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Can I Ever Retire?

The Plight of Migrant Filipino Elderly Caregivers in Los Angeles



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July 14, 2014

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EXECUTIVE SUMMARY

The purpose of this study is to document the social characteristics, migration patterns, and labor conditions of migrant Filipino elderly caregivers in Los Angeles. Elderly care is one of the fastest growing occupations in the United States. An analysis on this workforce is made timely not only by the increasing demand for these services but also by the recent passage of the California Domestic Workers Bill of Rights (AB241) in September 2013.

Historically, domestic workers such as elderly caregivers were not protected by federal labor and employment laws and were excluded from benefit standards. However, the passage of this law guarantees overtime protections (paid time and a half of their regular rate of pay after working more than nine (9) hours in a day or more than forty-five (45) hours in a week) for domestic workers. The law went into effect on January 2014 and expires on January 2017. At that time the law will be revisited for renewal and deliberations. The passing of this legislation is a potential step forward toward improving the working conditions of migrant Filipino elderly caregivers. However, they continue to lack various basic protections including worker's compensation, use of kitchen facilities, meal breaks, rest periods, paid sick or personal days and vacation time.

The report is based on a 100-person survey with Filipino elderly caregivers in Los Angeles. We organized our findings into the following sections: Demographics, Age of Migration, Labor Conditions, Health Care and Living Expenses. The data particularly highlights the precarious labor conditions that Filipino elderly caregivers continue to face including job insecurity and lack of work standards. For example, they can instantly lose their job once the care recipient no longer needs their services or passes away.

A major finding from our data was the average age of the elderly caregivers being 57.5 years old. This is significantly higher than the median age of Americans in the labor force, which is 42 years old. In fact, the oldest research participant was a 78-year old woman (who cared for a 66 year-old client). These findings raise the question of this particular workforce's own plans for retirement and their inability to have savings due to their low wages. The inability for a segment of workers to retire reflects new inequalities among the elderly, as it is the unretireable elderly who are caring for the other elderly.

Some of the other findings emphasize Filipino elderly caregivers' time of migration to the U.S., job responsibilities, wages, how they are paid, place of employment, work injuries and living expenses. Lastly, we provide policy recommendations that attempt to address these concerns including the need for more labor standards, the recognition of companionship care as real work, housing and a retireable wage. As Filipino immigrant elderly caregivers provide care and assistance so that a growing aging population can retire, our findings emphasize the question that many of them now ask themselves—

Can I ever retire?

INTRODUCTION

This report is based on a 100-person survey with Filipino elderly caregivers in Los Angeles. To design the survey, we initially conducted 25 in-depth interviews and 2 focus groups with 30 participants. While the majority of survey participants are women (68%), our sample does not necessarily reflect the gender composition of the elderly caregiver population (Exhibit 1). To date, the data on this group of workers remains scarce. This is despite their high representation among elderly caregivers in the region. According to the US Department of Health and Human Services, 39.6 million individuals comprise the older population of persons who are 65 years or older. They make up 12.9% of the U.S. population, about one in every eight Americans. Their number is expected to double to 72.1 million by 2030. Due to the rise in the aging population, elderly care is one of the fastest growing occupations in the United States.¹ By definition, elderly caregivers refer to persons who look after individuals aged 65 years or older.

Historically, domestic workers such as elderly caregivers were excluded from federal labor and employment laws and benefit standards. However, in September 2013, Governor Brown signed into law the California Domestic Workers Bill of Rights (AB241). Effective January 2014, domestic workers such as Filipino elderly caregivers are ensured overtime protections (paid time and a half of their regular rate of pay after working more than nine (9) hours in a day or more than forty-five (45) hours in a week). Though this legislative victory may improve working conditions, Filipino elderly caregivers continue to lack some basic protections and job security since they can be immediately terminated once the care recipient no longer needs their services or passes away. Additionally, minimal protections such as worker's compensation, use of kitchen facilities, meal breaks, rest periods, paid sick or personal days and vacation time were excluded from the final bill that was signed into law.

¹ Currently, there are approximately 2.5 million paid domestic workers in the United States and 1.8 million workers who provide care work for elderly and disable populations (Poo 2009; Solis 2011).

The central goals of this report are to identify socio-demographic patterns, migration histories, labor conditions, workplace characteristics and lastly the needs and social issues of migrant Filipino elderly caregivers. Our findings are broken down into the following sections: Demographics, Age of Migration, Labor Conditions, Health Care, Living Expenses and Policy Provision Recommendations.

FINDINGS

DEMOGRAPHICS

Of the 100 Filipino elderly caregivers surveyed, the majority are married and hold 4-year college degrees (Exhibit 2). **We found that many of the elderly caregivers have an average age of 57.5 years old** (Exhibit 3). This is significantly higher than the median age of Americans in the labor force, which is 42 years old.² **The oldest research participant was a 78-year old woman (who cared for a 66 year-old client).** These findings raise the question of this particular workforce's own plans for retirement. One survey question asked, "What is the biggest issue that concerns you as an elderly caregiver?" The majority of participants claimed that job security and lack of retirement funding are among their biggest concerns. Retirement seems precarious even for the oldest workers. When asked "when do you plan to stop working," the majority responded between the ages of 65-75. However, most participants also reported that they had no concrete retirement plans, do not have enough savings and intend to work past retirement age.³

² See http://www.bls.gov/cps/occupation_age.htm. Verified on July 26, 2013.

³ We found that undocumented workers were less likely to participate in the survey process. Those that did participate stressed that pathway to citizenship is top concern.

