

Paying the Price

**How Poverty
Wages Undermine
Home Care
in America**

PHI

Quality Care
THROUGH
Quality Jobs





Theresa King, Los Angeles, CA

I care for an energetic 87-year-old woman with Alzheimer's disease. I'm responsible for everything from making sure she takes her medication to preparing her food, and helping her with dressing, bathing, and toileting.

These are the everyday tasks that most of us take for granted, but seniors and people with disabilities couldn't manage without home care workers.

It takes love, patience, and understanding to do this job well. It requires organizational skills and a lot of physical strength and hard work.

I make \$10 an hour, just a dollar over the state minimum wage. No matter how hard I try I can never get anywhere near full-time hours, and that still wouldn't be enough. It shouldn't be this way.

None of us are looking to get rich—we just want to be able to live and support our families like everyone else.

Executive Summary

America faces a long-term care crisis. With 10,000 baby boomers turning 65 every day, our nation will need one million new home care aides between 2012 and 2022.

Home care aides—personal care aides and home health aides—provide the daily supports that elders and people with disabilities need to remain independent, living at home among friends and family. These workers assist with personal care tasks such as bathing and dressing, and also prepare meals, do laundry and other house cleaning, and may assist with health-related tasks such as catheter or ostomy care.

Home care aides are undervalued and underpaid.

Though their services are vital to maintaining the health and dignity of millions of Americans, home care aides are undervalued and underpaid. Nearly 2 million aides earn average wages of just \$9.61 per hour. For a full-time worker that is \$1652.92 per month, barely enough to rent an apartment in many areas of the country, let alone pay for utilities, food, health care, and child care expenses.

And these figures don't even take into account the unpredictable and part-time hours that reduce home care wages even further. The result is median annual earnings of just \$13,000 a year.

Not surprisingly, as a result of poverty wages, more than half of home care workers rely on public assistance to support their families.

Poverty wages undermine quality of care.

Low wages—along with inadequate training and the sheer difficulty of the work—result in extremely high turnover. Half the home care workforce turns over every year, disrupting the continuity of relationships that is essential to quality care. To put it simply: workers leave because they cannot afford to stay.

Better wages will lift millions out of poverty and grow the economy.

One in seven low-wage women workers is a home care aide—and overall, home care will add more new jobs than any other occupation over the decade 2012 to 2022. Thus, the stability and growth of home care jobs have a significant impact on the nation's economy and on the quality of life in low-income communities.

An increase in wages to \$15 per hour—the wage that workers across multiple low-wage sectors are demanding—would dramatically increase the financial security of home care aides and their families, giving them the chance to participate in the American dream. In addition, because low-wage workers spend their wages on goods and services in their communities, local businesses would grow, creating a multiplier effect that can help to lift whole communities out of poverty.

Improving home care jobs is essential to improving quality of care.

To recruit and retain one million new home care workers, our nation needs to recognize the value home care workers bring to our families and communities. This paper explores the devastating impact of poverty wages on home care workers—and the clients they serve. If as a nation we want to ensure that elders and people with disabilities can live with respect and dignity, then we must begin by showing respect to those who help make that happen—with good jobs that pay a living wage.

Roxanne Trigg, Milwaukee, WI

I work hard at a demanding job, seven days a week. I save taxpayers money and bring comfort and dignity to a person with a severe disability, yet my family is living in poverty.

I work at a for-profit home care company. After five years, I make just \$9.15 an hour, with no sick leave and no vacation. It used to be \$9 an hour but then the agency told us a raise was coming. It turned out to be 15 cents, which was just humiliating.

Living on \$9.15 an hour means choosing which bill to pay and which one to be late on, even if it means you have to pay a penalty later. A few months ago, I had to risk getting our lights turned off by not paying the bill so I could buy shoes and clothes for the two grandkids I take care of. My paycheck doesn't get bigger every year, but my grandkids do.

I love my job. But I am the sole supporter of my family and I'm paid so little that we can't cover our expenses. It's just wrong.



Paying the Price:

How Poverty Wages Undermine Home Care in America

Our nation is facing a long-term care crisis. Too few paid caregivers are available to meet the needs of a rapidly aging population. Home care aides—who provide everyday support services such as bathing, dressing, and preparing meals for older Americans and people with disabilities—are too often paid poverty wages. In addition to causing economic hardship for these workers and contributing to the growing problem of income inequality, inadequate wages undermine our ability to build the stable, skilled workforce we need to provide quality care to elders and people living with disabilities across America.

The Care Crisis

The elderly population is growing at record levels.

The U.S. population is aging dramatically, but our nation has done little to prepare for this demographic shift. Every day, 10,000 baby boomers turn 65. By 2050, the elder population is expected to more than double, from about 40 million to 84 million, with those in the oldest cohort (85 and older) growing from about 6 million to 19 million.¹ Over the next three decades, tens of millions of Americans will need long-term supports and services in their final years.

One million new home care aides will be needed over the decade — more jobs than in any other sector.

Today, about 11 million elders and people with disabilities need some form of long-term services and supports. Among those services are the daily supports provided by 2 million home care aides.² These aides fall into two formal occupations tracked by the U.S. Department of Labor: home health aides and personal care aides.³ Both occupations are expected to grow by nearly 50 percent over the decade 2012–2022, a rate nearly five times higher than the rate of overall job growth in the economy.

Home care jobs are expected to grow 5 times faster than jobs overall (2012–2022).

Personal Care Aides 48.8%

Home Health Aides 48.5%

10.8% All U.S. Occupations

Low wages make it increasingly difficult to recruit and retain enough home care aides to meet rising demand.

