

Home Care Aides At A Glance

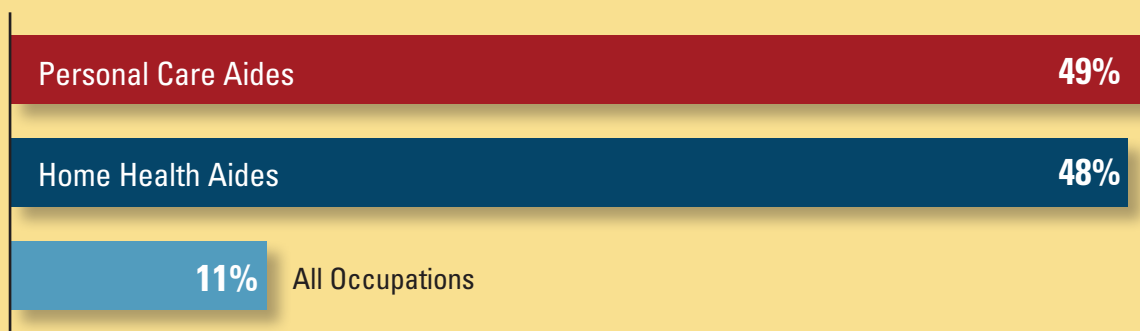
Fueled in part by the demand from a growing population of elders, the home care industry¹ is the fastest-growing sector of the American economy. The industry is creating hundreds of thousands of new jobs—a plus for an American economy stuck in neutral. However, the vast majority of these jobs are not the good jobs Americans need to sustain their families.

In fact, the 2 million home care aides²—who help elders and people with disabilities with daily tasks such as dressing, bathing, and preparing healthy meals—are among our nation’s most poorly paid workers. One contributor to their low wages is that, for nearly 40 years, these workers have been exempt from federal minimum wage and overtime laws. But that is about to change. The Obama administration has published a new rule narrowing the “companionship” exemption of the Fair Labor Standards Act (FLSA). When implementation begins in 2015, the majority of home care workers will finally be granted basic labor protections.

Among the nation’s fastest-growing jobs

Home care aides, known formally as personal care aides (PCAs) and home health aides (HHAs), are the nation’s second and third fastest-growing occupations. These occupations are each projected to grow by 50 percent between 2012 and 2022, a rate of nearly five times that for all occupations. This growth is expected to result in over a million new jobs in home care over the coming decade.

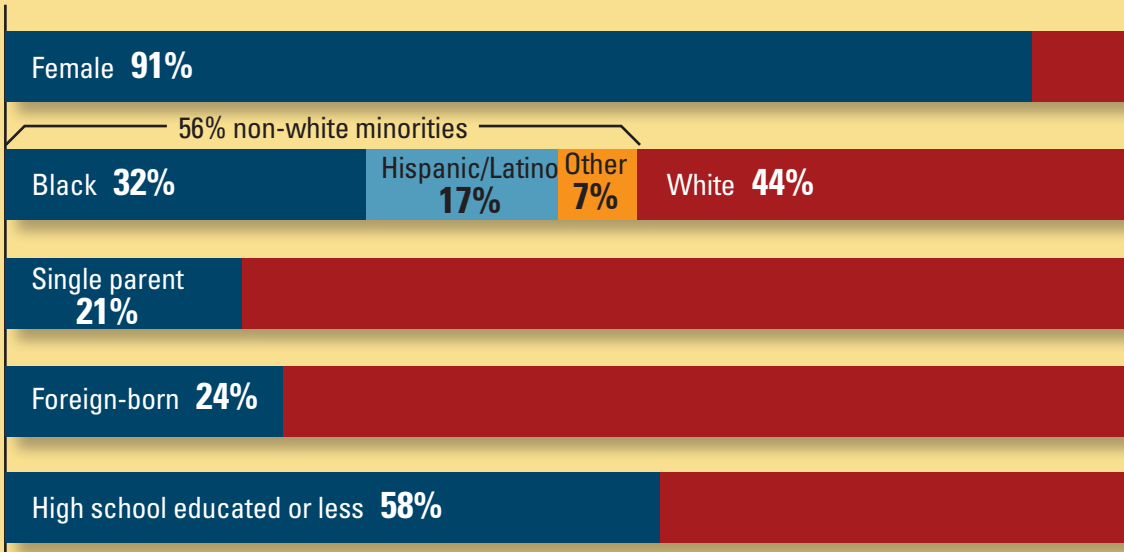
2012–2022 Projected Growth in Employment, U.S.



