to Improve Michigan's Direct-Care Jobs and Elder/Disability Services

In keeping with the recommendations of the Michigan Medicaid Long-Term Care Task Force, PHI recommends the following policy actions to improve Michigan's direct-care jobs and the quality of elder and disability services:

- 1.** Continue to increase **wages and benefits** to make direct-care jobs more attractive to workers and competitive in order to meet current and future demand for quality long-term supports and services.
- 2.** Increase and improve effective **training and advancement opportunities** for all direct-care workers and their supervisors to enable motivated and competent people to enter and remain in the field.
- 3.** Improve the availability and affordability of adequate **health benefits** for direct-care workers and their employers in order to recruit and retain a qualified workforce.
- 4.** Mobilize all relevant state departments and agencies (Community Health, Education, Human Services, Licensing and Regulatory Affairs, the Michigan Economic Development Corporation and the Office of Services to the Aging) and their programs to **promote and support careers** in long-term supports and services.
- 5.** Improve state collection and use of core **direct-care workforce data** and calculate key indicators of workforce stability, size, and compensation in order to build an adequate and stable long-term care workforce to deliver quality supports and services.



PHI Michigan, a regional program of 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 policymakers improve long-term services and supports 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. For more information, contact PHI Midwest Director Hollis Turnham, hturnham@phinational.org, Ph: 517.327.0331 or visit www.PHInational.org/michigan.

