

WAGES OF DIRECT CARE WORKERS LOWER THAN OTHER ENTRY-LEVEL JOBS IN MOST STATES

KEY TAKEAWAYS

- The wage gap between nursing assistants, home health aides and personal care assistants who provide direct care and workers in other entry-level jobs such as retail and hospitality workers varied widely across states.
- Median wages of home health and personal care aides were lower than the wages of other entry-level jobs in all states, with an average difference of \$3.15 per hour.
- Median wages of nursing assistants were lower than the wages of other entry-level jobs in 40 states and the District of Columbia, with an average difference across all states of \$0.76 per hour.

BACKGROUND

Direct care workers (DCWs) such as nursing assistants, home health aides, and personal care assistants play an essential role in the health and well-being of over 20 million Americans who receive long-term services and supports at home, in nursing facilities, and in assisted living facilities. In 2020, 2.4 million DCWs provided care in people's homes, 675,000 provided care in residential care settings, such as group homes and assisted living, and 527,000 provided care in nursing homes (Campbell et al., 2021). These workers assist older adults and people with disabilities due to physical, cognitive, developmental, and behavioral conditions in completing self-care and other daily tasks. Their efforts require considerable technical and interpersonal skills, but these essential workers receive low pay, rarely receive benefits, and experience high injury rates (IOM, 2008; Weller et al., 2020). They typically work inconsistent or part-time hours for multiple employers (Scales, 2021). DCWs are predominately female (86%) and persons of color (59%) and many of them are immigrants (26%) (Campbell et al., 2021).

The COVID-19 pandemic has highlighted the essential contributions of DCWs and has exacerbated persistent challenges: low pay, high turnover, and a high demand for home care services amidst a shrinking pool of workers (Tyler et al., 2021). As the United States population ages and people live longer with disabilities and chronic conditions, the direct care workforce has grown rapidly from 3 million to 4.6 million between 2009 and 2019 (Campbell et al., 2021). Furthermore, the sector is projected to add more new jobs than any other occupation in the United States between 2019 and 2029 (PHI, 2021).

Despite the rising demand for services, DCWs continue to earn poverty-level low wages. Almost one-half of the direct care workforce (45%) live below 200% of the federal poverty level and about one-half (47%) rely on public assistance (Scales, 2021). In 2020, national median pay was \$13.02 per hour, or \$27,080 per year, for home health and personal care aides; and \$14.82 per hour, or \$30,830 per year, for nursing assistants (BLS, 2021a, 2021b). Although states have used a variety of methods to meet the growing demand for and to retain DCWs, limited investment in workers' wages across settings remains a major contributor to workforce shortages, high turnover, and poor quality of care (PHI, 2015; Gandhi et al., 2021; Ruffini, 2020).

Wages for DCWs lag behind those for workers in other industries with similar entry-level requirements--such as janitors, retail salespersons, and customer service representatives--which exacerbates the challenges in recruitment and retention of DCWs (PHI, 2020; Ong et al., 2002; PHI & IFAS, 2002). Many DCWs are lost to other sectors that offer similar wages but more flexible schedules, more hours, and other benefits (Campbell et al., 2021). Higher wages reduce separations and increase stable hires, which both benefits workers and improves patient health and safety (Ruffini, 2020). To better understand the extent of the wage gap between DCWs and other workers, this brief presents results of a descriptive analysis comparing state-level median wages of DCWs with median wages of workers employed in other entry-level jobs.

DATA AND METHODS

Our analysis used state-level wage data from the Bureau of Labor Statistics (BLS) Occupational Employment and Wage Statistics (OEWS) program. OEWS provides employment and wage estimates annually for about 800 occupations, available for the nation and individual states, where occupational categories are defined by the Standard Occupational Classification system. We used OEWS data to obtain hourly median wages for home health and personal care aides and nursing assistants for the reference period of May 2019. We also obtained hourly median wages from BLS for other entry-level jobs as defined by the U.S. Department of Labor Occupational Information Network (O*NET) OnLine.

