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To: Health and Labor Legislative Aide

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Re: Critical Job Creation Opportunity

As Congress prepares to address the global economic crisis, we hope that you will include America's direct care workforce. To serve the needs of our elder and disability communities in the coming decade, our nation will need *one million* new direct-care workers. Investing in these jobs could lift millions of Americans out of poverty and give an important boost to our faltering economy.

We can support low-wage workers, create jobs, spur economic growth, and build a desperately needed caregiving infrastructure to support American families in caring for our rapidly aging population!



3 MILLION DIRECT-CARE WORKERS:

Shovel-Ready and Prepared to Care



Our economic recovery also depends on jobs that don't require shovels!

Investing in the direct-care workforce will:

- ✓ Get money quickly into the hands of low-wage workers who will spend it locally.
- ✓ Stabilize a critical part of our health care infrastructure.
- ✓ Ensure that growing numbers of older Americans and people with disabilities get the care they need.

According to the Bureau of Labor Statistics, by **2016 America will need 4 million direct-care workers**—home health aides, CNAs, and personal care attendants. That is more than the number of teachers needed to educate our children. Investing today in a stable, well-trained direct-care workforce will **spur economic recovery, strengthen American families and ensure that older Americans can age with dignity in the setting of their choice.**



Direct-care jobs are primarily government-funded and employ millions of low-income women

- In low-income communities, one in ten workers work in direct care, supporting older adults and people with disabilities. The recession will hit these communities the hardest.
- The federal government has a preexisting pipeline to these workers, since 70 cents of every dollar paid to this workforce is paid for with government funds.
- These are among our economy's fastest-growing jobs, but they will only be good jobs with increased investment to give workers family-sustaining wages and the training to succeed.



Investment in direct-care workers will spur economic growth

- **Prevent job loss** due to Medicaid cuts to elder and disability services.
- **Meet growing demand for services** and create 1 million new jobs.
- **Support fast, local recovery** because these low-wage workers spend their wages on local goods and services needed to support their families.

To prepare to care for an aging America and strengthen our economy, the federal government should:

- ✓ **Improve** direct-care jobs by improving compensation, with a target of ensuring that all direct-care workers earn at least \$12 an hour and have health insurance.
- ✓ **Target the eldercare/disability services industry** in sectoral and workforce development efforts, directing federal training money toward direct-care worker training, job placement, and retention activities.
- ✓ **Extend** federal minimum wage and overtime protections to home care aides.
- ✓ **Provide grants** to states to enhance and upgrade the content of direct-care worker training and to expand and improve their training infrastructure.

For more information: www.PHInational.org



The Direct-Care Workforce: An Engine for Economic Growth and Quality Care

Today, three million direct-care jobs—personal and home care aides, home health aides and certified nursing assistants—are both critical to our economy and vital to our social infrastructure. These positions are recession-proof and plentiful—projected to add more jobs than any other occupation in the country—and offer essential work opportunities for low-income individuals, displaced workers and students.

A federal investment in direct-care jobs will have three immediate benefits: circulate money in the economy quickly, stabilize employment in low-income communities where one in 10 work in direct care, and meet the needs of millions of American families who rely on direct caregivers to support their loved ones.

PHI Recommends:

Two federal agencies—the Centers for Medicare and Medicaid Services and the Department of Labor—are well-positioned to promote an investment in direct-care jobs.

The **Centers for Medicare and Medicaid Services**, the primary public payer of elder care/disability services, can serve as the conduit for additional federal investment into direct-care jobs—encouraging state investment in an employment/healthcare strategy. **CMS** should:

- Invest in improving the quality of direct-care jobs by increasing wages and expanding benefits, with a target of ensuring that all direct-care workers providing services through public programs earn at least \$12 an hour and have health insurance.
- Provide demonstration grants and increase technical assistance to states to develop direct-care workforce monitoring and data collection systems, as well as strategic workforce development plans that ensure the adequacy and stability of the direct-care workforce by reauthorizing and expanding permissible uses of Medicaid Transformation Grants.
- Revise waiver application and review processes, as well as any state plan review processes, to include greater oversight of the adequacy and quality of their direct-care workforce.

The **Department of Labor** through its training and job placement programs, including its Workforce Investment Act resources, can recruit and prepare a direct-care workforce to meet the growing demand for long-term care services. **DOL** should:

- Launch a *Direct Care Worker Investment Act*, a program that would specifically direct federal workforce training money toward long-term care worker training, job placement, and retention activities, as recently proposed by the *Center for American Progress*.
- Target the eldercare/disability services industry and direct-care jobs in other sectoral and workforce development initiatives.
- Revise the companionship exemption to the Fair Labor Standards Act to extend federal minimum wage and overtime protections to home care aides.



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Direct-Care Jobs are Amongst the Fastest-Growing in the Nation

- Healthcare is the nation’s fastest growing employment sector. Within healthcare, employment growth is driven largely by long-term care jobs—growing three times as fast as other jobs within the economy as a whole.
- Nationwide, 3 million direct-care workers provide assistance and support to a many of the 10 million elders and people with disabilities who need help with basic activities of daily living. Most work in private homes, but also in assisted living and nursing homes.
- Over the next decade, these positions combined will add more jobs than any other occupation in the entire economy —1 million more by 2016.

Federal Investment in Direct-Care Jobs Can Help to Address our Economic Crisis while Yielding Essential Social Benefits

- The United States faces a *significant recession*, one that will require an ongoing response that creates decent jobs and gets money into the hands of people who will spend it.
- Direct care is a major source of employment for low-wage workers—particularly women of color. In fact, roughly one of every ten low-wage workers is a direct-care worker.
- Recent reports from groups as diverse as the *Institute of Medicine* and the *Center for American Progress* have targeted the direct-care workforce as a key element of our health care and health assistance infrastructure—and worthy of significant public investment.
- Investment in the direct-care workforce yields multiple benefits—economic development and job creation while strengthening the health service delivery system supporting our frailest citizens and their family caregivers..

The Quality of Direct Care Jobs is the Most Significant Lever that Policymakers Have Over the Quality of Long Term Care Services

- Direct-care workers provide 70 to 80 percent of the hands-on long-term services and supports received by Americans with disabilities or living with chronic conditions.
- Because they spend the most time with consumers, these frontline caregivers are often in the best position to notice changes in the consumer’s condition, which left unattended might develop into serious medical problems.
- Low pay leads to high turnover in direct care jobs and prevents workers and consumers from establishing a stable caregiving relationship – one that enables the worker to provide personalized service reflecting the consumer’s individuality and preferences.
- Public funding pays for 70¢ out of every \$1 spent on long-term care services.

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