The average hourly pay for a home care aide is just \$9.61 per hour. A full-time home care worker earns \$384.40 a week before taxes, or \$1,652.92 a month. In many areas of the country that's barely enough to rent an apartment, let alone pay for utilities, food, health care, and child care expenses. And these figures don't take into account the unpredictable and part-time hours that reduce income for home care workers even further: the median annual earnings of a home care worker are just \$13,000.

The poor quality of these jobs makes it increasingly difficult to find experienced workers. Half the home care workforce turns over every year, disrupting the continuity of relationships that is essential to quality care. *To put it simply: workers leave because they cannot afford to stay.*

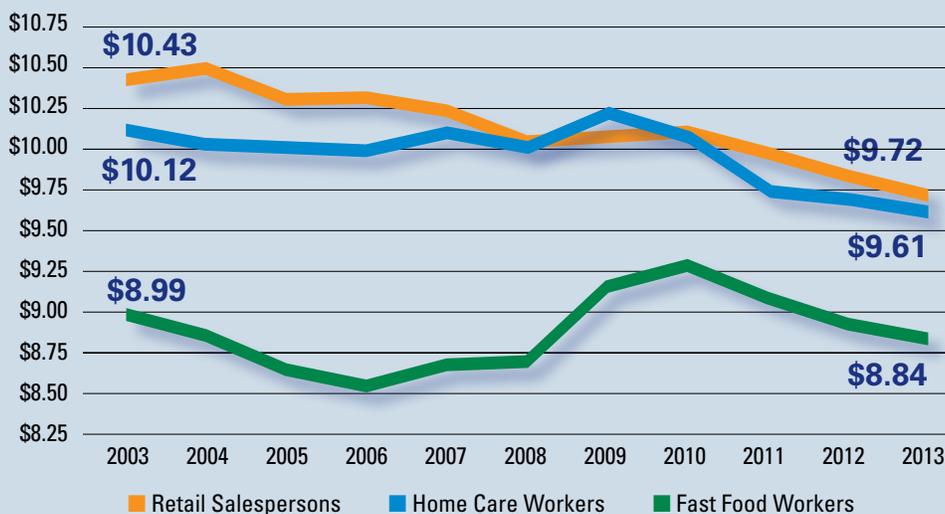
High turnover undermines quality of care.

For the families who rely on aides to keep relatives safe and healthy, finding and keeping a skilled home care aide is critical. When people can't find the care they need for the family members they love, it is a genuine family crisis. The outsized growth in our population of elders is going to make this problem far worse in the decades to come.

Because it is so difficult to recruit aides, many state-funded programs providing personal care and home supports encourage family members to

become professional home care aides. When the care is very intimate and the hours long, many people prefer to hire a family member. Thus, in California's In-Home Supportive Services Program, the largest publicly supported home care program in the country, about three quarters of the nearly half-million aides are family members. Turnover rates in the program, about 30 percent, are also low compared to the national averages of 50 percent or more.⁴

Like many other low-wage workers, home care workers have seen their real wages decline over the past ten years.



2003 wages are adjusted for inflation based on 2013 dollars.

Declining wages and part-time hours further reduce incomes.

Like many other workers in our nation’s fastest-growing occupations, home care workers have seen their real wages (i.e., wages adjusted for inflation) decline—5 percent over the past decade.

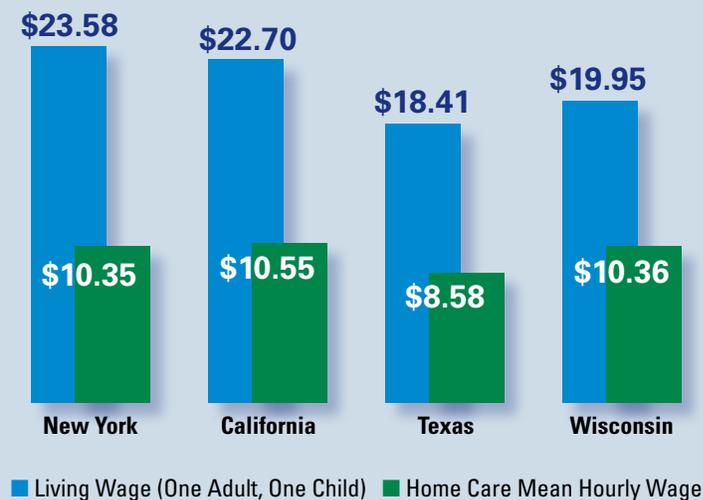
Not only are home care workers paid low and declining wages, but the hours are often part time and unpredictable. Some clients need care a few hours a day, while others may need only a few hours a week. Though aides often work for more than one client, it can be difficult to patch together full-time work. In addition, if a client becomes ill and goes to the hospital, the worker may lose hours for weeks at a time. As a result, more than half of home care aides work less than full time.

Being a home care worker often means living in poverty.

With median annual earnings of \$13,000, one in four home care workers live in households with incomes below the federal poverty level (FPL) and more than half live in households with incomes below 200 percent of FPL.

It is simply not possible for a worker to support herself, much less a family, on the average income of a home care aide. In all 50 states, the living wage (accounting for regional differences) for a two-person household is nearly double the median wage of a home care worker.⁵

Home care worker wages are not sufficient to support a household of two or more.



Alantris Muhammad, Chicago, IL

I've been working in home care for eight years now. I provide full-time care for my mother.

I left my career in insurance so my mom could continue to live at home with family. It was a hard decision to make, but without a home care worker my mother would be forced into a nursing home because she needs a caregiver around the clock.

I've raised five sons and I'm currently putting the fourth through college. Workers like me face tough decisions all the time – should we pay the tuition bill or fix the oven that broke right before Thanksgiving? Can we put gas in the car to take our consumers to medical appointments or do we need to save that money for groceries?

More than half of all home care workers rely on some form of public benefits.