A workforce of women, mostly minorities

Home care aides are mostly women; more than half are women of color. Immigrants make up one-quarter of the workforce. One in five home care workers is a single mother.

Demographics



A part-time workforce

Home care aides, on average, work 34 hours per week. Few home care aides report working overtime—more than 40 hours on an average week.

Hours Worked

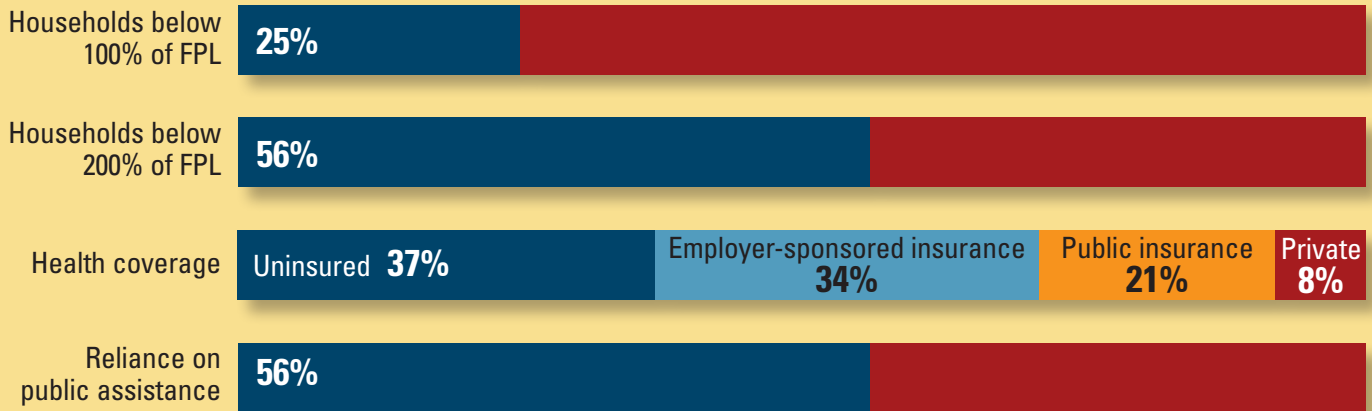


Earning near poverty wages

The home care workforce is very low income—average annual earnings are just over \$17,000, and the median hourly wage for home care aides is just \$9.38. One in four live in households below the federal poverty line, and over half live in households under 200 percent of the federal poverty line.³ The rate of workers without health coverage—more than one in three—is considerably higher than for the general population, while the rate of employer-provided insurance is considerably lower.⁴ More than one in five rely on public health insurance, a number that is likely to grow as states expand Medicaid under the Affordable Care Act.

To make ends meet, many workers rely as well on other public assistance programs—e.g., Medicaid, supplemental nutritional assistance, housing subsidies, and/or child care supports.

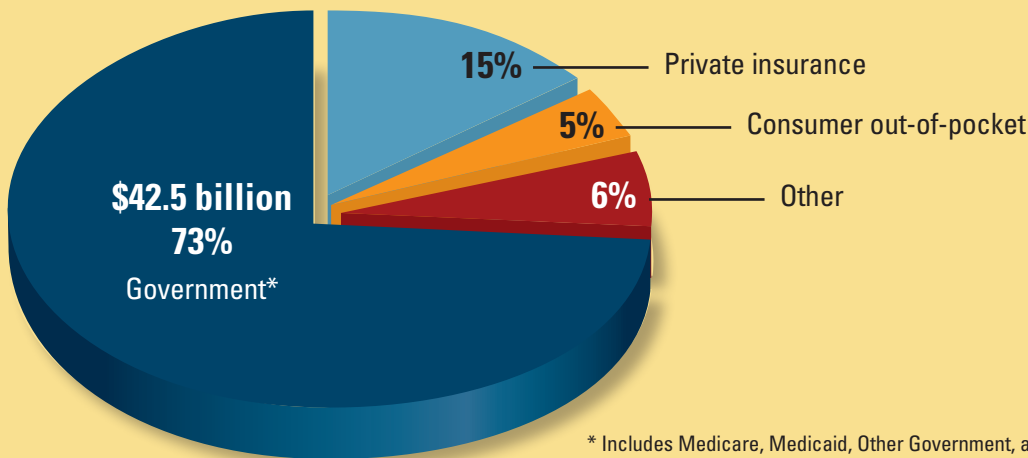
Poverty-Level Incomes



A tax-payer funded industry

A large proportion of home care services is financed through government programs. For example, of the Home Health Care Services industry’s \$61 billion in annual revenue, 73 percent is paid for by these programs, primarily Medicare and Medicaid.⁵ There is no comparable breakdown of revenue for Services for the Elderly and Persons with Disabilities, though we do know that many of the nonmedical agencies within this industry provide Medicaid-funded personal care services.⁶

