

JUNE 10, 2026

# Falling Behind: How Declining Real Wages Are Undermining Individual Provider Workforce Stability in Washington State

BY STEPHEN MCCALL, SARAH ANGELL, AND KEZIA SCALES, PHD

In Washington State, approximately 60,000 individual providers (IPs) are hired directly by Medicaid consumers to deliver personal care and related services in the home. Washington State has long been a national leader in developing and supporting IPs as a critical segment of the full home care workforce. As states nationwide are grappling with how to recruit and retain a direct care workforce sufficient to meet growing demand, Washington has built one of the most comprehensive support systems for IPs through a sustained partnership between the state, SEIU 775, and Consumer Direct Care Network Washington (CDWA). This system includes strong training and certification requirements, a matching service registry that helps IPs find job opportunities that meet their needs, and collectively bargained wages tied to tenure in the field. Yet questions remain about whether IP wage levels are sufficient to recruit and retain the workforce that Washington's self-directed consumers depend on. This brief presents the findings from an independent analysis conducted by PHI, the nation's leading authority on the direct care workforce, of how wage trends for IPs have shaped recruitment and retention in recent years, with implications for ongoing and future investment in this essential workforce.



## Overview

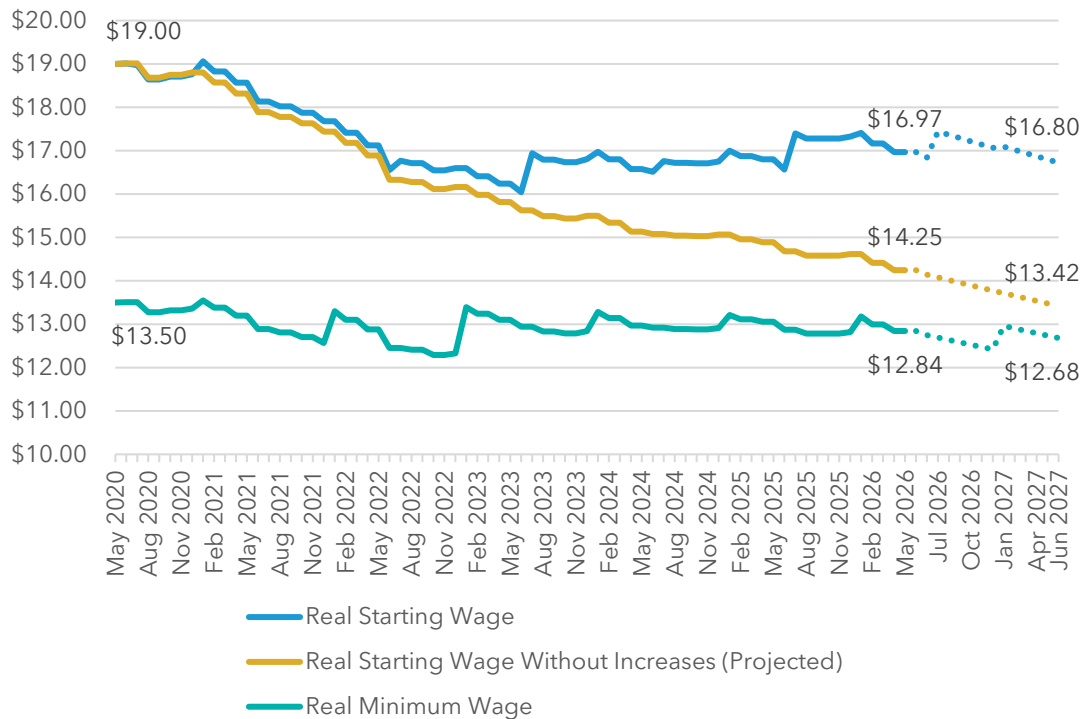
In the past decade, the largest wage increase negotiated through collective bargaining occurred in May 2020, when SEIU 775 and the state agreed on a starting wage of \$19.00 per hour (including base and hazard pay)—representing a \$3.00 increase over the previous starting wage. The 2020 wage increase was followed by incremental wage increases totaling \$3.63 through May 2026 (see Figure 1).

However, inflation has outpaced those wage gains, and real purchasing power for IPs has declined by \$2.03 (11 percent). The real wage premium over the state minimum wage has also narrowed, falling from \$5.50 in May 2020 to \$4.09 in May 2026, weakening the financial case for jobseekers to choose caregiving over other low-wage work. If current trends hold, workers will have lost \$2.28 in purchasing power by the end of the current collective bargaining agreement in June 2027. This decline in real wages was experienced by direct care workers nationwide.

This study examines how wage trends shaped workforce recruitment, retention, and separations among IPs in Washington State from 2019 to 2025. Significant labor market disruptions during this period—in Washington State and around the country—included the COVID-19 pandemic public health emergency, which began in January 2020 and reached the highest number of cases in January 2022,<sup>1</sup> and the rapid inflation from late 2021 to early 2023, peaking in June 2022 at the highest rate since 1982.<sup>2</sup> Specific to the long-term care sector in Washington, the employer of record for IPs transitioned from the Department of Social and Health Services (DSHS) to CDWA in January through March 2022, which generated substantial administrative challenges that contributed to workforce separations during that period.

In this brief, we present findings from the entire study period but particularly focus on more recent trends that impact the current workforce and underscore the need for policy responses. The analyses show both the progress Washington has made in building a stable, experienced workforce and the work that remains to be done to meet the state's ongoing and rising demand for care. As states across the country grapple with how to grow and stabilize their own direct care workforces, this study also demonstrates the importance of rigorously evaluating the impact of compensation policies on workforce recruitment and retention in order to make evidence-based investments going forward.

