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Lives & Livelihoods: California's Private Homecare Industry in Crisis

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Lives and Livelihoods: California's Private Homecare Industry in Crisis



March 2022

UCLA Labor Center



HAND IN HAND
THE DOMESTIC
EMPLOYERS NETWORK



GOLDEN GATE UNIVERSITY

SCHOOL OF LAW
WOMEN'S EMPLOYMENT RIGHTS CLINIC



**PILIPINO WORKERS
CENTER**



**NATIONAL DOMESTIC
WORKERS ALLIANCE**

Reader Accessibility: The report uses 14-point font and high contrast to support readers with low vision, and all images include descriptions for screen readers.

Cover Photo Credit: Shayan Asgharnia

Cover Photo Image Description: A Latinx woman pulls back the hair of a 99-year-old white woman into a ponytail, she is lying in bed. Logos for the UCLA Labor Center, Golden Gate University School of Law Women's Employment Rights Clinic, Hand in Hand, Pilipino Workers Center, California Domestic Workers Coalition and National Domestic Workers Alliance are below them.

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Glossary

Credit: Shayan Asgharnia

Image Description: A Black woman with long hair sits in a wheelchair and embraces a white woman wearing scrubs.

Relevant terms used throughout the report

Homecare: Support with activities of daily living, including bathing, dressing, eating, and using the restroom, and/or instrumental activities of daily living, such as meal preparation, housecleaning, and running errands. These services are provided at home, rather than in a facility, to people with disabilities and/or older adults.

Homecare Agencies: Private, licensed agencies that individuals and families hire to send homecare workers to their homes.

Residential Care Facility for the Elderly (RCFE): A type of long-term care facility that serves older adults and provides room, meals, housekeeping, supervision, and assistance with the activities of daily living.

Consumer: Homecare workers may coordinate with the person who is receiving care, or they may coordinate with the family members of the recipient of care. We use the term *consumers of care* in this study to refer to a spectrum of care recipients, some of whom personally employ the care they need, and some of whom require others to manage the terms of employment on their behalf.

Employer: We use the term *employer* to refer specifically to the person or organization who pays for and manages the terms of employment with the worker. The consumer is considered the employer when they are managing the terms of employment, such as the schedule, tasks, and pay schedule with the homecare worker. When an individual hires through a homecare agency, the agency and the individual may be considered dual employers. Depending on the arrangement, the homecare agency may instead be considered the sole employer.

Homecare Worker: We use the term *homecare worker* to refer to the paid workers that support older adults and people with disabilities with activities of daily living and/or instrumental activities of daily living at home. While homecare workers may support long-term health needs, such as administering medication, they are not home health nurses, who provide more medical care and require specific training and credentials. In those places where we refer specifically to workers in residential care facilities for the elderly, we use the term *RCFE workers*. The term *caregiver* or *care provider* may apply to any and all workers who provide support with activities of daily living or instrumental activities of daily living at home or in a facility.

People with Disabilities and Disabled People: In this report, we alternate between *people with disabilities* and *disabled people*. We use person-first language to acknowledge the humanity of all people with disabilities. We also use identity-first language to acknowledge and highlight the importance of disability as a part of one’s identity.

Care and Support: We use the terms *care* and *support* to refer to the range of services consumers receive from homecare providers, family caregivers, or in facilities. Some consumers and workers prefer the term caregiver, others care provider, some personal care attendant, and others prefer different terminology. Especially for adults with disabilities, care and caregiver may suggest that the consumer needs to be “taken care of” in a way that fails to recognize their autonomy. Our use of this range of terms is intended to honor both the autonomy and preferred language of consumers and workers alike.



Executive Summary

Credit: Disabled and Here

Image Description: A South Asian person in a wheelchair looks thoughtfully to the side while taking notes.

Home care is essential, and demand for in-home care in California is rising rapidly. This demand is largely driven by older adults and people with disabilities who want to remain in their own homes and communities. These two groups constitute millions of Californians who need support with the activities of daily living, which includes bathing, dressing, eating, using the restroom, and/or instrumental activities such as meal preparation, housecleaning, and running errands.

However, despite the growing demand for home and community-based care, the industry is faced with critical issues that strain consumers and workers alike. Home care is unaffordable for many consumers. Most consumers also struggle to navigate a complex system that leaves them unsure about their

roles, rights and responsibilities, and makes it difficult to retain skilled workers. And the industry’s workforce—composed primarily of women of color—remains burdened by untenably low wages, inconsistent labor protections, and unsustainable rates of turnover and burnout. Without meaningful reform, the industry will fail to generate good-quality jobs, and will fail to meet the deep need for home care in California.

Performed against the backdrop of the accelerating need for home care in California and nationally, this report throws light on the current challenges facing both consumers and providers of care. It is based on a multi-method examination of home care in California, and it focuses on two main areas: 1) in-home, private-hire care scenarios in which the employer finds homecare workers directly (direct-hire consumers) or through an agency (agency consumers) ; and 2) care provided in six-bed residential care facilities (RCFEs). We surveyed 500 workers and 103 consumers throughout the state. We also conducted in-depth interviews with six homecare and RCFE workers and 14 consumers in different regions in California and conducted an audit of 62 homecare agencies and 38 RCFEs in the state. What follows are the key findings.

1. Challenges of Connecting Consumers and Care Providers

When individuals and families decide that they need paid long-term care support, one of the first barriers they encounter is the challenge of figuring out where and how to find an available homecare worker compatible with their needs and resources.

- Many consumers rely on their personal networks to find a worker; 52% of direct-hire and agency consumers ask friends and family.
- The intimate nature of the work can complicate finding compatible consumer-worker matches. Consumers reported reliability (90%) as the most important factor when hiring homecare workers. The emotional aspect of this work—their demonstration of love and care—is also significant (85%).

2. Struggling To Set Terms and Navigate Employment Relationships in a Sector That Lacks Infrastructure

Once a consumer and a worker manage to find one another, they face a new set of challenges: negotiating the terms and then navigating the realities of their working relationship.

- When deciding employment terms, almost half (44%) figure it out themselves, and almost one-third (31%) ask friends and family. Most agency and direct-hire consumers designate the days and hours homecare workers are on the job (92%), establish the duties of workers (87%), and decide how much to pay the worker (85%). But only 25% percent opt to determine benefits like paid time off and health insurance.
- Only 24% of direct-hire workers had a written agreement or contract with their employer. A written agreement or contract typically includes information such as the worker’s pay rate, schedule, and job duties.
- Employers are also required to issue workers a written notice of their policies on sick leave, vacation, personal leave, holidays, hours of work, as well as legal rights, pay rate, and overtime rate. Yet nearly half (47%) of RCFE workers and those employed by homecare agencies did not receive any written documentation.
- Care providers face barriers in accessing paid sick leave, partially due to the lack of enforcement for homecare agencies and RCFEs and the lack of information available to consumers.
 - Only 61% of the RCFE administrators audited provided the state-required 24 hours of paid sick leave, compared to 94% of homecare agency administrators.
 - Most consumers either didn’t know, or didn’t provide paid time off for workers during illness, pain, or injury. Only 29% of agency and direct-hire consumers reported that the workers they employ receive paid time off from work during those occasions.
 - The low rate of consumers providing sick time was reflected in its use: only 22% of all workers reported having taken the paid sick leave to which they are entitled by law.

3. High Costs for Consumers, Low Wages for Workers

Homecare consumers and workers each carry the cost of a broken, underregulated system with home care too expensive for consumers, and low wages that are unsustainable for care providers.

- Workers reported an hourly median wage of \$14.50, which is below a livable wage. Workers that were paid a flat rate earned a median hourly wage of just \$9.17. Nearly two-thirds (63%) of workers reported that they do not earn enough to meet with living expenses.
- Consumers reported paying a higher median wage of \$21 per hour. This higher wage is likely due to a portion of the wages going to the agency rather than the worker, and to a consumer sample with an above-average median income.
- Consumers reported drawing on a variety of sources of financial support to cover the cost of paying the worker, the homecare agency, or the RCFE. The majority (62%) of consumers used their retirement savings or other savings to cover the cost, and 27% relied on parents or other family for financial support. 21% used long-term care insurance.
- Consumers generally recognize that homecare workers need and deserve higher pay. Among the consumers we surveyed, 59% would like to pay the workers they employ more, but cannot afford it. Overall 76% stated they would pay more.
- Over half (57%) of workers worked overtime hours, yet nearly half (48%) of those workers did not receive the overtime pay required by law.
- The ways caregivers are paid are often informal: 25% reported being paid by cash, 21% by personal check, and 1% by an app such as Venmo or PayPal. Only 38% reported payment through payroll check or direct deposit. Among direct-hire workers, cash pay is more pervasive at 43%. It is unlikely employers who are paying via cash, personal check, or an app are withholding payroll taxes and providing pay stubs. As a result, workers are unable to access unemployment insurance, paid family leave, and disability insurance.

