

# **BUILDING THE CARING ECONOMY:**

## **Workforce Investments to Expand Access to Affordable, High Quality Early and Long-Term Care**



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# Why Promote Investments in Care?



- **National Need for Good Jobs**
- **National Need for Caregiving**

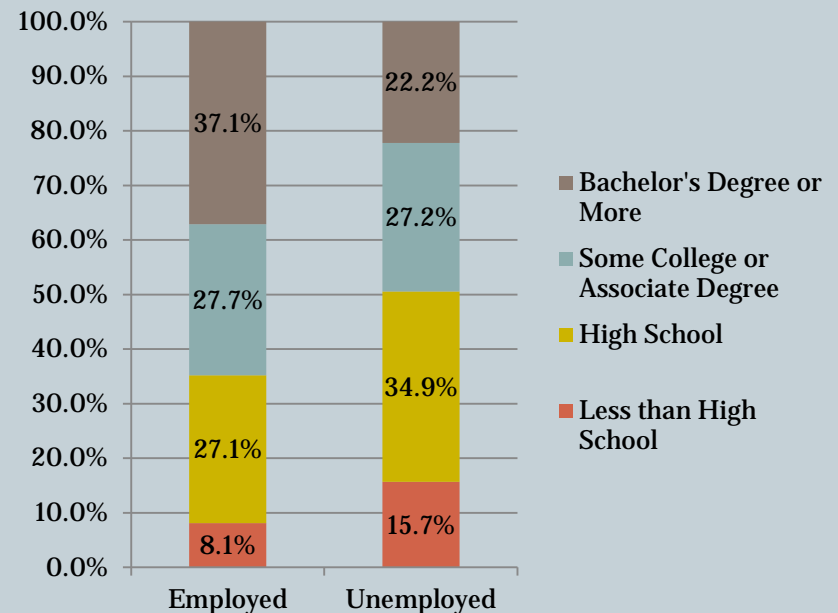
# The State of Employment

## By Age

Age	Unemployment Rate	Number of Unemployed
16-19	15.7%	938,000
20-24	8.1%	1,246,000
25-34	5.2%	1,861,000
36-44	4.1%	1,331,000
45-54	3.6%	1,232,000
55+	3.5%	1,268,000
<b>Total</b>		<b>7,876,000</b>

## By Educational Attainment

**Education Distribution of Employed and Unemployed, 16+**





# Job Quality

Without a concerted national strategy, a disproportionate share of new jobs may be poorly paid, low-skill employment

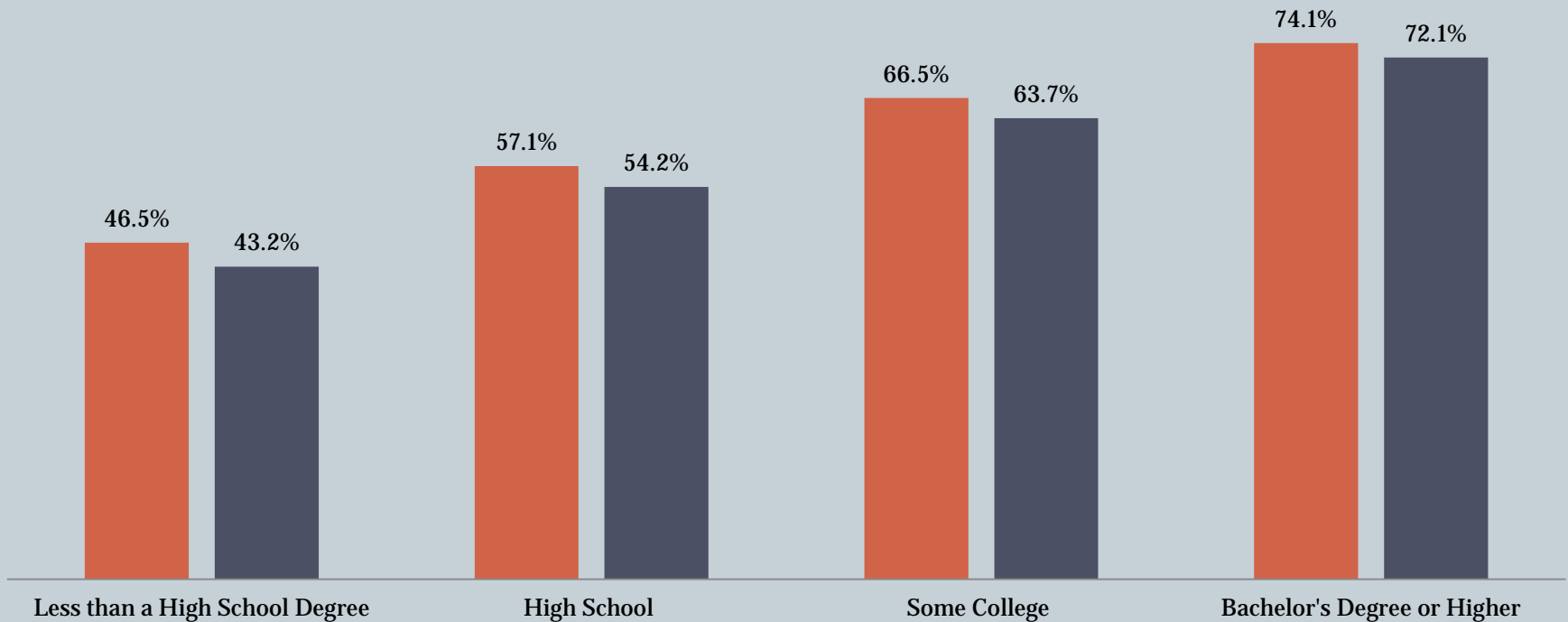
- Job losses in the recession were concentrated among the industries and occupations that provided better earning and advancement opportunities
- Lower- and mid-wage occupations have experienced proportionately greater declines in their real wages than did higher-wage occupations from 2009 through 2014
- About 42% of workers in the U.S. earn less than \$15/hour, including:
  - 54.1 % of African American workers
  - Almost 60% of Latino workers
  - Women, who represent more than half of low wage workers (54.7 %)