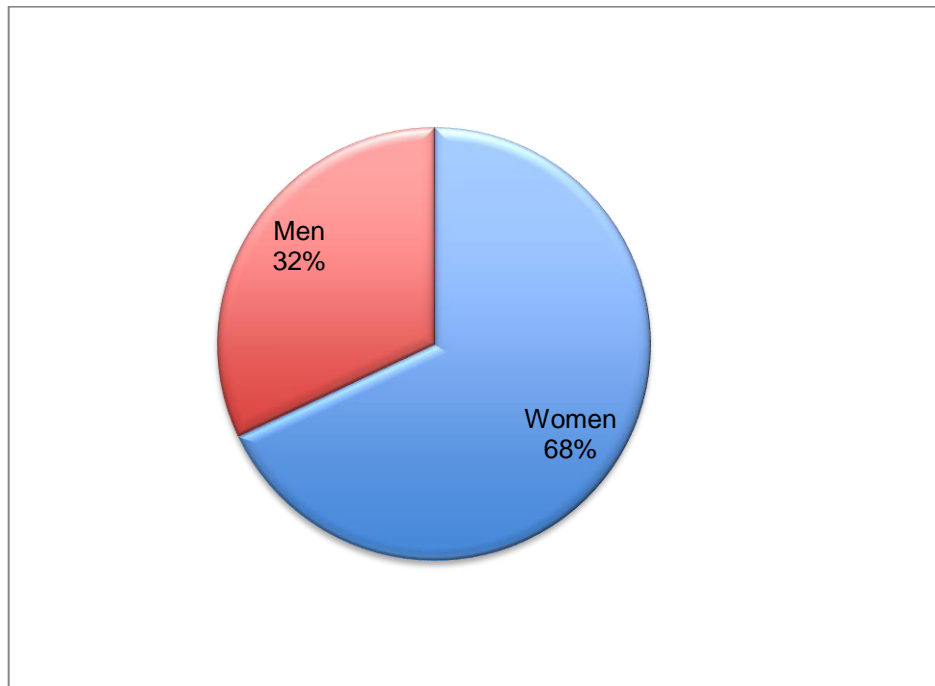
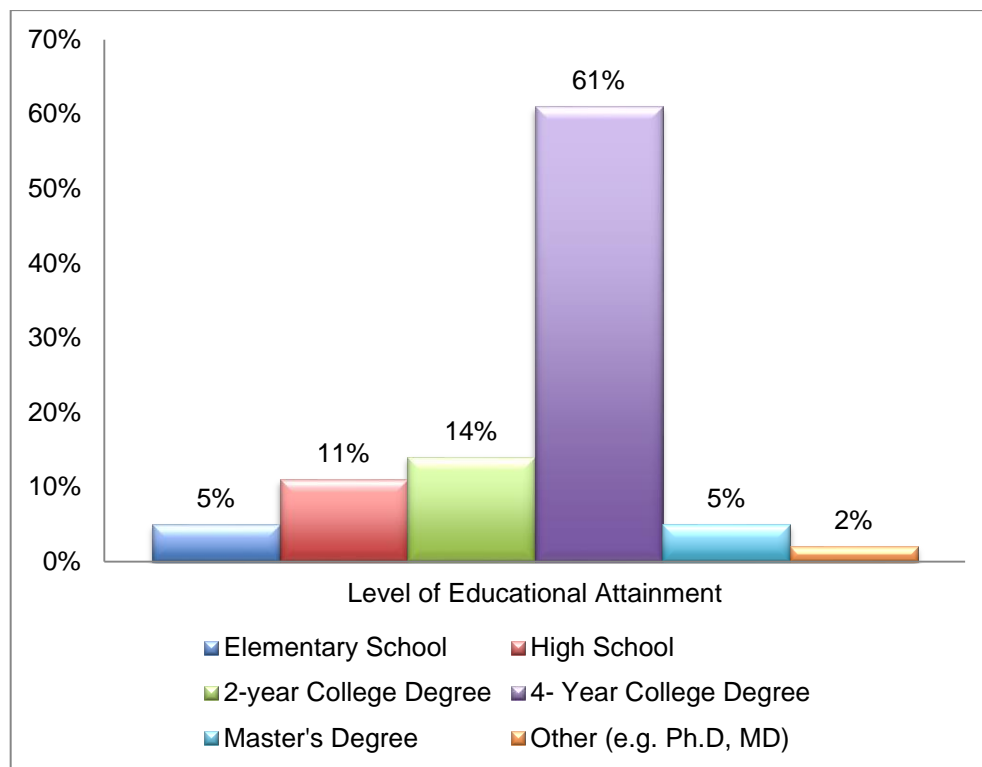


Exhibit 1: Gender Breakdown of Filipino Elderly Caregivers



(N=100, Valid=98, Missing=2)

Exhibit 2: Level of Educational Attainment

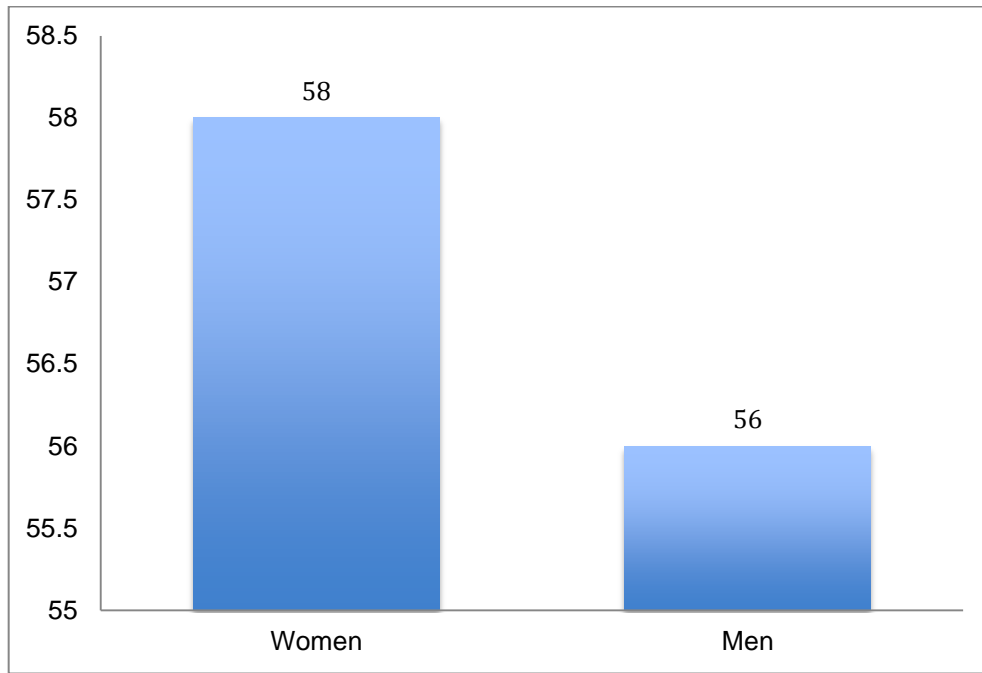


Exhibit 3: Average Age of Filipino Elderly Caregivers

AGE OF MIGRATION

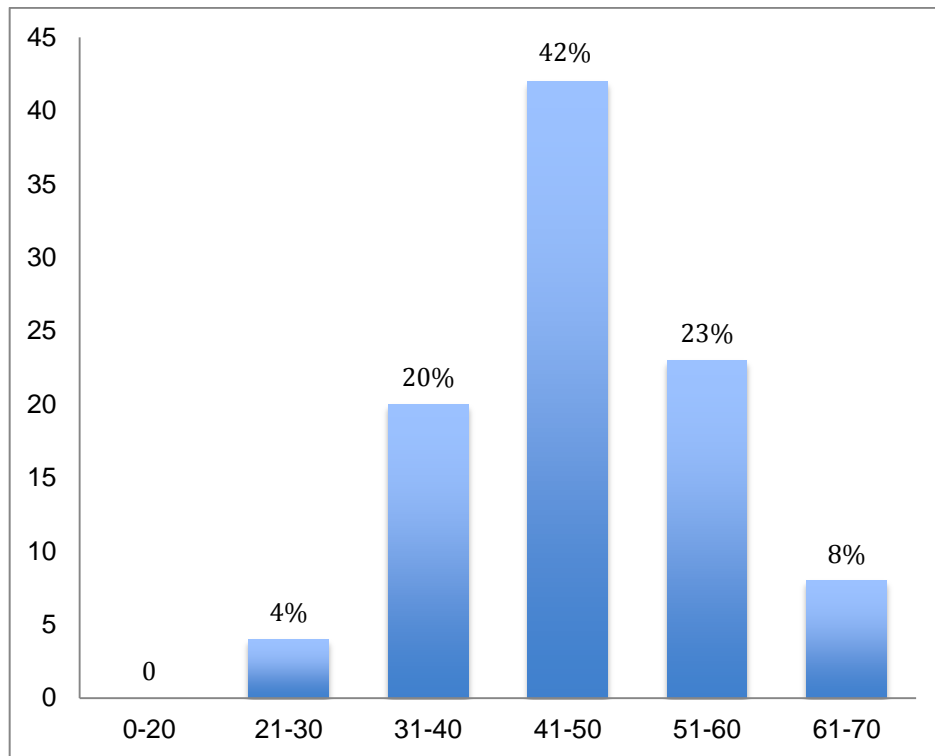
U.S. Census Bureau 2000-2010 reports that new immigrants tend to be between the ages of 18-34.⁴ **Yet, we found that the average age of migration for both men and women we surveyed is much higher at 46.9 years old (Table 1).** The largest age group to migrate was between the ages of 41-50 (Exhibit 4). Participants also reported having worked primarily in elderly care since their migration, working for an average of 7.6 years. Based on our data, we speculate that there may be a sizeable stream of Filipino older age migrants coming to the United States. According to our interviews and focus-group discussions, older age Filipino migrants prefer jobs in the elderly caregiving industry because a) it is

⁴ Source: U.S. Census Bureau, Population Division, 2010 Demographic Analysis, December 2010 release, special tabulation.

convenient; b) they are too old to pursue a career; and c) they struggle to secure jobs that recognize their professional experience and training in the Philippines. The stream of older age migrants points to an understudied source of low-wage migrant workers for the U.S. labor market.