4. Care is Essential and Needs More Support

Most people need or will need long-term care, including soon-to-retire homecare workers, parents of young children, young people with disabilities, and aging adults. And most support investing in the future of long-term care to meet this massive and growing need.

- The homecare workforce is aging. Half (54%) of workers surveyed were aged 50 and over, while the median age for workers is 40. As they age and near retirement, 74% of homecare workers surveyed did not have any type of personal retirement savings.
- One-fifth (21%) of respondents to our consumer survey also had children under the age of 18 living in their household or in the household of the person receiving care. Sometimes referred to as “sandwich generation” caregivers, these individuals are balancing the challenge of raising children while supporting aging or disabled loved ones, or managing home care for themselves.
- One-quarter (24%) of consumers said the hours they received from the primary homecare worker they employ were insufficient to meet their needs. Unaffordable out-of-pocket costs, difficulty finding available workers to hire, and challenges resulting from the COVID-19 pandemic were among the reasons consumers reported.
- Our study reflects strong support for a universal long-term care insurance program in California. Most (85%) of the consumers we surveyed answered yes to the question: “Would you support the creation of a new social insurance program to help all Californians pay for their long-term care if it were a 1% tax on your income?” Such a program would greatly improve the landscape of home care in the state by publicly financing long-term services and supports for consumers in all income brackets.

The responses in our survey of consumers illustrate the challenges many Californians face in seeking, hiring, and managing homecare workers. Information about how to find a homecare worker and how to be an employer—especially a high-road employer—is sparse. From the perspective of workers in the industry, the status quo provides poverty wages, inconsistent benefits, and little room for advancement and professional development. The following are key recommendations:



1. Make It Easier For Consumers to Find Care and Workers To Find Fair Employers

- Help consumers connect with skilled, compatible homecare workers and high-road, quality homecare agencies and RCFEs. Help workers connect with consumers, agencies, and RCFEs that will uphold their rights under California's labor laws.



2. Create Stronger Infrastructure For The Industry and Make Workers' Rights Real Through Education, Tools, and Increased Enforcement Efforts

- Provide education to domestic employers, consumers, and workers. As part of this education, consumers should learn how to identify homecare agencies and RCFEs that are in compliance with labor laws and provide fair working conditions.
- Provide tools to support workers and employers in creating a fair and positive working relationship.
- Bring RCFEs and agencies into compliance with labor laws and fair, transparent employment practices.



3. Address The Crisis of Low Wages

- Address the harm that noncompliance and limited labor protections causes for both workers and consumers by expanding protections and rights for domestic workers, such as health and safety protections, raising minimum wages, and setting higher standards for homecare agencies.
- Create high-road programs, including worker-owned cooperatives, that uphold workers' rights and provide affordable, quality care for consumers.
- RCFEs and homecare agencies should provide a living wage and paid time off for workers.



4. Expand Existing Programs and Greatly Increase Public Investment in Long-Term Care To Improve Access and Affordability

- Invest in current and new public programs to increase affordability and meet the homecare and long-term care needs of all California's older adults and people with disabilities, their families, and the workers who provide that care.
- Establish a new public universal long-term services and supports program to help Californians.



Credit: Wellington Smith

Image Description: A Black woman sits next to an older Black woman with glasses, smiling and looking at her.

Home care is essential. Home care means that older adults and people with disabilities have the agency to choose where they will live. To live at home safely, millions of Californians need support with activities of daily living, including bathing, dressing, eating, and using the restroom, and instrumental activities of daily living, such as meal preparation, housecleaning, and running errands.¹ And demand for in-home care in California is rising rapidly, largely driven by older adults and people with disabilities who want to remain in their own homes and communities. By 2030, over one million adults over 65 will need homecare in California—the over 65 population will continue to climb 10 times faster than other age groups.² And as of 2019, there were over 4.5 million disabled adults under 65 in California, at least 1.75 million of whom needed homecare.³ Over 700,000 Californian workers provide homecare for nearly three million older adults and people with disabilities.⁴

But the homecare industry in the state faces a mounting crisis: the soaring cost of home care reaches an average of \$5,000 per month per consumer. Alongside these wide increases in older adults needing care, there are too few workers to provide care.⁵ Even before the nation faced a widespread labor shortage, homecare consumers faced their own, with a widening gap of homecare workers in California projected to be between 600,000 and 3.2 million workers by 2030.⁶ The industry’s workforce—composed primarily of women of color—remains burdened by untenably low wages, poor benefits, inconsistent labor protections, and unsustainable rates of turnover and burnout for skilled workers who stay in these high-skilled, critical jobs.⁷ Without meaningful reform—and at an accelerated pace—the industry will fail to generate good-quality jobs, and will fail to meet the deep need for home care in California. In order to bring about a homecare system that sustains consumers and workers alike, this crisis of care must be addressed.

Snapshot of the Industry

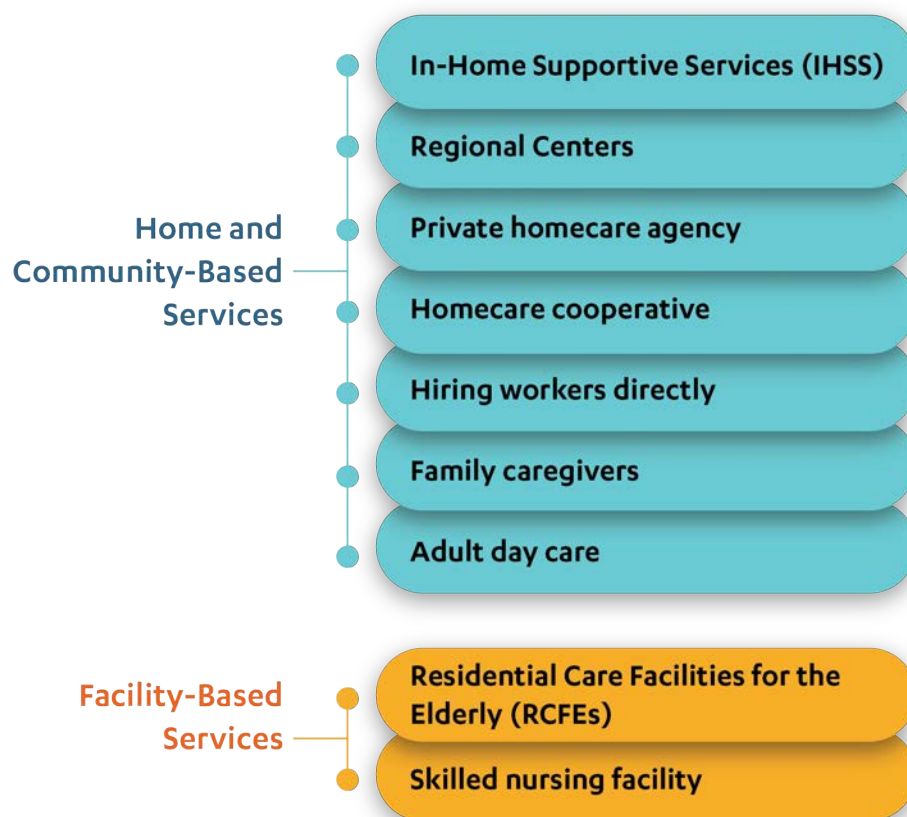
Long-term care, also known as long-term services and supports (LTSS), involves a variety of services designed to meet a person’s health or personal care needs when they are unable to perform certain activities—ranging from preparing meals to bathing—without support.⁸ Long-term care is provided in a variety of settings by unique kinds of care providers depending on the needs, desires, and financial resources of care recipients.

In fact, most long-term care is provided at home by unpaid family members and friends.⁹ Paid, in-home, long-term care—which covers most of what we mean by *home care*—makes up another significant portion of the long-term services and supports landscape.

The continuum of long-term care includes two main areas—1) home and community-based services and 2) facility-based or institutional care. California consumers can access long-term care provided at home in one of three ways: **publicly funded homecare**, including the In-Home Supportive Services (IHSS) program and Regional Center programs, through **private homecare agencies**, or by **hiring workers directly**.¹⁰

But when homecare is not an option due to financial and logistical constraints, individuals and their families may look to other options along the continuum of care. Some such options allow care recipients to continue to live at home while receiving services outside of the home, such as Adult Day Care Services, which are beyond the scope of this report. There are also **Residential Care Facilities for the Elderly (RCFEs)** and Adult Residential Care Facilities, where the consumer no longer lives at home, but instead in a facility. Options along the continuum of care are outlined below.

Figure 1: Along the Continuum of Care: Accessing Home and Community-Based Services



Publicly Funded Programs

Many Californians access services through the IHSS program, which is subsidized home care paid by Medi-Cal (the state's Medicaid program). As of September 2021, over 650,000 people are receiving home care through

In-Home Supportive Services, while 560,000 workers staff IHSS. The strict income and asset limits of IHSS have effectively excluded many Californians from accessing subsidized home care.¹¹ Some can also receive homecare services through Regional Centers, which serve over 360,000 Californians with developmental disabilities, including cerebral palsy and autism.¹² While critical policy changes are expected in 2022 to expand IHSS eligibility by significantly raising the asset limit as well as enabling undocumented immigrants over age 50—and potentially of all ages—to access MediCal, the majority of Californians will still be excluded from publicly funded long-term care assistance. Medicare, which serves older adults, does not cover long-term in-home care.