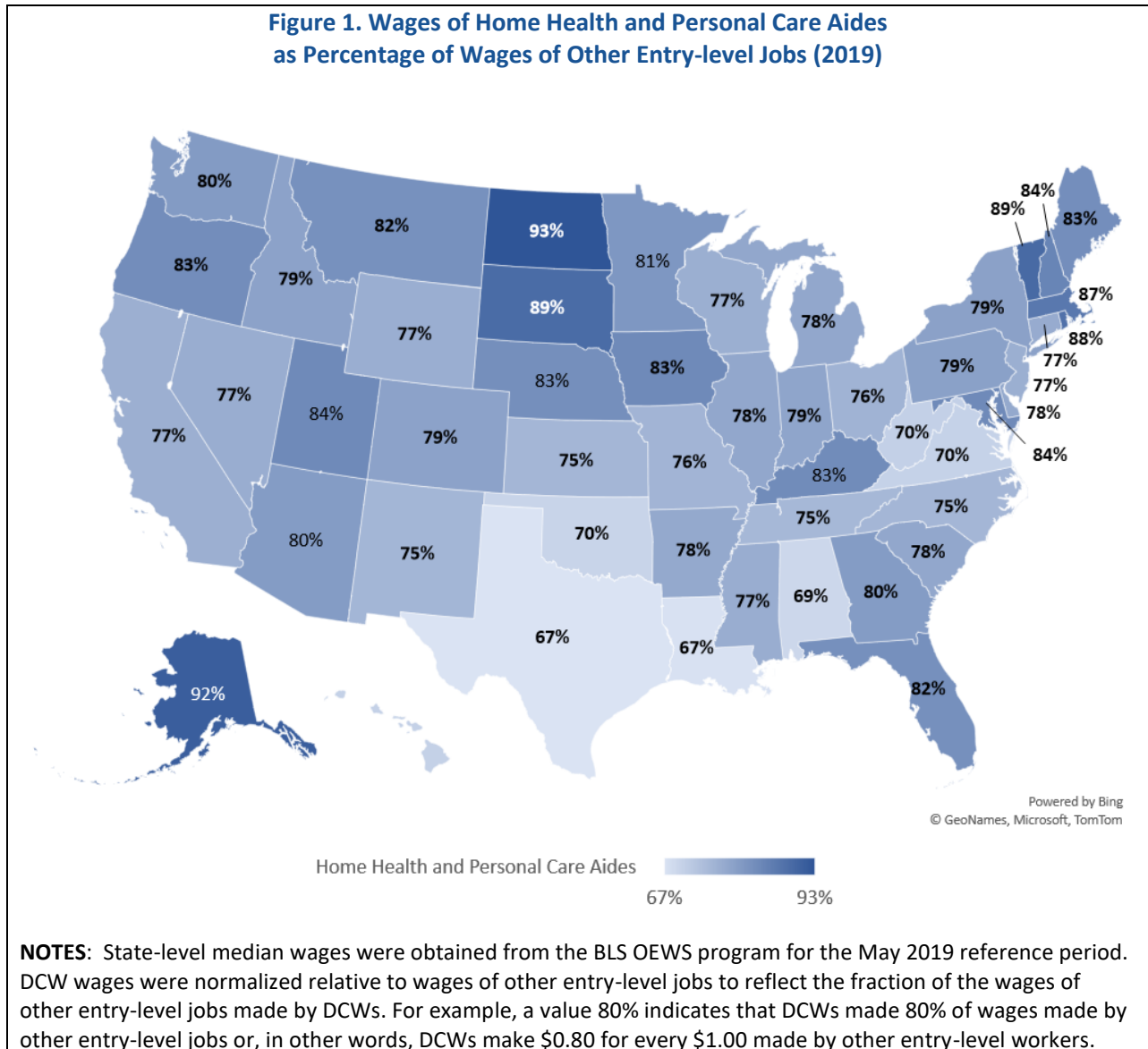
We analyzed state-level hourly wages for two categories of DCWs separately--(1) home health and personal care aides; and (2) nursing assistants¹--because these workers are usually employed by different types of employers, work in different settings, and have different training requirements. We compared hourly wages of each DCW category in each state with hourly wages of other entry-level jobs. To facilitate comparison of wages of DCWs with wages of other entry-level jobs, we normalized wages of home health/personal care aides and nursing assistants relative to wages of other entry-level jobs in each state by dividing the median wage of home health/personal care aides or nursing assistants by the weighted average of median wages of other entry-level jobs. The normalized wage reflects the fraction of the wages of other entry-level jobs made by home health/personal care aides or nursing assistants. This metric allows the wages of DCWs to be expressed as a percentage of wages of other entry-level workers. For example, if the hourly wage of nursing assistants is \$8 and the hourly wage of other entry-level jobs is \$10, then the normalized wage is 80%, which means that DCW wages are 80% of the wages of other entry-level jobs or, in other words, DCWs make \$0.80 for every \$1.00 made by other entry-level workers. We also calculated the difference, or wage gap, expressed in dollars by subtracting the wage of DCWs from the wage of other entry-level workers (which would be \$2 given the example above where the hourly wage is \$8 for nursing assistants and \$10 for other entry-level jobs). A positive wage gap indicates that other entry-level workers had higher wages than DCWs; a negative wage gap indicates that other entry-level workers had lower wages than DCWs.

