

COLORADO'S DIRECT CARE WORKFORCE

ANDREA KUWIK

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Our direct care workforce provides invaluable, hands-on services to help older adults age in ways they find meaningful. Driven by [Colorado's place as among the fastest aging states in the country](#), the direct care workforce is one of our most rapidly expanding fields. Despite both the importance and need for these individuals and their services, low wages mean they often [struggle to make ends meet](#).

Unfortunately, the contradiction between low compensation and the tremendous value direct care workers add to our communities isn't new. Instead, history shows us this trend is longstanding and reflects a consistent undervaluing of women's — more specifically, women of color's — work. In the following brief we build upon [previous pieces](#) about direct care workers to further explore the connection between the makeup of this workforce and how it's valued. We conclude with several structural challenges preventing Colorado from building the robust, well-supported direct care workforce we need.

Colorado's Direct Care Workforce

As defined by the Bell, the direct care workforce is comprised of three distinct professions: home health aides, personal care aides, and certified nursing assistants. As we've [outlined](#), differences exist between these positions, specifically in relation to responsibilities and training requirements. However, taken together, these three professions provide the bulk — [approximately 80 percent](#) — of paid, hands-on care for older adults. This includes help with a host of activities necessary for daily living, including medication management, transportation assistance, meal preparation, and help with bathing and dressing.

As Colorado ages, demand for these workers is growing. Estimates suggest roughly [70 percent of adults aged 65 and older](#) will need some type of long-term support, which often includes help from direct care workers. Counterintuitively, wages remain abysmally low despite growing demand for these positions. The chart below shows how direct care worker wages compare to other fast-growing fields in our state.

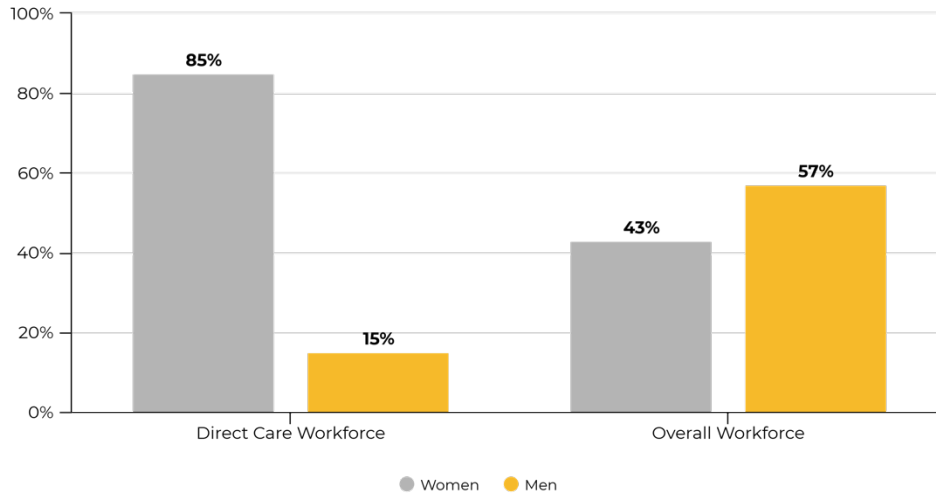
Fast Growing Occupations in Colorado			
	Projected Growth Through 2026	Median Hourly Wage	Number of Workers in 2016
Home Health Aides	48%	\$12.14	13,710
Web Developers	42%	\$34.31	3,330
Electricians	40%	\$26.43	17,970
Occupational Therapists	37%	\$41.70	2,780
Personal Care Aides	36%	\$11.68	25,890
Nursing Assistants	31%	\$14.19	20,040
Construction Workers	29%	\$17.05	27,800
Medical Assistants	28%	\$17.13	10,070

Info from [Careeronestop](#), a site sponsored by the U.S. Department of Labor

Workforce Demographics

Typical of other caring industries [like child care](#) and professions rooted in the [domestic labor field](#), Colorado’s direct care workers are primarily women and disproportionately come from black, Hispanic, and other communities of color.

GENDER OF COLORADO'S DIRECT CARE VS. OVERALL WORKFORCE



Source: From Bell analysis of American Community Survey data, 2017 ACS five-year data

	Colorado's Direct Care Workforce	Percentage Point Difference Between Colorado's Overall Population
White	58%	-11%
Black or African American	10%	+6%
Hispanic	25%	+4%
Asian or Pacific Islander	3%	0%
Other	4%	-

Data from [U.S. Census Bureau](#) and [Paraprofessional Health Institute](#)

Both in Colorado and across the country, women-dominated industries are often some of the lowest paid. This trend is similarly found in fields comprised of [workers of color](#). This doesn't reflect either the quality or the need for their labor; instead, low wages are frequently tied to the value placed on those performing the work. In the case of direct care positions, historically held by women of color, this has led to a long history of being undervalued, especially in comparison to similarly important and needed work.

While the gender and racial/ethnic makeup of Colorado's direct care workforce predict the field's low pay, other factors should correspond to higher wages. As shown below, direct care workers are both [slightly older and more educated](#) than the state's workforce as a whole, which both often relate to higher compensation and greater economic security.

Age	Colorado's Direct Care Workforce	Percentage Point Difference in Relation to Colorado's Overall Workforce
18 -24	15%	-2%
25-34	24%	+1%
35-44	17%	-6%
45-54	19%	-1%
55-64	17%	+5%
65 – 74	7%	+4%
75+	2%	+1%

Highest Level of Educational Attainment	Colorado's Direct Care Workforce	Percentage Point Difference in Relation to Colorado's Overall Workforce
Below High School	10%	-7%
High School Diploma or Equivalent	26%	+2%
Some College	35%	+12%
Associate/Bachelor's Degree	25%	+2%
Beyond Bachelor's Degree	4%	-5%

From Bell analysis of American Community Survey data, 2017 ACS five-year data

Why a Strong Direct Care Workforce Matters

Though we continue to undervalue the labor of our direct care workers, their health and stability of matter. A strong direct care workforce that's large, skilled, and stable benefits a number of Coloradans.