Homecare Agencies

Californians who don't qualify for publicly funded home care may hire through a private homecare agency, either paying out of pocket or, if they are among the 4% of those with private long-term care insurance, through insurance. In California, homecare agencies (or homecare organizations) must be licensed through the California Department of Social Services (CDSS). In 2021, there were 1,718 licensed homecare organizations, and there were also unlicensed homecare organizations in operation.¹³ In 2019, California homecare agencies employed close to 99,000 workers.¹⁴ Homecare agencies should not be confused with referral agencies, which place workers with employers, but are not involved in the employment relationship after the initial placement.

Direct-Hire

Consumers may also opt to hire, supervise, and pay the homecare worker directly.¹⁵ In 2019, over 32,000 workers provide in-home care through these direct-hire arrangements.¹⁶

Homecare Cooperatives

Homecare cooperatives are an emerging model, often run directly by homecare workers. Because of worker ownership, they often provide better working conditions than traditional private homecare providers. The largest worker cooperative in the U.S., Cooperative Home Care Associates (CHCA), is a homecare cooperative consisting of over 2,300 care workers in New York City.¹⁷ Other co-op models feature registries of available homecare workers created and maintained by workers who also negotiate the conditions of their employment.¹⁸

Unpaid Family Caregivers

Homecare is not only costly, but is often difficult to secure due to both workforce shortages and poor working conditions, as discussed below. Family caregivers often fill in the gaps, providing home care to friends and relatives. Nationally, two-thirds of adults who receive homecare receive it from unpaid family caregivers.¹⁹ Family caregivers provide an average of 24 hours of support per week—the equivalent of a part-time job.²⁰ In California, family caregivers may be paid through IHSS if their family member qualifies. Working as a paid IHSS provider limits their ability to work other, higher paying jobs. And for the many family caregivers whose loved one does not qualify for the IHSS program, their work is entirely uncompensated.

Residential Care Facilities for the Elderly (RCFE)

RCFEs are a type of long-term care facility that serves older adults and provides room, meals, housekeeping, supervision, and assistance with the activities of daily living.²¹ In 2021, there were 7,560 licensed RCFEs located throughout California, and 78% have six beds or less.²² In 2019, RCFEs employed almost 25,000 caregivers.²³ These facilities, specifically those RCFEs that have six beds or less, tend to be located in homes and in residential areas. Due to limited public funding, most RCFE residents pay out of pocket.²⁴

A Brief History of Home Care in The U.S.

The current landscape of the homecare system expresses an unambiguous history of the discrimination and marginalization of women, immigrant and Black workers, disabled people, and older adults. When examining how the living conditions of workers and consumers alike have improved, we see behind this progress a history of resistance, organizing, and advocacy by and for these very communities.

Until around the turn of the twentieth century in the United States, health care from birth to death was largely administered in the home.²⁵ Friends and relatives cared for older adults and those with disabilities, and religious and charitable organizations supplemented care in many communities. By 1920, the rapid urbanization of the country brought with it the growth of large, centralized care facilities, including hospitals and asylums, which drew the provision of health care and some personal care out of the home and into institutions. At the same time, disability was generally perceived as a medical problem to be fixed or hidden rather than as an aspect of human diversity to be embraced and integrated into society. Institutions often hid and otherwise segregated disabled people from the rest of society.²⁶

Developments in labor relations further shaped the trajectory of home care. New Deal legislation brokered under President Franklin Roosevelt's administration included the Fair Labor Standards Act (FLSA) of 1938, which enacted minimum wage and other labor protections for all workers except agricultural and domestic workers. This effectively excluded well over half of Black workers from basic labor protections, reinforcing the legacy of "slavery and segregation that racialized [domestic] labor and defined it as low paid and unskilled."²⁷ Decades later, when amendments to the FLSA in 1974 extended wage protections to domestic workers, homecare workers were likewise singled out from the FLSA's conception of domestic work as a whole. While this legal exclusion from basic wage protections formally concluded in 2015, its impact remains in the form of a persistent, significant wage gap between those who work in the home and those who work outside of it.²⁸

Organizers, workers, and people with disabilities have made advances for homecare consumers and homecare workers. Leaders such as Dorothy Bolden set precedents for dignity and fair pay for domestic workers by founding the National Domestic Workers Union of America in 1968, mobilizing domestic workers in Atlanta and nationally, and organizing to pass the 1974 amendments to the FLSA.²⁹ Figures such as Ed Roberts, a disabled leader who founded Berkeley's Center for Independent Living, facilitated the establishment of independent living centers across

California, and advocated for himself and others with disabilities throughout his life, pioneered the independent living and disability rights movement. This movement insists on the essential civil rights of those with disabilities, as well as the right of all to live at home and in their communities.³⁰

The independent living movement won a landmark victory in 1999 with the *Olmstead v. L.C.* case, in which the Supreme Court ruled that states are required to provide community-based services and in the most integrated setting possible. In other words, receiving services while living at home must always be the first option for disabled people.³¹

The multifaceted struggle for consumers to access dignified, affordable, and accessible care at home, and for workers to earn fair wages, benefits, and principled treatment, is particularly challenging given its roots in the nation's troubling histories of exclusion. If there is a way forward, it arises solely out of the collaborative and imaginative struggle of consumers and workers alike.

An Industry in Crisis

The demand for home and community-based care in California has continued to increase over the years, as more older adults and people with disabilities require supportive services and opt to receive them at home or in their communities.³² This hard-won right to live at home enables disabled people and older adults to be engaged community members and leaders, go to work, and stay connected with family, friends, and romantic partners.

Following the outbreak of the COVID-19 pandemic, the preference to live and age at home rather than in relatively unsafe facilities became even more pronounced. Skilled nursing facilities and other congregate living facilities such as RCFEs experienced a rapid spread of the virus that led to a staggering number of COVID-19 deaths. In California, as of January 2022 nearly 140,000 infections and 9,716 coronavirus deaths have been reported among residents and staff of nursing homes.³³ RCFEs were also hit hard by COVID-19, with over

45,000 infections reported and more than 3,800 deaths among RCFE residents and staff.³⁴ Home and community-based care helps keep those at the highest risk for the virus home while receiving services. And while the pandemic initially depressed homecare demand as consumers abstained from care due to fear of infection,³⁵ more recent reporting indicates that the sector has rebounded and demand has been steadily inclining.³⁶

Yet despite the growing demand for home and community-based care, the industry is faced with critical issues that strain consumers and workers alike. Given the high cost of in-home care, most consumers face challenges in paying for homecare. Most also struggle to navigate a complex system that leaves them unsure about their roles, rights, and responsibilities, and makes it difficult to retain skilled workers.³⁷

For workers in the field—most of whom are women (81%), people of color (75%), and immigrants (47%)³⁸—low wages and benefits compounded by poor workplace conditions and lack of protections have resulted in turnover rates hitting as high as 82%.³⁹ Even prior to the current labor shortage, the aging homecare workforce had begun to retire en masse, and the industry has failed to attract a sufficient number of new workers.⁴⁰ A 2019 report estimated that the labor shortage will reach 600,000 homecare workers by 2028.⁴¹ The overwhelming needs of the moment are to improve the quality of work, increase wages, focus on retention, and recognize the vital necessity of providing homecare.

Key Issues in Homecare and RCFEs

The following presents key research findings from previous studies that highlight the issues workers and consumers face in the sector, such as affordability, low wages, wage theft and misclassification, turnover, and labor shortages.

Affordability

- The high cost of long-term care prevents a broad swath of potential consumers from accessing home care.
- Home care is the lowest cost personal care option, but would still claim 71% of the annual median income of older California households.⁴²
- Middle-income families can neither afford private home care, nor qualify for public assistance programs, such as In-Home Supportive Services (IHSS) in California.
- Even among IHSS-qualifying consumers, thousands routinely go without the support they need, due to workforce shortages and the administrative shortcomings of some state agencies.⁴³

Low Wages and a Lack of Benefits

- Median hourly wages for homecare and RCFE workers were \$11.37 in 2019, compared to \$19.61 for all other workers.⁴⁴ Almost three-in-four homecare and RCFE workers are low-wage.⁴⁵
- These jobs provide few benefits: only 36% of homecare workers and 43% of RCFE workers have employer-sponsored health insurance, as opposed to 64% of all other workers.⁴⁶
- Nearly three-in-five workers have to rely on public assistance due to low wages.⁴⁷ Over one-third (36%) were insured through Medi-Cal, and 19% were receiving food benefits through the Supplemental Nutrition Assistance Program (SNAP) in 2019.⁴⁸

Wage Theft and Misclassification

- Eighteen percent of homecare workers are paid less than minimum wage, 83% who work overtime do not receive overtime rates of pay, and 90% experience off-the-clock violations (in which they do not get paid for work performed before or after their shifts).⁴⁹
- Workers in RCFEs submitted over five hundred wage theft claims to the California Division of Labor Standards Enforcement between 2011 and 2016.⁵⁰ In one of the most egregious cases involving a small chain of six-bed RCFEs in Los Angeles, workers were paid a flat rate for 24-hour shifts, earning between \$2.40 and \$2.88 per

hour. The RCFE owner owes workers over \$8.5 million.⁵¹

- Many homecare agencies and RCFEs routinely misclassify their employees as independent contractors, which is effectively another form of wage theft that denies workers the most basic employment protections.⁵² True independent contractors run their own businesses and set the terms of their work, but do not have the right to minimum wage, overtime, protection from discrimination, or many other labor rights. Because RCFE and homecare agency workers do not control the times or location of their work, or the tasks they complete, they should be more accurately classified as employees.