To fill in the gaps, poor families rely on public assistance programs such as Medicaid, food stamps, and housing and heating assistance. Among home care aides, nearly three out of five live in households that receive one or more of these benefits. And while Medicaid often insures children, traditionally, working adults have had a hard time accessing coverage. This continues to be the case for home care workers in the roughly two dozen states that have refused to expand Medicaid under the Affordable Care Act. Nationally, 40 percent of home care aides earn less than 133 percent of the federal poverty level, the threshold for Medicaid eligibility under the expanded federal option.⁶

A study in California showed that increasing hourly wages to \$14 would save the state over \$5 billion per year, in part because workers would no longer need to supplement their incomes with public benefits.⁷ Better wages for home care aides could help to lift millions of poor families out of poverty, while also significantly reducing expenditures on public support programs.

Liliana Cordero, Chicago, IL

Liliana used to work at Walgreens. Feeling connected to the seniors coming in for prescriptions, she wanted to help them more, so three years ago she became a home care worker. She works an average of 52 hours a week, caring for six clients. As the sole breadwinner for her family, Liliana struggles with not having any sick days. She doesn't want to get her clients sick, but staying home means less for her kids.

I feel privileged having this job. I love what I do. I don't want to go somewhere else because it pays more, considering that my passion is taking care of the elderly.

People are always saying things like, "Oh, you want a better job? Go back to school!" Well, I've been trying to save up to get more training, but I always need the money for something around the house or for the kids. And anyway, you can't teach compassion. That's why we need a raise—so that people like me can afford to do the work we love.



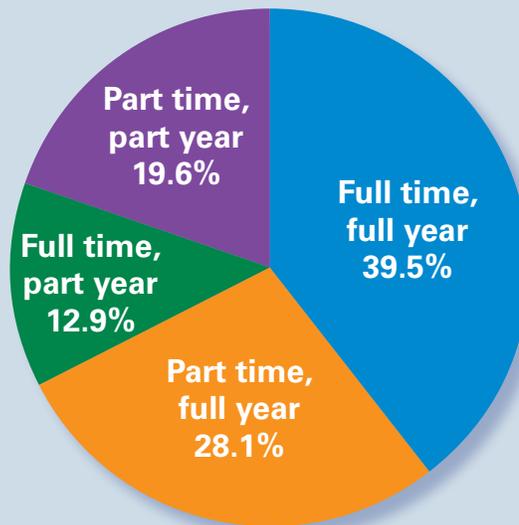
Jobs without health coverage and paid leave put workers and clients at risk.

For home care aides and their children, living in poverty means a constant set of challenges. It is difficult to maintain a stable home because the rent goes up but real wages don't. Workers are faced with the choice of paying the electric bill or putting food on the table. For workers in rural areas, without access to public transit, paying for gas—a necessity for getting to work—is an additional burden.

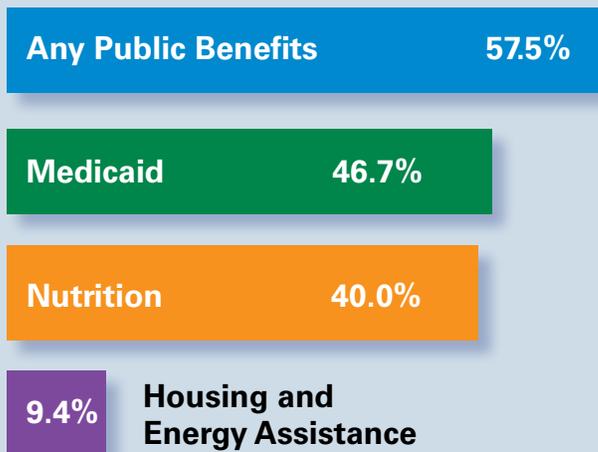
The instability in workers' lives is compounded, in many cases, by a lack of employer-sponsored health coverage or paid leave. Taking a day or two off because of the flu makes a financially precarious situation even worse—and in some cases could put a worker's job in jeopardy. At the same time, a worker can't take the risk of going to work sick and infecting a client.

Moreover, without health coverage, workers can't afford preventive care or to see a doctor when they're ill, and common chronic illnesses like hypertension and diabetes lead to more complex and expensive medical problems. Chronic conditions can undermine the ability of workers to continue to do the physically demanding work of home care, pushing them deeper into poverty while compromising care for millions of Americans.

Only two in five home care workers work full-time, year round.



Three out of five home care workers rely on public benefits.



Kharee Ciswell, Boston, MA

I didn't grow up thinking I wanted to be a home care worker. Then I realized it gave me a lot of joy and a feeling of usefulness. That's why I've stuck with it for eight years, even though I could have made more money doing something else. But even working full time, I am barely making it. I just don't know how long I can keep this up.

Jasmin Almodovar, Cleveland, OH

On December 4, 2014, thousands of workers and their supporters took to the streets in more than 190 cities across America to demand a minimum wage of \$15. In Cleveland, Ohio, Shirley Thompson was there in her wheelchair holding a sign with a big red heart: "I love my home care worker."

Shirley was a truck driver until she became seriously ill and was no longer able to work. "I spent almost two years in a nursing home and didn't like it one bit," she says. "I'd still be there if I didn't have the help of Jasmin."

Jasmin Almodovar (furthest to the left) is a home care worker. She helps Shirley live on her own, but she can barely afford to do so herself. After 12 years, Jasmin makes just \$9.50 an hour. She hasn't had a raise in 5 years. To make ends meet, she and her 11-year-old son share a house with another woman and 4 children.

Jasmin's company provides no paid vacation, sick leave, or retirement plan. If she is sick or has an emergency, she forfeits pay for the day. Jasmin normally works 60 hours a week, bringing home about \$500.

Despite the hardship, Jasmin doesn't want to do something different. "I love my job," she says. "This is what I like to do. But without a raise I can't keep doing this."



Why Are Workers Paid Poverty Wages?

