Here’s How We Achieve a Strong Economy: Invest in Direct Care Workers

BY STEPHEN CAMPBELL

In the last 10 years, the long-term care industry created 1.5 million jobs. Most of this job growth was due to the rising demand for direct care workers spurred by the growth in the population of older adults. From 2016 to 2026, an additional 1.8 million jobs will be created in the long-term care sector, including 1.2 million direct care jobs. This growing demand for direct care workers means that job creation in the U.S. will increasingly be driven by the need for hands-on support for older adults and people with disabilities. However, direct care jobs compensate workers poorly and leave many in poverty. If these issues are not addressed, growth in these jobs may contribute to greater financial instability for American families. To meet new demand for care and to ensure a strong economy, we need to improve the quality of direct care jobs.
TWO CHARTS TO CHANGE THE WAY YOU THINK ABOUT THE ECONOMY

From 2007 to 2017, the long-term care industry added 1.5 million jobs (31 percent growth), including more than one million direct care jobs (54 percent growth).

- Over the same period, one in six jobs created in the U.S. was in long-term care. The food and beverage service industry—which added two million jobs—was the only industry that added more jobs.

- In the past decade, four out of five new long-term care jobs were in the home care industry. Home care workers accounted for most of this industry-based growth, with the workforce growing by 809,000 jobs.

- From the end of 2007 to mid-2009, the overall economy shed 7 million jobs, whereas the long-term care industry added 328,000 jobs.

From 2016 to 2026, the long-term care industry is projected to add 1.8 million jobs, including 1.2 million direct care jobs.

- From 2016 to 2026, more jobs will be created in the long-term care sector than in any other industry. One in six jobs created in the economy will be in long-term care.

- The home care workforce—which will grow by more than one million new jobs—will contribute the most to the job growth in long-term care. Growth in the home care workforce will outpace the combined growth of the fast food and registered nurse workforces, the second and third fastest-growing jobs.


DISCUSSION

Over the next decade, this country will continue to move toward a caring economy: long-term care will contribute more new jobs than any other industry, primarily due to the growth of the direct care workforce. Moreover, the new job growth in this sector will outpace its growth over the previous decade. These new jobs cannot be outsourced, and because they require caring and empathy, they will likely be among the last jobs to become automated.

However, new direct care jobs may contribute to greater inequality, wider racial and gender-based disparities, and a weaker economy. Today, direct care workers earn median annual incomes of $17,000. One in five direct care workers lives in poverty, and nearly half rely on public assistance to support their families. Home care workers face even greater financial instability than direct care workers in other industries. Women of color in direct care are especially disadvantaged—they constitute a large and growing segment of the workforce, yet they are more likely to live in poverty than their peers. Living wages, better training and advancement opportunities, employer-provided benefits, and full-time hours for direct care workers would help ensure that new job openings in the fastest-growing segment of our economy translate into economic opportunities for job seekers.

New jobs in direct care will also enable workers in other sectors to participate in the economy more fully—family caregivers in the labor force will be able to reliably supplement their unpaid care by hiring direct care workers. Currently, most of the 44 million family caregivers in the U.S. have changed their work schedules or left their jobs to attend to loved ones, and these family caregiving obligations ultimately cost the economy $28 billion in lost productivity. Women in the workforce are disproportionately impacted, as women constitute two-thirds of all family caregivers. Ensuring an adequate supply of direct care workers will allow American workers to reach their full economic potential while providing the peace of mind that their loved ones are supported.
METHODOLOGY

“Direct care workers” include personal care aides, home health aides, and nursing assistants, as defined by the Standard Occupational Classification system developed by the Bureau of Labor Statistics at the U.S. Department of Labor. Industries are defined by the North American Industry Classification System (NAICS) developed by the Office of Management and Budget (OMB). “Long-Term Care” includes continuing care retirement communities and assisted living facilities (NAICS 623300), home health care services (NAICS 621600), nursing homes (NAICS 623100), residential intellectual and developmental disability facilities (NAICS 623210), services for older adults and people with disabilities (NAICS 624120), and vocational rehabilitation services (NAICS 624300). “Home Care” includes home health care and services for older adults and people with disabilities.


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NOTES

1 The direct care workforce will grow by a total of 1.3 million jobs, including 104,000 jobs in settings outside of long-term care. Employment projections for all industries can be found at https://www.bls.gov/emp/.
About PHI

PHI works to transform elder care and services for people with disabilities. 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 25 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, in order to help long-term care providers deliver high-quality care; and
- Support policymakers and advocates in crafting evidence-based policies to advance quality care.

For more information, visit our website at www.PHInational.org or 60CaregiverIssues.org.

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