Worker Safety

- Domestic workers in California—including homecare workers, house cleaners, and childcare workers—experience high rates of job-related injuries, illness, and workplace violence.⁵³
- Homecare workers—including those employed by licensed homecare agencies—are currently exempt from the protection of California’s Occupational Safety and Health Act. This exclusion has been particularly devastating during the COVID-19 pandemic, when many continued to provide care despite the high risk of exposure.⁵⁴ And others left the workforce because of the health risks posed by COVID-19, or to care for school-age children.⁵⁵

About This Study

This report is based on a multi-method examination of home care in California. We aim to provide a comprehensive picture of the status of care providers and consumers outside the state’s IHSS program.⁵⁶ The study focuses on two main areas: 1) in-home, private-hire care scenarios in which the employer finds homecare workers directly or through an agency; and 2) care provided in six-bed residential care facilities (RCFEs). It discusses personal care provided at home and in RCFEs to better understand the consumer experience navigating the continuum of care, and to address the experience of caregivers who work in both home and facility settings.

We conducted surveys and interviews with workers and consumers of care in California between July 2020 and February 2021. We surveyed 500 homecare and RCFE workers and 103 homecare and RCFE consumers. Our team also conducted in-depth interviews with six homecare and RCFE workers and 14 consumers in different regions in California and conducted an audit of 62 homecare agencies and 38 RCFEs in the state. In this audit of 100 homecare agencies and RCFEs, we collected information directly from agencies and facilities about their business practices and adherence to industry standards. To complement our findings, we analyzed the U.S. Census Bureau data and conducted an extensive literature review on the homecare sector. (See Appendix A for information about our methodology.)

By describing homecare workers and employers in tandem, we foreground each, the vulnerabilities they face, and their central roles in cultivating dignified work and quality care in our state. And we illustrate how the homecare industry is not only crucial to California's economy, but to the quality of our lives. Our motivation in publishing this report is centered on a common vision for a sustainable, equitable homecare system in our state and across the country.

In the first chapter, we explore the various ways consumers and care providers connect, including the reasons consumers seek professional care. In Chapter 2, we focus on employment practices, including how workers and consumers set employment terms. In Chapter 3, we examine how the homecare system fails both providers and consumers of care, culminating unsustainably in high costs for consumers and low wages for workers. In Chapter 4, we provide a nuanced discussion on how this impacts the whole of us, as nearly all of us will at some point require care. Finally, in the final chapter, we consider policy implications and offer recommendations to improve conditions for both homecare workers and consumers of care. In each of these chapters, we integrate findings from our worker and consumer survey, interviews, and audits of homecare agencies and RCFEs.



1. Connecting Care

Credit: Wil Prada

Image Description: A Filipina woman wearing scrubs and a mask holds the arm of an older brown-skinned woman with gray hair and a face shield. They stand outside.

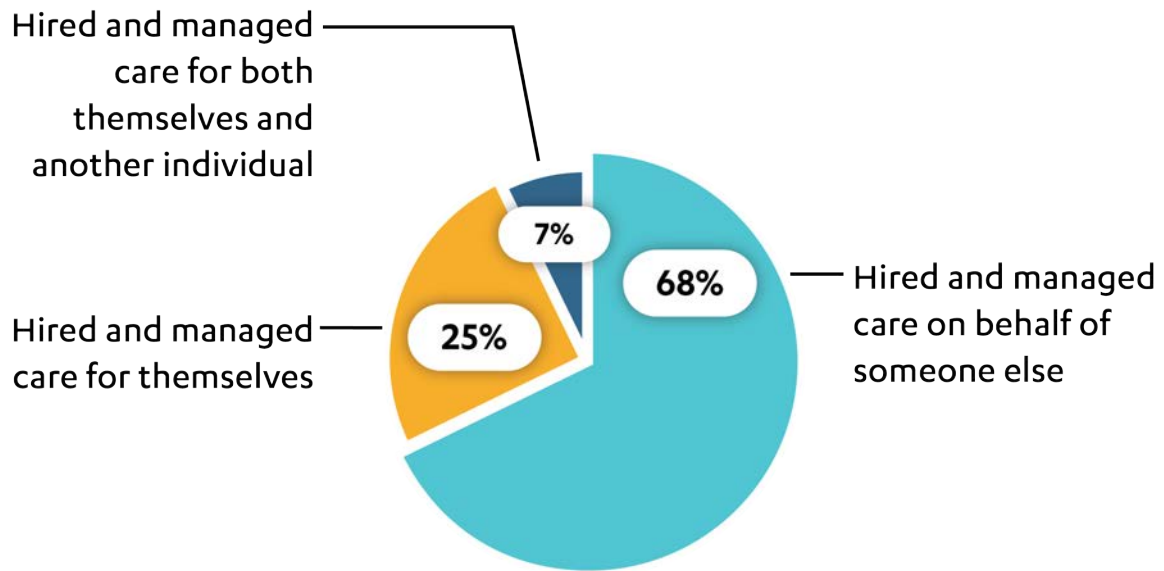
How caregivers and consumers find one another

Hundreds of thousands of Californians presently employ homecare workers who enable them or their loved ones to remain in their homes and communities. When individuals and families decide that they need paid support, one of the first barriers they encounter is the challenge of figuring out where and how to find available homecare workers compatible with their needs and resources.

Consumers of Care

The daunting challenge of finding a homecare worker falls to the recipient of care or to the person who manages their care. The majority of survey respondents hired and managed care on behalf of someone else, while one-quarter hired and managed care themselves, and a few hired and managed care both for themselves and for another.

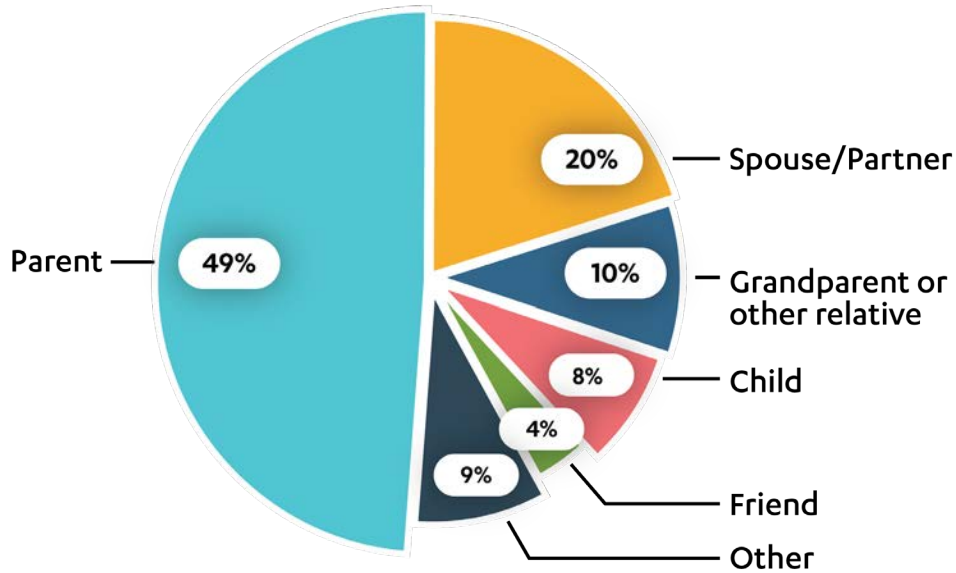
Figure 2: Hiring Relationship



Source: Long-Term Care Consumer Survey 2021

Of those consumers who hired on behalf of someone else, about half were adult children of the care recipient. Another 20% were the spouse or partner of the care recipient, and other family and friend relationships comprised the remaining 31%.