Home care wages reflect a history of discrimination.

The low wages of home care workers are rooted in the history of exploitation of labor based on race and gender, particularly the devaluation of women's labor in the household. Because women often do this work for their families for "free," it isn't considered deserving of the same respect—and wages—offered to workers who are employed outside the home.⁸

Thus, the women—and, in particular, women of color—who do this work have long suffered from substandard wages. Of home care workers, 89 percent are women, and more than half are people of color. One in four home care aides is an immigrant to the U.S.

Today, home care work and workers remain largely invisible—highly valued by individuals and families who need them but undervalued by society as a whole. As a result, the home care aides who make it possible for millions of elders and people with disabilities to have quality lives at home are not treated like professionals.

Sue Buckland, Denver, CO

Sue Buckland, a mother of four and proud grandmother, has always cared for people. She first cared for her stepmother, then her grandson and her husband, when he was recovering from congestive heart failure.

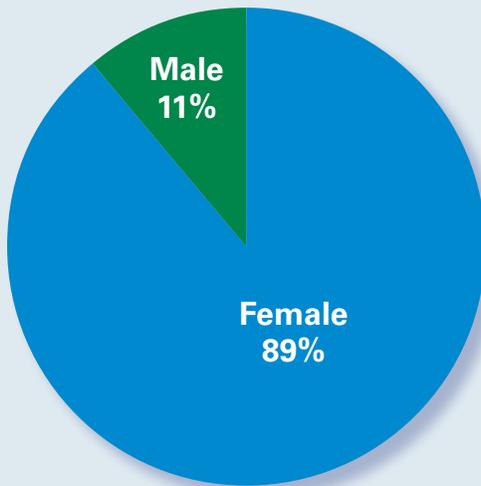
Sue decided to make home care her life's work seven years ago. Since then, she's gained her certification as a Nurse Assistant, or CNA. Now, she wants to become a Registered Nurse.

It's personal for me. I invest my emotions, time, and care with my clients. Helping others makes me happy.

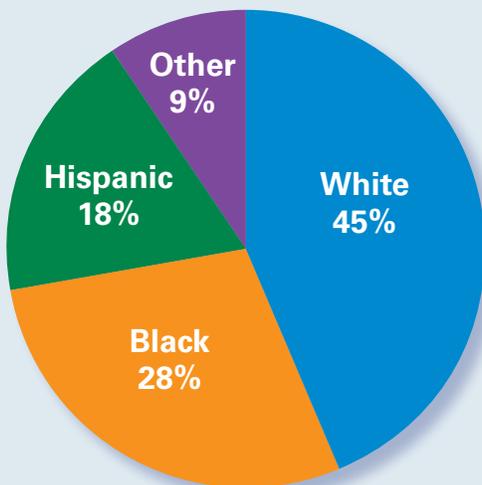
My husband works 70 hours a week as a forklift operator at a warehouse. But it's not enough to support our family, so I work as many hours as I can, despite constant back pain from an old injury I got in a car accident.



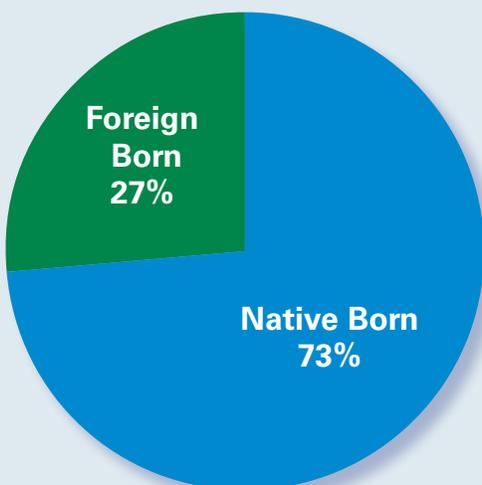
Most home care workers are female.



Over half of home care workers are people of color.



One in four home care workers is born in a foreign country.



Home care is misunderstood as “unskilled” labor.

Too often home care is perceived as a collection of ordinary tasks that do not require skill, rather than the difficult and skilled work that it is. Home care is physically punishing and mentally challenging. It requires emotional sensitivity, knowledge of body systems and chronic diseases, and important skills that are often learned on the job (current formal training requirements are inconsistent and largely inadequate). Knowing how to bathe an adult with dementia who fears the shower, how to help a person in a wheelchair transfer to bed, how to adjust an oxygen tank, or how to cook a healthy meal for someone who has kidney disease takes knowledge and experience.

Aides have to be able to communicate effectively, sometimes with individuals who are losing that capacity; to problem solve; and to comfort and care in ways that meet the emotional needs of people who may be isolated. The physical labor also can be literally backbreaking—in 2010, the rate of on-the-job injuries for home health aides resulting in missed work was approximately twice that of the labor force overall.⁹

Exclusion from the Fair Labor Standards Act has kept wages low.

The low value placed on this work is evident in the history of the Fair Labor Standards Act (FLSA), which has excluded home care aides from federal minimum wage and overtime laws since its inception. Without a basic wage floor—the federal minimum wage—home care jobs have been continually marginalized as poor quality, dead-end positions, making it that much more difficult to improve wages and make home care a better job for the millions of women who do this work. The good news is that, after 75 years, the U.S. Department of Labor has issued a new rule that extends minimum wage and overtime compensation to the vast majority of home care workers. Barring a successful court challenge from industry trade associations, home care will finally be recognized as “real” work, worthy of inclusion under our nation’s most basic labor laws.

Sumer Spika, St. Paul, MN

Sumer cares for a little girl named Jayla, who has Opitz Syndrome, which causes breathing and swallowing problems — she's at constant risk of choking. Jayla is also deaf, so she and Sumer use sign language to communicate.

Over the last four years, Sumer has seen both wage and benefit cuts. To stem the tide, she and her co-workers in Minnesota's home care program recently voted to form a union.