# Getting Americans Back to Work



## Employment Status by Educational Attainment, Age 25+ (August 2016)

■ Labor Force Participation Rate   ■ Employment-Population Ratio



# Caregiving Needs in the U.S.



- **Nearly 60% of American families with children under the age of 6, including both single parent and married couple households, have all parents in the workforce**
- **3 out of 5 of the more than 20.4 million children under the age of 5 are in a regular care arrangement at least once during a typical week**
- **Over 12 million Americans currently need long-term assistance with daily living**
  - Around half are ages 65+
  - 47% are adults ages 18-64
  - 3% are children under 18

# The Cost of Formal Care

## Early Care & Education

The median annual cost of care for one child across early care settings:

- Exceeds the HHS affordability threshold as share of the median income; for family households
- Is more than twice that threshold for families with incomes at 200 % of the federal poverty level, and
- Rises to approximately 40 % for families with income at 100 % of federal poverty level.

Families living in poverty that rely on paid care report spending roughly 30% of their income on child care, four times that of families with income above the poverty line.

## Long Term Care

### Median National Cost of Long-Term Services, by Type (2015)

<b>Nursing Home (daily rate at 365 days per year)</b>	\$91,250 (private room) \$80,300 (semi-private room)
<b>Assisted Living (\$3,600 per month, one bedroom, single occupancy)</b>	\$43,200 annually (monthly rate multiplied by 12 months)
<b>Home Health Care (median per hour = \$20)</b>	\$45,760 annually (hourly rate multiplied by 44 hours per week, multiplied by 52 weeks)
<b>Adult Day Services (median daily rate = \$69)</b>	\$17,904 annually (daily rate multiplied by 5 days per week, multiplied by 52 weeks)

# Family Caregiving



- Around 4 in 10 children (42 %) under the age of 5 are cared for by a relative, including more than three-fourths of those with working mothers. These caregivers are predominantly grandparents
- Of the 12.5 million children ages 0-5 in a regular care arrangement each week, fewer than one-fourth are in center-based care.
- Around 68 % of adults receiving community-based LTSS receive support solely from an unpaid friend or family member
- An estimated 39.8 million Americans had provided care to a family member or friend over the age of 18 within the last 12 months
- More than 1 in 4 adults over the age of 40 thought it extremely or very likely that a friend or family member would require long-term assistance within the next five years