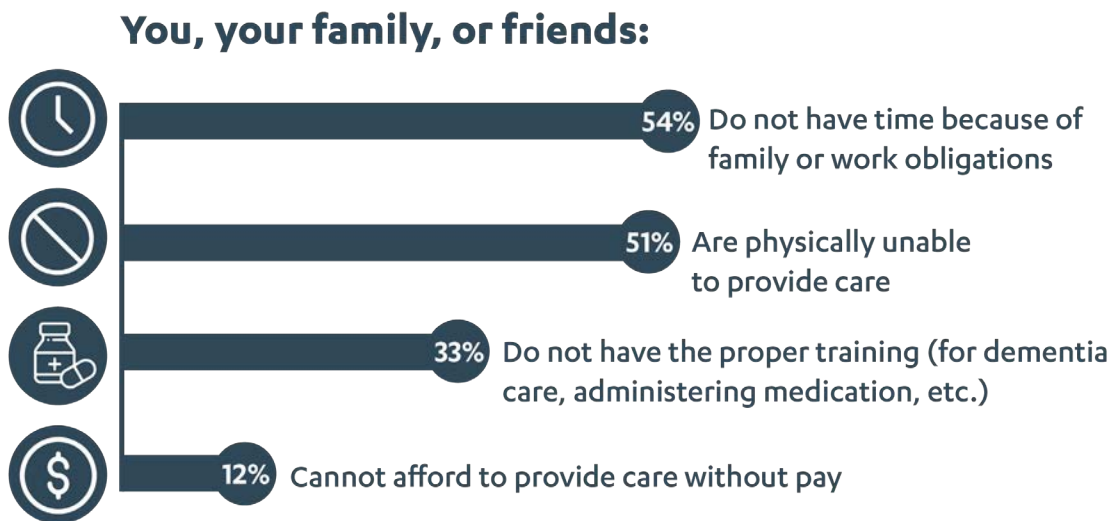
Figure 3: Care Recipient's Relationship to the Employer



Source: Long-Term Care Consumer Survey 2021

When asked about the reasons for hiring a homecare worker or getting care through an RCFE, our respondents cited a range of considerations, but an inability to take time away from work and/or other obligations was predominant among them.

Figure 4: Reasons to Hire Homecare Workers or Move to RCFEs



Source: Long-Term Care Consumer Survey 2021

One of our interviewees, Diana, spoke of the difficult decisions that arise when a loved one suddenly needs care. These include, for instance, confronting the increasingly steep costs of home care, and considering leaving her own career to provide it herself.⁵⁷ When her father began a rapid cognitive decline, she and her sisters took turns caring for him, while juggling each of their own jobs and family responsibilities. After explaining that both she and one of her sisters had to take time off work to care for their father, Diana said that they “consulted with each other, and we looked at what the cost of long-term care was going to be. We knew that he didn’t want to leave his home. We wouldn’t want to leave our home too...and reluctantly agreed that we’d spend his money on his care.” Diana and her sisters decided to hire homecare workers via a homecare agency for 24-hour care for their father, costing them between \$15,000 and \$18,000 per month.

Hiring Arrangements

The consumers we surveyed employed care through various avenues. Most hired through a direct-hire arrangement, while one-quarter did so through a homecare agency, and one-tenth through an RCFE.

Similarly, half of care providers surveyed were employed through a direct-hire arrangement, over one-quarter through a homecare agency, and one-fifth in RCFEs.

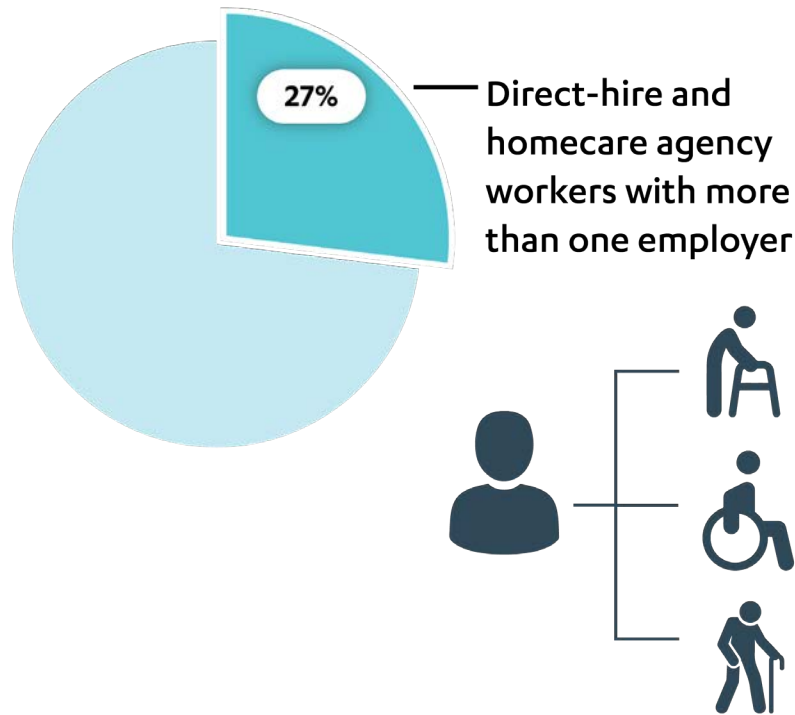
Figure 5: Hiring Arrangement



Source: Long-Term Care Consumer and Worker Survey 2021

Some consumers need 24-7 support, while others need just a few hours a week, and hourly wages are often low. Many care providers, then, must work for multiple employers or households in order to make ends meet. Over one-quarter of care providers who worked in the consumer's private home (direct-hire and homecare agency workers) worked for two or more consumers.

Figure 6: Homecare Workers With More Than One Employer



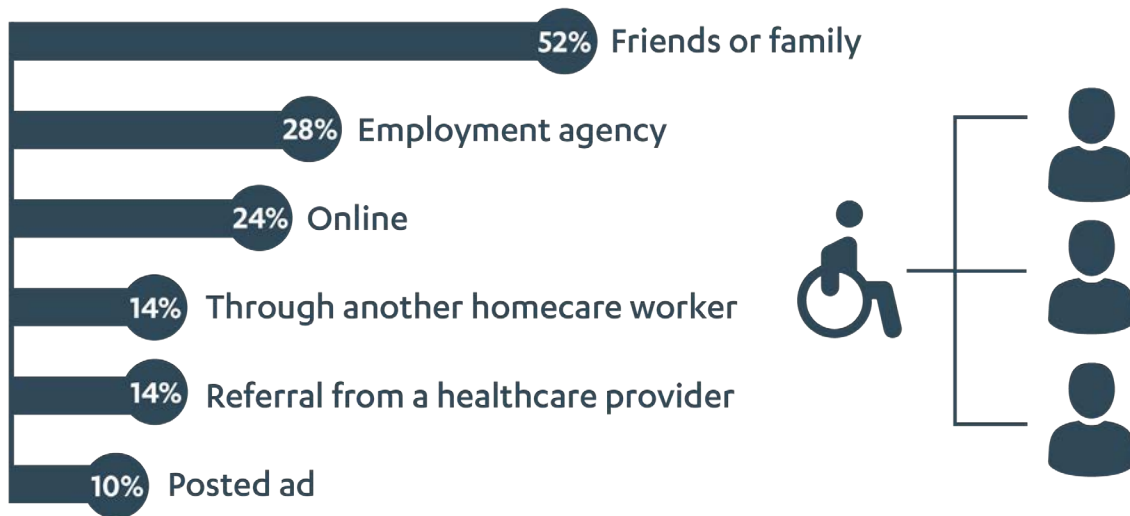
Source: Long-Term Care Worker Survey 2021

How Consumers Find Homecare Workers

Direct-hire and agency consumers largely still use their personal networks to find a homecare worker, with over one-half relying on friends and family. About one-quarter used an employment agency and one-quarter went online.⁵⁸ Others found a homecare worker through a referral from a healthcare provider or another homecare worker.

58. An employment (or referral) agency connects workers and employers, but does not manage the relationship between them after initial hiring. An employment agency will not be considered an employer if they follow specific requirements under the law. Employment agencies typically charge a fee for connecting employers and workers. To be clear, employment agencies differ from homecare agencies, which exercise control over homecare workers with respect to pay, hours and working conditions and manage their assignments to consumers.

Figure 7: Sources Employers Used to Find Care Providers



Source: Long-Term Care Consumer Survey 2021

Given the frequently intimate nature of long-term care, finding the right homecare worker for the job is a substantial task. With personal referrals making up one-half of the hiring channels for consumers, the task becomes even more difficult. The urgency of finding appropriate care to enable people to stay at home—whether one has been managing homecare workers for decades or suddenly needs care—means that the stakes of finding the right worker, quickly, are even higher.