I really love what I do, but it's taking a terrible toll on my family.

I live paycheck to paycheck. We sacrifice family vacations and other everyday things that many take for granted. Most recently, I was able to take only one week off after the birth of my son. I just couldn't afford more days away from work.



Unionized home care workers earn better wages and benefits.

Home care workers historically have not had the political capital or economic power to demand higher wages and better employment conditions.¹⁰ In recent years, about a quarter of home care workers have formed unions, giving them a voice and an ability to negotiate over wages and the quality of their jobs. A study based on national survey data of low-wage workers found that unionized workers had wages over 16 percent higher than non-unionized workers, and were 25 percent more likely to have employer-sponsored insurance.¹¹

Sylvia Foon Sau Liang, Seattle, WA

Sylvia's husband died from leukemia, leaving her a single mother. She provides care for her adult son with autism, and also cares for an 86-year-old woman with dementia.

People in the outside world barely notice the work we do. The families see it. Our clients see it and they appreciate it. But every day is a struggle to figure out how to make my paycheck stretch to fit all the things I need to support my son. It just doesn't seem right that we do so much but get paid so little.



Poverty Wages Undermine Care and the Economy

One in seven low-wage women workers is a home care aide.¹² Consequently, the stability and growth of home care jobs have a significant impact on our economy and the quality of life in low-income communities. Improving the quality of these jobs would help to lift families out of poverty, stabilize care, and create economic growth.

Low wages hurt individuals and families in need of home care services.

For those who rely on home care services, low wages threaten the stability of their care. When a worker is late because the bus broke down, a client may be left waiting, unable to get out of bed or safely get to a bathroom.

For an 80-year-old woman living with dementia who has very specialized needs, “turnover” means losing the familiarity and trust that has grown between her and the woman who provides her care. A change in home care aides is not just disruptive, it’s devastating. For family members, managing an ever-changing stream of paid caregivers is far more challenging than working with a consistent team.

When the economy’s highest-growth jobs pay poverty wages, the future is precarious for all.

In addition to hurting consumers who need home care services, low wages hurt our economy. When reliable home care aides are unavailable, family members—often daughters—reduce their work hours, or in some cases, leave work altogether. According to AARP, women lose as much as \$300,000 in lifetime wages as a result of lost work time attributed to caring for older family members.¹³ Employers also suffer, because employees distracted by caregiving responsibilities are less productive.

The economy also loses when low-wage workers are unable to buy the goods and services they need today—or save for tomorrow. Rising inequality has made it impossible for low-wage workers like home care aides to achieve the hallmarks of the American middle class dream—owning a home, sending children to college, saving for retirement. When America’s fastest-growing jobs undermine economic growth, the consequences reverberate throughout our communities, making the future far more precarious for all of our families.

Solving the Care Crisis

Solving the care crisis and strengthening home and community-based services means building a stable and skilled workforce that can deliver quality services to elders and people with disabilities in the communities in which they live. Poverty wages are undermining progress toward that goal. We must begin now to strengthen the home care workforce by:

- ▶ **Raising wages.** It is time to raise the wage for home care workers. Low-wage workers across multiple sectors are calling for a \$15 per hour wage to lift their families out of poverty.

In response to these calls for better wages, states and cities across the country are enacting minimum wage increases. The largest increases thus far are in the cities of Seattle and San Francisco, both of which have voted to raise the minimum wage to \$15 over the next several years.

A \$15 per hour wage, plus benefits, would go a long way to providing financial security to home care aides and their families and would greatly improve the stability of the home care workforce. Studies show that low wages and benefits are one of the primary reasons home care aides leave their jobs (see sidebar on page 16).¹⁴

Better wages are also good for the economy as a whole—studies have estimated that every \$1/hour increase in compensation for low-wage workers leads to \$1.20 in increased economic activity. Low-wage workers, such as home care aides, are more likely to spend these extra earnings immediately for basic necessities like food, housing, and clothing.¹⁵

Improving wages in the home care sector will require increasing federal and state funds for home and community-based services. Higher wages, however, will not increase costs dollar for dollar. High rates of turnover are estimated to cost \$6 billion annually, money that would be better invested in building a stable and experienced workforce.¹⁶

With workers sinking further and further into poverty, it is essential to ensure that increases in government reimbursements for home care services go directly to wages and benefits for workers. Several states are experimenting with mechanisms that direct providers to use new monies to increase wages.¹⁷

As one of our nation's fastest-growing and essential occupations, home care jobs should provide pay and benefits that lift workers out of poverty.

- ▶ **Restructuring the work to guarantee full-time hours.** A better hourly wage is important—but not sufficient—to increase the income of home care aides. The work needs to be restructured to ensure that all workers who want full-time hours are able to secure them. At New York’s Cooperative Home Care Associates, for example, aides who have been with the company for three years or more are guaranteed pay for 30 hours per week, even if their hours fall below this threshold. This creates an incentive for the schedulers to ensure aides are getting more than 30 hours of work per week. This policy increases family stability and has contributed to a highly effective scheduling system in which workers who want full-time hours generally get them.
- ▶ **Providing paid leave.** The high rate of occupational injury, and the risk to clients when a worker arrives in their home ill, make it both unconscionable and impractical to structure these jobs with no sick leave. Fortunately, cities and states are beginning to enact paid leave laws for all working people. Home care aides would benefit from the Healthy Families Act, federal legislation proposed in 2013 to extend paid leave to 30 million American workers who currently have no paid time off.¹⁸
- ▶ **Improving training.** Home care aides receive little or no training. Consistent, high-quality skills-based training would reduce injuries and improve the quality of care for consumers, particularly those with specialized needs. A more skilled workforce offers greater value, making increased pay a better public investment.
- ▶ **Offering a real career path.** Currently home care does not offer advancement opportunities that allow workers to grow professionally and earn better wages. Designing advanced roles for aides—for example, specializations in Multiple Sclerosis or Diabetes care or medication management—would encourage workers to grow their skills and stay in the field. In addition, home care aides could play a more integral role in managed-care teams, keeping the rest of the team aware of their client’s health status and providing opportunities for early intervention that can result in cost savings.¹⁹

Continued on page 17

Gerald Cuthbertson, Detroit, MI

Like many home care workers, I got my start when a loved one fell ill. My first client was my mother. Now I take care of my son, who was born with spina bifida and cerebral palsy, as well as my ill wife.

