

Hispanic Home Care Workers

America's fastest-growing occupation has no minimum wage

Personal care aides are projected to have the fastest employment growth rate in the U.S. These workers provide one-on-one assistance to the elderly and individuals with disabilities and chronic needs. Since the majority of personal care aides work in employers' private homes, they are commonly known as home care workers. The home care workforce employs 227,000 Latinos and is predominantly made up of women of color. This *Monthly Latino Employment Report* describes the characteristics of home care workers and overdue regulatory reforms that would improve wages and quality of care in this vital industry.

Latino Employment Statistics for June 2013

The [latest report](#) from the U.S. Department of Labor shows that U.S. employment increased by 195,000 workers in June. The national unemployment rate and the Latino unemployment rate remained about the same at 7.6% and 9.1%, respectively.

Table 1. The Employment Situation for Latino Workers in June 2013

Indicators	Latinos, June 2013
Employed — <i>Working people over the age of 16, including those temporarily absent from their jobs</i>	23 million
Unemployed — <i>Those who are available to work, make an effort to find a job, or expect to be called back from a layoff but are not working</i>	2.3 million
Civilian Labor Force — <i>The sum of employed and unemployed people</i>	25 million
Not in the Labor Force — <i>People over the age of 16 classified as neither employed nor unemployed</i>	13 million
Unemployment Rate — <i>Share of the labor force that is unemployed</i>	9.1%
Labor Force Participation Rate — <i>Share of the population over the age of 16 that is in the labor force</i>	66.4%
Employment-Population Ratio — <i>Share of the population over the age of 16 that is working</i>	60.3%

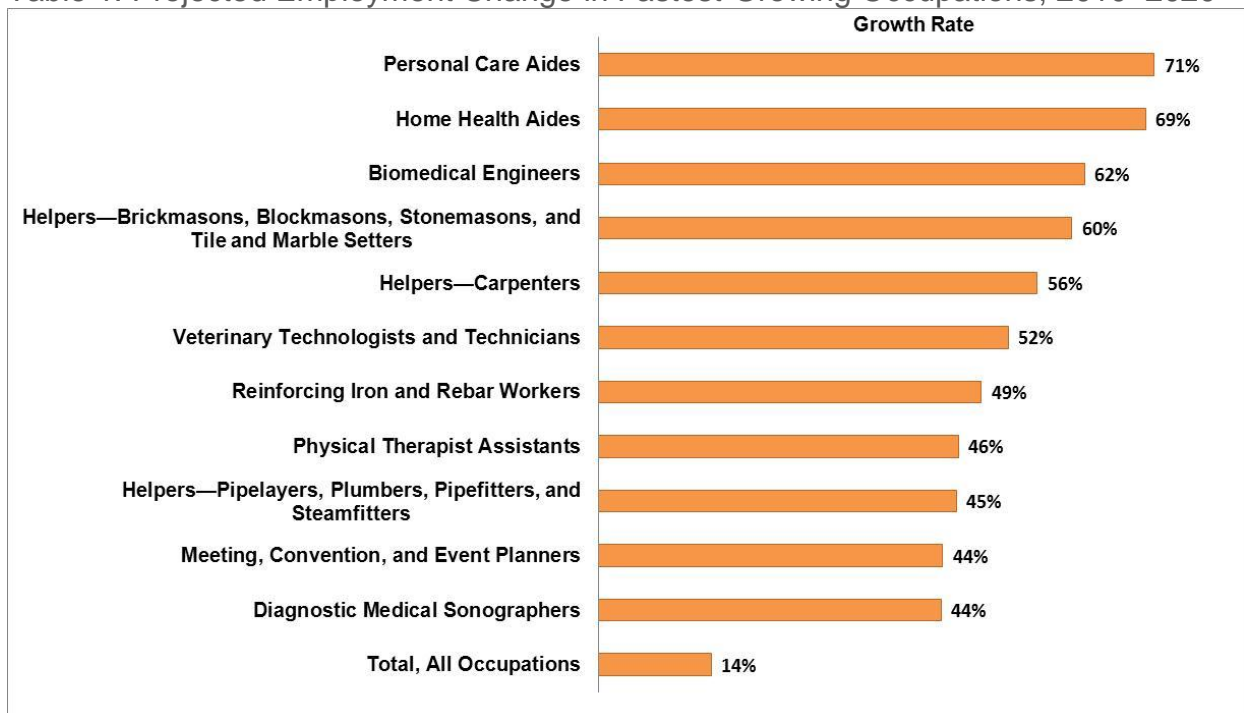
Source: U.S. Bureau of Labor Statistics, "Employment Status of the Hispanic or Latino Population by Sex and Age," *Current Population Survey*, Table A-3, <http://www.bls.gov/webapps/legacy/cpsatab3.htm> (accessed June 7, 2013).