Figure 1: Real Starting Wages for IPs and Statewide Minimum Wage in Washington State, Observed and Projected, May 2020 to June 2027



Sources: Service Employees International Union Healthcare 775NW (SEIU 775). 2019. Collective Bargaining Agreement. Seattle, WA: SEIU 775. <https://seiu775.org/wp-content/uploads/2020/11/State-of-Washington-2019-2021-CBA-3.pdf>; Service Employees International Union Healthcare 775NW (SEIU 775). 2021. Collective Bargaining Agreement. Seattle, WA: SEIU 775. <https://seiu775.org/wp-content/uploads/2022/08/State-of-Washington-2021-2023-CBA.pdf>; SEIU 775. 2025. Collective Bargaining Agreement. Seattle, WA: SEIU 775. <https://seiu775.org/wp-content/uploads/2025/10/CDWA-CBA-Blackline-2025.pdf>; U.S. Bureau of Labor Statistics (BLS), Office of Prices and Living Conditions. 2026. *Current Price Index for Urban Wage Earners and Clerical Workers in Seattle-Tacoma-Bellevue, WA*. <https://www.bls.gov/cpi/data.htm>; analysis by PHI (May 2026).

Notes: Wages are adjusted for inflation using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Seattle-Tacoma-Bellevue metropolitan area. Inflation and the minimum wage are projected using monthly average growth in the CPI-W from April 2025 to April 2026, the most recent data month available at the time of this analysis.

## Methodology

For this analysis, PHI used a dataset comprising 8.3 million pay period records for more than 118,000 IPs employed between January 2019 and September 2025. The data was provided by the DSHS and CDWA. DSHS was the employer of record until early 2022, when CDWA assumed this role.

## Defining Employment and Workforce Stability

We calculated rolling annual hire, separation, and retention rates, as defined in Table 1. Rolling rates reflect the current and prior 11 months of data. We used rolling annual figures to smooth seasonal employment patterns and reveal the underlying direction of each trend in each month.

To enable trend analysis over the full six-year period, we aligned pay periods across the two employers of record. DSHS pay periods ran from the first to the 15<sup>th</sup> of each month and from the 16<sup>th</sup> to the end of the month. CDWA pay periods were also two weeks long but ran from Monday to Sunday and were not aligned with calendar months. We duplicated CDWA pay periods and adjusted their start and end dates to match DSHS periods. For example, we split a CDWA pay period spanning May 23<sup>rd</sup> to June 3<sup>rd</sup> into two periods spanning May 16<sup>th</sup> to 31<sup>st</sup> and June 1<sup>st</sup> to 15<sup>th</sup>. We adjusted hires and separations according to the number of CDWA pay periods in each harmonized period.

Table 1: Employment and Workforce Stability Measure Definitions

**Employment** A continuous stretch of work, starting with a worker’s first pay period in the dataset and ending with their last pay period before a break of six or more pay periods (which would constitute a separation, per the definition below).

<b>Hire Rate</b>	The rolling annual count of workers starting an employment stint (after at least six consecutive pay periods without reported hours) divided by rolling average employment, adjusted for variation in the number of pay periods per month.
<b>Separation Rate</b>	The rolling annual count of workers ending an employment stint (followed by at least six consecutive pay periods without reported hours) divided by rolling average employment, adjusted for variation in the number of pay periods per month.
<b>Retention Rate</b>	The rolling annual count of newly hired workers employed for at least six pay periods (three-month retention), 12 pay periods (six-month retention), or 24 pay periods (one-year retention), divided by the total number of workers hired over the same period.

## *Defining IP Characteristics*

We analyzed employment levels and hire and separation rates by the IP's relationship to their client. For the remaining analyses, we focused on unrelated IPs (i.e., those who are not family members of their clients), whose trends are more responsive to wages and working conditions. For this group, we examined the type of separation; hire and separation rates by urban or rural status and by experience level; and retention of new hires at three months, six months, and one year.

We classified separations as voluntary (e.g., due to job dissatisfaction) or involuntary (e.g., due to noncompliance with required training). Separation reasons were only available in the CDWA data (not in the DSHS data), were only available for a worker's most recent separation, and were not available for every separated worker. We therefore reported results for a share of separations with a recorded reason, rather than a share of all separations.

To compare workforce trends in urban and rural areas, we classified counties within U.S. Census Bureau Metropolitan Statistical Areas (MSAs) as urban and counties outside MSAs as rural.<sup>3</sup> We assigned IPs to an MSA by county in the DSHS data and by zip code in the CDWA data. Where zip codes cross MSA boundaries, we assigned the IP to the county holding the majority of that zip code's households.<sup>4</sup>

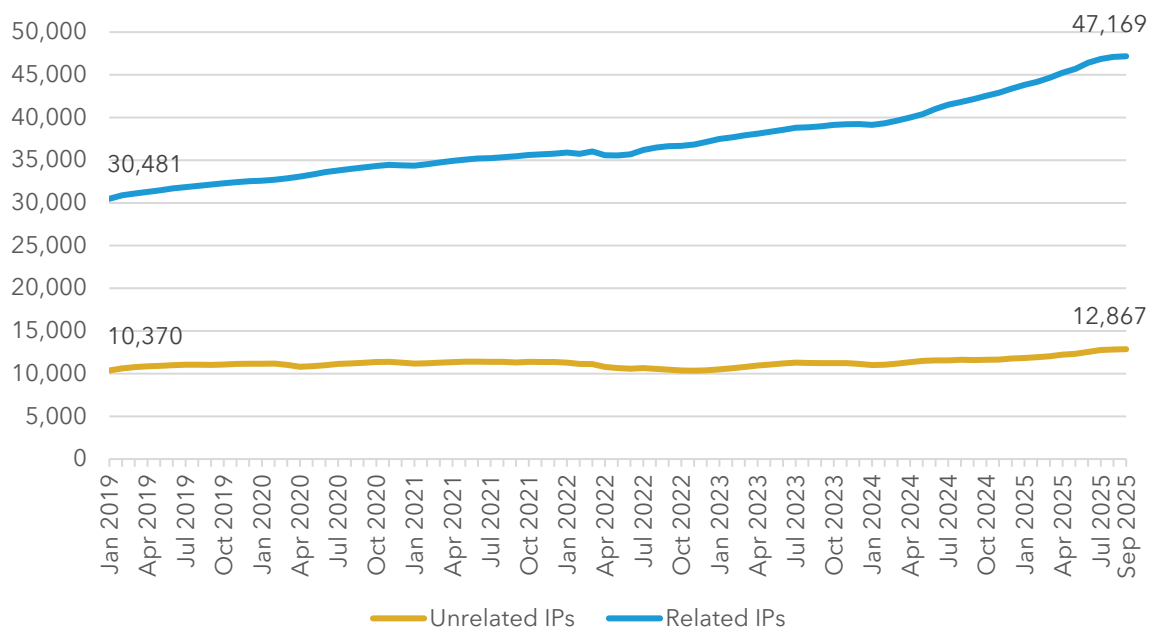
Finally, we measured work experience using career caregiving hours (CCHs), which is the cumulative total of hours a worker logged throughout their caregiving career. CCHs include IP hours and may include hours worked through a Medicaid-contracted home care agency starting in July 2022—if the IP decided to report these hours and their previous employer verified them.<sup>5</sup> CCHs also determine wages: successive collective bargaining agreements have required that the most experienced IPs earn between \$2.10 and \$2.41 more per hour than the least experienced IPs.<sup>6</sup> We categorized IPs into four experience tiers: ≤500 CCHs (three months or less of full-time work); 501–2,000 CCHs (three months to one year); 2,001–10,000 CCHs (one to five years); and ≥10,001 CCHs (more than five years).

