

High-Quality Elder Care for All: Good for Families, Communities, and the Economy



This is one of a series of issue briefs dedicated to helping community leaders and policymakers bolster their campaigns and strategies with the economic case for equity. The issue briefs correspond with the 13 planks of the Marguerite Casey Foundation's [Equal Voice National Family Platform](#). Additional issue briefs can be found at www.policylink.org/focus-areas/equitable-economy.

PolicyLink is a national research and action institute advancing economic and social equity by **Lifting Up What Works**®.

Marguerite Casey Foundation exists to help low-income families strengthen their voice and mobilize their communities in order to achieve a more just and equitable society for all.

Overview

The face of America is changing: more than half of Americans under age five are of color, and by 2044 we will be a majority people-of-color nation. But while communities of color are driving growth and becoming a larger share of the population, inequality is on the rise and racial inequalities remain wide and persistent. Dismantling racial barriers and ensuring that everyone can participate and reach their full potential are critical for the nation's prosperity. Equity—just and fair inclusion of all—is essential to growing a strong economy and building vibrant and resilient communities. This issue brief describes how increasing access to high-quality and affordable elder care benefits families, communities, and the economy.

Why High-Quality Elder Care for All Matters

Ensuring parents can live with dignity as they grow older is a central concern for families. It is also a major national issue as the senior population swells. With the baby boomer generation entering retirement, the senior population will increase substantially over the next several decades: by 2030, nearly one in five Americans will be 65 or older, up from one in eight in 2009.¹

The growing senior population entails a growing need for elder care—both from family members and paid caregivers. Seniors increasingly want to age in place, remaining in their own homes and communities, which creates a rising demand for home care workers.² Home health care is one of the fastest-growing occupations and its workforce is overwhelmingly made up of women (90 percent) and people of color (more than 50 percent).³

Unfortunately, while care jobs are numerous and growing, they are usually not good jobs. They pay low wages, offer few benefits, and provide little opportunity for training and advancement for work that is physically and emotionally demanding. Many care workers struggle to make ends meet at home—even when they are working full-time. Low wages also contribute to high turnover, which can result in lower-quality care.⁴

Addressing the need for access to high-quality care and housing for seniors is critical for the economy as well as for families. When seniors can get the care they need at home, their family members are less likely to be economically burdened. And when care jobs are good jobs, care workers can provide for their own families, contribute to the economy, and save for the future.

Improving the Quality of Care Jobs Is Good for Seniors and the Economy

70%

Share of people who will require long-term home care or services after age 65.

5 Million

Number of direct-care workers who will be needed in the United States by 2020.

\$6.3 Billion

Annual cost of public support programs for home care workers, 58 percent of whom rely on public assistance.

\$6.6 Billion

Potential new economic activity that would be generated by raising the minimum wage for direct-care workers to \$15/hour.

Sources: [Paraprofessional Healthcare Institute, Paying the Price \(PHI\)](#), [National Employment Law Project](#)

The Economic Benefits of High-Quality, Affordable Elder Care

Access to elder care is vital to economic growth and prosperity.

- **Job creation.** With an aging population across the nation, demand for elder care workers will grow. By 2050, the number of senior citizens is projected to nearly double with more than 10,000 Americans turning 65 every day.⁵ Home health care is the second-fastest growing occupation in the United States and also a major source of employment for women and people of color.⁶ Between 2012 and 2022, the number of home health aides across the country will increase by nearly 50 percent, requiring 600,000 new workers.⁷
- **Business development.** The increasing demand for home care provides opportunities for new business models for care delivery. Worker-owned home care cooperative businesses, for example, provide better wages and benefits for employees, better care delivery for the elderly, and more empowered workers who have a stake in their businesses and greater opportunities to save and build wealth.
- **Increased worker productivity.** Providing elder care while holding a job in an unsupportive work environment can cause stress and lead to increased absenteeism and higher turnover.⁸ Creating avenues for employees to take care of their aging relatives and continue to succeed at work increases productivity and is better for businesses' bottom lines.
- **Reduced health-care costs.** Offering seniors the opportunity to age in place provides not only emotional benefits, but also significant cost savings. The median monthly cost of non-institutional long-term care is just 20 to 25 percent the cost of nursing home care.⁹ In addition to protecting personal savings, aging in place can also yield systemic cost savings for Medicare and Medicaid programs, which pay more than \$130 billion a year for long-term care.¹⁰ Experiments with different home-based care programs have resulted in better clinical outcomes and cost 16 to 38 percent less than Medicare fee-for-service programs.
- **Government savings.** Transforming care jobs into good jobs with living wages would eliminate the need for care workers to rely on public programs to make ends meet, resulting in cost savings for state and federal governments. Nearly half of direct-care workers earn wages so low they are eligible for most state and federal public assistance programs.¹¹ Forty-six percent of all direct-care workers live in households that receive at least one public benefit.¹²

Key Challenges to High-Quality, Affordable Elder Care

There are several challenges to ensuring all seniors, including those with low incomes, have access to high-quality, affordable care.

