



## The Pressing Need to Improve Wages and Benefits for the Workers Who Help Aging Americans Stay at Home

Sandra Butler, University of Maine

As Americans enter old age, elders and their loved ones alike hope they will be able to remain as independent as possible. Nursing facilities are very expensive, and people prefer to grow older at home as long as they can. Currently, four out of five elders in need of long-term care live at home in the community. Most of the personalized care they require comes from family members. But such unpaid family care may be less available in the future, given smaller family sizes and increased childlessness, rising employment rates for women, and high rates of divorce. These trends translate into a growing need for paid home care workers. The Bureau of Labor Statistics projects this to be the fastest growing occupation over the next decade.

Job growth is of course very welcome in a slowly expanding economy, but low wages and a lack of employee benefits make home care employment unsustainable for many workers. In 2010, home care aides earned a mean wage of \$9.44 and 31% of them had no health insurance. Hours tend to be irregular and part-time, and the work can be both physically and emotionally demanding. Not surprisingly, home care agencies face turnover rates ranging from 45 to 65% each year. Such high turnover is costly to agencies and compromises the care of elderly clients. Often, the cost to replace workers falls on taxpayers who support public programs such as Medicaid, a primary funder of long-term care.

### A Close Look at Home Care Workers in Maine

To probe job experiences and explain turnover, my colleagues and I tracked 261 Maine home care aides for eighteen months apiece between 2008 and 2011 in the Home Care Worker Retention Study. During the research period, just over a third of the workers quit their jobs, and we conducted telephone interviews with these 90 individuals soon afterwards. We learned that study participants had very high levels of job satisfaction, but left their work despite loving it. Key predictors of termination were younger age, lack of health insurance, and low compensation.

**Not a Good Job for Young Workers.** Part-time hours, low wages, and lack of employee benefits created special difficulties for younger workers, some of whom were single mothers raising children. In contrast, part-time hours were more appealing to older workers, some of whom were already receiving Medicare and Social Security; and some of these older workers were semi-retired and enjoyed other sources of household income. One study participant told us that home care is an “older person’s job,” both because of the nature of the job – helping elders – and because “younger workers need more incentives.” As increasing numbers of older Americans need and want to remain engaged in the labor force, home care work may provide suitable flexibility and opportunities for meaningful social interactions. Nonetheless, over half of our sample of home care aides came from households earning \$20,000 or less; and like younger aides, some of the older workers we studied relied on their wages for basic needs. Improving compensation is important for aides of all ages.

July 1, 2013

<https://scholars.org>

**Lack of Health Insurance.** More than a quarter of study participants (28%) lacked health insurance. About the same number were poor enough to receive Medicaid, despite earning some wages. Not having health insurance drove some workers out of the home care field for work that offered employee benefits – even if they took less satisfaction from that work. ObamaCare can help to correct this unfortunate situation affecting so many home care workers, because it funds the expansion of Medicaid to cover millions more low-wage workers just above the federal poverty level. Unfortunately, dozens of Republican-dominated states are refusing to do the Medicaid expansion in 2014 – and in Maine, Governor Paul LePage is blocking the expansion. Among the thousands of Maine people impacted by his decision not to accept this federally funded expansion are currently uninsured home care workers.

**Low Compensation.** Many of the aides we studied stop working in home care because of low wages and lack of reimbursement for the costs of traveling many miles to work. As a 57-year-old woman who had quit her job explained, “driving long distances for two hours here and two hours there, when you stop and think about it, with the price of gas and my time invested in driving, I was making only three, four, and five dollars an hour, maybe even less.”

### How Unionization and Public Policies Can Help

In many states, home care aides have benefitted from joining unions. In Los Angeles in 1999, 74,000 home care workers elected to join Service Employees International Union, and afterwards saw increases in wages and eligibility for health benefits. Similar successes have occurred in Oregon, Washington and New York. In Vermont, home care workers will soon hold a vote on unionization, after the state legislature passed a bill allowing them to organize.

In Maine, employees of the largest home care agency have unionized through the State Employees Association, but most home care aides do not have access to unions. In Maine and across the country, organizing home care workers is challenging. There is no “shop floor” as such and it is hard to get poorly-paid, dispersed, often over-worked aides to meetings. Some aides work for their clients, even if paid by the state, and do not want to enter adversarial negotiations. Many remain skeptical that unions can actually improve their jobs.

The federal government could take direct action to improve pay and benefits for home care workers. As a recent report from the organization Demos explained, because such a large portion of home care is paid through public programs such as Medicaid, the Obama administration could initiate an executive order requiring companies taking public funds to pay living wages and offer employee benefits.

Whether through unionization, a presidential executive order, or the full implementation of the Affordable Care Act in all the states, it is crucial that home care workers receive livable wages and have secure access to basic health insurance. Not only would these improvements allow many care workers to continue to do jobs they love, such steps would demonstrate society’s respect for the vital elder care work in which all Americans have an increasingly strong stake.

**Read more in Sandra S. Butler, Sara Wardamasky, and Mark Brennan-Ing, “Older Women Taking Care of Older Women.” *Journal of Women & Aging* 24, no. 3 (2012): 194-215.**

July 1, 2013

<https://scholars.org>