

# Home Care Workforce Shortage

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## Introduction

The number of people who need home care services is growing rapidly as the population of older adults and people with disability in the U.S. increases, and the setting of long-term care shifts to services provided in private homes. These home care services most often provide at-home options that allow older adults to age in place, such as personal care, transportation, companionship, and dietary and nutritional services. Nationally, the demand for frontline home care workforce that provides most of these home care services is the fastest-growing of any occupation.

However, there is concern over shortages of direct care workers in home care as existing workers are leaving this field or exiting the labor force altogether. The demand for direct care workers has outpaced improvements in their job quality, and many employers struggle to fill vacant positions. Unpredictable scheduling and turnover disrupt independence and compromise health and quality of life outcomes among older adults and persons living at home with disabilities. Workforce shortages also put more pressure on family members, many of whom struggle to balance caregiving with paid employment. The shortage of direct care workers results from low wages and limited benefits for workers – for a job that increasingly demands the skill to support individuals with complex health conditions and to respond constructively to client behaviors.

Resolving the workforce crisis requires successful measures to improve job quality to attract and keep workers. Home care companies and Congress have many levers that could attract new home care candidates and keep them on the job. Providing home care services can be made a rewarding career, with workforce ready to provide the care seniors and people with disabilities and their families rely on, if we make certain improvements.

## Home Care Facts

- The demand for home-care workers is projected to grow the fastest of any occupation in America, much faster than the average for all occupations. The home care workforce has more than doubled in size over the past decade, from nearly 900,000 workers in 2008 to nearly 2.3 million in 2018. The U.S. is projected to add over one million new jobs in this field during the next decade and will also need to fill an additional 3.7 million job openings created by turnover during the same timeframe. This workforce primarily includes personal care aides and home health aides, although some nursing assistants also work in home care.<sup>1</sup>
- The home care workforce is disproportionately composed of women of color, and nearly one-third of workers are immigrants. A home care job requires minimal education and little training; just over half of home-care workers have a high school education or less.<sup>2</sup> Training standards often provide inadequate preparation for the tasks and relationships involved, and there are few career-advancement opportunities for home-care workers.

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<sup>1</sup> Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook. "Home Health Aides and Personal Care Aides," September 4, 2019. <https://www.bls.gov/ooh/healthcare/home-health-aides-and-personal-care-aides.htm>.

<sup>2</sup> PHI Workforce Data Center. "National Educational Trends: Direct Care Workers by Educational Attainment, 2017." Data Interactive, August 30, 2019. <https://phinational.org/policy-research/workforce-data-center/>.

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- “The workforce shortage in home care is severe in rural areas, which tend to have few accessible medical, social, and long-term care services and resources, all of which ease caregiving burden.<sup>3</sup> Workers in rural areas also can face long travel distances and times between clients and fewer public transportation options.
- Home care workers’ wages and benefits have barely increased during the past decade. The adjusted median hourly wage, which was \$10.83 per hour in 2008, grew only to \$11.52 per hour by 2018, despite increasing demands and a recovered national economy.<sup>4</sup> The work is inconsistent over the course of the year, so it generates a typical annual income of \$16,200.<sup>5</sup> With low wages and inconsistent hours, 18% of home care workers live below the federal poverty level, and 48% of home-care workers live below 200% of the federal poverty line.<sup>6</sup>
- More than half of home care workers rely on public assistance to survive, using such programs as nutrition assistance or cash assistance. Home-care workers often have difficulty accessing employer-based health coverage or affording alternatives. Over 42% of home care workers rely on tax funded health coverage, most often Medicaid.<sup>7</sup>
- Among other job strains that spur turnover, home-care workers may experience verbal abuse and/or physical violence on the job.<sup>8</sup>
- Data for monitoring and researching the home care workforce is very limited. Few states and municipalities track data on the homecare workforce, which makes it difficult for researchers and programs to evaluate and craft interventions to improve long-term care via workforce reform.<sup>9</sup>

## Strategies to Address the Home Care Workforce Shortage

- **Increase Medicaid reimbursement** to increase home-care workers’ wages and improve consumers’ access to services. Home care jobs are largely government-funded, primarily by Medicare and Medicaid. Increases to Medicare and Medicaid rates to providers should include requirements that the funding go to wage increases and should be subject to audit by state and federal officials.
- **Enforce FLSA requirements.** Home care workers have recently received basic wage and overtime protections to match what most U.S. workers covered under the Fair Labor Standard Act (FLSA) have long had. The U.S. Department of Labor enforces the Home Care Final Rule of 2013, which extends wage and overtime protections to more home-care workers, including those who perform the same jobs at group homes. Since the rule went into effect in 2015, advocates report inconsistent enforcement across states and providers. If properly funded (through Medicaid and

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<sup>3</sup> Espinoza, Robert. “8 Signs the Shortage in Paid Caregivers Is Getting Worse.” *PHI* (blog), February 2, 2017. <https://phinational.org/8-signs-the-shortage-in-paid-caregivers-is-getting-worse/>.

<sup>4</sup> PHI Workforce Data Center. “National Wage Trends: Direct Care Worker Median Hourly Wages Adjusted for Inflation, 2008 to 2018.” Data Interactive, August 30, 2019. <https://phinational.org/policy-research/workforce-data-center/>.