The Fastest-Growing Occupation: Personal Care Aides

In 2050, the population of older Americans is expected to number 88.5 million, more than twice the 39.6 million older Americans in 2009.¹ Given the dramatic growth in the older population and longer life expectancy, demand for long-term health and support services is also rising. In fact, personal care aides—who provide one-on-one care to the elderly and persons with disabilities and chronic care needs—make up the fastest-growing occupation in the U.S. economy (see Table 1).

The majority of personal care aides work in private homes providing housekeeping, caregiving, companionship, and personal attendance services. Home care workers enable individuals to thrive in their homes, rather than in institutional settings, by assisting with daily living activities such as cooking, cleaning, and personal care, including bathing, feeding, dressing, and transporting.

Table 1. Projected Employment Change in Fastest-Growing Occupations, 2010–2020

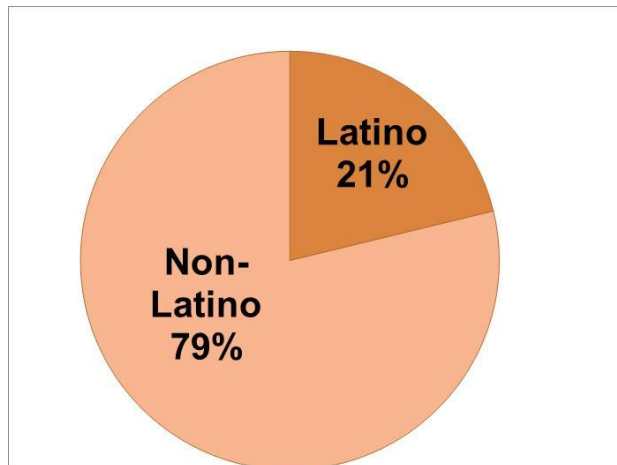


Source: U.S. Bureau of Labor Statistics, “Fastest growing occupations, 2010 and projected 2020,” *Employment Projections Project*, Table 1.3

The direct care industry, which includes nursing aides, orderlies and attendants, home health aides, and personal care aides, employs 3.4 million people, a number that is expected to reach nearly five million by 2020. Direct care is a predominantly female workforce; 88% of direct care workers are women.² Among personal care aides, 21.2% are Latino, totaling approximately 227,000 workers (see Figure 1). Overall, 15.4% of the employed U.S. workforce is Latino.

* For more information on Latinos in the larger direct care industry, see NCLR’s report, [Caring for Caregivers](#).

Figure 1. Latino Share of Personal Care Aides, 2012



227,000
Latinos are employed as
personal care aides

Source: U.S. Bureau of Labor Statistics, “Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity, 2012 Annual Averages,” *Current Population Survey*, <http://www.bls.gov/cps/cpsaat11.htm> (accessed July 2, 2013).

Home Care Workers Are Excluded from Minimum Wage and Overtime Protections

While the home health care industry will continue to see high job growth and increasing revenue, the benefits of this growth are not passed on to the workforce. Approximately 70% of home care workers are employed by for-profit private agencies; the remainder is directly employed by individual households or nonprofit agencies that work with Medicaid. Revenues in the for-profit care industry have doubled in the last 30 years, but wages for personal care aides and home care aides have remained stagnant.³

One major factor behind the low wages for home care workers is that they are explicitly excluded from the Fair Labor Standards Act (FLSA), the federal labor law enacted in 1938 that established the minimum wage and overtime protections. When Congress amended the Fair Labor Standards Act (FLSA) in 1974, it excluded “companions” from basic minimum wage and overtime protections. These companions were intended to be “casual” babysitters and workers who provided “companionship services” to the elderly and infirm, “not the sole breadwinners or [those] responsible for their family’s support.”⁴ Congress did not offer a comprehensive definition of companionship, but the amendment was intended to protect domestic workers whose primary duties included cleaning and cooking—as opposed to providing “protection and company” to “elderly or infirm neighbors,” where cooking and cleaning would be incidental to the care provided.⁵

Over the last three decades, rights and protections for direct care workers have not kept pace with the evolution from the “casual” care of elderly friends and neighbors to paraprofessional occupations.⁶ The companionship exemption regulations issued by the Department of Labor after the 1974 amendment to the FLSA are worded so broadly that millions of workers have been included in the exemption, with duties ranging from personal care service and housekeeping to paramedical tasks. As a result, for-profit personal and home care agencies take advantage of the minimum wage and overtime exemptions afforded to them under FLSA. These agencies continue to classify their workers as companions when reporting to the Department of Labor,

regardless of the fact that direct care occupations resemble other paraprofessional occupations and upwards of 80% of direct care providers may be the sole breadwinners for their families.⁷

Low Wages Hurt Home Care Workers and Their Employers

The exemption from FLSA protections has taken a direct toll on the quality of life for home care workers and their employers alike. The median hourly wage for both personal care and home health care workers is below \$10 per hour; at around \$20,830, their mean annual wage is well below the U.S. average of \$45,790.⁸ Many direct care providers earn significantly less than the industry average due to an inability to find full-time work, earnings below minimum wage, and forced unpaid overtime.⁹ It is estimated that 46% of direct care workers live below 200% of the poverty line, making them eligible for federal benefits such as Medicaid and food assistance, though the real number of working families living in poverty with one member employed as a direct care provider could be much higher.¹⁰