# ... and Its Impact



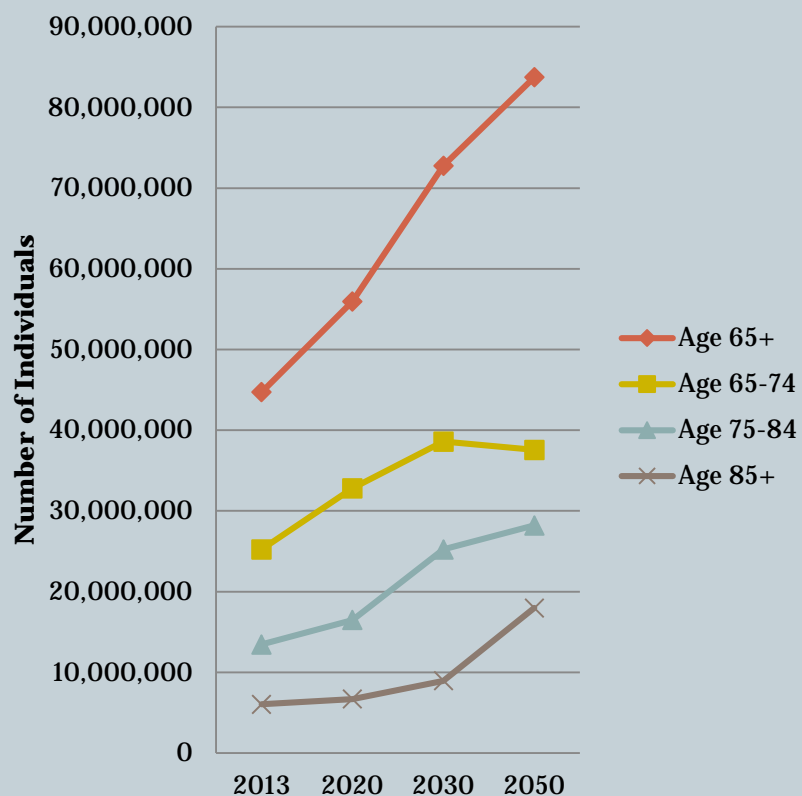
## Caregiving Responsibilities:

- Suppress labor force participation
- Reduce family income and wealth
- Impair caregivers' health
- Affect the economy
  - The aggregate cost to U.S. employers attributable to full-time employees with family caregiving responsibilities has been estimated at \$17.1 to \$33.6 billion (2006 dollars) in lost productivity

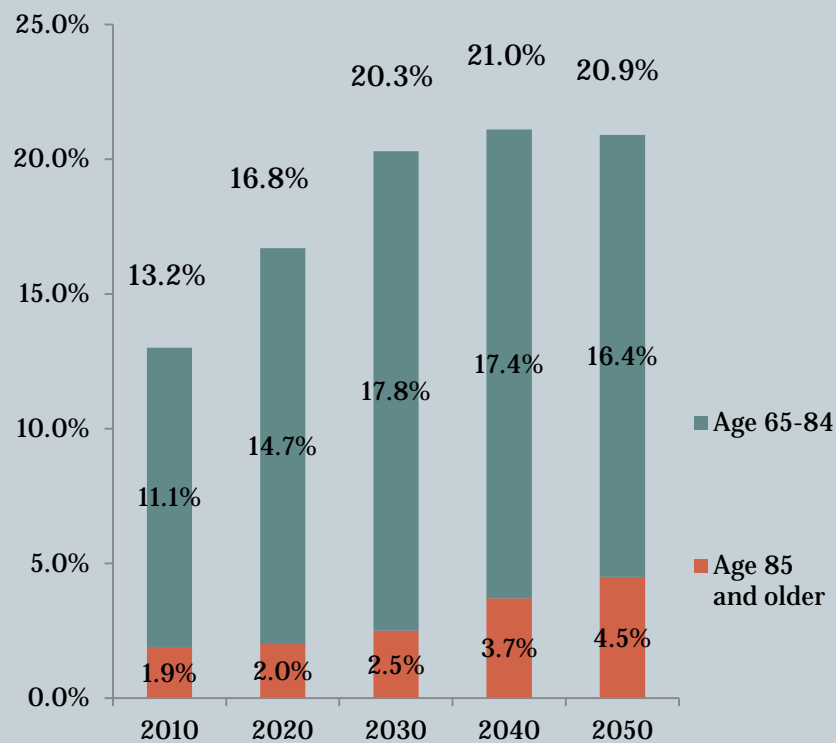
6 in 10 caregivers report that their LTC responsibilities negatively impacted their employment, including necessitating a reduction in their work hours or a leave of absence, or receiving a performance or attendance-related notice from their employer.