FINDINGS

In 2019, average state-level median wages were \$12.01 per hour for home health and personal care aides and \$14.39 per hour for nursing assistants (**Appendix Table A1**). Wages for these occupations and for other entry-level jobs varied across states. Louisiana had the lowest hourly wages for DCWs (\$9.03 for home health and personal care aides and \$10.90 for nursing assistants) and Alaska had the highest hourly wages for DCWs (\$16.43 for home health and personal care aides and \$18.66 for nursing assistants). Workers in other entry-level jobs had an average median wage of \$15.16 per hour, ranging from \$12.80 in Mississippi to \$18.55 in the District of Columbia (DC).

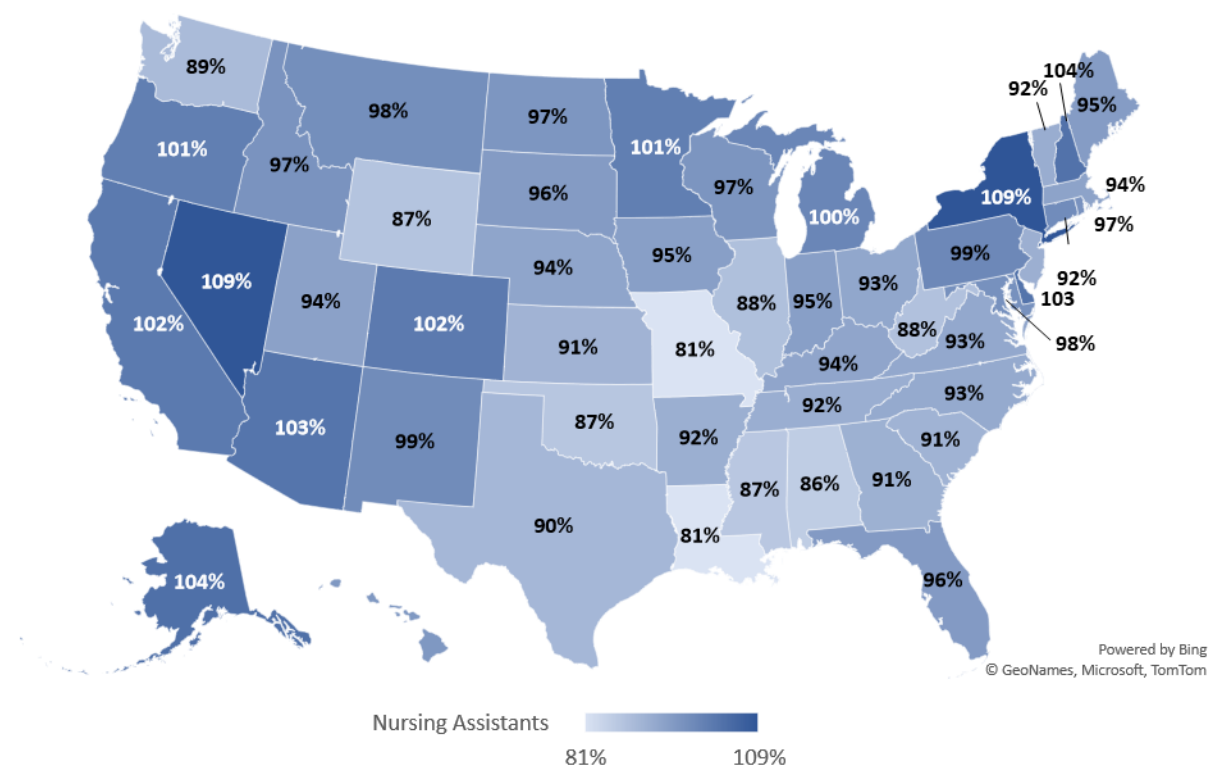
Median wages of home health and personal care aides were lower than the wages of other entry-level jobs in all states and DC with an average difference of \$3.15 per hour (**Appendix Table A1**). As a percentage of wages of other entry-level jobs, wages of home health and personal care aides were 78%, meaning that these DCWs

