

COMPETITIVE DISADVANTAGE: DIRECT CARE WAGES ARE LAGGING BEHIND

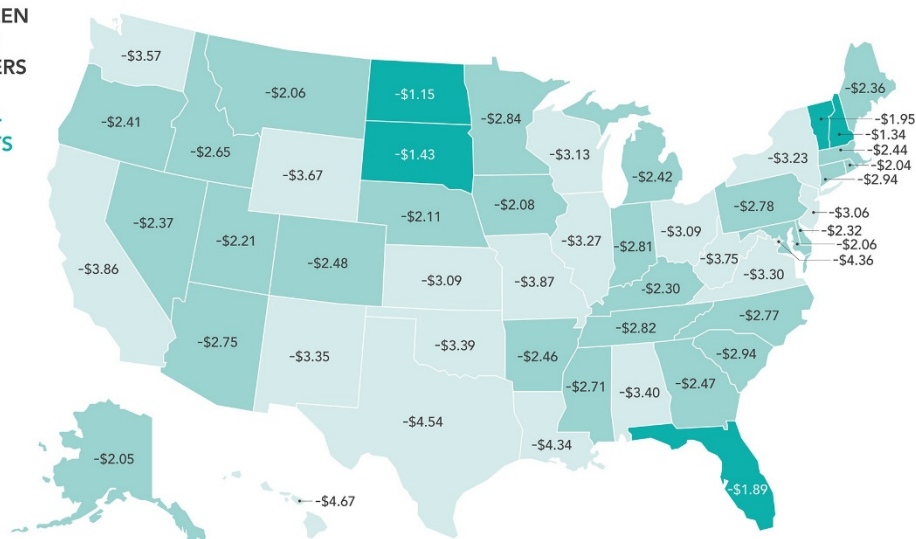
Recent research from PHI shows that direct care workers earn a median hourly wage of \$12.80—a wage (adjusted for inflation) that has barely increased over the last 10 years. Low wages lead to high poverty rates in this job sector, and for many workers, these poverty-level wages drive them out of direct care into other sectors. Alarming, our new data described below reveals that occupations with similar entry-level requirements in all states have higher wages than direct care workers—a reality that makes it extremely challenging for long-term care employers to recruit and retain these essential workers. (Separate from this analysis is the reality that the complex nature of direct care work merits training requirements that are more robust than these occupations.)

DIRECT CARE WAGES ARE NOT COMPETITIVE WITH SIMILAR OCCUPATIONS

In all 50 states and the District of Columbia, the direct care worker median wage is lower than the median wage for other occupations with similar entry-level requirements, such as janitors, retail salespersons, and customer service representatives.

DIFFERENCES BETWEEN
MEDIAN WAGES FOR
DIRECT CARE WORKERS
AND OCCUPATIONS
WITH **SIMILAR ENTRY-
LEVEL REQUIREMENTS**
BY STATE, 2019

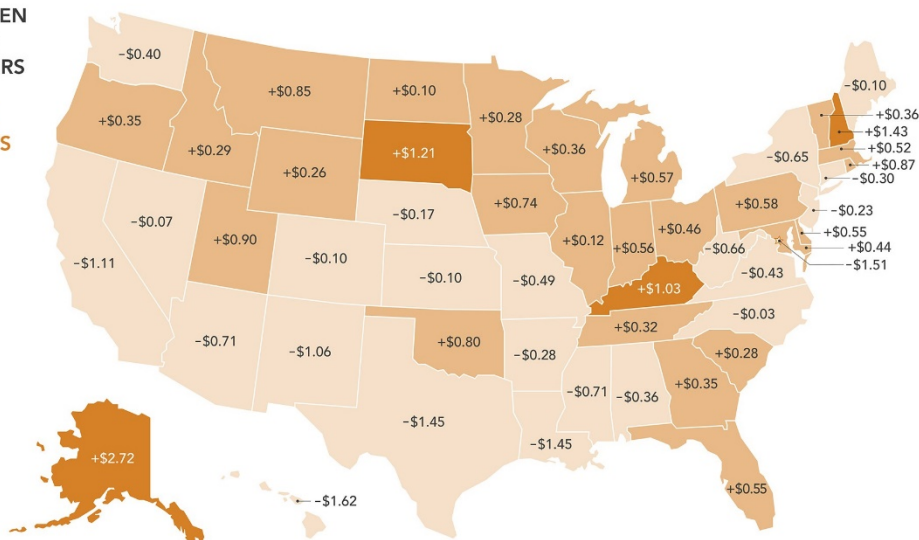
- -\$1.00 to -\$1.99
- -\$2.00 to -\$2.99
- -\$3.00 or Less