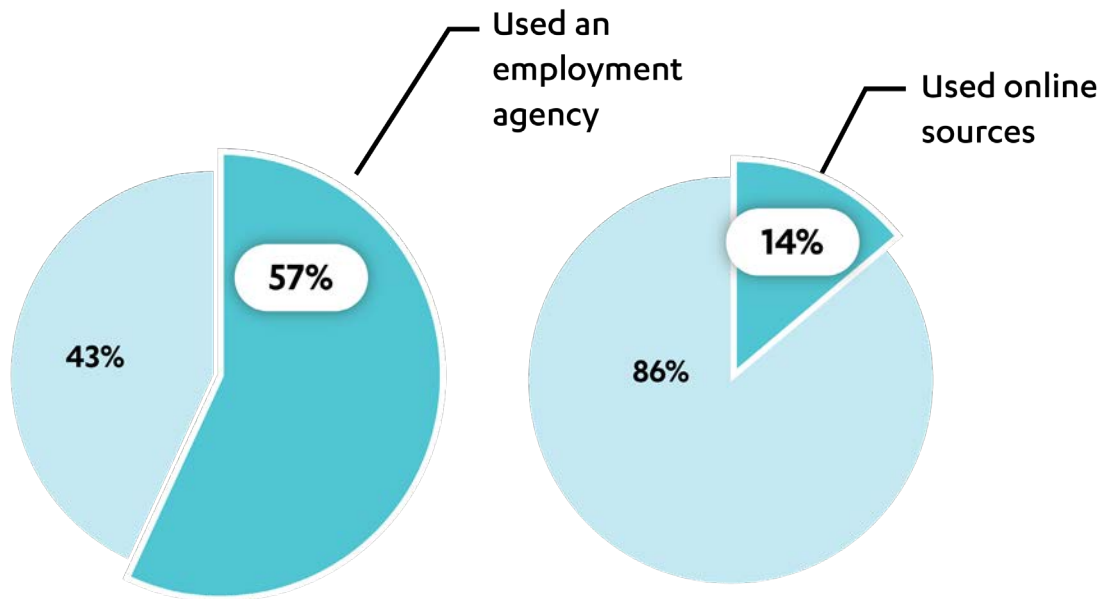
One of our interviewees pointed out the uncertainties that arise when seeking care in our current homecare system:

“If the current caregiver who we’ve known for years hadn’t been available... I think it would have been really challenging and time-consuming to be hiring independently. There’s a lot of risk there, and a lot of time and energy required to do interviewing and screening and reference checking. And you still wouldn’t necessarily have certainty in terms of the quality of the care.”

How Care Providers Find Consumers

We probed whether care providers found their current jobs through employment agencies or online. Among workers employed through homecare agencies or hired directly, more than half (57%) of respondents indicated finding their current work through an employment agency. A few (14%) indicated that they found their current work through the internet or an app.

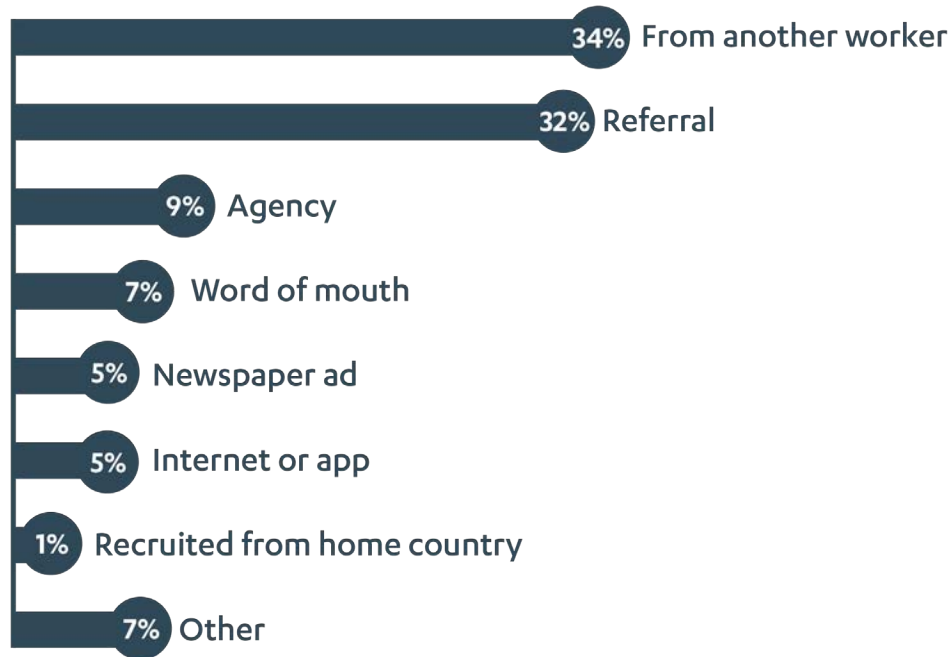
Figure 8: Sources Homecare Workers Used to Find Current Jobs



Source: Long-Term Care Worker Survey 2021

For RCFE workers, over one-third (35%) found their work through a referral, which can range from formal referrals from past employers or a worker center, to more informal referrals by friends. Forty percent of RCFE caregivers found work through their personal network, hearing about a job from another worker, or via word of mouth.

Figure 9: Sources Workers Use to Find Jobs at RCFEs



Source: Long-Term Care Worker Survey 2021

Care providers’ personal networks remain key in connecting them with employers. One worker from the Bay Area shared that her history with her employer’s social circle helped her secure other jobs as a caregiver. She notes, “Mostly, all the people I’ve worked with were through recommendations.” Relying on personal networks to find work, however, can erect significant barriers to entry for potential care providers without extended social and professional networks. The reliance on these personal networks is an indication of the lack of infrastructure in the homecare industry that we continue to explore in the following chapters.

Consumers’ Considerations When Hiring Care Providers

Employers considered cost, reliability, and personal care experience and training when selecting a homecare worker, agency, or RCFE. Reliability (90%) was the most important factor when hiring. The worker’s emotional labor—their demonstration of love and care—was also ranked highly (85%), followed by the ability to speak the consumer’s home language (64%). Other factors included training, physical strength, and then cost.

Table 1: Factors Employers Considered When Selecting Homecare Worker, Homecare Agency, or RCFE

	Very important	Somewhat important	Not important
Reliability	90%	5%	5%
Caring/loving toward the care recipient	85%	15%	--
Caregiver speaks the recipient's home language	64%	29%	7%
Caregiver training and experience	59%	30%	11%
Has physical strength to lift and move the person needing care	54%	29%	17%
Cost	43%	54%	3%
Can drive	38%	32%	30%
Experience with medical procedures and/or administering medication	35%	39%	26%
Knows how to use equipment such as ventilators and hoist lifts	23%	21%	56%

Source: Long-Term Care Consumer Survey 2021

Other qualifications employers sought out include honesty, discretion, and compatibility. Still others shared that they looked for care providers who were skilled in food preparation; could provide back-up care if the main homecare worker was sick; had “common sense”; knew how to take social cues; and demonstrated understanding of the employer’s disability and were not condescending.

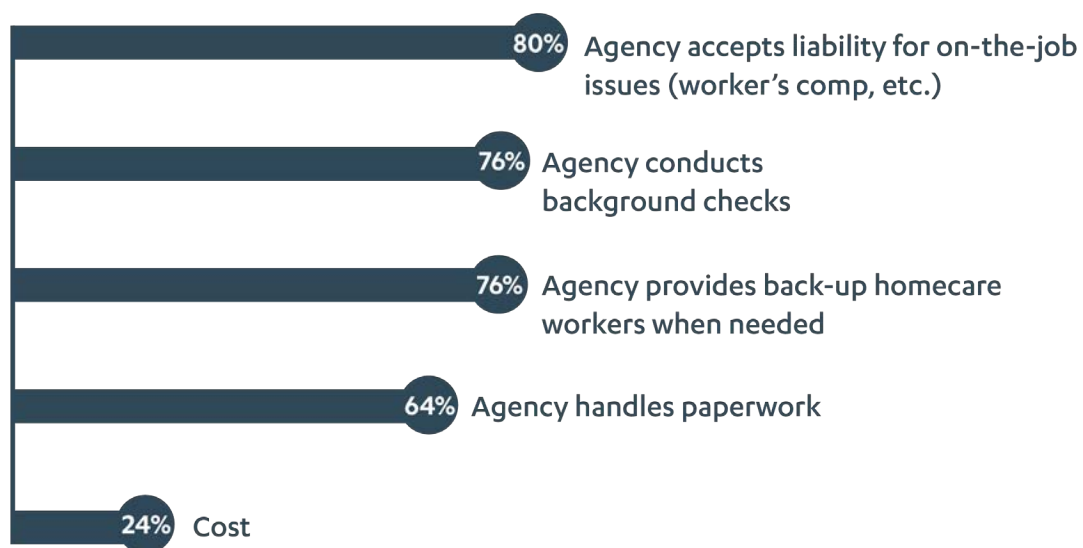
Many consumers (59%) found training and experience to be a very important factor in choosing and hiring a homecare worker. Yet consumers considered prior training on specific tasks, including administering medication and familiarity with equipment like ventilators and hoist lifts, to be among the least important factors when hiring. Although these hard skills are key for some consumers, our survey shows that consumers prioritize working with care providers who possess soft skills.

