



For Immediate Release

11 August 2008

Contacts: Karen Kahn
PHI Director of Communications
978.740.9844
kkahn@PHInational.org

Dr. Dorie Seavey
PHI Director of Policy Research
617.630.1694
dseavey@PHInational.org

Elders Vulnerable as Caregivers' Real Wages Fall

Gas prices depressing workers' already low wages to near minimum wage

Bronx, NY—Contradicting the law of supply and demand, America's personal and home care aides are seeing their real wages (adjusted for inflation) decline as demand for their services rise. In its most recent publication, [State Chart Book on Wages for Personal and Home Care Aides, 1999-2006](#), PHI documents wage trends for all 50 states. Report highlights show:

- Across the U.S., real wages dropped by 4 percent during the seven-year period, with 21 states showing either a fall in real wages or no change at all.
- In nearly 60% of states (29), average hourly wages for personal and home care aides were below 200% of the Federal Poverty Line wage for individuals in one-person households working full time.
- In 2006, no state (with the exception of Hawaii which uses a different standard) reported a personal and home care aide wage above 250% of the Federal Poverty Line wage for a single individual (\$11.78), a level that approximates an economically self-sufficient wage in many states for a single individual but likely is insufficient for an adult with dependent children

For these workers, declining real wages have been exacerbated as gas prices have surged. Helen Hanson, a Maine home care worker, drives over 120 miles a week to tend to her elderly clients. But with gas prices hovering at nearly \$4.00 per gallon, she is not sure how long she can stay in her job. Like many home care aides, Helen is not reimbursed for much of her travel, so rising gas prices directly impact her earnings.

The same is true for Fahntah Staples, a personal care assistant in Philadelphia, who assists seven clients a day. With a small reimbursement for mileage, she earns approximately \$1700 per month, but she spends over \$500 out-of-pocket on gas. Though her hourly wage is close to \$12/hour; her real wage, after filling her tank, is only \$7/hour.



PHI National Office:

349 East 149th Street, 10th Floor ■ Bronx, NY 10451

Tel: 718.402.7766 ■ Fax: 718.585.6852

“Rising costs, including gas, food, and heating oil,” says Hanson, “make it hard to make ends meet.”

Experts like Dr. Dorie Seavey agree. “Nationally, real wages for home care workers have declined, so this surge in gas prices is really hitting them hard,” says Seavey, Director of Research at PHI, a nonprofit working to prepare America to care for its growing population of elders and people with disabilities. “This is happening at a time when demand for these workers is greater than ever before. Personal and home care aides are the second fastest-growing occupation in the nation. ”

“Today a senior citizen may not eat, bathe, or take their medication—all because a home care worker had to take another job in order to make ends meet,” says Seavey. “No one wants to see our elders—or others with disabilities—in this situation. We must act now to make sure these workers have quality jobs that include a living wage.”

Towards this end, PHI supports additional reimbursement for home care providers to increase wages and benefits for frontline workers. To ensure this money reaches direct-care workers, any new money targeted for direct-care worker wages or mileage reimbursement must include adequate mechanisms for tracking payments and ensuring they reach frontline workers.

To learn more about how the surge in gas prices is affecting home care providers, direct-care workers, and long-term care consumers, visit <http://phinational.org/archives/rising-gas-prices-expose-home-care-fault-line/>

Dr. Seavey’s most recent research documenting high demand and sinking real wages is captured in two recent reports from PHI: [Occupational Projections for the Direct Care Workforce, 2006-2016](#) and [State Chart Book on Wages For Personal And Home Care Aides, 1999-2006](#) .

About PHI: PHI works to improve the lives of people who need home or residential care—by improving the lives of the workers who provide that care. For more information, visit www.PHInational.org.



PHI National Office:

349 East 149th Street, 10th Floor ■ Bronx, NY 10451

Tel: 718.402.7766 ■ Fax: 718.585.6852