

JANUARY 15, 2020



Home Care Employment in the Detroit Region: Opportunities for Improvement

Just over five years since declaring bankruptcy, the city of Detroit now boasts a range of new businesses, housing, arts and cultural institutions, and other amenities. Despite this remarkable economic rebound, Detroit remains the country’s poorest big city, with a poverty rate nearly three times the national average. There are two key ways to address this entrenched poverty: build pathways into work for those outside the labor force, and increase the number of jobs that promote economic self-sufficiency. The home care sector presents a unique case for enacting these strategies. On the one hand, due to the region’s growing older adult population, there are more and more home care jobs available—and with low barriers to entry, these jobs are a viable option for many workers entering or re-entering the labor force. On the other hand, given persistently low wages and few advancement opportunities, most home care jobs do not offer a reliable pathway out of poverty. This raises a question: can cooperative development help address these employment challenges in Detroit’s home care sector? This fact sheet summarizes the findings from PHI’s study of the feasibility of cooperative development and other strategies for: improving job opportunities for Detroit’s home care workers, addressing the home care workforce crisis, and strengthening access to quality care for those who need it.

By the Numbers: The Detroit Region’s Home Care Workforce

9,400	86%	45	74%	\$10.07	\$11.1k	63%	67%
Total Workers	Female	Median Age	People of Color	Median Wage	Median Annual Earnings	In or Near Poverty	Rely on Public Assistance

Note: These “By the Numbers” data refer to the Detroit Metropolitan Division (as defined by the U.S. Census), which includes Wayne County. Complete data definitions and citations are available in the full report.

THE HOME CARE WORKFORCE IN THE DETROIT REGION

Who Are Home Care Workers?

Home care workers provide essential support for older adults and people with disabilities in their homes and communities. The workforce includes *personal care aides*, who provide non-medical assistance with personal care and a range of other daily activities, and *home health aides*, who provide similar assistance but may also perform certain clinical tasks under the supervision of a licensed professional.

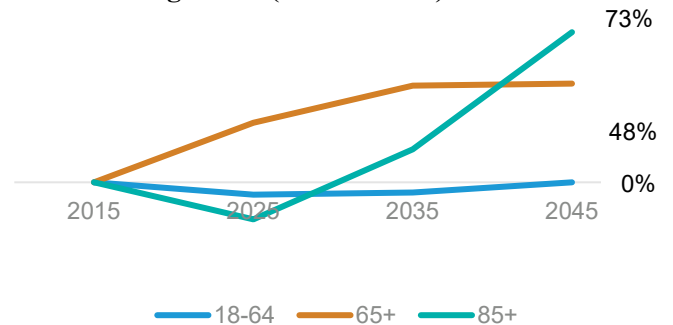
Increasing Need, Growing Demand

With Detroit’s population growing older (Figure 1) and long-term services and supports shifting from nursing homes to home and community-based settings, demand for home care in the region is growing.

Because of this rising demand, the home care workforce is projected to add nearly 9,600 new jobs between 2016 and 2026 in the Detroit region—more new jobs than any other occupation (Figure 2).

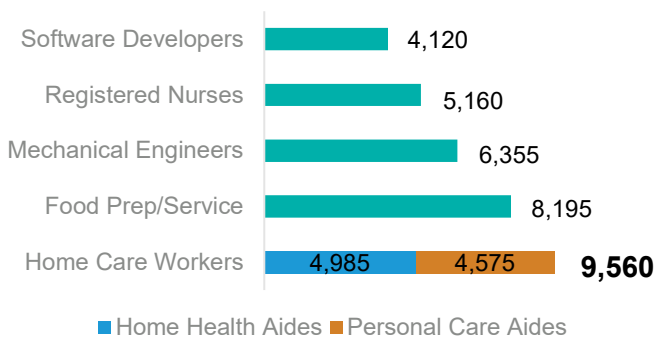
With fewer adults in the labor force and persistent job-quality concerns, the home care sector has reached a “crisis point,” in the words of one local stakeholder.

Figure 1: The Population of Wayne County Is Growing Older (2015 to 2045)



Source: Southeast Michigan Council of Governments (SEMCOG). “Wayne County - 2045 Forecast Summary.” <https://maps.semco.org/Forecast/>. Accessed 12/18/19.

Figure 2: Among the Top Five Fastest-Growing Occupations, Home Care Will Add the Most Jobs in the Detroit Metro Prosperity Region from 2016 to 2026



Source: Michigan Department of Technology, Management, and Budget. “Michigan Regional Long-Term Employment Projections 2016-2026.” <http://milmi.org/datasearch/projections-excel>. Accessed 12/18/19. (The Detroit Metro Prosperity Region includes Macomb, Oakland and Wayne County. Occupational employment projections are not available at the single county level.)