What I do is important. It’s a labor of love. It’s just not right that I don’t make enough to provide for my family. Who would take care of my clients if I had to go out and take another job?



Reducing Turnover by Improving Jobs

California

San Francisco personal care workers voted to form a union in 1996 and over the next several years significantly increased wages and benefits. In a study of how these wage increases affected annual retention rates, researcher Candace Howes found that the near doubling of wages over 52 months increased

annual retention from 39 percent to 74 percent. She determined that a \$1 per hour increase in wages from \$8 per hour (the average wage in 2005 when the study was completed) would increase retention nationally by 17 percent, and that adding health benefits would increase retention by 21 percent.²⁰

Cooperative Home Care Associates (CHCA)

Founded on the principle that quality care depends on quality jobs, CHCA has led efforts to change the workforce development model in New York's home care sector. A worker-owned cooperative, CHCA employs more than 2,000 home care aides from New York City's low-income neighborhoods. CHCA led efforts in New York City to raise the floor for home care aides, and now aides across the city receive a

total compensation package, including wages and benefits (e.g., paid leave, health coverage) of over \$14 per hour. Workers at CHCA also benefit from high-quality training, advancement opportunities, and an ownership share in the company. CHCA's quality-job investments have paid off with an annual turnover rate less than 15 percent, far below the industry average.

New Mexico Direct Caregivers Coalition

Established in 2009, the New Mexico Direct Caregivers Coalition brings together organizations that represent professional direct-care workers as well as family caregivers to speak out on workforce issues. Led by direct-care workers, the coalition focuses on workforce development

and improving the quality of life for caregivers. The coalition sponsors an annual convention that engages caregivers in public policy and professional development activities, provides free professional development training, and advocates for statewide training and credentialing for the state's caregivers.

North Dakota

In 2009, North Dakota used funding from the American Recovery and Reinvestment Act to raise wages for direct-care workers in both facilities and home care occupations. A study of direct support workers found that a \$1 per hour wage increase reduced annual turnover from 43 percent to 33 percent. The median wages for North Dakota's

personal care aides and home health aides are close to \$13.50 per hour, two to three dollars more per hour than in neighboring South Dakota. North Dakota has strengthened its home care infrastructure as well through the implementation of a statewide matching services registry managed by Minot University.²¹

Washington State

Washington State's consumer-directed personal care aides are members of SEIU 775NW. Workers began earning \$11.06 per hour on July 1, 2014, up from \$7.18 per hour a decade ago, and their new contract will raise wages to more than \$14 per hour. Workers also earn paid time off, participate in a health plan,

and have training and career ladder opportunities. The union did a study of why workers leave the home care field, and concluded that workers who left the field found better jobs that offered more career opportunities.²²

- **Giving workers a voice.** Since its founding, PHI has supported engaging workers in efforts to improve the quality of home care jobs and services. Along with the consumers they care for, workers know better than most the impact of public policies and workplace practices on the day-to-day-delivery of home care services.

Effective strategies for strengthening workers' voices and improving home care jobs include worker associations, worker ownership of cooperative businesses, participation in workplace decision-making, and collective bargaining.

In many states (which, with federal support, fund and manage home care services for their low-income populations) home care aides working in public programs have won the right to bargain over wages, benefits, and other workplace issues, thereby improving workforce stability and quality of care. In Illinois, for example, in the ten years since unionization, wages have nearly doubled, from \$7 to \$13 an hour; training and supervision have been improved, as well as standardization of qualifications; and workers now have health insurance.²³

In addition, states such as Iowa and Maine have included workers directly in policy taskforces considering legislative and regulatory reforms to home and community-based services.

Beyond winning wage increases, these various forms of worker participation have sought to improve home care jobs through better training, paid time off, and matching service registries to help consumers identify caregivers with the skills and hours available to meet their needs (see page 16).