Older Coloradans

While direct care workers also provide care in facility-based settings, their assistance is especially important for the [over three-quarters of older adults](#) who want to age in their home and community. Without the support provided by direct care workers to help older adults age in place, many would be prematurely forced into assisted living and skilled nursing facilities. Additionally, a strong and stable workforce — regardless of where support is provided — leads to [better care](#) and healthier outcomes for older Coloradans.

Families of Older Coloradans

[As detailed by the Bell in previous pieces](#), family and friends of Colorado's older adults provide the majority of care to our aging community members. Though essential, this care comes with tremendous physical, emotional, and financial costs. Paid support is often [cost prohibitive](#), but when families can afford direct care services, these workers are able to relieve some of the many pressures associated with being an unpaid caregiver. [From talking with families across the state](#) about what this paid support means, the Bell heard how well-trained direct care workers can provide, among other things, emotional well-being and ease of mind for Colorado families.

Direct Care Workers

Coloradans do better when they have access to quality, well-paying jobs and meaningful opportunities for [economic mobility](#). Largely because wages are so low, most direct care workers currently struggle to achieve a base level of financial security. The chart below shows median wages needed in different part of Colorado to achieve a modest, but adequate, level of economic security, compared to wages for different professions within Colorado's direct care field.

	Hourly Wage Needed to Achieve Adequate Economic Security*	Personal Care Aide Median Wage	Home Health Aide Median Wage	Nursing Assistant Median Wage
Denver Metro	\$19.81	\$11.78	\$12.31	\$16.21
Fort Collins	\$18.72	\$11.72	\$12.67	\$15.42
Grand Junction	\$17.59	\$10.85	\$11.99	\$13.56
Pueblo	\$16.16	\$11.08	\$11.31	\$14.65

Needed hourly wage from [EPI](#) and calculated based upon the needs of a single individual

Information on direct care worker wages from [Careeronestop](#)

The current inadequacy of direct care worker wages is reflected by the fact that in 2017 [almost 40 percent of direct care workers in Colorado](#) used some type of public assistance. Better wages and stronger supports can help these workers obtain the economic foothold they need to support themselves and their families.

Challenges

To adequately value our direct care workers and build the workforce our state needs, we must overcome several significant obstacles. Below is an overview of some of the more prominent areas to consider.

Inadequate Funding Mechanisms

Private-pay, long-term care insurance, and Medicaid are the three main funders for direct care services. However, [privately paid services](#) are financially out of reach for many, and because [long-term care insurance](#) is both expensive and an unstable product, few older adults purchase it. As a result, most long-term care services, including those provided by direct care workers, are [funded through Medicaid](#).

Medicaid reimbursement rates are set by the state and are meant to cover most costs associated with a given service. For direct care services, this includes worker salaries and benefits, but also training for workers and the agency's administrative staff and overhead costs. Reimbursement rates throughout the past several years for personal care services provided through Colorado's Elderly, Blind, and Disabled Medicaid waiver are below. As widely acknowledged, these rates, which partly represent Colorado's investment in the direct care workforce, are simply too low to adequately cover the range of costs associated with personal care services. In turn, this is a major factor in keeping direct care worker wages low.

Fiscal Year	Medicaid Reimbursement Rate for Personal Care Services
FY 20 – 21	\$19.92
FY 19 – 20	\$18.44
FY 18 – 19	\$18.44
FY 17 – 18	\$17.52
FY 16 – 17	\$17
FY 15 – 16	\$17
FY 14 – 15	\$15.36

Rates from [Colorado Department of Health Care Policy and Finance](#). Calculated by multiplying 15-minute reimbursement rates by four

Limited Career Advancement Opportunities

Direct care positions are entry-level positions. Problematically for those who enter this workforce, most find they have limited upward advancement opportunities. These [career ladders](#) offer opportunities for higher level positions with better wages, but without these them, potential workers are discouraged from entering the field and those who do often remain in the same low-paid positions.

Advancement opportunities within Colorado's direct care workforce could be strengthened by addressing two areas.

- **Standardized core training curriculum:** While all direct care worker positions require some type of training in core areas, there's little standardization between agency curriculums. As a result, the training workers receive in one organization isn't always recognized by another, making it difficult for workers to use previous (or current) work to qualify for positions in different agencies.
- **Transferrable, stackable credentials:** Importantly, even with a base level of standardized training, Colorado's direct care workforce would still lack a recognized set of stackable credentials, or progressive trainings that build upon one another. Different than a core curriculum, stackable credentials allow workers to steadily gain more specialized training and correspondingly earn higher pay for their work.

Limited Entry Points

Though the need for more direct care workers is overwhelming, several factors make it difficult for individuals to enter the field. The inability to count previous caring experience toward needed credentials, insufficient outreach to non-traditional groups (like high school students, college students, and unpaid caregivers), and a general lack of knowledge about the field and possible opportunities for advancement restrict the ways people enter this much-needed workforce.

Looking Ahead

Colorado's direct care workers are valuable members of our community. Not only do these women and men provide essential services to support our state's older adults, but as our neighbors, friends, and loved ones, their economic security is tied to our own. Like other caring professions dominated by women of color, this workforce's efforts are often tremendously undervalued. As the need for these workers continues to grow, our state can take active steps to acknowledge and support these individuals by building more sustainable and robust funding streams, creating meaningful career pathways, and reducing barriers to entry.