Furthermore, the direct care industry experiences an alarmingly high turnover rate, which contributes to the instability of the workforce. Tough working conditions, low pay, and an inability to find full-time work all contribute to the workforce attrition rate.¹¹ In 2009, nearly half of direct care workers worked less than full time year-round. Within the industry, 58% of personal care aides reported working part time or full time for only part of the year.¹² Of those working part time, only one-third did so by choice.¹³

A high turnover rate is detrimental to both the agencies that employ caregivers and the recipients of care. When an agency loses an employee, it must spend time and resources to recruit and train a new hire. Meanwhile, the care recipient faces an interruption in services; since the caregivers provide essential day-to-day assistance, a disruption in care goes beyond average inconvenience. Better wages would bring more stability to the direct care workforce, which would strengthen the vitality of the industry and the quality of care of elderly, disabled, and infirm populations.

Delayed Federal Regulations Leave Home Care Workers in Limbo

In December 2011, the U.S. Department of Labor proposed revisions to the regulations for companionship and live-in domestic workers. These new rules would end minimum wage and overtime exemptions for most home care workers. Despite assurances from the Obama administration that these rules are a priority, the regulations are still not finalized.

Under the proposed regulations, home health aides and personal care aides would be considered in-home workers and subject to the same minimum wage and overtime protections afforded to domestic workers. A mandate for agencies and employing families to keep tighter records would ensure that in-home workers receive appropriate overtime pay, pay for incidental work (e.g., waking up in the middle of the night to provide care), and pay for travel time between sites, if applicable.

Only workers who are truly “companions” would be exempt, and new record-keeping requirements would prevent agencies and families from extending the definition to include tasks beyond fellowship and protection of the individual for whom care is provided. Furthermore, agencies would no longer receive any exemptions for minimum wage or overtime, whether or not the worker’s duties qualify as exempt companionship services.

Take Action for Home Care Workers!

The National Council of La Raza (NCLR), together with partners in the health care, civil rights, aging, and disability rights communities, are gathering signatures for a petition to urge the Obama administration to finalize the home care worker regulations. [Click here to sign the petition.](#)



Photo courtesy of Caring Across Generations

Additional Resources for Home Care Workers and Advocates

Direct Care Alliance, Inc., www.directcarealliance.org

National Domestic Workers Alliance, www.domesticworkers.org

Caring Across Generations, www.caringacrossgenerations.org

National Employment Law Project, www.nelp.org

Paraprofessional Healthcare Institute, <http://phinational.org>

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Endnotes

¹ U.S. Census Bureau, "The Next Four Decades: The Older Population in the United States," *Current Population Reports*, www.aoa.gov/aoaroot/aging_statistics/future_growth/DOCS/p25-1138.pdf (accessed January 31, 2012).

² Paraprofessional Healthcare Institute, "Gender of Direct-Care Workers in the U.S., 2010," <http://www.phinational.org/charts/gender-direct-care-workers-us-2010> (accessed July 3, 2013).

³ Paraprofessional Healthcare Institute, "Who Are Direct-Care Workers?," *Facts 3*, www.directcareclearinghouse.org/download/NCDCW%20Fact%20Sheet-1.pdf (accessed January 31, 2012).

⁴ U.S. Senate, Report No. 93-690 (1974), 20.

⁵ U.S. Department of Labor, *Fact Sheet: Proposed Rule Changes Concerning In-Home Care Industry under the Fair Labor Standards Act*, www.dol.gov/whd/flsa/whdfs-NPRM-companionship.htm (accessed January 31, 2012).

⁶ Paul K. Sonn, Catherine K. Ruckelshaus, and Sarah Leberstein, *Fair Pay for Home Care Workers: Reforming the U.S. Department of Labor's Companionship Regulations Under the Fair Labor Standards Act* (New York: National Employment Law Project, August 2011), <http://www.nelp.org/page/-/Justice/2011/FairPayforHomeCareWorkers.pdf?nocdn=1> (accessed January 31, 2012).

⁷ Ibid.

⁸ U.S. Bureau of Labor Statistics, *Occupational Employment Statistics and Wage Estimates, United States*, May 2012, http://stat.bls.gov/oes/current/oes_nat.htm (accessed July 2, 2013).

⁹ Paraprofessional Healthcare Institute, "Who Are Direct-Care Workers?"

¹⁰ Paraprofessional Healthcare Institute, "Occupational Projections for Direct-Care Workers 2008–2018," *Facts 1*, http://www.directcareclearinghouse.org/download/PHI%20FactSheet1Update_singles%20%282%29.pdf (accessed January 31, 2012).

¹¹ Ibid.

¹² Ibid.

¹³ Paul K. Sonn, Catherine K. Ruckelshaus, and Sarah Leberstein, *Fair Pay for Home Care Workers*.