



POLICY BRIEF | JULY 2026

DEFEND LABOR RIGHTS

Stop the rollback of basic
workplace protections for
direct care workers.



PHI

QUALITY CARE
THROUGH
QUALITY JOBS

Defend Labor Rights

Congress and the states must act to stop the rollback of basic workplace protections for direct care workers.

INTRODUCTION

Direct care workers provide essential daily support to older adults and people with disabilities across long-term care settings. Yet these workers—overwhelmingly women and disproportionately people of color and immigrants—continue to face low wages, unstable schedules, unsafe workloads, and other job quality challenges and occupational hazards.¹ Recent federal actions threaten to deepen these long-standing inequities by stripping wage protections from home care workers, weakening safeguards against worker misclassification, eliminating nursing home staffing standards, and reducing federal oversight and workforce data capacity.

This brief focuses on labor rights: the basic protections, standards, and enforcement capacity needed to ensure direct care jobs are safe, fairly compensated, and free from exploitation. The brief is part of a three-part series that also addresses how federal actions on Medicaid and immigration are reshaping the landscape of long-term care and directly harming direct care workers. These briefs are designed to help policymakers, advocates, and others understand these federal policy changes and their interconnected impacts—and champion a better way forward.

Spotlight on the Direct Care Workforce

5.4 million personal care aides, home health aides, nursing assistants, and direct support professionals

85% Female

64% People of Color

28% Immigrants

\$17.36 Median Hourly Wage

\$25,998 Median Annual Earnings

36% Live in or Near Poverty

49% Access Public Benefits

31% Rely on Medicaid

772,400 New Direct Care Jobs Projected Between 2024-2034

9.7 Million Total Direct Care Job Openings Projected Between 2024-2034

We still have a very long way to go in asserting our labor rights as domestic workers. We continue to... persevere in demanding legislation from our elected leaders and government agencies that domestic workers [including home care workers] will also be granted the same rights as other laborers have...

– Teresita Sattar, Caregiver, Los Angeles, CA

THE EROSION OF LABOR RIGHTS

Recent federal policy changes and proposals are undermining job quality and professional recognition for direct care workers across roles and care settings.

Basic Protections Under Attack

The U.S. Department of Labor (DOL) has proposed to reverse historic progress by excluding home care workers from the Fair Labor Standards Act.² This action would deny home care workers the minimum wage and overtime protections that are granted to nearly every worker in the country.³ The proposal ignores the successful implementation of these protections since 2015, when they were finally extended to home care workers, and perpetuates the devaluation of home care work.

DOL is also making it easier for employers to classify employees as independent contractors, which harms workers by removing workplace protections and benefits while forcing them to shoulder the full burden of payroll taxes.⁴ This change could be especially harmful to home care workers, who already face heightened risk of being erroneously classified as independent contractors.⁵