## Key Findings

### 1. The workforce is growing, particularly among related IPs.

- The IP workforce in Washington grew by 41 percent over the study period, from nearly 40,900 in January 2019 to over 60,000 in September 2025 (see Figure 2).
- Growth was especially concentrated among IPs who are related to those they care for: related IP employment grew by 46 percent, compared to 22 percent growth among unrelated IPs.
- The increased number of adult children caring for their parents accounted for 69 percent of total growth among related IPs, indicating the aging population was the primary driver of IP employment growth.

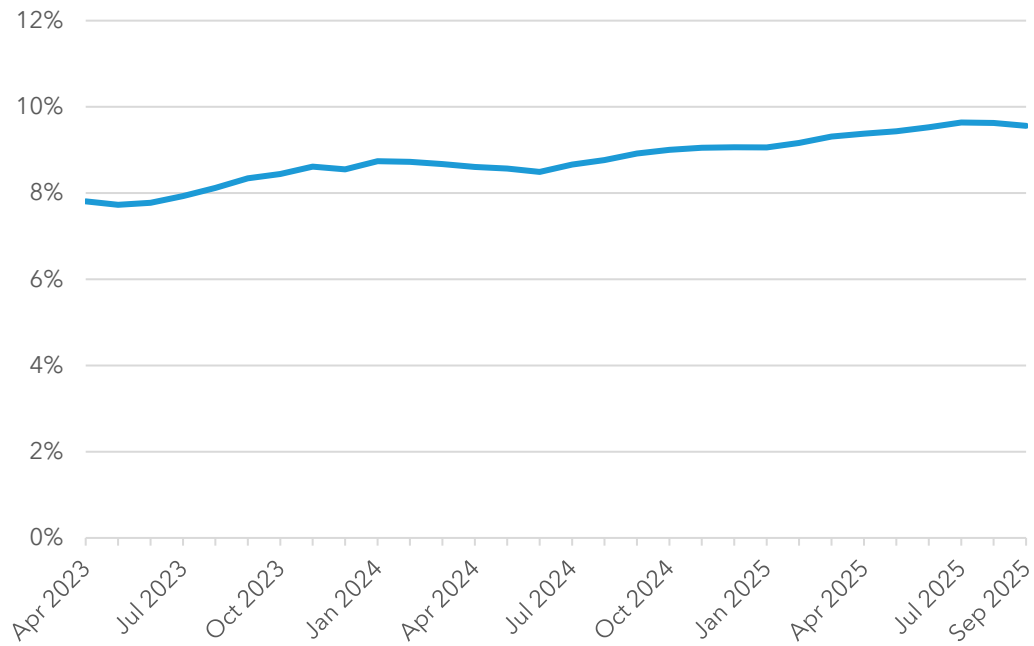
Figure 2: IP Employment in Washington State, by Client Relationship, January 2019 to September 2025



## 2. One in ten related IPs per year take on an unrelated client.

- The rate at which related IPs started caring for unrelated clients increased slightly from 8 percent in April 2023 to 10 percent in September 2025 (see Figure 3).

Figure 3: Rolling Annual Rate at Which Related IPs Start Caring for Unrelated Clients in Washington State, April 2023 to September 2025