A homecare-consumer relationship is, at its core, a professional relationship, though the sometimes intimately interpersonal nature of the job means that some homecare workers come to be seen as “members of the family.”⁵⁹ Unlike other jobs that focus on skills and training, homecare workers are expected to be nurturing, genuinely caring, empathetic, and be able to build meaningful relationships. This aspect of care, sometimes called “emotional labor,” is an often uncompensated and unseen part of the job, yet is clearly an integral part of the service delivery.⁶⁰

Reasons for Choosing a Homecare Agency or RCFE

In an industry that lacks infrastructure and guidance for consumers, homecare agencies seem to offer consumers a clear path to connecting with caregivers and setting employment terms. Among consumers who hired homecare workers through a private homecare agency, most (80%) said they decided to go through the agency because it accepts liability for on-the-job issues such as workers’ comp. Three-quarters (76%) said they chose the agency over a direct-hire arrangement because the agency conducts background checks and provides back-up workers when needed. Close to two-thirds (64%) said they preferred the agency because it handles all the paperwork, such as payroll and tax withholdings. Notably, only one-quarter (24%) chose the agency because of its cost.

Figure 10: Factors Considered When Choosing Agency Over Direct-Hire



Source: Long-Term Care Consumer Survey 2021

Sometimes, agencies are able to deliver on the promise of simplifying hiring and providing management experience. But in some instances, agency employment brings new challenges. One interviewee was looking to hire a homecare worker for three days a week through an agency. She shared that the agency they hired brought in several different workers to care for her mother, who had developed dementia, leaving them with little stability and creating more anxiety for her mother.

“ We went to a company and the company said, ‘What are your needs, because we can meet your needs.’ But they didn’t really—they weren’t honest with me that they were trying to meet my hours, but not my need of one person... And when they first started, they didn’t tell us the person they brought was not the permanent person. All I’m trying to do is get someone stable for my mom.⁶¹ ”

Agency administrators and representatives who were contacted confirmed that some rotation of homecare workers was part of their business practice. Most (75%) of audited homecare agencies reported that they do provide the same homecare worker every day, except in case of illness or time off.⁶² On the other hand, several workers we interviewed reported juggling several employers, choosing either to adjust their schedules to earn enough income, or having their agencies add and/or remove consumers from their schedule.

Alternatively, many older adults and people with disabilities reside in congregate living facilities, such as nursing facilities and RCFEs. Some arrive in these facilities by choice, but the vast majority are there simply because staying at home was not feasible. Sharing about a situation familiar to many California families, Jacqueline, a Los Angeles-based interviewee, described feeling lost in searching for home care for her mother, who has Alzheimer’s and cannot safely live alone.⁶³ “When my dad died,” Jacqueline said, “[my sisters and I] were like, ‘What do we do? Where do we go? How do we get help?’ You know, and... we didn’t

know where to go.” She expressed the painful frustration of visiting multiple professionals—first a doctor and then a social worker specializing in Alzheimer’s casework—only to be told time and again: “that’s not my department... you’re not poor enough to get money, so I can’t help you.”

Jacqueline was among the small percentage of Californians who had purchased long-term care insurance, but this insurance only covered long-term care provided in a facility, not at home. Her mother’s home was not wheelchair accessible, and the rising cost of rent, food, and living expenses was more than Jacqueline could afford. And given the prohibitively high cost of home care, an RCFE felt like the last remaining choice.



2. Setting Terms Without Infrastructure

Credit: Brooke Anderson

Image Description: A Filipina woman wearing a mask and blue scrubs holds two bottles of hand sanitizer.

How homecare consumers and workers negotiate their employment relationship

Once a consumer and a provider manage to find one another, they face a new set of challenges: negotiating the terms and navigating the realities of their working relationship. The process of arranging home care is often emotionally taxing for consumers, as the tasks involved are intimate, typically require a great deal of physical touch, and the need for home care is often urgent. And, due to high turnover, they may need to go through the hiring process several times a year.

Homecare consumers that hire a worker directly are considered employers and must fulfill employer obligations such as tracking pay, paying minimum wage, paying taxes, maintaining workers' compensation insurance, and providing paid sick leave. Despite the complicated nature of employment law, homecare consumers are often left to the task of figuring out how to act as an employer without any guidance, which can be overwhelming, as reflected in our survey results below.

Homecare Workers' Rights

What Labor Rights Do Homecare Workers Have in California?

Among other rights, all homecare workers are entitled to:

- Minimum wage (which varies by city and county).
- Overtime pay: while this can vary by the type of homecare worker, California and federal law require that most homecare workers earn time-and-a-half pay when working more than nine hours in a day and more than 40 hours in a week.
- Accrue paid sick leave at one hour earned for every 30 hours worked.
- Workers' compensation coverage .
- Regular paydays with payments made at least twice a month.
- Receive written notice of pay rate, overtime rate, payment schedule, and more.

What Labor Rights Do RCFE Workers Have?

- In addition to the rights held by all homecare workers, RCFE workers are also protected from hazardous and unsafe work conditions, enforced by California's Occupational Health and Safety Administration (Cal/OSHA).
- Overtime pay: among other guidelines, when working more than eight hours in a day or 40 hours in a week, RCFE workers receive time-and-a-half. They receive double-time after working 12 hours in one day and on the seventh consecutive day of work, after eight hours.

All workers, regardless of immigration status, are protected by these labor laws.

What Rights Are Homecare Workers Missing That Other Workers Can Already Access?

- Paid rest breaks and meal breaks (unless over 20% of the worker's time is spent doing general household duties like cleaning, cooking, or laundry, and less than 80% of their time doing direct personal care assistance like dressing or feeding).
- Homecare workers do not yet receive health and safety protections under Cal/OSHA.

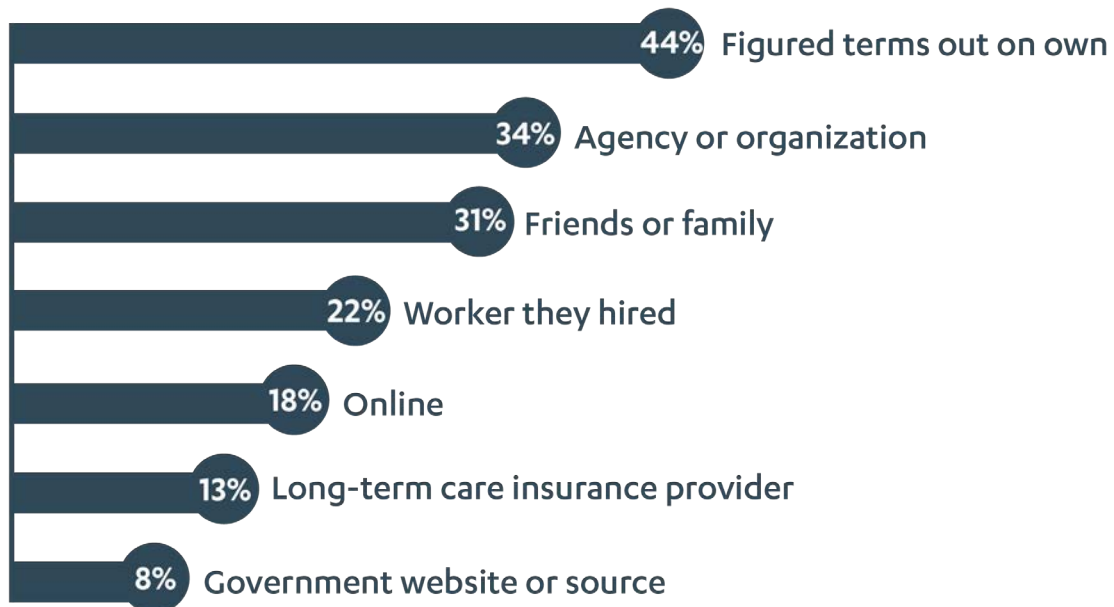
What Are Homecare Employers Required To Do Under Labor Law?

- Under California law, homecare employers must comply with existing labor protections, including those listed above. These rights apply to all RCFE and all homecare workers, whether they are hired directly or through an agency.
- In terms of legal obligations, when a care consumer hires through a homecare agency or contracts with a Residential Care Facility for the Elderly (RCFE), it is often the agency or the RCFE that is considered the worker's employer of record and must comply with California and federal labor law. In some cases, consumers who hire through a homecare agency may be considered joint employers.

Consumers Setting Terms

The informal way homecare consumers set employment terms persists due to the lack of infrastructure in the sector. When asked which sources of information they used to find guidance on setting employment terms, 44% said they formulated the terms on their own, 31% said friends or family, and 22% received the information from the worker they hired. Others found information through institutions such as an agency or organization (34%), long-term care insurance provider (13%) and a government website or government source (8%). A few (18%) looked up information online.

