



The Direct-Care Workforce: An Engine of Employment and Economic Growth within Low-Income Communities

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.

The United States is facing a deep, long-term recession, one which will not be resolved with any one-time injection of stimulus. **A federal investment in direct-care jobs would have a powerful, lasting impact on local economies—at a time when stemming job loss, stabilizing low-income families, and revitalizing communities are paramount for states and the federal government.**

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 long-term care services, can serve as the conduit for additional federal investment into direct-care jobs—encouraging state investment in a combined 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 earn at least \$12 an hour and have health insurance.
- Revise Medicaid waiver application, review and renewal processes, and any state plan review processes, to include greater guidance and oversight to states about the adequacy and quality of their direct-care workforces.
- Provide demonstration grants and increase technical assistance to states to develop long-term 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.

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 *Long-term Care Worker Investment Act*, a new 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 long-term care 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 (both residential *and* home care)—growing three times as fast as other jobs within the economy as a whole.
- Direct-care jobs—including personal and home care aides, home health aides and certified nursing assistants—are the employment core of the long-term care industry.
- Currently there are over 3,000,000 direct-care workers and the U.S. is projected to need 1,000,000 more by 2016—*over the next decade, these positions combined will add more jobs than any other occupation in the entire economy.*
- Nationwide, these direct-care workers provide assistance and support to a significant proportion of the 10 million elders and people with disabilities who need help with basic activities of daily living.
- 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.
- Public funding pays for 70¢ out of every \$1 spent on long-term care services.
- Filling direct-care positions is not only vital to our social infrastructure but these jobs also have the potential to help drive economic growth and stabilize employment in low-income communities.

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

- The United States is facing a *significant recession*, one which will not be resolved with any one-time injection of stimulus funding.
- This recession will require an ongoing response that creates decent jobs and gets money into the hands of people who will spend it, particularly lower-income workers—*and one out of every ten low-income workers is direct-care staff.*
- 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.
- Given the sheer scale of the direct-care workforce—and its tremendous expected growth—these publicly funded jobs represent a large and pre-existing economic pipeline, ready to help repair and stabilize local communities and metropolitan areas.

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