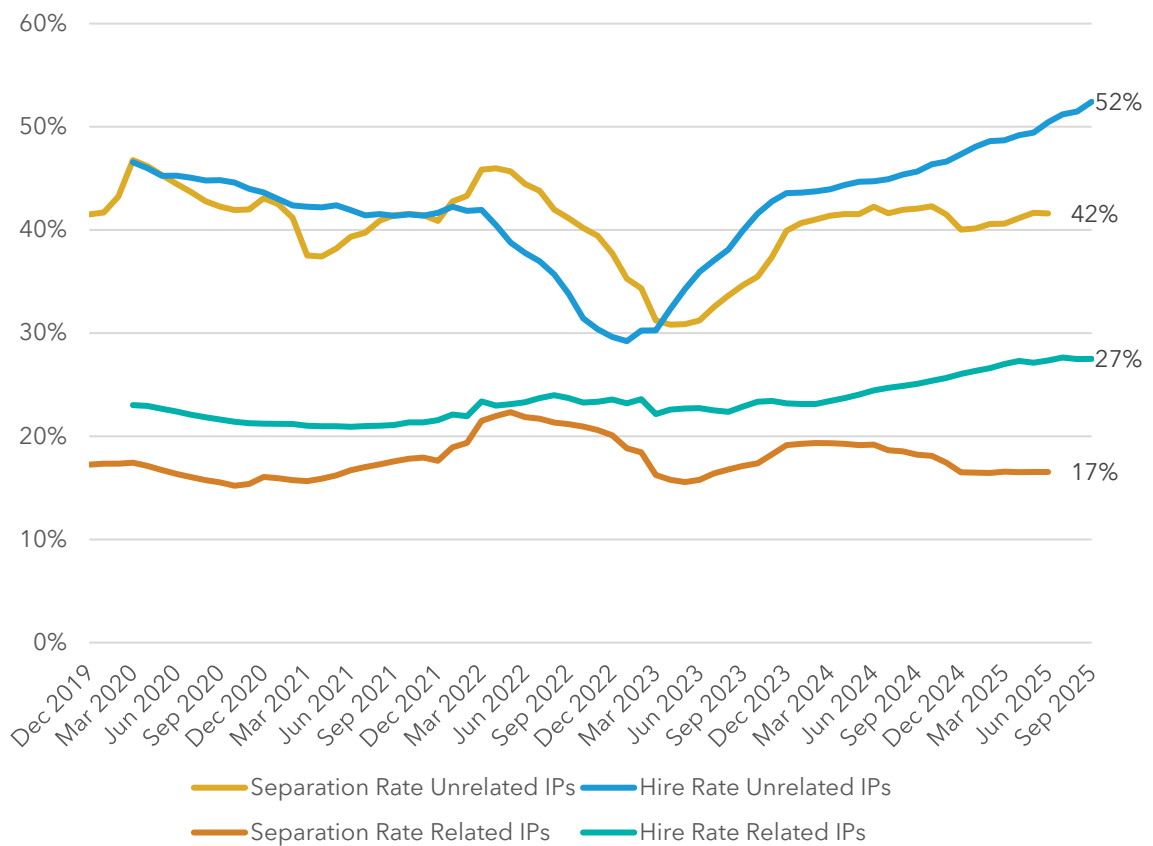


Note: Data begin in April 2023 because rolling annual rates require 12 months of data, and April 2022 was the first full month of CDWA IP employment with complete data on client relationships. Data limitations made it impossible to determine whether a related IP employed by DSHS had begun caring for an unrelated client.

### 3. Hire and separation rates are both higher for unrelated than related IPs, and the gap is widening.

- The rolling annual hire rate for related IPs was 23 percent at the start of the study period in March 2020, then rose gradually to 27 percent by September 2025. The separation rate increased from 17 percent at the start in December 2019 to a peak of 23 percent in May 2022, then fell back to 17 percent by June 2025 (see Figure 4).
- The unrelated IP hire rate fell from 47 percent at the start to a low of 29 percent in January 2023, with a sharper decline in 2022. It then rose to 52 percent by September 2025. Similarly, the separation rate fell from 41 percent at the start to a low of 31 percent in April 2023, then increased to 42 percent by June 2025.
- By the end of the study period, hire and separation rates for unrelated IPs were 25 percentage points higher than for related IPs.

Figure 4: Rolling Annual IP Hire and Separation Rates in Washington State, by Client Relationship, December 2019 to September 2025



Notes: Separation rates begin in December 2019 because rolling annual rates require 12 months of prior data. Hire rates begin in March 2020 because identifying new hires requires six pay periods of employment history. Separation rates end in June 2025 because confirming a separation requires six pay periods of follow-up after the last recorded pay period with work hours.

#### 4. Hire rates for unrelated IPs are similar in urban and rural areas, but the separation rate is higher in urban areas.

- At the end of the study period, the hire rate in urban areas was only two percentage points higher than in rural areas, while the separation rate was seven percentage points higher (see Figures 5 and 6).

Figure 5: Rolling Annual Hire Rate for Unrelated IPs in Washington State by Urban and Rural Area, December 2019 to September 2025

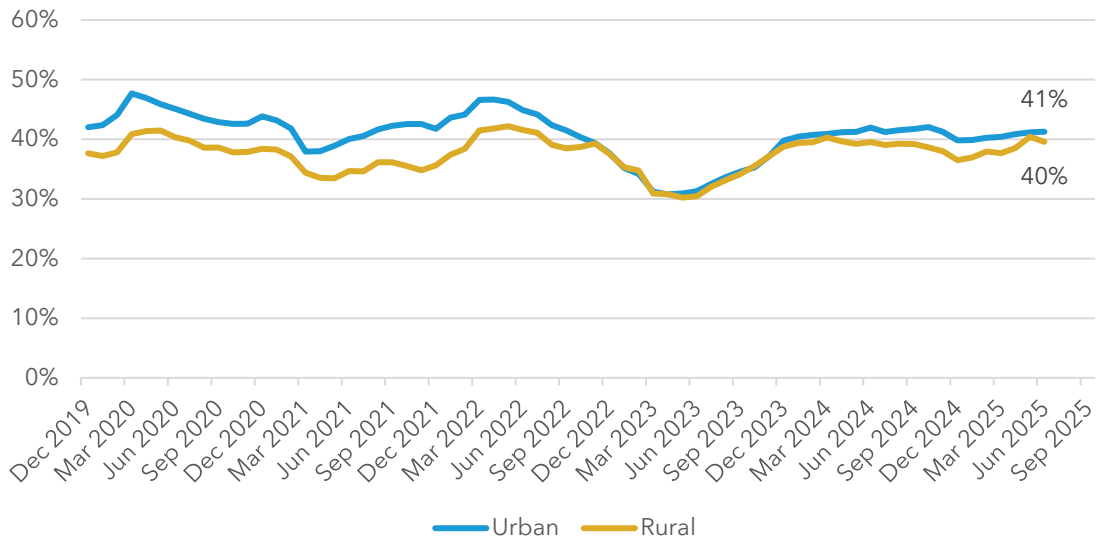
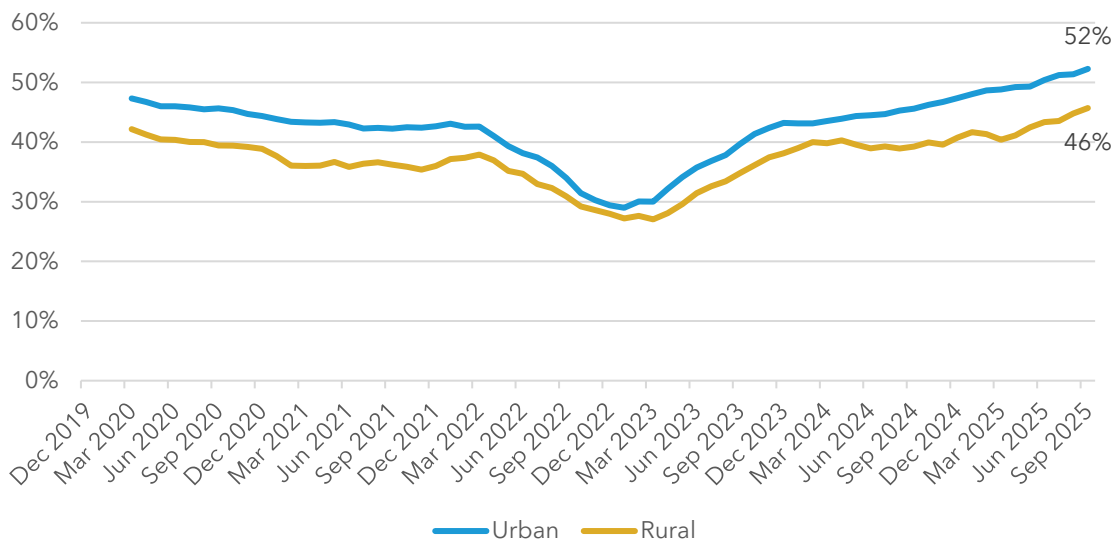