In 46 states and the District of Columbia, the direct care worker median wage is less than a dollar higher than the median wage for occupations with lower entry-level requirements (like housekeepers, groundskeepers, and food preparation workers). This figure includes 23 states and the District of Columbia where direct care worker wages are lower than wages for occupations with the most minimal entry-level requirements.

**DIFFERENCES BETWEEN
MEDIAN WAGES FOR
DIRECT CARE WORKERS
AND OCCUPATIONS
WITH LOWER ENTRY-
LEVEL REQUIREMENTS
BY STATE, 2019**

- \$1.00 and Over
- \$0.00 to \$0.99
- Less than \$0.00



BOLSTERING DIRECT CARE JOBS THROUGH BETTER DATA AND A STRONGER SAFETY NET

While a significant investment and an array of strategies are needed to fully transform the direct care workforce, policymakers can improve these jobs by enhancing the data system on this workforce and strengthening the safety net of programs that support low-income people.

Creating a Stronger Data Infrastructure on Direct Care Workers

States around the country lack the right data to know where workforce shortages exist within their states and to better understand the profiles of their direct care workforces. State governments should invest in building their direct care data collection systems to track, measure, and assess these workers—growing the data and evidence base on this vital workforce.

Strengthening the Social Safety Net

Direct care workers have been on the frontline of the COVID-19 crisis without enough support to remain safe and financially secure. Policymakers could address these inequities—and help stabilize this workforce—by enacting laws that provide paid sick days, comprehensive paid family and medical leave, and affordable childcare and long-term care support.

Figure 1: Differences Between Median Wages for Direct Care Workers and Occupations with Similar or Lower Entry-Level Requirements by State, 2019

STATE	DIRECT CARE WORKER MEDIAN WAGE	DIRECT CARE WORKER MEDIAN WAGE COMPARED TO MEDIAN WAGE FOR OCCUPATIONS WITH SIMILAR ENTRY-LEVEL REQUIREMENTS	DIRECT CARE WORKER MEDIAN WAGE COMPARED TO MEDIAN WAGE FOR OCCUPATIONS WITH LOWER ENTRY-LEVEL REQUIREMENTS
Alabama	\$10.39	-\$3.40	-\$0.36
Alaska	\$16.88	-\$2.05	+\$2.72
Arizona	\$12.63	-\$2.75	-\$0.71
Arkansas	\$11.30	-\$2.46	-\$0.28
California	\$13.18	-\$3.86	-\$1.11
Colorado	\$13.93	-\$2.48	-\$0.10
Connecticut	\$14.12	-\$2.94	-\$0.30
Delaware	\$12.89	-\$2.32	+\$0.55
District of Columbia	\$14.92	-\$4.36	-\$1.51
Florida	\$12.19	-\$1.89	+\$0.55
Georgia	\$11.57	-\$2.47	+\$0.35
Hawaii	\$14.46	-\$4.67	-\$1.62
Idaho	\$11.92	-\$2.65	+\$0.29
Illinois	\$12.90	-\$3.27	+\$0.12
Indiana	\$12.29	-\$2.81	+\$0.56
Iowa	\$13.41	-\$2.08	+\$0.74
Kansas	\$11.84	-\$3.09	-\$0.10
Kentucky	\$12.23	-\$2.30	+\$1.03
Louisiana	\$9.70	-\$4.34	-\$1.45
Maine	\$13.33	-\$2.36	-\$0.10
Maryland	\$13.90	-\$2.06	+\$0.44
Massachusetts	\$15.34	-\$2.44	+\$0.52
Michigan	\$12.95	-\$2.42	+\$0.57
Minnesota	\$14.24	-\$2.84	+\$0.28
Mississippi	\$10.39	-\$2.71	-\$0.71
Missouri	\$11.38	-\$3.87	-\$0.49
Montana	\$13.19	-\$2.06	+\$0.85
Nebraska	\$13.23	-\$2.11	-\$0.17
Nevada	\$13.02	-\$2.37	-\$0.07
New Hampshire	\$14.32	-\$1.34	+\$1.43
New Jersey	\$13.36	-\$3.06	-\$0.23
New Mexico	\$10.89	-\$3.35	-\$1.06
New York	\$14.24	-\$3.23	-\$0.65