Nursing Home Staffing Standards Repealed

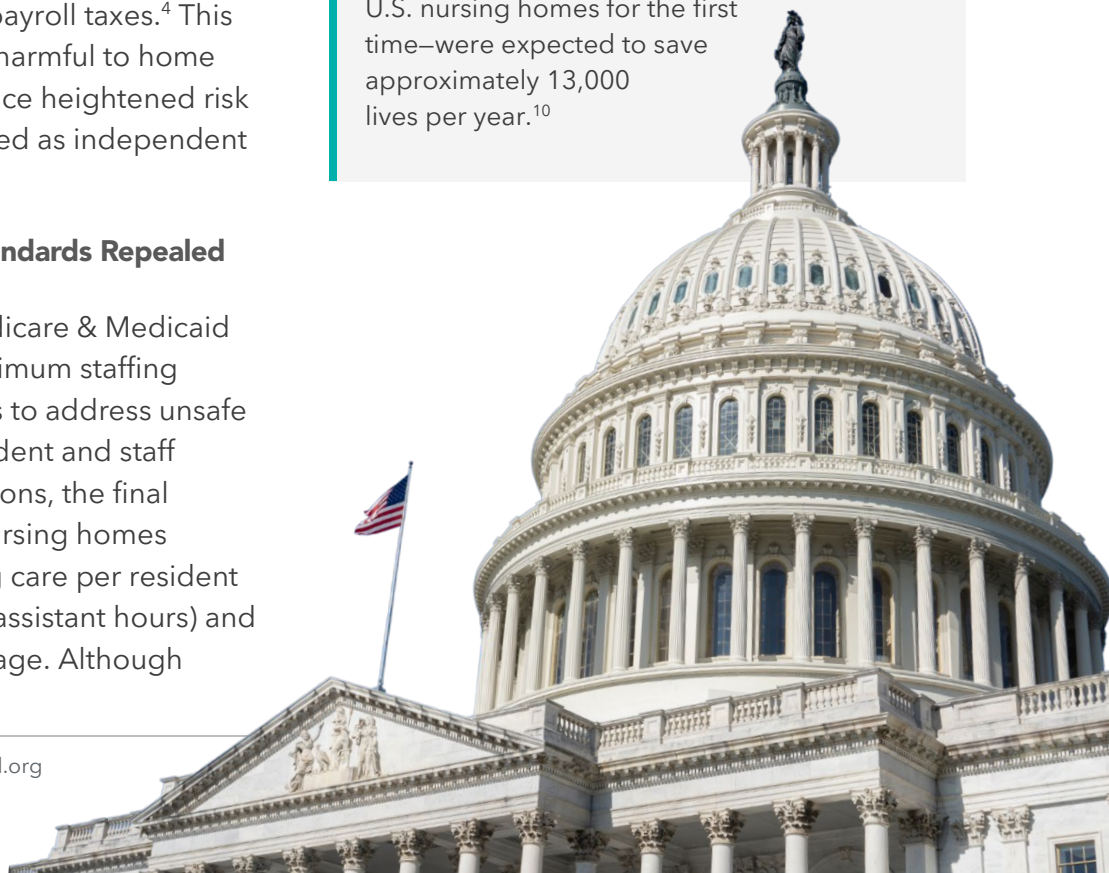
In 2024, the Centers for Medicare & Medicaid Services (CMS) finalized minimum staffing standards for nursing homes to address unsafe workloads and improve resident and staff safety.⁶ Among other provisions, the final staffing rule required that nursing homes ensure 3.48 hours of nursing care per resident day (including 2.45 nursing assistant hours) and 24/7 registered nurse coverage. Although

these standards were decades in the making, CMS repealed them the following year, before implementation even began—disregarding the robust evidence linking staffing levels to care quality and removing a critical lever for workforce protection and improvement.⁷

Weakened Oversight and Infrastructure

Direct care workers' labor rights depend on enforcement, oversight, and reliable data. Yet workforce reductions and funding cuts at key federal agencies have decimated the infrastructure needed to enforce the law, monitor labor-market conditions, and support state systems that depend on federal guidance.⁸ For example, DOL lost more than 14 percent of its workforce in 2025 alone, while the U.S. Department of Health and Human Services (which includes CMS and the Administration for Community Living, among other agencies) reduced staffing by nearly 20 percent.⁹

Did You Know? The federal nursing home staffing standards finalized in 2024—which set minimum thresholds for safe staffing levels in U.S. nursing homes for the first time—were expected to save approximately 13,000 lives per year.¹⁰



WHY LABOR RIGHTS MATTER FOR THE DIRECT CARE WORKFORCE

Labor rights are central to direct care workers' job quality, and in turn impact the stability of this workforce and access to long-term services and supports (LTSS) for all those who need them.

Direct care jobs are characterized by low wages, unstable hours, limited benefits, and high economic insecurity—but these conditions are not inevitable. Instead, they are the result of policy choices that have historically undervalued care work and the people who provide it. The federal policy actions discussed here will exacerbate poor employment conditions for direct care workers and further destabilize an already stretched workforce. The changes will make these jobs less sustainable, drive up workforce turnover, worsen recruitment challenges, and expand resulting workforce shortages.