made \$0.78 for every \$1.00 made by other entry-level workers. As shown in **Figure 1**, as a percentage of wages of other entry-level jobs, the wages of home health and personal care aides varied widely across states with the lowest in Texas and Louisiana (67%) and the highest in North Dakota (93%). In dollar terms, the largest gap between wages of home health and personal care aides and other entry-level jobs was \$5.45 per hour in Hawaii and the smallest gap was \$1.15 per hour in North Dakota.



Similarly, median wages of nursing assistants were lower than the wages of other entry-level jobs in 40 states and DC (**Appendix Table A1**). Nursing assistants made, on average, \$0.76 less per hour or 95% of wages of other entry-level workers. As shown in **Figure 2**, as a percentage of wages of other entry-level jobs, the wages of nursing assistants in 2019 were the lowest in Missouri and Louisiana (81%) and the highest in Nevada and New York (109%, indicating that nursing assistants in these states had higher wages than other entry-level workers).

Figure 2. Wages of Nursing Assistants as Percentage of Wages of Other Entry-level Jobs (2019)



NOTES: State-level median wages were obtained from the BLS OEWS program for the May 2019 reference period. DCW wages were normalized relative to wages of other entry-level jobs to reflect the fraction of the wages of other entry-level jobs made by DCWs. For example, a value 80% indicates that DCWs made 80% of wages made by other entry-level jobs or, in other words, DCWs make \$0.80 for every \$1.00 made by other entry-level workers.

DISCUSSION

Results of this descriptive analysis are consistent with previously reported findings of the wage gap between DCWs and workers in other entry-level jobs (PHI, 2020; Weller, 2020). These findings highlight the disparities in pay and the need to improve compensation for these workers for the long-term care sector to be competitive and successfully recruit and retain the workforce and, subsequently, improve the quality of care.

Although DCWs as a group have lower wages than other entry-level workers, the wage gap is larger for home health and personal care aides than for nursing assistants. In fact, in ten states, wages were higher for nursing assistants than for workers in other entry-level jobs. Even though home health and personal care aides and nursing assistants often have similar job duties--both providing personal care to patients with a focus on daily living needs--differences in the types of employers, places of work, and required training contribute to their wage difference (CNAOnlinePrograms.net, n.d.). Home health and personal care aides are usually employed by home care agencies and work in private homes. Nursing assistants, on the other hand, work in a wide range of facilities, including nursing homes and hospitals. Additionally, although the requirements vary by state, nursing assistants are usually mandated to complete official training and certifications. Federal requirements for certified nursing assistants are at least 75 hours (i.e., two weeks) of training, and only 15 states require more than 100 hours (PHI, 2016). Home health aides and, especially, personal care aides do not often have the same level of training requirements (Campbell et al., 2021; CNAOnlinePrograms.net, n.d.). Given the differences in required knowledge and training, O*NET OnLine categorizes home health and personal care aides as job zone 2 (some preparation needed) and nursing assistants as job zone 3 (medium preparation needed). Yet, we