Figure 1: Differences Between Median Wages for Direct Care Workers and Occupations with Similar or Lower Entry-Level Requirements by State, 2019 (cont.)

STATE	DIRECT CARE WORKER MEDIAN WAGE	DIRECT CARE WORKER MEDIAN WAGE COMPARED TO MEDIAN WAGE FOR OCCUPATIONS WITH SIMILAR ENTRY-LEVEL REQUIREMENTS	DIRECT CARE WORKER MEDIAN WAGE COMPARED TO MEDIAN WAGE FOR OCCUPATIONS WITH LOWER ENTRY-LEVEL REQUIREMENTS
North Carolina	\$11.44	-\$2.77	-\$0.03
North Dakota	\$16.24	-\$1.15	+\$0.10
Ohio	\$12.10	-\$3.09	+\$0.46
Oklahoma	\$10.89	-\$3.39	-\$0.80
Oregon	\$14.32	-\$2.41	+\$0.35
Pennsylvania	\$12.86	-\$2.78	+\$0.58
Rhode Island	\$14.65	-\$2.04	+\$0.87
South Carolina	\$11.24	-\$2.94	+\$0.28
South Dakota	\$13.06	-\$1.43	+\$1.21
Tennessee	\$11.65	-\$2.82	+\$0.32
Texas	\$10.38	-\$4.54	-\$1.45
Utah	\$12.94	-\$2.21	+\$0.90
Vermont	\$14.51	-\$1.95	+\$0.36
Virginia	\$11.64	-\$3.30	-\$0.43
Washington	\$14.97	-\$3.57	-\$0.40
West Virginia	\$10.65	-\$3.75	-\$0.66
Wisconsin	\$12.73	-\$3.13	+\$0.36
Wyoming	\$13.94	-\$3.67	+\$0.26

Methods and Source: These analyses are based on *Job Zones*, as defined in the O*NET database. Occupations with similar entry-level requirements to direct care jobs are categorized in *Job Zone Two: Some Preparation Needed*, whereas jobs with lower entry-level requirements are captured in *Job Zone One: Little or No Preparation Needed*. Wages for occupations with similar or lower entry-level requirements were calculated as weighted averages of median hourly wages for all occupation in each job zone. O*NET Resource Center. 2020. *Job Zones*. https://www.onetcenter.org/dictionary/25.0/excel/job_zones.html; U.S. Bureau of Labor Statistics (BLS), Division of Occupational Employment Statistics. 2020. *May 2009 to May 2019 National Industry-Specific Occupational Employment and Wage Estimates*. <https://www.bls.gov/oes/current/oesrsci.htm>; analysis by PHI (September 2020).

This fact sheet highlights key findings from *Would You Stay? Rethinking Direct Care Job Quality*. Released in October 2020, the report examines the long-standing consequences of poor job quality on this workforce and the current impact of COVID-19—and delineates PHI’s new, five-pillar framework to transform direct care jobs. The report is the fourth installment in a year-long series of reports that examines the importance and impact of the direct care workforce. The final, comprehensive report—*Caring for the Future*—will be released in January 2021. This report series was made possible through generous support from the W. K. Kellogg Foundation and the Woodcock Foundation. Read *Would You Stay* at PHInational.org/CaringForTheFuture.