- **The age structure is rapidly changing.** As people live longer and have fewer children, America's age structure is changing and seniors are becoming a larger share of the population. This places higher demands on working-age people to take care of aging relatives and contribute to the tax base needed to support safety-net programs. In 2000, there were 5.1 working-age people for every person over age 65; by 2050, that number will decrease to only 2.9.¹³
- **Unpaid elder care places economic and emotional stress on families.** Some 40 million Americans over age 15 provide unpaid care for someone over 65. Most of them (85 percent) do not live with the person they care for and about a third care for more than one person.¹⁴ These caregivers must also work to support their families, and their jobs often provide little flexibility or support for taking care of elderly family members, creating added economic stress. In 2009, the total value of unpaid care given in the United States was \$450 billion, and 27 percent of caregivers reported financial hardship as a result of caregiving.¹⁵ Only 61 percent of the workforce has access to paid sick leave, and low-wage workers are less likely to have access and more likely to experience economic strain from caring for aging relatives.¹⁶
- **Care work pays low wages and provides few benefits.** Home health care work often does not pay enough for families to make ends meet and rarely provides benefits such as health care, paid sick leave, and retirement savings. Median wages for home care workers are \$10.21 per hour, compared to \$17.55 per hour for workers in all other occupations.¹⁷ Women working in direct care are more than twice as likely to be poor than their counterparts in other jobs.¹⁸ Low wages contribute to turnover rates of 40 to 100 percent which cost \$6 billion per year.¹⁹

Strategies to Support High-Quality, Affordable Elder Care for All

Transforming direct-care jobs from low-wage to good family-sustaining jobs is beneficial to workers, those they care for, and the broader economy.

- **Improve wages and job quality for care workers.** Increasing wages and benefits within this sector will improve the quality of elder care while boosting economic security for home care workers and their families and addressing racial and economic inequities. Setting a higher minimum wage and requiring paid sick days are important strategies for improving the quality of all low-wage work, including care work. Unionization is also a critical pathway to better home care jobs: organizing provides workers with the leverage to win higher wages and benefits. The Service Employees International Union (SEIU) home care workers have organized in California and elsewhere, leading to increased wages, health benefits, and substantially reduced turnover.²⁰ Instituting a \$15/hour minimum wage for home care workers would dramatically reduce the number receiving public assistance and reduce the high costs of employee turnover, saving billions in state and employer expenditures and generating up to \$6 billion in new economic activity.²¹
- **Implement workforce training/career ladder programs for home care workers.** The field of home care is vital to job creation and economic growth in communities of color; an estimated one million new home care jobs will be created by 2022—the fastest-growth rate of any occupation.²² Industry-specific training programs that help workers gain skills and training that lead to higher pay can upgrade low-wage home care jobs and result in improved quality of care for seniors.
- **Promote innovative care business models.** The demand for elder care can lead to innovative business models to meet the need. Worker-owned home care cooperatives are owned and managed by employees and provide reliable, high-quality, in-home care.²³ Cooperative Home Care Associates in the Bronx was founded in 1985 with 12 home health aides to provide reliable, high-quality home health-care services while offering the highest possible salaries and benefits for its employees. The company has now grown to employ more than 2,000.²⁴ Employee-owners at co-ops often receive higher pay and better benefits than their counterparts at traditional agencies. The combination of better wages with greater empowerment leads to lower turnover rates, providing stable, consistent care for home care recipients.

- **Build neighborhoods and health-care systems that allow seniors to age in place.** Increasingly, seniors wish to grow older in the same communities where they have built their lives. Communities can adopt planning practices and housing and transportation strategies that allow seniors with changing needs and fixed incomes to stay in their homes. By ensuring that in-home care is covered by health care programs like Medicaid or subsidies, states can make aging in place economically feasible. Minnesota’s Elderly Waiver Program, for example, funds home and community-based services for people aged 65 and older.²⁵ Covered services include visits by skilled nurses, home health aides, homemakers, companions, and personal care assistants. California’s In Home Supportive Services program is another program that helps seniors stay in their homes and still receive the care that they need.²⁶
- **Promote intergenerational facilities.** A growing number of people are a part of the “sandwich generation,” caring for both a child and an aging parent.²⁷ Intergenerational care facilities that offer both day care and elder care can help ease the burden on those caring for both generations. The Grace Living Center in Jenks, Oklahoma, is a nursing home in suburban Tulsa that also houses the classrooms of 60 kindergarten and pre-kindergarten students. Intergenerational programming is a regular part of the curriculum and students who attend classes at the Living Center require 10 percent less reading intervention upon entering first grade than their peers from a nearby school.²⁸

Equitable Growth in Action

Implement Innovative Training Programs to Improve the Quality of Direct-Care Jobs and the Quality of Elder Care

Sponsored by a labor-management partnership including SEIU, the State of Washington, and private industry, the SEIU Healthcare NW Training Partnership is the nation’s first large-scale career pathway program for home care aides. The program trains 40,000 aides a year in 200 classrooms across the state and online, offering instruction in 13 languages. The Partnership also runs the nation’s first registered apprenticeship for more advanced training. The Partnership began in 2011, when voters overwhelmingly passed a ballot initiative to strengthen training requirements for aides and require certification in order to improve senior care.



Source: [America’s Tomorrow Newsletter \(March 26, 2015\)](#)

Learn More

- [Caring Across Generations](#) Storytelling and comprehensive policy approaches to strengthen caregiving relationships and the home care workforce.
- [PHI PolicyWorks](#) Research, data, and policy solutions to improve the lives of care workers. (Paraprofessional Healthcare Institute)
- [Multigenerational Planning](#) Overview of smart-growth approach to building strong communities. (American Planning Association)
- [National Domestic Workers Alliance](#) Coalition working to secure state, national, and international labor protections for domestic workers.
- [Unpaid and Paid Care: The Effects of Child Care and Elder Care on the Standard of Living](#) Research report on the social and economic effects of social care. (Levy Economics Institute of Bard College)
- [Eldercare Workforce Alliance](#) Research and advocacy addressing the challenges of caring for the aging population.

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Notes

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