# Demographic Trends

## Size of Age 65+ Population, Current and Projected



## Projected Aging of the U.S. Population Share of Population Age 65+, 2010-2050





**The Caregiving  
Safety Net**

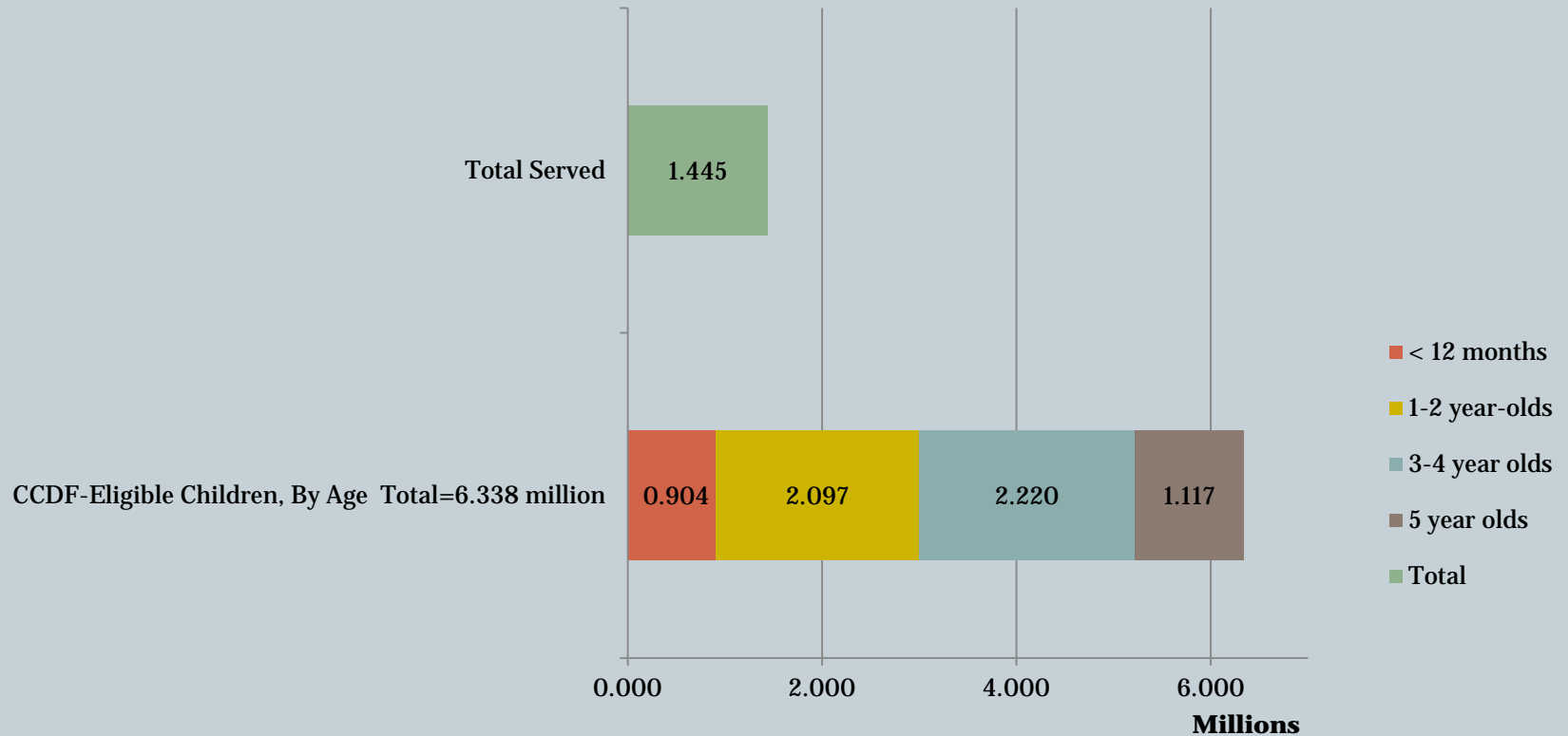
# **Current Public Investments Are**

- **Inadequate**
- **Uneven**
- **Fragmented**
- **Impenetrable**

# Early Care and Education Subsidies



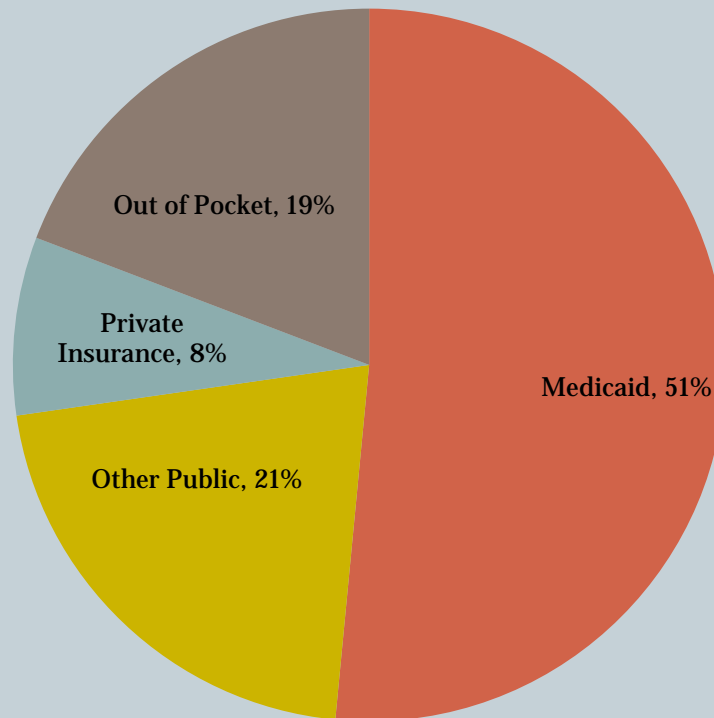
## Share of CCDF-Eligible Children Served, 2012



# Long Term Care Financing



## National Expenditures for LTSS, by Source, 2013



# Impact on the Caregiving Workforce



**FAMILIES' INABILITY TO AFFORD CARE AND LIMITED PUBLIC FINANCING CONSTRAIN COMPENSATION AND MINIMIZE INVESTMENTS IN TRAINING AND CAREER PATHWAYS THAT TOGETHER DRIVE TURNOVER ACROSS THE CAREGIVING SECTOR**

# The Caregiving Workforce



## Early Care and Education Workers

- Approximately 2 million paid caregivers work directly with children ages 0-5
- More than 9 in 10 are women
- 53% of all center-based staff and 30% of home-based workers report having at least some college

## Direct Care Workers

- Around 3.2 million HCBS direct care workers provide 70- 80% of paid long-term care
- Almost 9 in 10 are women;
- Almost half (47%) are white, 30% are African American, and another 16% are Hispanic.
- 55% have a high school degree or less.

# Wages and (Lack of) Benefits



## Early Care and Education

- Wage variations are tied to educational level, but are much lower than earnings of comparably-educated workers;
- Median hourly wage for center-based staff = \$10.60
- In every state, the median annual earnings of child care workers falls below 150 % of the poverty level for a family of three

## HCBS Direct Care Workers

- Median hourly wage for personal care aides is \$10.09 (2015) & \$10.54 for home health aides
- In all states for both categories of workers, wages fall below 200 % of the federal poverty level
- Pre-ACA, almost one-third of the lowest income aides were not enrolled in any health insurance plan