Table 1: Year of Migration to the United States

| | All | Female | Male | Legal Resident | Undocumented Migrant Worker |
|---------------------------|------|--------|------|----------------|-----------------------------|
| Recorded as age to the US | 46.9 | 46.9 | 46.9 | 45.8 | 48.4 |



(N=100, Valid=97, Missing=3)

Exhibit 4: Migration to the United States by Age Group

LEGAL STATUS

One significant finding is the high rate of documented workers among elderly caregivers, including among informal sector workers who are employed in private homes. **Sixty percent of our participants reported that they were either a green card holder or a US citizen (Exhibit 5).**⁵

We also found that the majority of these older age migrants did not come to the United States as labor migrants. Instead, we found that most of them followed a family member or relative to the US through a family reunification program. We also found that many married a US citizen to gain legal status (Exhibit 6).

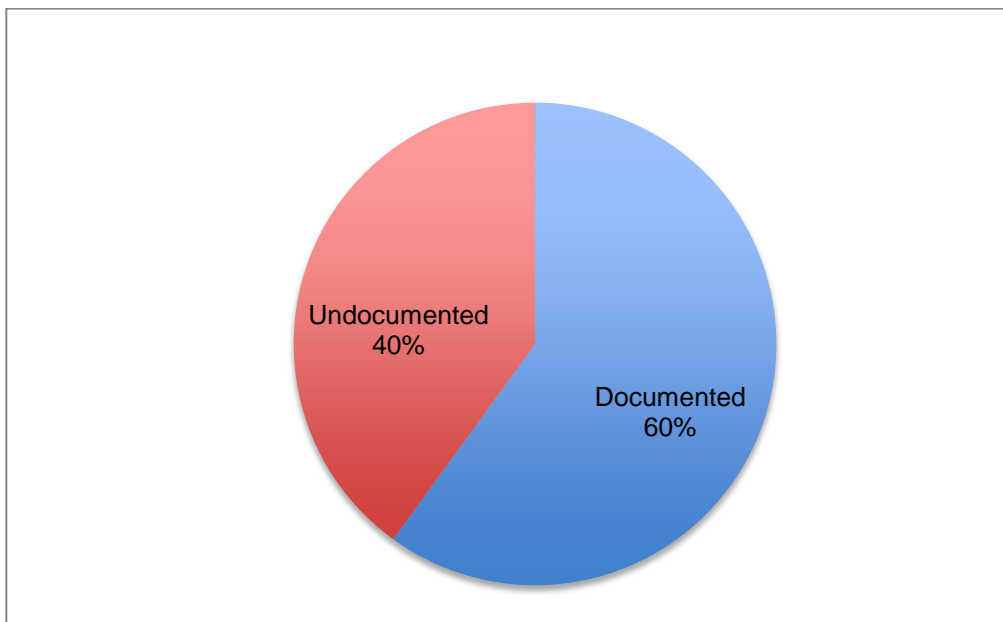


Exhibit 5: Legal Status of Filipino Elderly Caregivers

⁵ We must note that undocumented workers were less likely to participate in the survey process due to their precarious situation and these findings may not reflect their current situation.

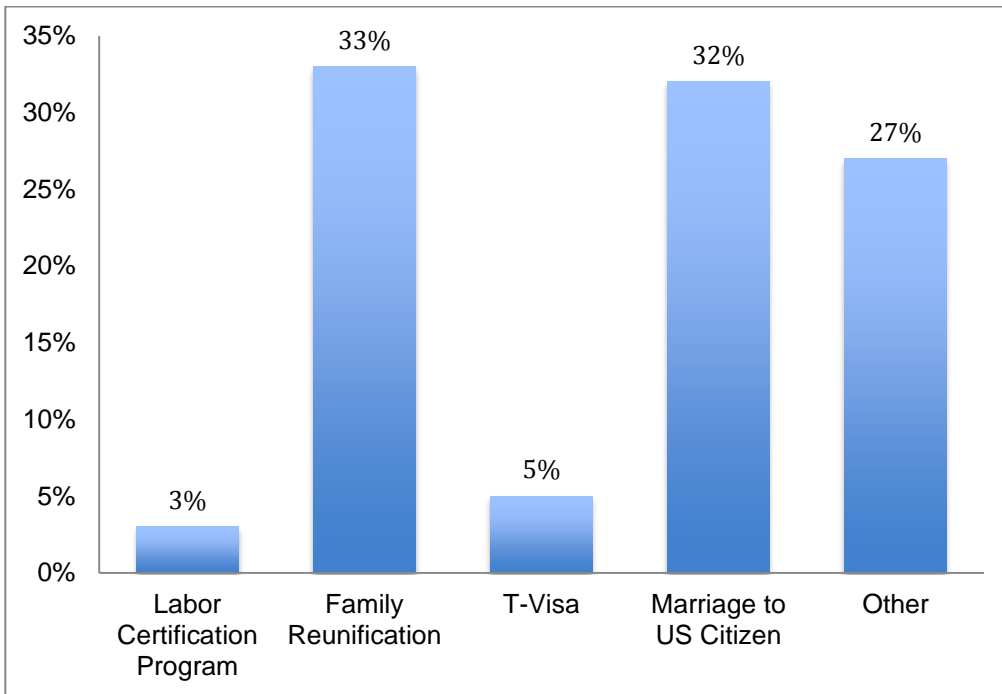


Exhibit 6: Means of Obtaining Legal Status

LABOR CONDITIONS

Work Place Characteristics and Wages

Most of those surveyed either worked in a private home (67%) or a residential care facility (29%) for the elderly (often known as a “board and care” facility). Very few worked in a skilled nursing facility (4%) (Exhibit 7).