found that in most cases DCWs earn less than workers in jobs that require less education, experience, and training (i.e., job zones 1 and 2).

Our analyses found wide variation across states in the wage gap between DCWs and other entry-level workers. Our descriptive analyses cannot explain these differences, but there are several possible explanations that could be explored in future research. For example, unionization among DCWs varies by state and previous research has shown that collective bargaining increases wages (PHI, 2021; Sojourner et al., 2014). State minimum wage laws also vary widely; changes in the state minimum wage would affect DCW wages (Weiner et al., 2017) and may affect the wage gap, especially in states with policies tying the minimum wages of DCWs to the state minimum wage (i.e., wage floor policies) (Dawson & Rodat, 2014). Some states have attempted to improve the wages of DCWs using Medicaid wage pass-throughs, where a proportion of increases in the Medicaid payment made to providers, such as nursing homes and home care agencies, is directed toward DCW wages (Baughman et al., 2010).

Other differences in state Medicaid policy--such as the funds available to the state from the federal match or through Medicaid expansion--may also affect the wages of DCWs. Many states have also worked to rebalance care away from nursing homes and toward home and community-based settings. This rebalancing may affect both the money available in the Medicaid system that can be used to pay DCWs and the number of DCWs needed to provide care (Vardaman et al., 2021), both of which could affect DCW wages. Previous research has also shown that gender and racial bias affects DCW wages (Campbell et al., 2021; Shippee et al., 2020), therefore, the wage gaps in some states may be explained by the proportion of DCWs who are women, people of color, or immigrants. Finally, differences across states in geography or demographics, such as rurality and median age of the population, may affect demand for services and availability of DCWs, which could impact wages.

In this analysis, we assessed differences between DCWs and other entry-level workers in just one component of total worker compensation--wages. Employment benefits, including paid time off, full-time hours, retirement benefits, and health insurance are other important elements of total compensation. Only about one-half of DCWs have access to health insurance coverage through their employer or union (Campbell et al., 2021). Many DCWs are only offered part-time hours and lack retirement benefits, making it challenging to financially support themselves and their families (PHI, 2018). In addition, high rates of injury, heavy workloads, and few opportunities for advancement affect job quality (PHI, 2020; OSHA, 2014). Addressing overall compensation, as well as other job characteristics, will be key to recruiting and retaining these workers.

CONCLUSION

Our results show that home health and personal care aides earn lower wages than other entry-level workers in all states and nursing assistants earn lower wages in 40 states and DC. This finding is prevalent despite the growing need for these workers and their essential place in the health care system highlighted during the COVID-19 pandemic. We also found great variation across states in the gap between DCW wages and the wages of other entry-level workers. Additional research is needed to explain this variation and further assess the impact of state policies and other factors on DCW wages.

END NOTES

1. Nursing assistant category is defined in the Standard Occupational Classification as workers who “provide or assist with basic care or support under the direction of onsite licensed nursing staff. Perform duties such as monitoring of health status, feeding, bathing, dressing, grooming, toileting, or ambulation of patients in a health or nursing facility.” This includes *certified* nursing assistants, but may include job titles.