Taxpayers Fund 73% of the \$61 Billion Home Health Care Services Industry



End Notes

- 1 The “home care industry” is comprised of two formally defined industries, Home Health Care Services (NAICS 621610) and Services for the Elderly and Persons with Disabilities (NAICS 624120). It also includes home care aides working directly for private households under publicly funded programs or private-pay arrangements—workers usually not captured in government surveys.
- 2 Home care aides include workers classified under two occupational codes within the home care and personal assistance industry: Personal Care Aides (SOC 39-9021) and Home Health Aides (31-1011). Additionally, large numbers of aides are employed by consumers under publicly financed programs that allow program participants to hire their own personal care workers. Beyond that, hundreds of thousands of additional aides are thought to work directly for individuals and their families under private arrangements in what is often referred to as the “grey market.”
- 3 The 2013 federal poverty guideline for an individual is \$11,490, and for a family of three is \$19,530. See: <http://aspe.hhs.gov/poverty/13poverty.cfm#guidelines>
- 4 The rates of uninsurance are likely to decrease with the full implementation of the Affordable Care Act, as many workers will newly be covered by Medicaid in states that have accepted Medicaid expansion, and others will be able to afford private insurance for the first time with the assistance of federal subsidies.
- 5 The Home Health Care Services Industry is mostly comprised of home health agencies, those that provide medically oriented home health care and sometimes also non-medical home care or personal assistance services. Examples of traditional types of home health care companies include: for-profit home care franchises, Visiting Nurse Associations, private not-for-profit agencies, and facility-based agencies attached to hospitals and rehabilitation facilities. Also included in this industry are companies that provide additional services such as skilled nursing, physical therapy, occupational therapy, and dietary and nutritional services, among other things. Some providers derive substantial revenue from the provision of medical equipment, infusion services and equipment, other medical supplies, and telehealth equipment. See Caring in America, Section 3, available at: www.phinational.org/homecarefacts
- 6 The Services for the Elderly and Persons with Disabilities industry is defined as encompassing “establishments primarily engaged in providing nonresidential social assistance services to improve the quality of life for the elderly, persons diagnosed with mental retardation, or persons with disabilities. These establishments provide for the welfare for these individuals in such areas as day care, nonmedical home care, or homemaker services, social activities, group support, and companionship” (see: <http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=624120&search=2012%20NAICS%20Search>). This industry includes for-profit non-medical home care franchise chains, as well as other private duty home care companies. See Caring in America, Section 3, available at: www.phinational.org/homecarefacts

Data Sources

Demographics and employment characteristics included in this fact sheet reflect what is true of workers in the Home Health Care Services industry (NAICS 621610). Home care aides are also employed in the Services for Elderly and Persons with Disabilities industry (NAICS 624120); however less data is available for this industry. Given the data that is available across both industries, we believe HHCS to be a reasonable proxy for the entire home care industry in terms of demographic and employment characteristics.

Industry revenue by source is from the U.S. Census Bureau, 2011 Service Annual Survey Data, Table 4: Estimated Sources of Revenue for Employer Firms: 2010 and 2011, available at: <http://www.census.gov/services/>

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

U.S. projections were obtained from the U.S. Department of Labor/Bureau of Labor Statistics, Employment Projections Program, 2012-2022 National Employment Matrix, available at: <http://www.bls.gov/emp/empiois.htm>.

Statistics on demographics, labor force participation, overtime, poverty, health insurance coverage, and public assistance are from PHI analysis of U.S. Census Bureau, Current Population Survey, 2012 Annual Social & Economic (ASEC) Supplement, with statistical programming and data analysis provided by Carlos Figueiredo.

“Public assistance” refers to any of the following government assistance programs: Medicaid; food & nutrition programs; housing, energy, and transportation; child care assistance; TANF/AFDC

For more information on the home care workforce, see Caring in America, www.PHInational.org/homecarefacts or visit the PHI State Data Center, www.PHInational.org/statedata. For additional assistance, contact Associate Director of Policy Research Abby Marquand at amarquand@PHInational.org or Gail MacInnes in PHI’s Government Affairs office, 202.888.1972.



PHI (www.PHInational.org) works to transform eldercare and disability services. We foster dignity, respect, and independence—for all who receive care, and all who provide it. The nation’s leading authority on the direct-care workforce, PHI promotes quality direct-care jobs as the foundation for quality care.

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