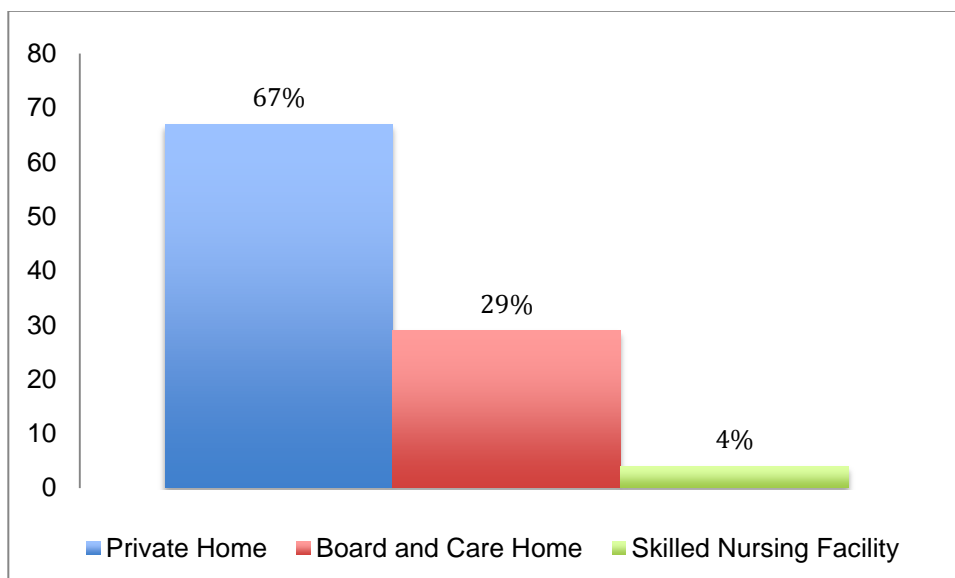


Exhibit 7: Place of Employment

Filipino elderly caregivers report that on average they worked a 16.6 hour shift. They also reported that they received an average of 2 days off per week. **Those in private homes were paid an average of \$109.47 per day (\$6.59 per hour) compared to \$97.43 (\$5.87 per hour) in a board and care (Exhibit 8).** The lesser pay rate in board and care facilities are surprising because employers in institutional facilities are mandated by labor law to hire under W2 employment provisions and comply with the Fair Labor Standards Act (FLSA).⁶ Nevertheless, these numbers indicate that on average these workers (informal and formal) made below minimum wage.

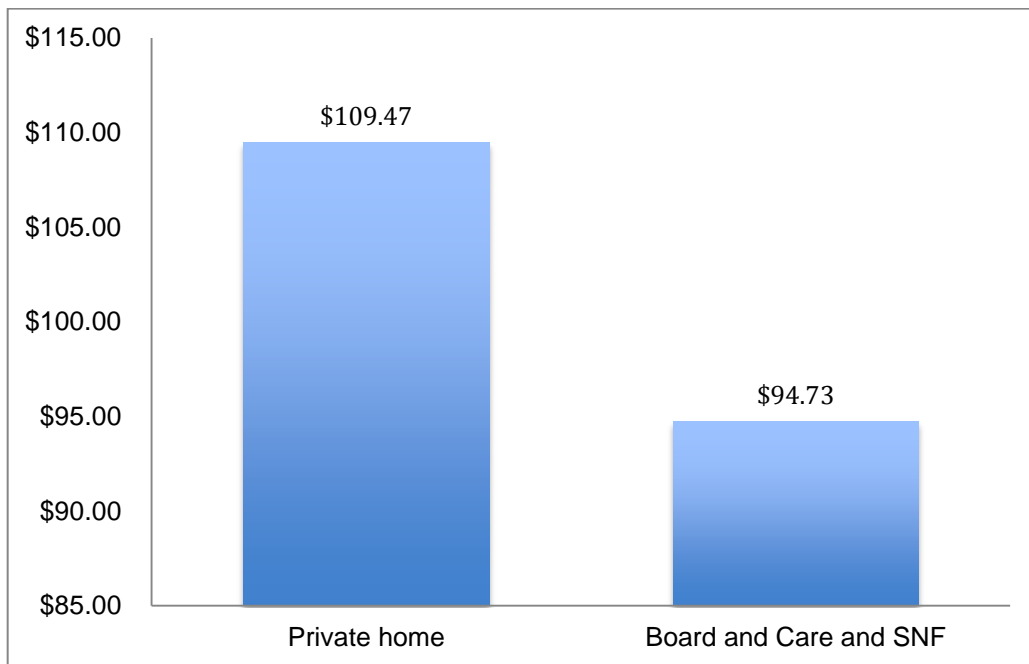


Exhibit 8: Wage Differential between Informal and Formal Sector

One of our biggest findings is the high concentration of legal residents in the informal sector. **While 60% of survey participants are documented workers (Exhibit 5), only 28% receive payment with a W-2 (Table 2).** In other words, only 28% have employers who are contributing to their Social Security, Unemployment and Medicare benefits. Others report being paid as 1099

⁶ Caregivers in institutions such as residential care and skilled nursing facilities are protected by the FLSA, which means they have the right to minimum wage, collective bargaining and overtime pay.

independent contractors (44%) or “under the table” (28%) (Table 2). Of legal residents, only 40% are paid through a W-2 (Table 2). The absence of employer contributions to Social Security is one factor that deters elderly caregivers from retirement.

Table 2: How Are They Being Paid?

| | All | Female | Male | Legal Resident | Undocumented Migrant Worker |
|-----------------------------|-----|--------|-------|----------------|-----------------------------|
| 1099/independent contractor | 44% | 42.6% | 46.8% | 33.3% | 60.0% |
| W2/employee | 28% | 25.0% | 34.4% | 40.0% | 10.0% |
| Other/under the table | 28% | 32.4% | 18.8% | 26.7% | 30.0% |

Since the majority of Filipino elderly caregivers toil in private homes, our findings indicate that job placement is not predicated on their legal status. In other words, we did not find a higher rate of undocumented workers in the non-protected sphere of a private home and documented workers in the FLSA protected sphere of a residential care facility. This suggests that documented workers do not prefer employment in the formal labor market over the informal labor market for elderly care work, raising the question of why this is the case.

Through 25 in-depth interviews and 2 focus groups with 30 participants, we found that substantial wage differences, perceived autonomy and workload ratio (one-to-one versus one-to-two or more) played a key role in their preference for home-based care work. However, we also found that they may be gravitating to these jobs because they are ‘hidden.’ It is well documented that working behind closed doors and out of the public eye make them more susceptible to various abuses and mistreatments. Yet, we found that the majority of these Filipino elderly care workers still preferred to work in private homes because they felt ‘less

embarrassed.’ We found that the majority of these Filipino elderly care workers are highly educated and experience a decline in social status once they take on these kinds of jobs, which makes them want to hide their low-status job from their peers.

Two Types of Economies in Los Angeles

The first economy revolves around the question “Who are they taking care of?” We found that they predominantly care for middle-upper class Jewish and white clientele either in private or institutional settings (Exhibit 9). Though skilled nursing facilities remain corporate-owned entities, the second economy relates to our finding that the majority of home care referral agencies and board and care facilities are Filipino-owned institutions. **Over half of those that work in private homes report that they found their jobs through a Filipino owned homecare referral agency.** This indicates that Filipinos are not only employees but also employers, suggesting a formation of an ethnic economy in the elderly care industry. To date, we know little about the emergence of a Filipino ethnic economy around carework and co-ethnic employer/employee relations (Exhibits 10, 11).