<sup>5</sup> Bureau of Labor Statistics, U.S. Department of Labor, “Home Health Aides and Personal Care Aides.”

<sup>6</sup> PHI Workforce Data Center. “National Poverty Trends: Direct Care Workers by Poverty Level, 2017.” Data Interactive, August 30, 2019. <https://phinational.org/policy-research/workforce-data-center/>.

<sup>7</sup> PHI Workforce Data Center. “National Public Assistance Trends: Direct Care Workers Accessing Public Assistance, 2017.” Data Interactive, August 30, 2019. <https://phinational.org/policy-research/workforce-data-center/>.

<sup>8</sup> Karlsson, Nicole D., et al. “Home Care Aides’ Experiences of Verbal Abuse: A Survey of Characteristics and Risk Factors.” *Occup Environ Med* 76, no. 7 (July 2019): 448–54. <https://doi.org/10.1136/oemed-2018-105604>.

<sup>9</sup> Espinoza, “8 Signs the Shortage in Paid Caregivers Is Getting Worse.”

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Medicare) and enforced, the rule should lead to higher wages rather than shorter working hours for home care workers.

- **Adopt employment benefits programs** that include sick leave, paid family medical leave, health insurance, and retirement security. For example, a sick-leave framework can be modeled on the federal Healthy Families Act to allow domestic workers to earn up to seven paid sick days per year. Home-care workers could use the earned sick time to care for their own family members or for self-care. Recognizing that health and stability of caregivers translates to worker retention and care recipients' improved health, home care workers deserve affordable health care and tools to save for their retirement. Worker access to and interest in these benefits is understudied, limiting informed consideration on related policy alternatives to improve workforce retention.
- **Provide federal funds for training and continuing education for home care workers** that can provide the following three actions: 1) raise entry-level training standards so that all home care workers can expect to be properly prepared for the role, and the entire workforce can better meet the complex needs of clients 2) create recognized career ladder opportunities that are linked to further training and enhanced compensation and 3) ensure that funding is available to cover entry-level training requirements, continuing education, and career advancement. Training support should be similar to Medicaid supports for the training of nursing assistants in institutional settings. Training reduces attrition rates and increases job satisfaction among home care workers.<sup>10</sup> New York City, for instance, held a multi-year training initiative that led to increased retention and job satisfaction among home-health aides.<sup>11</sup> In 2016, the city enacted programs to help home-health aides obtain relevant skills.<sup>12</sup>
- **Evaluate and monitor** both regional demands and workforce adequacy – i.e., its volume, stability, and compensation.<sup>13</sup> Crucial data include staffing statistics, turnover and vacancy rates, wages, benefits, and annual income. Better analysis of local and regional workforce needs can be used to efficiently distribute training and financial resources.
- **Establish a worker wage standard board** to investigate standards in the home care work industry and to issue recommendations to the U.S. Secretary of Labor. The board should regularly assess the workforce standards to promote the health, safety, and well-being of these workers, and achieve a living wage for them. For any issues not within the Secretary's authority, the Board should make recommendations to Congress to do an expedited review and take action on the issue.

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<sup>10</sup> "Personal and Home Care Aide State Training (PHCAST) Demonstration Program Evaluation." Report to Congress. Rockville, MD: U.S. Health Resources and Services Administration, September 1, 2016.

<https://www.hrsa.gov/sites/default/files/about/organization/bureau/bhw/reportstocongress/phcastreport.pdf>.

<sup>11</sup> PHI. "New Home Care Aide Training and Employment Initiative Improves Job Satisfaction and Retention, Study Finds." Press Release, February 20, 2015. <https://hjweinbergfoundation.org/wp-content/uploads/downloads/2015/02/New-Home-Care-Aide-Training-and-Employment-Initiative-Improves-Job-Satisfaction-and-Retention-Study-Finds.pdf>.

<sup>12</sup> NYS Department of Health. "New York State Authorizes Advanced Home Health Aides, Enabling More New Yorkers to Live with Dignity in their Homes and Communities." Press Release, December 2, 2016. [https://www.health.ny.gov/press/releases/2016/2016-12-02\\_advanced\\_home\\_health\\_aides.htm](https://www.health.ny.gov/press/releases/2016/2016-12-02_advanced_home_health_aides.htm).

<sup>13</sup> "The Need for Monitoring the Long-Term Care Direct Service Workforce and Recommendations for Data Collection." Contractor Report. DSW Data Collection Recommendations. National DSW Resource Center, February 2009. <https://www.medicaid.gov/sites/default/files/2019-12/monitoring-dsw.pdf>.

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- **Organize home care services** provided according to need in small areas like neighborhoods – and otherwise aggressively innovate to discern the efficient use of home-care workers. Service coordination should seek to reduce travel time and expenses, allow more regular working hours, and improve continuity of care with consistent assignment of staff to care recipients. Efficiency gains like these are needed to bridge gaps between older adults’ growing needs and the available workforce.
- **Provide infection control** by having adequate personal protective equipment and testing for diagnosis and immunity when the care recipient has or might have an infectious condition or when contagious infections are circulating in the community.

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