Labor rights also matter because direct care employment conditions have a significant effect on care continuity and quality. Workers who are underpaid, overworked, and unsupported are less able to stay and succeed in their jobs, despite their commitment to the work or the skills and experience they bring. Conversely, a stable, adequately prepared, and sufficiently compensated and respected workforce is well-positioned to provide the consistent, relationship-based care on which older adults and people with disabilities depend.

Did You Know? Misclassification of home care workers as independent contractors rather than employees results in an estimated \$7,719 to \$10,963 per worker per year in lost wages, benefits, and protections.¹¹



CALL TO ACTION

Today's policy choices will determine whether the direct care workforce—and the long-term care system that this workforce sustains—can meet growing care needs into the future. The following recommendations describe what policymakers must do to mitigate the harmful erosion of labor rights and build more stable, equitable care infrastructure across our country.

Protect and Enforce Direct Care Workers' Labor Rights

The DOL should withdraw its proposed rollback of minimum wage and overtime protections and fully restore enforcement of home care workers' basic labor rights. Congress should pass the *Fair Wages for Home Care Act*, which would enshrine minimum wage and overtime protections for home care workers in federal law.¹²

Likewise, DOL should withdraw—or Congress should require DOL to withdraw—its proposed independent contractor rule and retain a worker-classification standard that reflects the economic realities of home care work.

States can do their part to protect this workforce by examining whether their own laws enshrine direct care workers' rights. Where gaps exist, states should follow examples set by other states, like Oregon's recent legislation that ensures minimum wage and overtime protections for home care workers, regardless of federal rollbacks.¹³

Reinstate Nursing Home Staffing Standards

CMS should withdraw its repeal of federal nursing home staffing standards, and Congress

should pass the *Nurses Belong in Nursing Homes Act* to create a much-needed floor for safety and workforce stability in nursing homes.¹⁴ In addition, states should adopt their own staffing standards—following the evidence-based examples set by California and New York, among other states¹⁵—and align Medicaid reimbursement rates to support compliance, safer workloads, and quality jobs.

Rebuild Federal Labor and Data Infrastructure

Congress and the Administration should restore staffing, leadership, and resources across agencies responsible for labor enforcement, workforce data, and long-term care financing and oversight. Reliable Bureau of Labor Statistics data, effective enforcement, and strong oversight are essential to measuring workforce conditions, upholding labor standards, and designing policies that improve direct care job quality.

Invest in a National Direct Care Workforce Strategy

To meet our country's growing LTSS needs, state and Congressional leaders must prioritize sustained investment in the direct care workforce. A national direct care workforce strategy should include establishing universal entry-level competencies, stackable and portable credentials, and integrated career pathways, underpinned by financing structures that support wage progression and retention.¹⁶

Investing in the direct care workforce—our nation's largest workforce—will pay dividends for individuals, families and communities, our health and long-term care systems, and our economy overall.

OPPORTUNITIES TO COLLABORATE

For more than three decades, PHI has provided evidence-based, non-partisan research, analysis, technical assistance, and advocacy to policymakers, advocates, employers, and other partners in the long-term care field. Known as the nation's leading authority on the direct care workforce, we stand as a trusted resource ready to provide expert assistance in navigating complex policy and practice challenges and designing solutions that work effectively for direct care workers and those they support.

Please reach out to [Amy Robins, Senior Director of Policy](#), for more information and opportunities to collaborate.

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ABOUT PHI

PHI works to transform eldercare and disability services. We foster dignity, respect, and independence for all who receive care, and all who provide it. As the nation's leading authority on the direct care workforce, PHI promotes quality direct care jobs as the foundation for quality care.

Drawing on more than 30 years of experience working side-by-side with direct care workers and their clients in cities, suburbs, and small towns across America, PHI offers all the tools necessary to create quality jobs and provide quality care. PHI's trainers, researchers, and policy experts work together to:

- Learn what works and what doesn't in meeting the needs of direct care workers and their clients, in a variety of long-term care settings;
- Implement best practices through hands-on coaching, training, and consulting, to help long-term care providers deliver highquality care;
- Support policymakers and advocates in crafting evidence-based policies to advance quality care.

For more information,
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