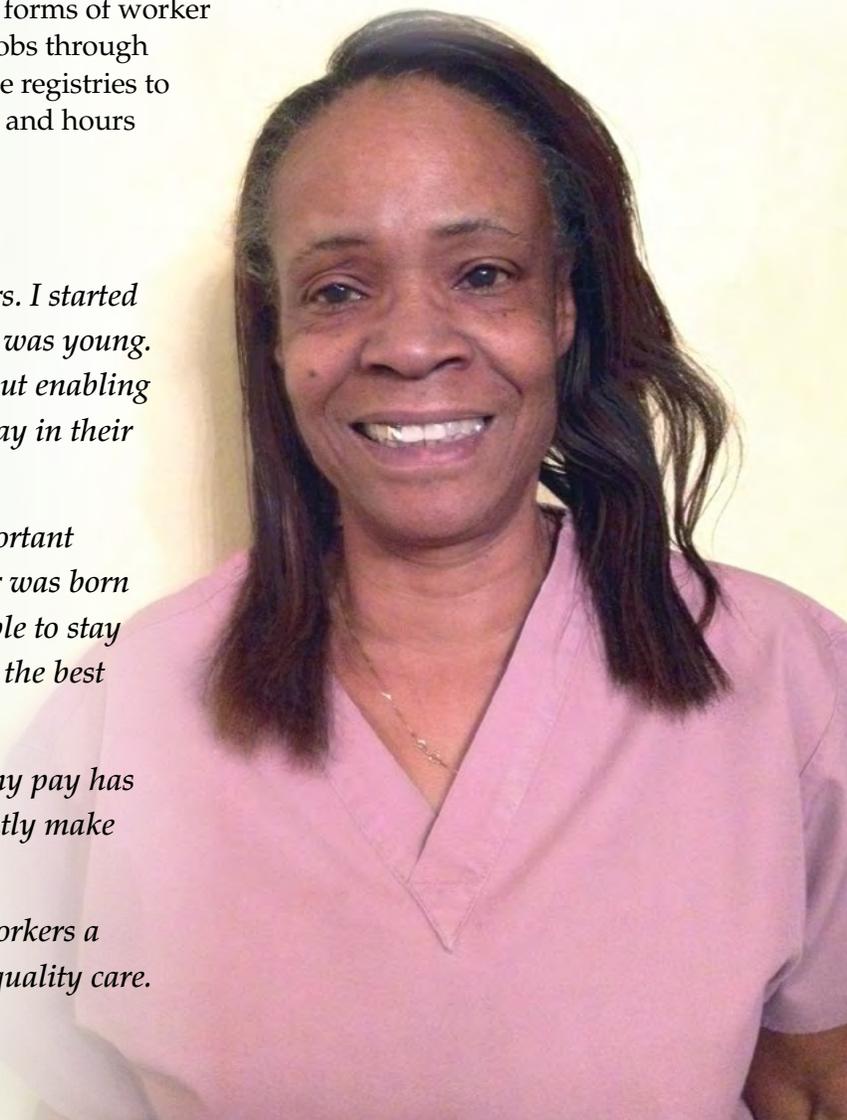
Kimberly Weems, Atlanta, GA

I've been a home care worker for 14 years. I started off taking care of my blind uncle when I was young. I love helping others; I'm passionate about enabling seniors and people with disabilities to stay in their homes and communities.

Independence is one of the most important aspects of home care. My granddaughter was born with a disability, and I want her to be able to stay in her home with her family and receive the best care possible.

Despite all my years of experience, my pay has actually dropped over the years. I currently make just \$8.50 an hour.

It's time to start paying home care workers a living wage, because quality jobs mean quality care.



Patricia Evans, Chicago, IL

When it comes to home care workers, you live in poverty. You work in poverty. You retire poor, hoping you will qualify for the services you have provided for so many years to others. Then, you die in poverty.

That's just not right. We make a real difference in people's lives. We're people of worth. We make a valuable contribution to society, and it's time that our paychecks reflected that.



Conclusion

As one of the fastest-growing occupations in America, home care workers are central to the economic well-being of the nation. These workers are vital to our nation's health and aging systems, to families, and to the individuals they assist. By making home care jobs better—improving wages, benefits, and working conditions—not only do individual workers and their families benefit, but all of our communities benefit from more stable and better quality home care services. Moreover, by lifting millions of workers out of poverty, we help grow our economy, reduce inequality, and build caring communities that support all individuals to live with respect and dignity.

Data Sources

Occupational categories are defined by the Standard Occupational Classification (SOC) system. Definitions of the two standard home care occupations—Home Health Aides and Personal Care Aides—can be found at: <http://www.bls.gov/SOC>.

Employment and wage data are from the current and archived estimates of the U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) Program, available at:

<http://www.bls.gov/oes/#data>. Inflation adjustments are made using the Consumer Price Index for urban wage earners and clerical workers (1982-84=100), also from BLS.

The national average hourly home care wage was produced through a weighted average of median hourly wages for home health aides and personal care aides working in Home Health Care Services (NAICS 621600) and Services for Elderly and Persons with Disabilities (NAICS 624120). Industry-specific wage data can be found at: <http://www.bls.gov/oes/current/oessrci.htm#62>.

Because industry-specific wage data is not available at the state level, state-specific average wages are a weighted average of the median wages for home health aides and personal care aides in all industries.

Statistics relating to direct-care worker demographics and employment and income characteristics are based on PHI analysis of the U.S. Census Bureau, Current Population Survey (CPS), 2013 Annual Social and Economic (ASEC) Supplement.

Occupational projections data are from DOL/BLS, Employment Projections Program, 2012–22 National Employment Matrix, available at:

<http://data.bls.gov/projections/occupationProj>.

Living wage data are from the MIT Living Wage Calculator. The calculator can be found at: <http://livingwage.mit.edu/>.

Population projections of adults over 85 years old and adults between the ages of 25 and 64 are from the 2012 National Population Projections, middle series, available at: <https://www.census.gov/population/projections/data/>.

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Cover photo: Audrey Beaton, home care aide from New York.