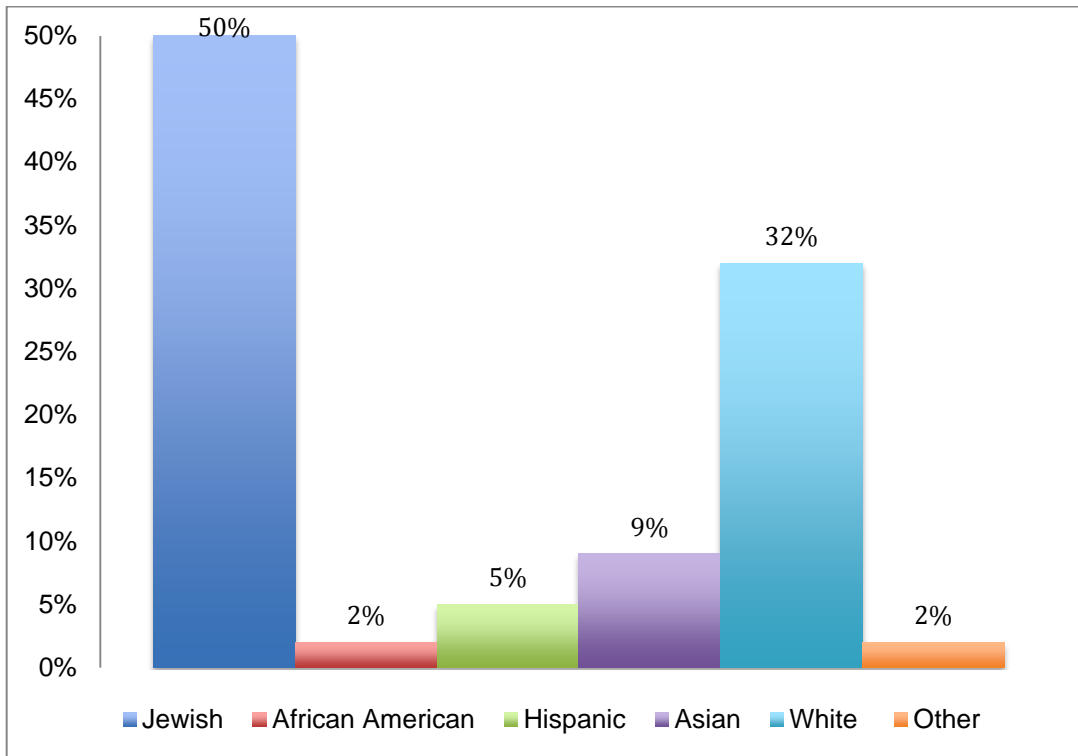


Exhibit 9: Ethnicity of Care Recipients

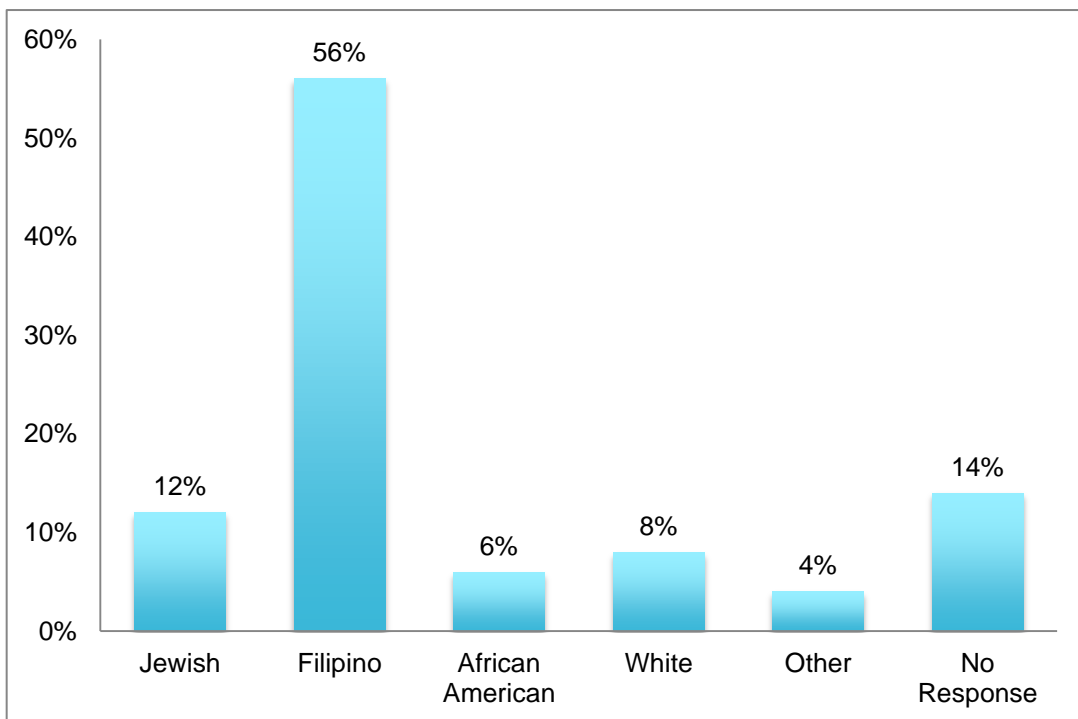


Exhibit 10: Homecare Agency Owners

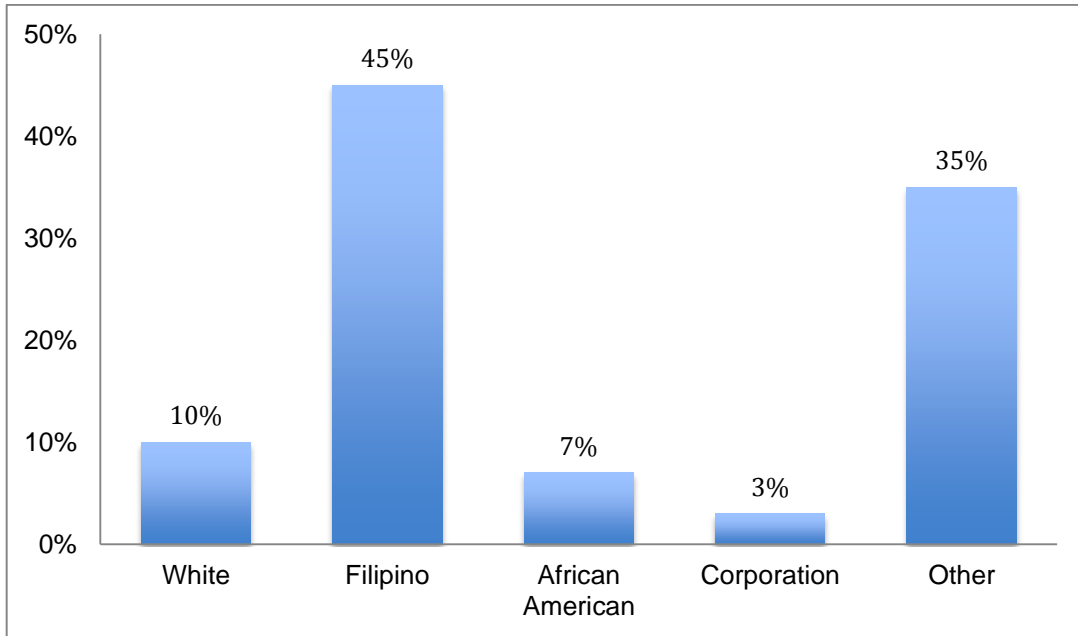


Exhibit 11: Board and Care Facility Owners

JOB RESPONSIBILITIES

The most reported assisted daily living and instrumental assisted living tasks (ADLs and IADLs) performed by those surveyed include companionship, bathing, grooming, toileting, laundry assistance, feeding, cooking, ambulation assistance, housecleaning, sanctioned medical care and lifting (Exhibit 12). **Companionship was ranked highest for both women and men.** Through interviews, elderly caregivers defined companionship as being the eyes and ears of clients that were impaired, preventing falls, keeping the client from feeling depressed or isolated and calling 911 in case of emergency. We also found that women were more likely to provide grooming assistance while men were more likely to provide driving services. The participants were also asked, “Do you provide any of the above services to your client’s family members?” Eighty-four percent answered no.