APPENDIX

Table A1: Median Wages of DCWs and Other Entry-Level Jobs by State, 2019

State	Home Health and Personal Care Aides	Nursing Assistants	Other Entry-Level Jobs	Wage Gap	
				Other Entry-Level Jobs-- Home Health and Personal Care Aides	Other Entry-Level Jobs--Nursing Assistants
Alabama	9.21	11.40	13.30	4.09	1.90
Alaska	16.43	18.66	17.92	1.49	-0.74
Arizona	12.02	15.47	15.00	2.98	-0.47
Arkansas	10.45	12.32	13.44	2.99	1.12
California	12.58	16.78	16.42	3.84	-0.36
Colorado	12.54	16.20	15.88	3.34	-0.32
Connecticut	12.77	16.28	16.52	3.75	0.24
Delaware	11.30	15.01	14.53	3.23	-0.48
District of Columbia	14.66	15.77	18.55	3.89	2.78
Florida	11.22	13.03	13.62	2.40	0.59
Georgia	10.90	12.40	13.59	2.69	1.19
Hawaii	12.96	17.70	18.41	5.45	0.71
Idaho	11.14	13.69	14.10	2.96	0.41
Illinois	12.25	13.85	15.69	3.44	1.84
Indiana	11.31	13.64	14.41	3.10	0.77
Iowa	12.54	14.25	15.03	2.49	0.78
Kansas	10.82	13.02	14.36	3.54	1.34
Kentucky	11.52	12.95	13.85	2.33	0.90
Louisiana	9.03	10.90	13.41	4.38	2.51
Maine	12.66	14.59	15.30	2.64	0.71
Maryland	12.87	15.03	15.41	2.54	0.38
Massachusetts	15.01	16.25	17.29	2.28	1.04
Michigan	11.58	14.79	14.83	3.25	0.04
Minnesota	13.49	16.82	16.63	3.14	-0.19
Mississippi	9.85	11.11	12.80	2.95	1.69
Missouri	11.10	11.92	14.67	3.57	2.75
Montana	12.12	14.44	14.73	2.61	0.29
Nebraska	12.39	14.03	15.00	2.61	0.97
Nevada	11.44	16.24	14.86	3.42	-1.38
New Hampshire	12.87	15.79	15.23	2.36	-0.56
New Jersey	12.21	14.57	15.92	3.71	1.35
New Mexico	10.39	13.58	13.78	3.39	0.20
New York	13.42	18.55	16.95	3.53	-1.60
North Carolina	10.31	12.67	13.69	3.38	1.02
North Dakota	15.93	16.48	17.08	1.15	0.60
Ohio	11.08	13.61	14.60	3.52	0.99
Oklahoma	9.69	12.08	13.88	4.19	1.80
Oregon	13.47	16.44	16.25	2.78	-0.19
Pennsylvania	11.99	15.00	15.12	3.13	0.12

Table A1 (continued)

State	Home Health and Personal Care Aides	Nursing Assistants	Other Entry-Level Jobs	Wage Gap	
				Other Entry-Level Jobs-- Home Health and Personal Care Aides	Other Entry-Level Jobs--Nursing Assistants
Rhode Island	13.84	15.29	15.73	1.89	0.44
South Carolina	10.55	12.28	13.52	2.97	1.24
South Dakota	12.49	13.39	14.02	1.53	0.63
Tennessee	10.45	12.78	13.93	3.48	1.15
Texas	9.68	12.99	14.44	4.76	1.45
Utah	12.22	13.80	14.63	2.41	0.83
Vermont	14.39	14.79	16.08	1.69	1.29
Virginia	10.14	13.44	14.45	4.31	1.01
Washington	14.41	15.97	17.92	3.51	1.95
West Virginia	9.82	12.26	13.93	4.11	1.67
Wisconsin	11.80	14.89	15.39	3.59	0.50
Wyoming	13.07	14.88	17.02	3.95	2.14
Average	12.01	14.39	15.16	3.15	0.76

NOTES: State-level median wages were obtained from the BLS OEWS program for reference periods of May 2019. A positive value in the “Wage Gap” columns indicates that wages in a given state were lower for DCWs than for workers in other entry-level jobs. A negative value in the “Wage Gap” columns indicates that wages in a given state were higher for DCWs than for workers in other entry-level jobs.

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