# Our Goal

Public investment that makes high quality care accessible and affordable for families and supports the creation of high quality jobs

- Increase wages for existing federally-funded workers to stem turnover and eliminate wage disparities
- Expand federal funding to support the true cost of high quality care and increase families' access to it
- Invest in training and professional development to improve care quality and promote recruitment and retention

# LTSS Recommendations



- 1. Support Paid Leave**
- 2. Fund a Wage Pass-Through to Raise Incomes, Promote Equity and Improve Worker Retention without Reducing the Availability of Formal Care**
- 3. Establish a Universal Catastrophic Long-Term Care Insurance Program as a Component of or Companion to Medicare**
- 4. Expand Self-Direction to Promote Recruitment**
- 5. Finance an Enhanced Federal Matching Rate for HCBS under Medicaid to Expand Access to LTC**
- 6. Attach limits on Allowable Costs, including Executive Compensation to Medicaid Funded HCBS**
- 7. Invest in both Preservice Training and Professional Development for Incumbent Workers**

# State Medicaid HCBS Programs



- **Healthy Alaska, Medicaid Redesign**
- **Arizona Health Care Cost Containment System**
- **Medi-Cal**
- **Health First Colorado**
- **Connecticut Home Care Program for Elders**
- **Home and Community Based Waivers (DE)**
- **Community Care Services Program (GA)**
- **Hawaii Quest**
- **Illinois Medicaid, Pathways to Community Living**
- **Iowa HealthLink**

# Discussion Questions



- What are the opportunities and challenges you see in framing advocacy around families' care needs to include both early care and education and long term care?
- Have you encountered instances or examples that suggest that we need to improve transparency around how long term care is funded?
  - How important do you think it is to standardize the way we "brand" and talk about long term care programs across states and at the federal level?