Endnotes

- 1 Kaye, H.S., Harrington, C., LaPlante, M.P. (2010). Long-term care: Who gets it, who provides it, who pays, and how much? *Health Affairs*, 29 (1), 11-21.
- 2 Ibid.
- 3 For the official definitions of these two occupations, see U.S. Bureau of Labor Statistics (Feb 2010). 2010 SOC Definitions (available at: http://www.bls.gov/soc/soc_2010_definitions.pdf).
- SOC 39-9021 Personal Care Aides** Assist the elderly, convalescents, or persons with disabilities with daily living activities at the person's home or in a care facility. Duties performed at a place of residence may include keeping house (making beds, doing laundry, washing dishes) and preparing meals. May provide assistance at non-residential care facilities. May advise families, the elderly, convalescents, and persons with disabilities regarding such things as nutrition, cleanliness, and household activities.
- 31-1011 Home Health Aide:** Provide routine individualized healthcare such as changing bandages and dressing wounds, and applying topical medications to the elderly, convalescents, or persons with disabilities at the patient's home or in a care facility. Monitor or report changes in health status. May also provide personal care such as bathing, dressing, and grooming of patient.
- 4 Legislative Analyst Office (LAO Memo for the California Legislature, Review of the proposed initiative (A.G. File No. 13-0052). January 16, 2013. Available at: <http://www.lao.ca.gov/ballot/2013/130741.aspx>.
- 5 Glasmeier, A. K. (2014). Living Wage Calculator. *Poverty in America*, Boston, M.A.: Massachusetts Institute of Technology. Available at: <http://livingwage.mit.edu/>.
- 6 PHI analysis of U.S. Census Bureau, Current Population Survey, 2012 Annual Social and Economic Supplement.
- 7 Zabin, C., Dube, A., Jacobs, K. (2004). The hidden public costs of low wage jobs in California. *The State of California Labor*, Vol. 4, pp. 3–44. Available at: <http://escholarship.org/uc/item/9hb1k75c#page-2>.
- 8 Notably, nursing assistants working in facilities invariably earn more than home care workers doing virtually the same work in a domestic setting. While home care aides average \$9.61 per hour, nursing assistants average \$11.97 per hour. www.phinational.org/statedata.
- 9 PHI (2011). Caring in America: A Comprehensive Analysis of the Nation's Fastest-Growing Jobs: Home Health and Personal Care Aides, p.46. Available at: www.phinational.org/homecarefacts.
- 10 Boris, E. & Klein, J. (2006). Organizing Home Care: Low-Waged Workers in the Welfare State. *Politics & Society*, 34 (1), 81-107.
- 11 Schmitt, John et al. (2007). *Unions and Upward Mobility for Low-Wage Workers*. Center for Economic and Policy Research.
- 12 National Women's Law Center. (2014). Underpaid & Overloaded: Women in low wage jobs. Washington, D.C.: National Women's Law Center. Available at: <http://www.nwlc.org/resource/underpaid-overloaded-women-low-wage-jobs>. The report cites 13 million women in low-wage jobs (jobs with median wages below \$10.10/hour). Of these women, 1.8 million are home care workers, and thus approximately 1 in 7 female low wage workers are home care aides.
- 13 Feinberg, L. & Choula, R. (2012). Fact Sheet: Understanding the Impact of Family Caregiving on Work. Washington, D.C.: AARP Public Policy Institute. Available at: http://www.aarp.org/content/dam/aarp/research/public_policy_institute/ltc/2012/understanding-impact-family-caregiving-work-AARP-ppi-ltc.pdf.
- 14 A survey of home care agency staff in Pennsylvania found a turnover rate of 44% (University of Pittsburgh [2007] *The State of the Homecare Industry in Pennsylvania*, Prepared for the PA Homecare Association); a review of 13 state and 2 national studies of in-home care for persons with intellectual and developmental disabilities found an average turnover rate of 65% (Hewitt and Larson 2007); a study of agency-employed home care workers in Maine found a turnover rate of 46% (Morris, L. [2009] "Quits and Job Changes Among Home Care Workers in Maine," *The Gerontologist*, 49(5): 635-50).
- 15 Cooper, D. & Hall, D. (2013). Raising the federal minimum wage to \$10.10 would give working families, and the overall economy, a much-needed boost. Economic Policy Institute. Available at: <http://www.epi.org/publication/bp357-federal-minimum-wage-increase/>.
- 16 Seavey, D. (2004). *The Cost of Frontline Turnover in Long-Term Care*. Better Jobs Better Care, available at <http://tinyurl.com/PHI-Seavey2>. Updated figure November 2013.
- 17 For examples, see: PHI State Data Center <http://phinational.org/policy/states>: IL, MO, ND.
- 18 Introduced by Representative Rosa DeLauro (D-CT) in the 113th Congress. <https://www.congress.gov/bill/113th-congress/house-bill/1286>.
- 19 PHI is the lead sponsor of a \$2 million demonstration in New York City, in which an advanced home health aide role is being designed and implemented within three home care agencies that provide support services for members of Independence Care System, a managed-care agency. As senior aides, these workers will support other aides and interdisciplinary care teams, to reduce unnecessary emergency room visits and re-hospitalizations for members and reduce family caregiver burnout.
- 20 Howes, C. (2005). Living Wages and Retention of Home Care Workers. *Industrial Relations: A Journal of Economy and Society*, 44 (1), 139-163.
- 21 See DSW-RC for The North Dakota Association of Community Providers (NDACP) (2010) Recruitment and Retention of Direct Support Professionals in North Dakota: Analysis of 2010 NDACP Data, available at: <http://www.ndacp.com/ND%20Direct%20Support%20Professional%20Workforce%202010%20Dec-Final.pdf>. Also, PHI State Data Center, <http://phinational.org/policy/states/north-dakota/>.
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- 23 Totenberg, Nina (January 21, 2014). A Union For Home Health Aides Brings New Questions To Supreme Court. Available at: <http://www.npr.org/2014/01/21/264257440/illinois-case-brings-new-union-questions-to-supreme-court>.

Resources

PHI Policy Works (www.PHInational.org/policy) is a national strategy center working to strengthen the direct-care workforce and prepare our nation to care for a growing population of elders and people with disabilities by promoting effective national and state policy solutions.

The PHI State Data Center (www.PHInational.org/statedata) provides employment projections, wage data, health coverage statistics, and key initiatives related to the direct-care workforce in all 50 states.

Detailed information on wages for home care workers in all 50 states is available at: www.PHInational.org/policy/issues/wages.

For more background on the home care workforce, visit:

www.PHInational.org/homecarefacts.

This report is available online, with links to additional resources, at

www.PHInational.org/payingtheprice.

For additional questions, please contact PHI Director of Policy Research Abby Marquand at amarquand@PHInational.org.





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PHI 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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