About This Research

This fact sheet highlights key findings from a mixed-methods feasibility study of cooperative development in the home care sector as a strategy for improving home care jobs in the Detroit region. The full report—along with similar reports for Buffalo and Rochester, NY—is available at PHInational.org. This research was made possible by generous support from the Ralph C. Wilson, Jr. Foundation.

FINDINGS ON THE FEASIBILITY OF COOPERATIVE DEVELOPMENT IN HOME CARE

This research found that low wages, insufficient hours, employment barriers, limited training, and few advancement opportunities are key challenges (among others) facing the home care workforce in Detroit. But the study also found promising evidence of efforts to improve home care jobs, including through cooperative development—an ownership model that, according to stakeholders, fits the grassroots ethos of the region.

Why Consider Cooperative Development?

A cooperative home care agency offers more than just short-term wages, with annual dividends and other benefits of worker-ownership representing real asset-development opportunities in the long term. The cooperative model also relies on worker-centered employment practices, such as supportive supervision, employment supports, participatory management practices, and career advancement. The potential for greater earnings over time and a better experience on the job could add significant value to the prospect of home care employment for Detroit’s job seekers.

However, nationwide, there are only 11 operational home care cooperatives that collectively employ about 2,500 workers and generate \$76.6 million in revenue—a fraction of the industry total. These figures indicate the challenges that may hinder efforts to launch and scale-up a new home care cooperative in Detroit. Another important consideration is that Michigan’s Medicaid-funded long-term services and supports may be transitioning to a managed care payment model in future. Although the details are yet to be determined, a new home care cooperative in Detroit must plan for this potential change in revenue dispersment—and prepare to capitalize on resulting opportunities to promote cost savings and improve care outcomes through high-quality employment practices.

THE COOPERATIVE ADVANTAGE IN HOME CARE

By empowering workers as decision-makers, investing in their jobs and careers, and fostering their long-term commitment, a small number of worker-owned home care agencies around the country are fundamentally challenge the industry’s status quo. The results? Wages are consistently higher for workers at these agencies, employment supports are the norm, and turnover is less than half the national average (at 38 percent versus 82 percent).

Source: Kazda, Katrina. 2019. “Quantifying the Cooperative Difference in Home Care.” National Homecare Cooperatives Conference, Dulles, DC, 11/21/19.

Key Resources for Cooperative Development in Detroit

The leading resource for cooperative development in Detroit is the **Center for Community-Based Enterprise (C2BE)**, a nonprofit organization that provides legal, business-planning, marketing, and employee-training expertise for worker-owned cooperatives and other community enterprises. C2BE is currently supporting two local home care cooperative initiatives, building momentum around the worker-ownership model in home care.

Other resources to support cooperative development include ProsperUS Detroit, which offers training, business services, and a micro-lending program for low to moderate income, minority and immigrant individuals; the Detroit Economic Growth Corporation, which supports emerging and expanding businesses; and Detroit SCORE, part of a **national network** dedicated to educating entrepreneurs and supporting small businesses. Finally, the IMPART Alliance, based at Michigan State University, represents an important workforce development resource. IMPART aims to build the infrastructure in Michigan to support the development of a well-trained home care workforce, including by creating a caregiving training academy and a high school training program around the evidence-based *Building Training, Building Quality* curriculum.

PROMOTING HOME CARE JOB QUALITY AND CARE QUALITY IN DETROIT

The following considerations for developing the home care workforce in the Detroit region arose from this analysis of the home care sector, the labor market, and the feasibility of cooperative development.

Pursue a Cooperative Conversion Strategy

Converting an existing agency to a cooperative model minimizes the time and capital required for start-up, as key operational elements—and possibly a pool of experienced workers—would already be in place. Converting *profitable* businesses would also maximize financing possibilities.

Implement Worker-Centered Employment Practices

A cooperative home care agency—like any worker-centered agency, regardless of ownership structure—could implement a range of strategies to improve the lives of home care workers and those they serve.

- **Leverage existing training models.** A home care cooperative in Detroit could leverage the high-quality curricula and training models that are already in place in the region. Partnering with workforce development organizations to build training and job placement pipelines would help offset recruitment and training costs and ensure a well-prepared workforce to support the agency's success.
- **Target supports to the needs of the labor pool.** Offering supports that address the barriers that trainees and workers face would distinguish a cooperative home care agency from its competition, stabilize its workforce, and minimize costs associated with vacancies and turnover. In particular, the agency could focus on: collaborating with organizations that offer assistance with child care or housing; exploring new transportation models; integrating referrals for social supports into recruitment and retention processes; and partnering with organizations that can recruit and support immigrant workers in targeted ways.
- **Demonstrate career pathways.** By improving home care workers' career development and compensation, a cooperative home care agency could access workforce development programs and funding. A field-leading option is to create senior aide positions that leverage home care workers' contributions to care.

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To read the full report, visit: PHInational.org/resource/home-care-cooperative-detroit/

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