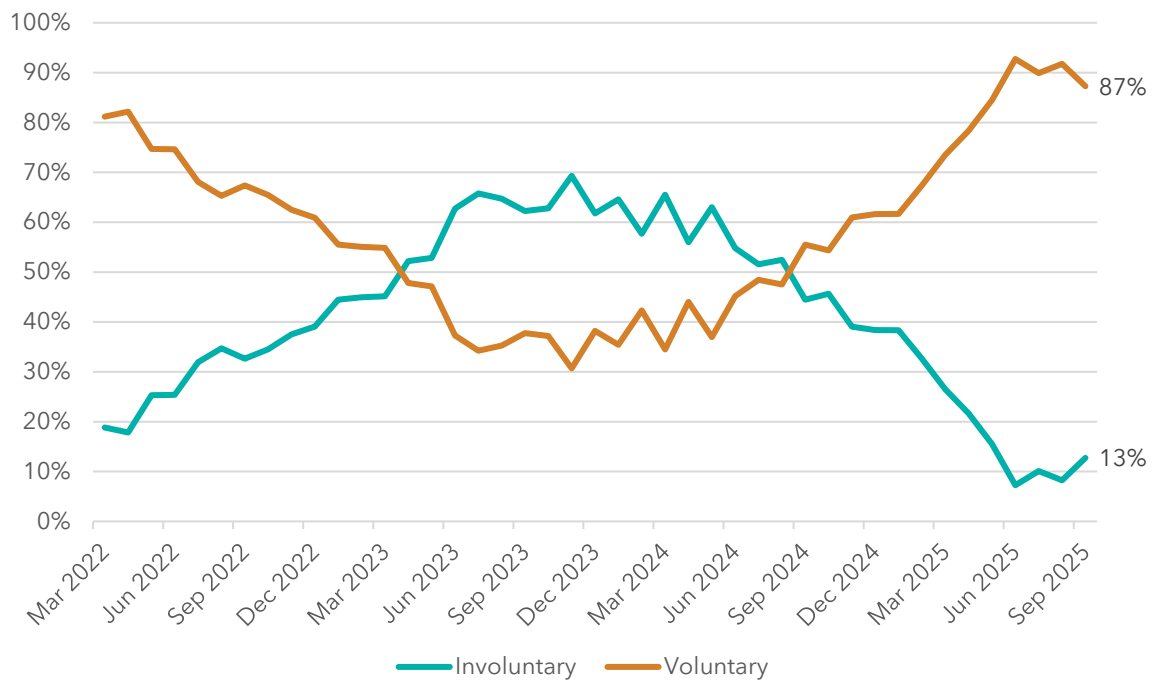
Figure 6: Rolling Annual Separation Rate for Unrelated IPs in Washington State by Urban and Rural Area, December 2019 to September 2025



## 5. Most recent separations among unrelated IPs are voluntary.

- Most separations were voluntary following the CDWA transition (81 percent), then dipped to a low of 31 percent by November 2023 before rising back up to 87 percent by September 2025.
- The involuntary separation rate rose substantially after the transition from 18 percent at the start to a high of 69 percent in November 2023 before decreasing to 13 percent by September 2025.
- The most common reason for involuntary separations across all months was noncompliance with annual training requirements.

Figure 7: Voluntary and Involuntary Separations as a Share of Total Recorded Separations Among Unrelated IPs in Washington State, March 2022 to September 2025