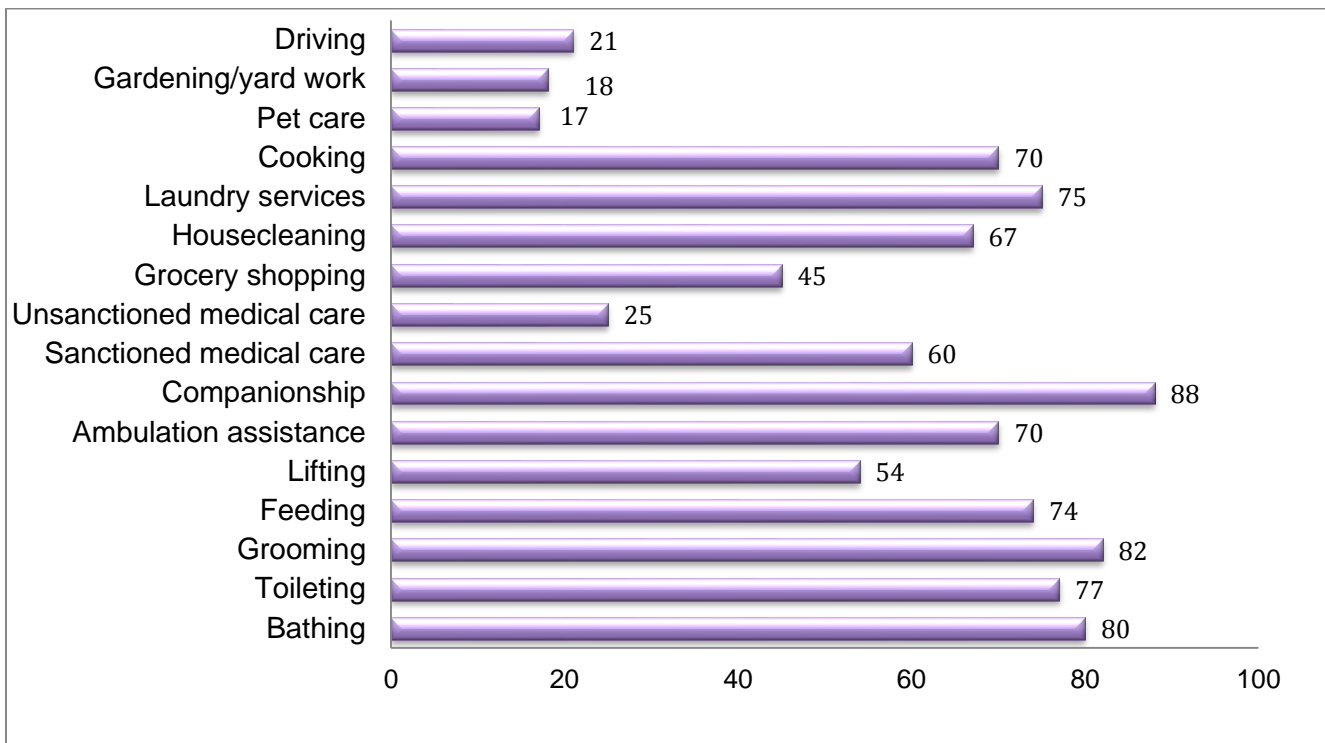


Exhibit 12: Job Responsibilities of Filipino Elderly Caregivers

HEALTH CARE

We found that 23% of those surveyed have been injured on the job and of these individuals (Exhibit 13), 56.5% claim to have suffered some kind of back injury (Table 3). However, those that toil in private homes do not have access to worker’s compensation rights. Prior to the passage of the Affordable Care Act, the majority surveyed did not have access to medical coverage through the government (e.g. Medicare or Medi-Cal) (Exhibit 14). We found that they significantly rely on community free clinics for medical care. Fifty percent reported that a community free clinic would be the first place they would go to if they were to get sick (Exhibit 15).

In reference to sleep, the majority of Filipino elderly caregivers reported an average of 6.1 hours of continuous sleep per night. They also reported that their sleep was interrupted 2-3 times per night. According to the Centers for Disease Control and Prevention, there is no ‘magical number’ as individual sleep needs

may vary.⁷ However, sleep guidelines from the National Sleep foundation suggest that adults get 7-9 hours of sleep per night. Many elderly caregivers are responsible for providing medication assistance and sleep deprivation can place them at risk for cognitive errors.⁸ This points to the importance of focusing on the work conditions of care providers that directly correlates with the quality of care for recipients.

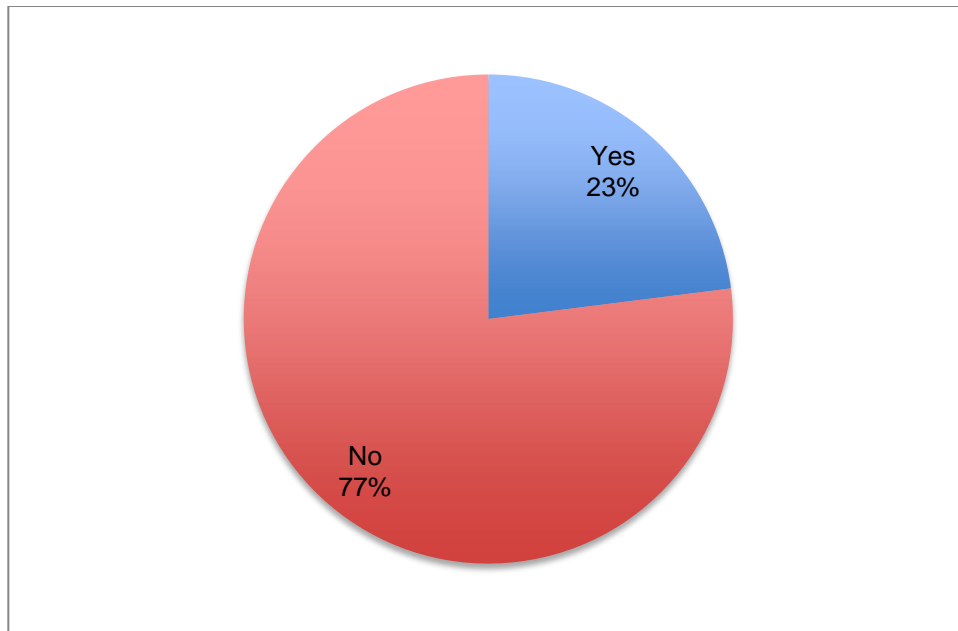


Exhibit 13: Filipino Elderly Caregivers Injured on the Job

Table 3: Types of Injuries on the Job

| | |
|---------------|-------|
| Back | 56.5% |
| Neck | 21.7% |
| Mental Trauma | 8.7% |
| Other | 60.9% |

⁷ http://www.cdc.gov/sleep/about_sleep/how_much_sleep.htm Accessed July 20, 2013.

