



PHI NATIONAL POLICY AGENDA: Wages and Benefits

Problem

Just over three million workers provide daily assistance to older adults and people with disabilities within our nation's long-term care system. Most are working-poor women (including many single parents and women of color). According to the latest employment projections, a million more direct-care workers will be needed by 2016 to meet the demand for services from the growing number of Americans over age 65. In fact, the two main occupations responsible for providing services in people's homes and the community--*Personal and Home Care Aides* and *Home Health Aides*--are projected to be our nation's second and third fastest-growing occupations over the next ten years, increasing by about 50 percent from 2006 to 2016.

Our long-term system faces a huge recruitment challenge – a challenge made more difficult by the poor quality of many of direct-care jobs. The vast majority of frontline workers earn wages below \$9.85 per hour and nearly one in three lack health insurance coverage. Some direct-care workers are not even protected by basic federal wage and overtime laws. Furthermore, these jobs typically come with minimal training, and the work is often erratic and part-time, with limited opportunity for advancement. This poor job quality fuels the long-term care industry's high turnover rates (70% annually in nursing homes and estimated at 50% in home care) as direct-care workers leave the field for better compensated, more stable work that is less emotionally and physically demanding.

Solutions

Research shows that better pay and, perhaps more importantly health coverage, is critical to ensuring the adequacy and stability of the direct-care workforce. There is nothing inherent about these jobs that make them low quality. In fact, they are the jobs of the future—they can't be outsourced; they are recession-proof and they can become powerful economic drivers improving the lives of many low-income families and spurring community revitalization.

Providing decent paying jobs for direct-care workers is the key to ensuring quality of life and quality of care for millions of Americans with disabilities and chronic illnesses.



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To improve wages and benefits for direct care workers, PHI recommends that policymakers take the following actions:

- **Pass “The Fair Home Health Care Act”** (S2061/HR 3582) to extend federal wage and hour protection to all home care workers.
- **Establish minimum standards for wages and benefits** paid to direct care workers under public programs in order to improve the competitiveness of direct-care jobs.
- **Encourage states to target payment policies**, ensuring that state and federal funds *directly* improve wages and benefits for direct-care workers.
- **Support the development of market-based demonstrations** that examine the impact of increases in direct-care wages and benefits on retention.
- **Support state demonstrations that extend health care coverage** to direct-care workers who provide publicly funded supports and services.

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 and employers 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 on the PHI national policy agenda, contact Steve Edelstein, Director of National Policy, at sedelstein@PHInational.org or 718.402.7413.