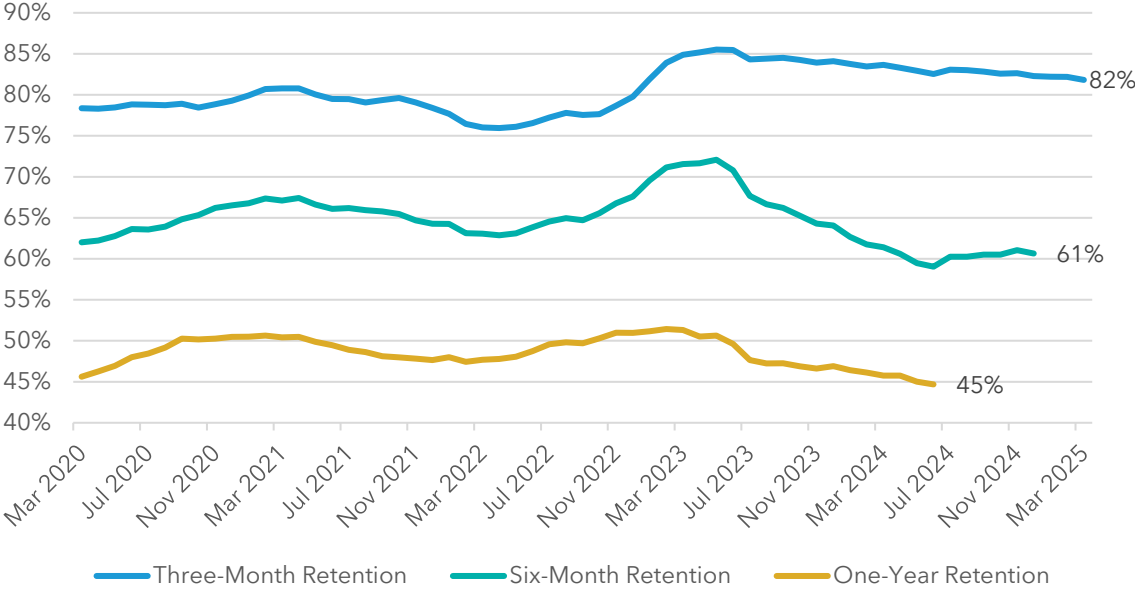


Notes: Data reflect the period after the transition to CDWA starting in March 2022 because the reason for separation was not recorded in DSHS employment records.

## 6. After improving, retention rates appear to be falling among unrelated IPs in their first year of employment.

- The three-month retention rate for newly hired unrelated IPs was 78 percent in March 2020 and rose to a high of 86 percent in May 2023. Since then, the three-month retention rate has declined again somewhat to 82 percent.
- The six-month retention rate followed a similar trajectory, rising from 62 percent in the beginning of the study period to a high of 72 percent by May 2023, then declined substantially to 61 percent.
- The one-year retention rate started considerably lower at 46 percent but rose to 51 percent in November 2022 before falling again to 45 percent. Since August 2023, most newly hired unrelated IPs have left within one year.

Figure 8: Rolling Three-Month, Six-Month, and One-Year Retention Rates of Unrelated IPs Hired in the Prior Year, March 2020 to March 2025

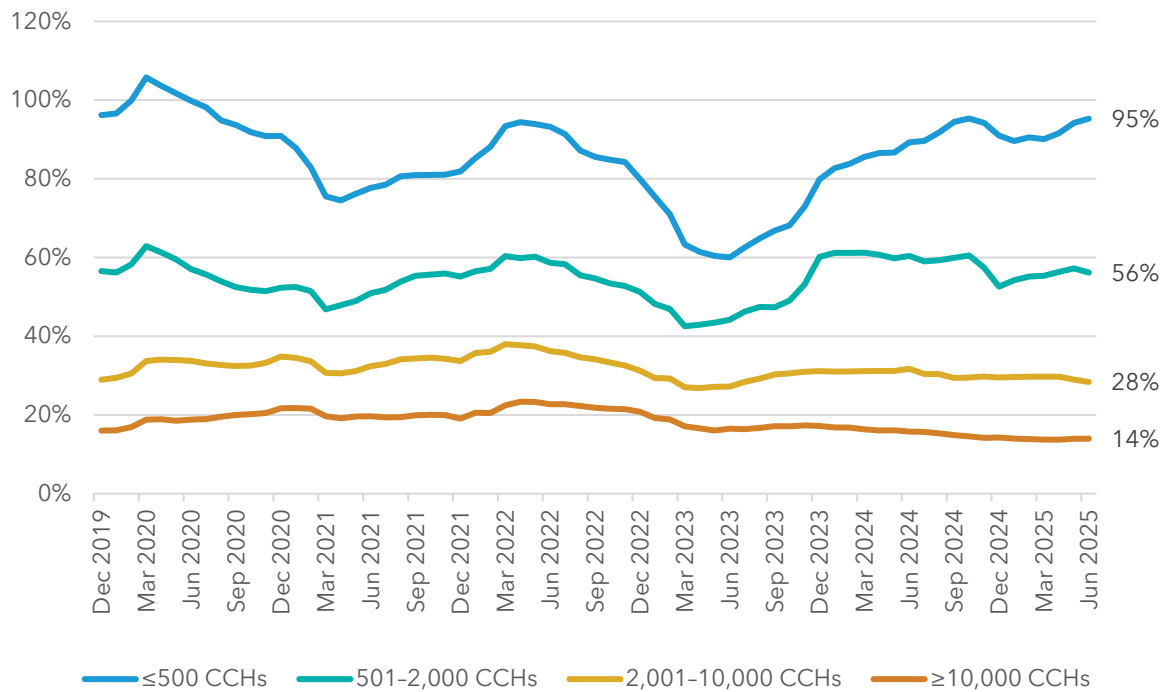


Note: Retention rates begin in March 2020 because rolling annual rates require 12 months of prior data and identifying new hires requires six pay periods of employment history. Three-month retention rates end in March 2025, six-month rates end in September 2024, and one-year retention rates end in March 2024, as each requires an observation window plus six pay periods of follow-up to confirm whether a separation occurred.

## 7. Separation rates fell then rose most sharply among the least tenured unrelated IPs.

- For unrelated IPs with 500 or fewer CCHs, the separation rate was 96 percent in 2019 but decreased—with fluctuation—to 60 percent by June 2023 before climbing back up to 95 percent by June 2025 (see Figure 9). This means the number of unrelated IPs with 500 or fewer CCHs who separated from their jobs in the 12 months ending in June 2025 was nearly equal to the average number employed during that period.
- For those with 501 to 2,000 CCHs, the separation rate also decreased from 57 percent at the start to a low of 43 percent in March 2023 before increasing more modestly to 56 percent by June 2025.
- Separation rates for unrelated IPs with 2,001 to 10,000 CCHs and those with more than 10,000 CCHs have been more constant over time.