⁸ Related to studies done on doctors and nurses in hospitals and consequences of sleep deprivation

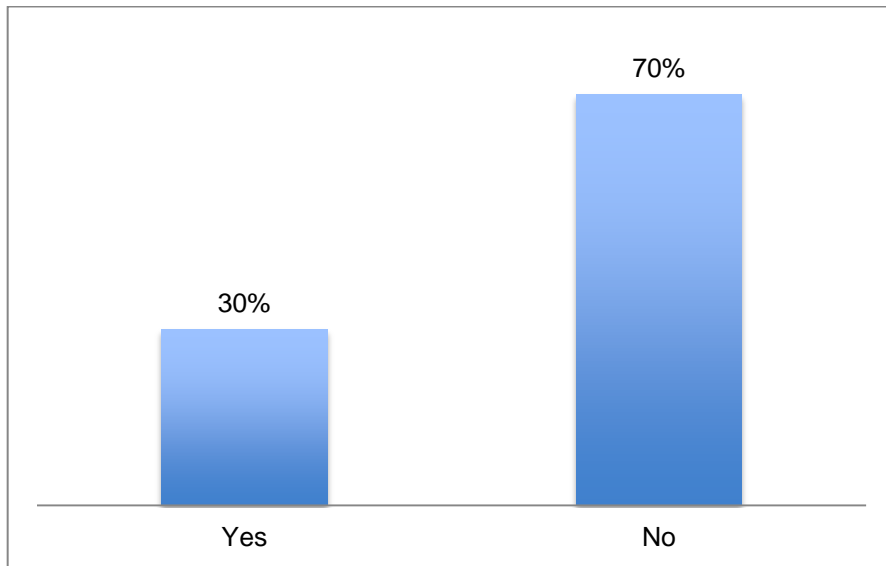


Exhibit 14: Filipino Elderly Caregivers Without Government-Based Health Care Coverage

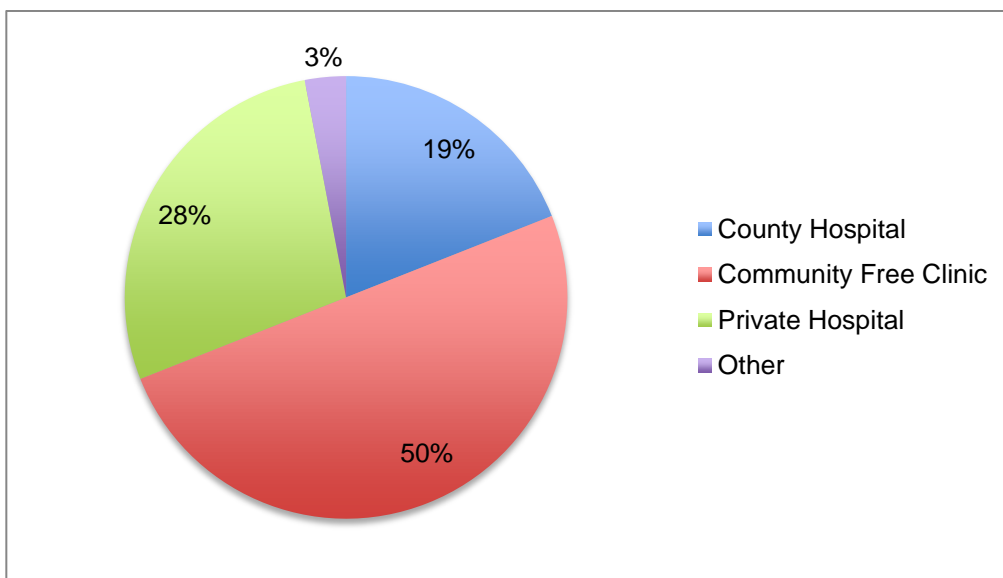


Exhibit 15: First Place Filipino Elderly Caregivers Would Go To If They Were Sick

LIVING EXPENSES

Because most are live-in workers, we were surprised to learn that paying rent is the biggest monthly expense for most survey participants (Exhibit 16). **They reported paying an average of \$639 per month. We found that men claimed to pay slightly more at \$800 while women paid \$590 per month. Seventy-one**

percent send remittances back to family members and relatives in the Philippines and 38% send an average of \$200-\$499 per month (Exhibit 17/Table 4).

