

Low wages, high turnover in Ohio's home-care industry *Home-care aides can't make ends meet, need assistance*

By Amanda Woodrum

Home-care aides -- providers of hands-on care to older adults and people with disabilities -- are one of Ohio's fastest growing occupations, growing at more than **five times** the rate of overall jobs in the economy.¹ Home-health and personal-care jobs continued to grow during the last two recessions, and the numbers of workers employed in the industry has nearly tripled since 2001. According to the Paraprofessional Healthcare Institute (PHI), Ohio now has approximately 86,000 home-care aides, including 66,000 home-health aides, and 20,000 personal-care aides.²

Rapid growth of the home-care industry is largely good news. Given most people's preference for in-home care and the fact that home-based services are less expensive than institutional care, growth of the home-care industry is largely a win-win.

However, the home care industry is riddled with high turnover rates, workforce vacancies and related quality-of-care issues. This is largely the result of low job satisfaction due to low wages, part-time and unpredictable hours, and a lack of benefits that come with the job. In order to serve the growing public demand for these services, while ensuring continuity and quality of care, policymakers must address the need for better wages and benefits in the industry.

Ohio's Home Care Industry

In 2012, annual payroll for Ohio's home-care industry amounted to roughly \$1.9 billion.³ Public programs -- Medicaid and Medicare -- finance 80 percent of the work in this industry, as the industry primarily serves older adults and people with physical or developmental disabilities. These public dollars flow either through non-profit and for-profit entities that employ home-care aides, or to independent home-care providers employed directly by the consumers receiving services.⁴

Work in this industry includes:

1. Paramedical tasks by **home-health aides** who provide routine health care, such as monitoring health status, changing dressings and administering medications; and

¹ Paraprofessional Healthcare Institute (PHI) <http://phinational.org/policy/states/ohio/>

² Paraprofessional Healthcare Institute (PHI) <http://phinational.org/policy/states/ohio/>

³ U.S. Census Bureau, 2012 County Business Patterns, <http://www.census.gov/econ/cbp/index.html>

⁴ Seavey & Marquand, PHI, *Caring in America*

Key findings

- Home-care aide jobs are growing at more than five times the rate of jobs overall in Ohio.
- In-home care is less expensive than institutional care, but workers earn low wages, get few benefits and have high turnover.
- The median wage for home care aides is 40 percent less than all Ohio workers.
- Nearly 90 percent of homecare workers are female, one-third are non-white.
- 44 percent of Ohio's home-care aides live in households receiving some form of public assistance.
- The state of Ohio should raise wages of home-care workers.

2. Assistance with daily living activities by **personal-care aides**, such as helping patients get in or out of bed, accompanying them to medical appointments and preparing meals.

Demographics of Ohio's Home Care Workforce

Nearly nine out of ten home-care aides are female, roughly one-third are non-white, and a majority have attained a high school diploma or less.⁵ The home-care workforce is also slightly older than the labor force generally, with the average age of a home-care worker in her mid-forties.

High Turnover in the Industry, Low Wages and Public Assistance for the Workforce

Nearly half of all personal-care aides leave their job over the period of a year, while roughly 25 percent of home-health aides do so.⁶ This high rate of turnover in the industry has a significant negative effect on the continuity and quality of care.

High turnover in the industry is linked to the fact that home-care and personal-assistance jobs are among Ohio's lowest-paying. Half of Ohio's personal-care aides earn less than \$9.46 an hour, an amount that is roughly 40 percent less than the median wage for all occupations (\$16.47).⁷ Also, hours worked tend to be unpredictable, the work is often only part-time, and fewer than half of these workers have employer-sponsored health insurance.⁸

Annual incomes of home-care workers are low enough to put home-care workers and their families close to the federal poverty line. As a result, almost half of Ohio's home-care aides live in households that receive some form of public assistance due to their near-poverty status (44 percent).⁹ More than one-third of Ohio's home-care aides receive food assistance (34 percent), and nearly one-third are enrolled in Medicaid (32 percent).

Policy Recommendations

In 2013, the U.S. Department of Labor extended wage and hour protections to home-care aides for the first time. The rule is being challenged in federal court, but if upheld will be a major step forward in fair pay for home-care aides. It will help ensure these workers are properly compensated for their overtime and time spent travelling from one client to another.

To help these low-income families move up the ladder to income stability, Ohio lawmakers and the Kasich administration should embrace the recent Labor Department rule for home-care aides.

In addition, the state of Ohio should:

1. *Improve wages of publicly funded home-care workers.*¹⁰ Higher pay and better benefits help attract and improve retention of home-care workers. A \$15 wage floor for publicly funded home-care workers, for instance, would stabilize the workforce, help avoid consumer use of more costly institutional care, and reduce home-care worker reliance on public benefits.¹¹
2. *Promote and protect collective bargaining rights for home-care workers.* Unionization will promote fair pay while significantly improving the quality of the home-care workforce.

⁵ 5 Year American Community Survey Data, *Detailed Census Occupation by Sex and Race*

⁶ Ohio DSW Initiative, *Examining Direct Service Worker Turnover in Ohio*

⁷ Paraprofessional Healthcare Institute (PHI) <http://phinational.org/policy/states/ohio/>

⁸ PHI, *Caring in America*, <http://phinational.org/sites/phinational.org/files/clearinghouse/caringinamerica-20111212.pdf>

⁹ Paraprofessional Healthcare Institute (PHI) <http://phinational.org/policy/states/ohio/>

¹⁰ Ohio DSW Initiative, *Examining Direct Service Worker Turnover in Ohio*

¹¹ NELP, *Giving Caregivers a Raise: The Impact of a \$15 Wage Floor in the Home Care Industry* at

<http://www.nelp.org/publication/giving-caregivers-a-raise-the-impact-of-a-15-wage-floor-in-the-home-care-industry/>