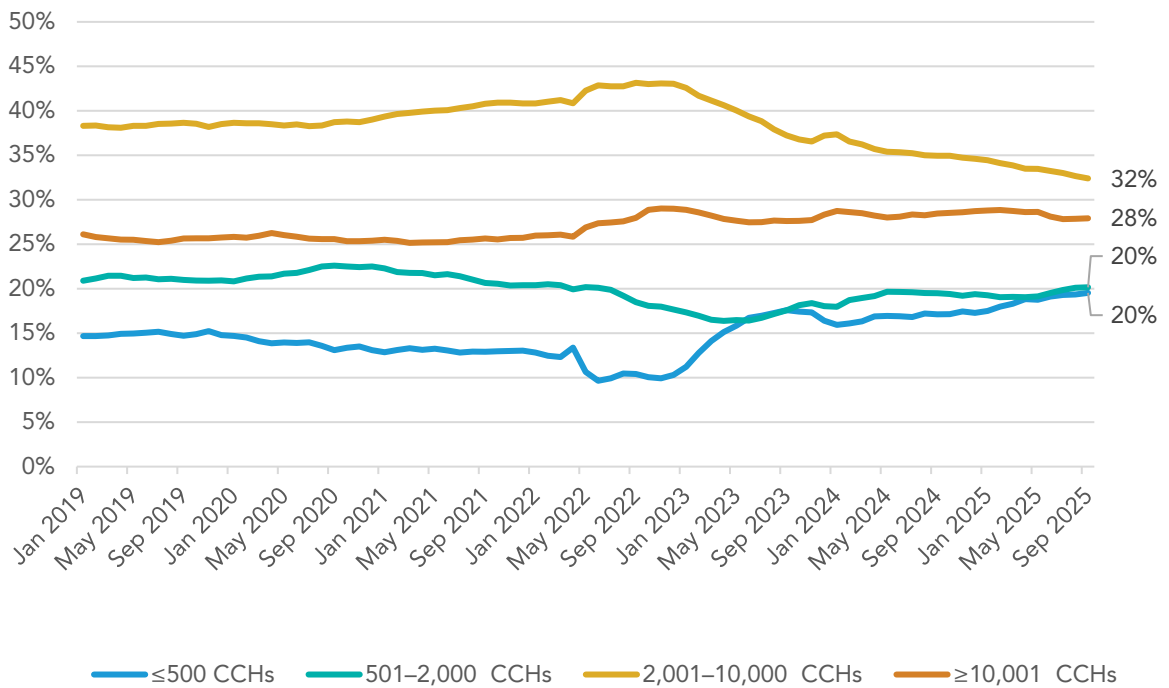
Figure 9: Rolling Annual Unrelated IP Separation Rates in Washington State, by Career Caregiving Hours (CCHs), December 2019 to June 2025



## 8. Workers with fewer career caregiving hours are a growing share of unrelated IPs.

- The share of unrelated IPs with 2,001 to 10,000 CCHs rose modestly from 38 percent at the start to 43 percent in September 2022, before falling to 32 percent in September 2025 (see Figure 10).
- The share with 500 or fewer CCHs grew from 15 percent to a low of 10 percent in June 2022, then increased to 20 percent in September 2025.

Figure 10: Share of Unrelated IPs in Washington State, by Career Caregiving Hours (CCHs), January 2019 to September 2025





## Discussion

Hazard pay provided to IPs in Washington State during the COVID-19 pandemic was critical to supporting them through the public health crisis. During the pandemic years, the IP hire rate fell—likely reflecting national recruitment challenges during that time<sup>7</sup>—but so did the separation rate, and retention rates among newly hired unrelated IPs rose. Taken together, the trends suggest hazard pay helped stabilize the workforce and care delivery.

However, subsequent wage increases—while important—do not appear to have been sufficient to stabilize the IP workforce in the longer term, particularly the non-family segment of this workforce. Unrelated IPs have a critical role: not all consumers have family members available or willing to serve as paid caregivers, and some prefer the clearer professional boundaries that can be established with someone outside their family.

The recent rising rate indicates the starting wage is high enough to attract new workers, but most new unrelated IPs leave within their first year, with separations primarily occurring between the fourth and twelfth months in the field. The result is a workforce that is growing in number but not in stability or experience, with most new hires replacing workers who just left. This turnover carries personal and systemic costs—when a worker leaves, the consumer they support must find, orient, and establish trust with a new caregiver, potentially experiencing service gaps and unmet needs in the meantime. Onboarding new workers also increases costs for the state, which funds training and certification for each new IP.

Growth in the IP workforce has been driven primarily by related providers—paid family caregivers—whose separation rates are consistently lower than those of unrelated IPs. This stability reflects personal bonds and family obligation more than wages or working conditions, though some related IPs are taking on unrelated clients. Paying family caregivers formalizes and sustains care relationships that are already in place, supporting care continuity for consumers while offering family members compensation that makes caregiving financially viable.<sup>8</sup> Building on the findings presented here, more research is needed to understand why family caregivers become IPs, how their experience in the role compares to that of unrelated IPs, and what strategies could encourage more related IPs to take on new, unrelated clients.

As noted in the Overview and reflected in the findings, several external factors shaped IP workforce trends during the study period. The years 2020 through 2022 were marked by a global pandemic, historic inflation, and the transition from DSHS to CDWA. Although the contributions of these various events to workforce trends are difficult to disentangle, the picture is clearer for the period that followed—specifically, there was a wave of involuntary separations due to challenges with training and background checks in 2023 and 2024. CDWA and SEIU 775 have worked to address many of these barriers, for example, by eliminating the 90-day reapplication ban for workers terminated due to annual training noncompliance.<sup>9</sup> The sharp decline in involuntary separations since mid-2024 confirms that administrative factors are no longer the primary driver of workforce separations.