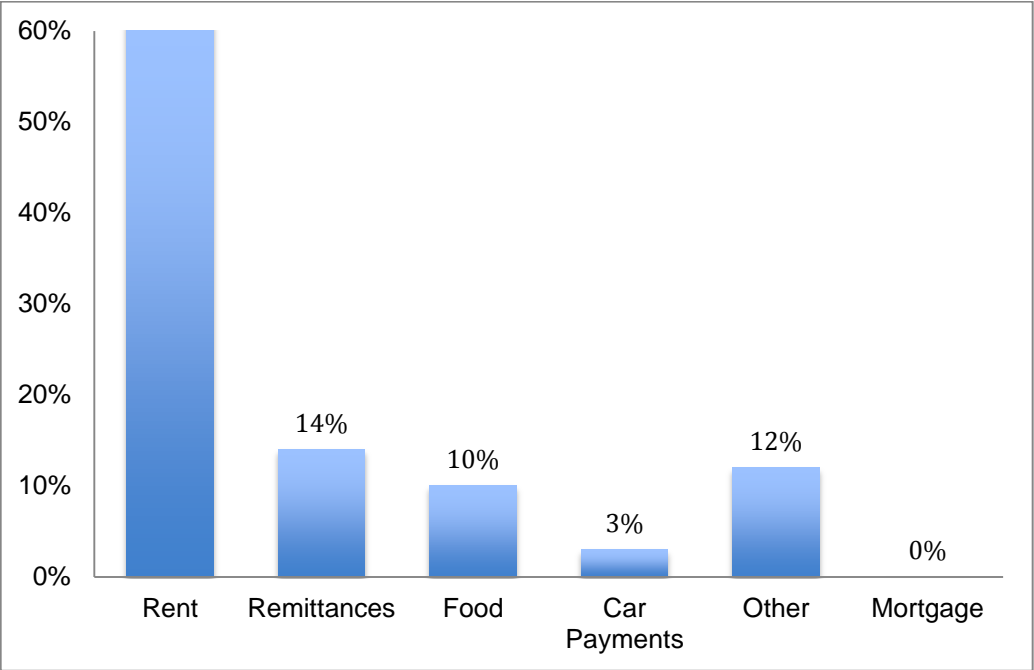


Exhibit 16: Monthly Expenses

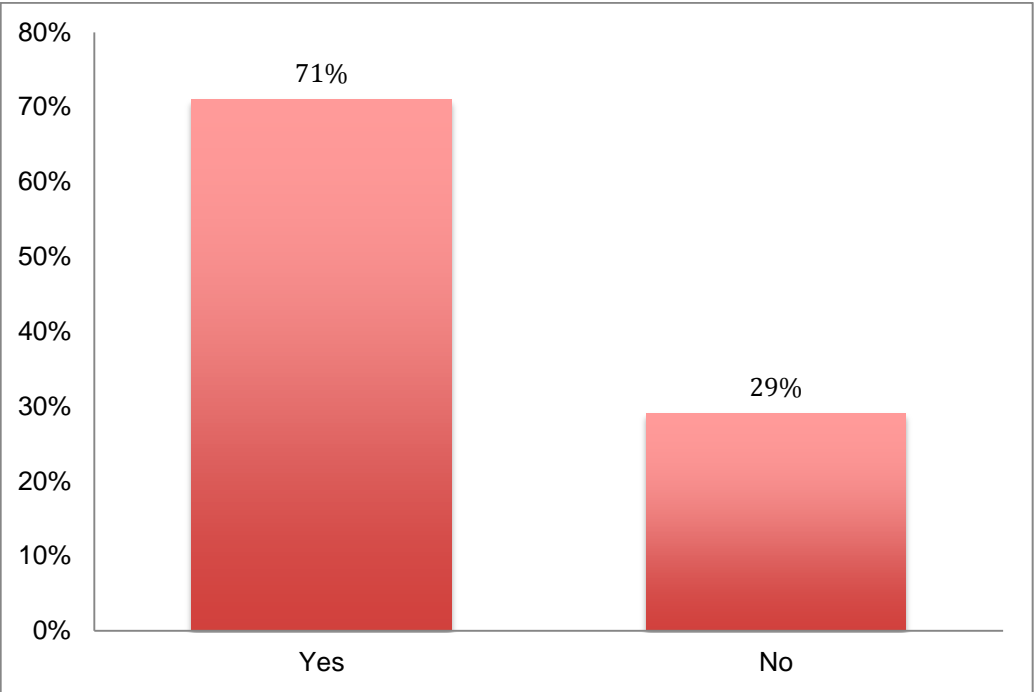


Exhibit 17: Sending Remittances

Table 4: How much do you send per month?

| | All | Female | Male | Legal Resident | Undocumented Migrant Worker |
|--------------------------|-------|--------|-------|----------------|-----------------------------|
| \$100-199 per month | 21.1% | 23.4% | 12.5% | 22.5% | 19.4% |
| \$200-499 per month | 38.0% | 38.3% | 28.1% | 32.5% | 45.2% |
| \$500-999 per month | 21.1% | 21.3% | 15.6% | 25.0% | 16.1% |
| \$1000 or more per month | 12.7% | 8.5% | 15.6% | 12.5% | 12.9% |

(N=71, Valid=66, Missing=5)

RECOMMENDATIONS FOR PUBLIC POLICY PROVISIONS

Based on our findings, we recommend the implementation of policies that would address the need for more labor standards, the recognition of companionship care as real work, housing, and a retireable wage:

1) ***The Need for More Labor Standards*** The new law which went into effect on January 1, 2014, will expire 3 years from that time. Despite minimum wage and overtime protections, our findings reveal the precarious labor conditions Filipino elderly caregivers continue to face including job instability and lack of work standards. Many elderly caregivers labor in private homes and work day and/or night shifts. However, the watered down version of the actual Bill that was signed excluded basic work provisions such as meal and rest breaks, uninterrupted sleep provisions and use of kitchen facilities. Our findings also indicate that elderly caregivers have a high risk of on the job injuries and the continued lack of workmen’s compensation puts them in an even more precarious situation. Our findings hope to further substantiate the need for more labor protections and standards when the law expires in 2017.

2) ***Companionship Services is Real Work*** Companionship services have historically not been considered real work. For this reason, such work has historically been exempt from overtime pay and minimum wage. This is still partially true. Recent changes in the Fair Labor Standards Act only eliminates the exemption to third-party employers (e.g. placement agencies) but maintains such an exception for individuals, families, and households using such services. Only those who provide “care” in excess of 20 percent of hours worked are protected by the FLSA. Thus, in the current reiteration of the law, the companionship exception still stands. Our findings dismiss the argument that “companionship services” is not real work, questioning its exemption from the law. This notion that companionship services is not “real work” has often served as the basis for elderly caregivers’ low wages and the continued legal exclusion of many of the basic labor provisions for these workers. **Companionship services is defined by elderly caregivers as being the eyes and ears of clients that are impaired, preventing falls, keeping the client from feeling depressed or isolated and calling 911 in case of emergency.** A major reason why many individuals are institutionalized is due to the lack of companionship in the home. Elderly caregivers providing companionship services serve an integral role in preventing institutionalization and ensuring that individuals “age in place.” As Exhibit 12 shows, elderly caregivers provide round the clock care in the form of companionship, bathing, grooming, toileting, laundry assistance, feeding, cooking, ambulation assistance, housecleaning, sanctioned medical care and lifting. According to our findings, companionship was one of the most significant services provided.

3) ***Housing: A Hidden Need of Live-In Caregivers*** Our survey found that housing/rental costs is the biggest expenditure for this elderly care workforce. As mentioned earlier, they pay an average of \$639 per month. Although most are live-in workers, they need the security of housing not only for their days off but also for shelter in case of their sudden termination from employment. This

suggests that the investment of elderly caregivers on housing merely reflects their absence of job security; the sudden death of an elderly employer could leave them homeless, as they are without any guaranteed compensation upon the termination of their job.

4) *The Need for a “Retireable Wage”* Our findings in Los Angeles indicate that elderly caregivers tend to be older migrants who are 57.5 years old or older with the oldest research participant being 78 years old. The old age of elderly care providers begs the question—why are these workers not retiring? Assuming that minimal extrinsic rewards will deter a worker from accumulating savings for retirement, it is not surprising that we are finding older workers still employed as caregivers. Our findings suggest that elderly caregivers face the precariousness of retirement because they are unable to accumulate savings.

The inability to accumulate savings is a problem they share with Filipino migrants across the globe. A report by the Philippine Statistics Authority indicated that the majority of Filipino overseas workers do not accumulate savings despite sending billions of dollars of remittances per annum. Of 1.9 million workers who sent remittances, only 40.7 percent managed to set aside savings from their remittances (Ordinario, 2014) Citing the Philippine Statistics Authority, Ordinario notes “Regardless of the amount of the cash remittances sent, for every 10 OFWs, six [61.7 percent] were able to save less than 25 percent of the total amount received, two [21.6 percent] were able to save from 25 percent to 49 percent of it, and about two [16.7 percent] saved 50 percent or more.”⁹

Despite the newly implemented overtime pay regulation, a recent study on the impact of the passage of the 2010 New York Domestic Worker Bill of Rights found a continued overall lack of awareness, recognition and enforcement by the

⁹ Ordinario, Cai. U. 2014. “No savings left for most OFWs-PSA,” *Business Mirror* (June 6, 2014). See <https://businessmirror.com.ph/~businfk5/index.php/en/news/economy/33388-no-savings-left-for-most-ofws-psa>. Last verified on June 18, 2014.

state and employers.¹⁰ Hence, we may find a similar trend in California where elderly caregivers are still undervalued and underpaid.

Our study found that the Filipino elderly caregivers are independent contractors who have opted-out of Social Security and unemployment benefits due to their low wages. The absence of employer contributions to these benefits, which would be the case if they were paid via a W-2, aggravates the problem of their unretireability. The inability for a segment of workers to retire reflects new inequalities among the elderly, as it is the unretireable elderly who are caring for the other elderly. This relationship of inequality among the elderly raises new public policy concerns around the need for a “retireable wage.” A retireable wage highlights a larger social issue around the question of retirement that is not discussed in existing studies around labor conditions. It emphasizes the need for more standardized wages and labor and employment benefits to not only afford the basics of quality of life such as food, healthcare, transportation, shelter and utilities--but the ability to be able to also retire. As these elderly caregivers provide care and assistance so that a growing aging population can retire, our findings highlight the question that many Filipino migrant elderly caregivers in our study ask themselves—*Can I ever retire?*

¹⁰ Maich, Katherine Eva. Sweeping Changes at the Door: Aftereffects of Household Worker Legislation in Peru and New York. Paper presented at 2014 Congress of the Latin American Studies Association, Chicago, IL, May 21-24, 2014.