The factors now shaping turnover likely include the rising cost of living, competing job opportunities in other industries, and scheduling challenges, as well as wages. These and other factors inform the personal calculus that workers must make in deciding whether caregiving remains a viable employment option. When the financial premium for choosing caregiving over other low-wage work is shrinking—as the data show it is—the case for staying becomes harder to make, particularly for new workers who may be less attached to caregiving as a career. Addressing that structural challenge will require sustained investment in compensation levels that keep pace with both inflation and the labor market alternatives available to current and prospective IPs in the state.

Importantly, the economic conditions surrounding current workforce trends in Washington State are national in scope—and nearly every state leveraged federal emergency funding to make targeted investments in direct care workers' wages and job quality during the COVID-19 pandemic.<sup>10</sup> Following Washington State's lead, states around the country must make evidence-informed decisions about how to continue investing in and supporting IPs and the rest of the direct care workforce—considering compensation alongside training, career advancement, and other dimensions of job quality—to ensure that workers have good jobs and consumers have access to the care they need.

## Acknowledgements

We extend sincere thanks to SEIU 775 for recognizing the importance of data in shaping policymaking and investing in the analysis that generates that evidence. We also gratefully acknowledge CDWA and DSHS for providing the employment data on which this study relies. We also thank Corwin Rhyan for his contributions to this study's methodology and analyses.

**Authors:** Stephen McCall, Sarah Angell, and Kezia Scales, PhD

**Suggested Citation:** PHI. 2026. *Falling Behind: How Declining Real Wages Are Undermining Individual Provider Workforce Stability in Washington State*. New York, NY: PHI.

## Notes

<sup>1</sup> Bittinger, Katie, Devin Noel-Harrison, John Bauer, David Mancuso, and Barbara Felver. 2024. *Evaluation of Washington's COVID-19 Public Health Emergency Demonstration: The Impact of Waiver Authority on Stabilizing the Long-Term Support Services System during COVID-19*. Olympia, WA: Washington State Department of Social and Health Services. <https://www.dshs.wa.gov/ffa/rda/research-reports/evaluation-washington%E2%80%99s-covid-19-public-health-emergency-demonstration-impact-waiver-authority-stabilizing-long-term-support-services-system-during-covid-19>.

<sup>2</sup> U.S. Bureau of Labor Statistics (BLS), Office of Prices and Living Conditions. 2026. *Current Price Index for Urban Wage Earners and Clerical Workers in Seattle-Tacoma-Bellevue, WA*. <https://www.bls.gov/cpi/data.htm>; analysis by PHI (May 2026).

<sup>3</sup> U.S. Census Bureau. n.d. "About Metropolitan and Micropolitan Statistical Areas." Last modified February 27, 2026. <https://www.census.gov/programs-surveys/metro-micro/about.html>.

<sup>4</sup> U.S. Department of Housing and Urban Development, Office of Policy Development and Research. 2021. *HUD USPS ZIP Crosswalk Files*. <https://www.huduser.gov/apps/public/uspscrosstalk/login>.

<sup>5</sup> Service Employees International Union Healthcare 775NW (SEIU 775). 2021. *Collective Bargaining Agreement*. Seattle, WA: SEIU 775. <https://seiu775.org/wp-content/uploads/2022/08/State-of-Washington-2021-2023-CBA.pdf>.

<sup>6</sup> Service Employees International Union Healthcare 775NW (SEIU 775). 2019. *Collective Bargaining Agreement*. Seattle, WA: SEIU 775. <https://seiu775.org/wp-content/uploads/2020/11/State-of-Washington-2019-2021-CBA-3.pdf>; SEIU 775. 2025. *Collective Bargaining Agreement*. Seattle, WA: SEIU 775. <https://seiu775.org/wp-content/uploads/2025/10/CDWA-CBA-Blackline-2025.pdf>.

<sup>7</sup> Tyler, Denise, Melissa Hunter, Natalie Mulmule, and Kristie Porter. 2021. *COVID-19 Intensifies Home Care Workforce Challenges*. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. <https://aspe.hhs.gov/reports/covid-19-intensifies-home-care-workforce-challenges>.

<sup>8</sup> Kate Murray, Merle Edwards-Orr, Highsmith Rich, Molly Morris, and Kathleen Ujvari. 2021. *Paying Family Caregivers to Provide Care during the Pandemic and Beyond*. Washington, D.C.: AARP Public Policy Institute. <https://tsschoices.aarp.org/resources-and-practices/paying-family-caregivers-provide-care-during-pandemic-and-beyond>.

<sup>9</sup> SEIU 775. 2026. *Amendment to the 2025-2027 CBA Article 34: Annual Compliance Training*. Seattle, WA: SEIU 775. <https://seiu775.org/wp-content/uploads/2026/04/MOU-CDWA-CBA-Article-34-Amendment.pdf>.

<sup>10</sup> National Academy for State Health Policy. 2022. "States Use American Rescue Plan Act Funds to Strengthen Home and Community-Based Service Workforce." <https://nashp.org/state-tracker/states-use-american-rescue-plan-act-funds-to-strengthen-home-and-community-based-service-workforce/>.



SEIU 775 represents more than 60,000 long-term care workers providing home care, nursing home care, and residential services in Washington, Montana, and Alaska. Founded in 2002, the union has bargained for significant improvements in wages and benefits for its members. The union also provides representation for workers who experience paycheck disputes, unfair terminations, or disciplinary actions. SEIU 775 is governed by a democratically elected board and bargaining teams composed of members.

For more information, visit [www.seiu775.org](http://www.seiu775.org).



PHI is a national organization committed to strengthening the direct care workforce by producing robust research and analysis, leading federal and state advocacy initiatives, and designing groundbreaking workforce interventions and models. For 35 years, we have brought a 360-degree perspective on the long-term care sector to our evidence-informed strategies. As the nation's leading authority on the direct care workforce, PHI promotes quality direct care jobs as the foundation for quality care.

For more information, visit our website at [www.PHInational.org](http://www.PHInational.org).

© 2026 PHI