Figure 11: Source of Information to Set Employment Terms

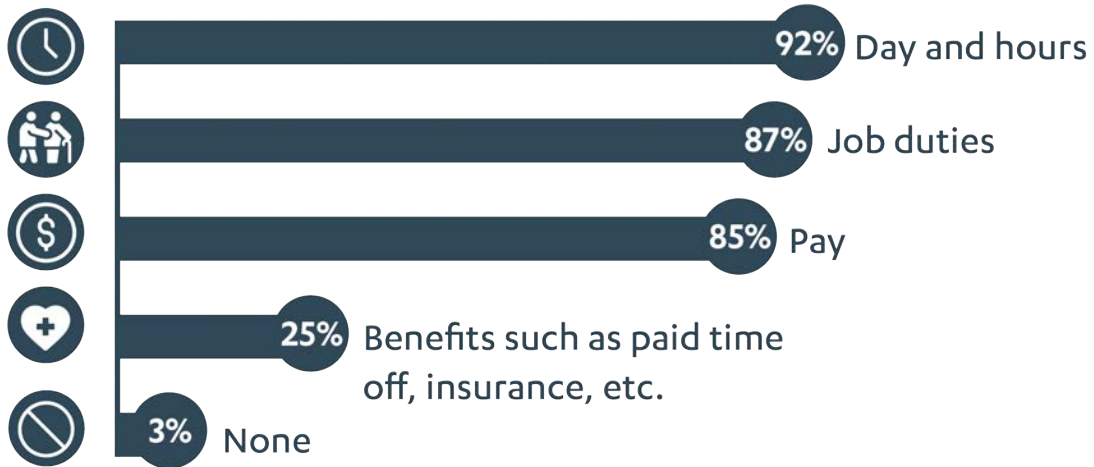


Source: Long-Term Care Consumer Survey 2021

Consumers need consistent, centralized, accessible information to help them navigate the homecare landscape. This is especially true for those who hire homecare workers directly. Creating and expanding infrastructure for the homecare system, including tools and templates for setting high-road employment terms and complying with the Labor Code, is key to improving the process of setting terms for homecare consumers and workers alike.

When it comes to the terms they set, agency and direct-hire employers designate the days and hours the homecare provider works (92%), establish the job duties of the worker (87%), and decide how much to pay the worker (85%). But only a quarter determine benefits such as paid time off and health insurance.

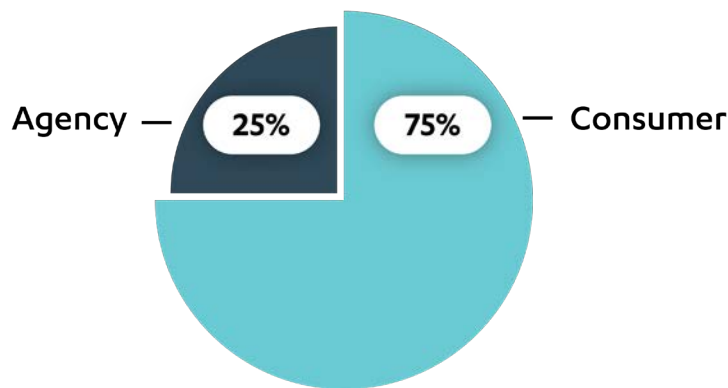
Figure 12: Work Terms Set by Consumer



Source: Long-Term Care Consumer Survey 2021

Among direct-hire and agency consumers, three-quarters pay the homecare worker they employ, and one-quarter pay the agency, which then pays the worker.

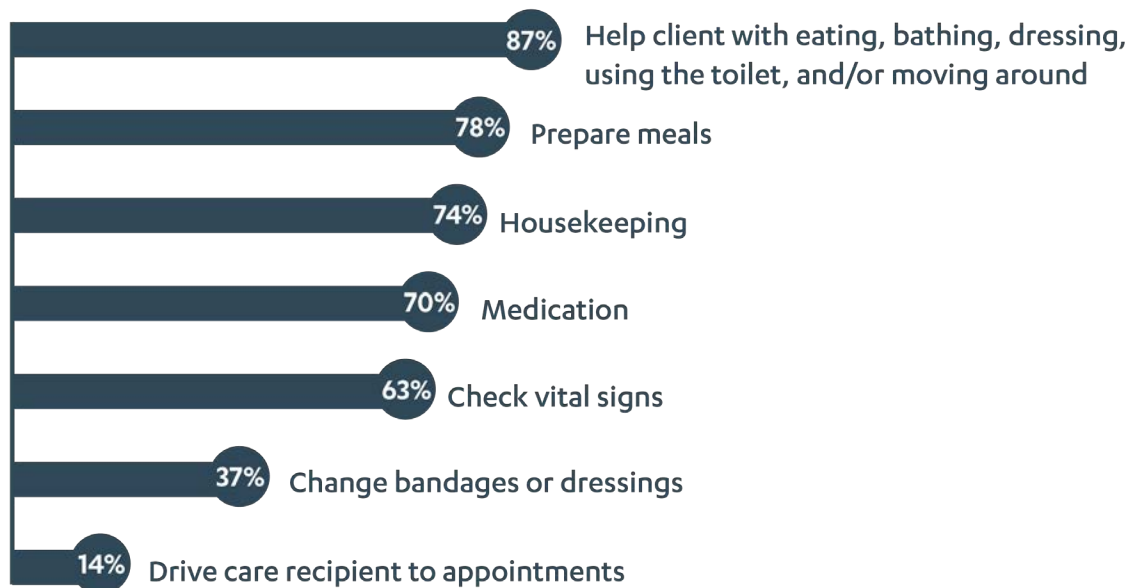
Figure 13: Who Pays the Homecare Worker



Source: Long-Term Care Consumer Survey 2021

When asked about the duties or activities performed as a part of their job, the majority of care providers (87%) reported helping their employer with activities of daily living such as eating, bathing, dressing, using the toilet, and moving around. Workers also prepared meals (78%), did housekeeping (74%), provided medication (70%), checked vital signs (63%), changed bandages or dressings (37%), and drove consumers to appointments (15%), each of which are instrumental activities of daily living.

Figure 14: Job Duties

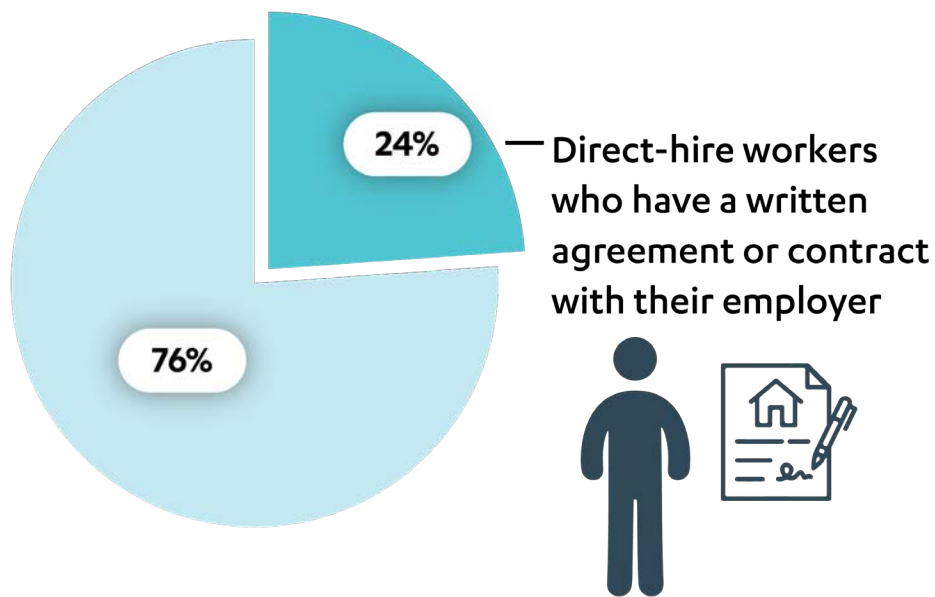


Source: Long-Term Care Worker Survey 2021

Workers and Written Agreements

It remains commonplace in the homecare industry to lack written documentation detailing the responsibilities and terms of employment between a worker and an employer. Meaningfully, our survey reflected that only a small portion of workers experience conventional terms and conditions of employment with the individuals, agencies, and facilities that employ them. A written agreement or contract typically includes information such as the worker's pay rate, work schedule, and job duties. Only 24% of direct-hire workers had a written agreement or contract with their employer.

Figure 15: Written Agreements or Contracts Reported by Direct-Hire Workers



Source: Long-Term Care Worker Survey 2021

One agency-employed worker from San Diego noted that immigration status might influence whether or not workers receive documentation of their employment terms, as many are informally hired and paid “under the table.” When asked if they had a written contract with their current employer, they shared, “Oh contract? No, no, it’s just verbal because I don’t have papers.”

A higher portion of those working at RCFEs and homecare agencies received regular documentation of their working conditions. About 40% received a written document that stated their rate of pay and regular pay days. Just over one-quarter of RCFE and agency workers were given a notice stating the employer’s policies on sick leave, vacation, personal leave, holidays, and hours of work. One-quarter had received a notice of their legal rights as a worker. Only one-in-six workers (16%) had received all three notices required by law. Half of the workers we surveyed had received no written documentation at all, in violation of Labor Code requirements for employers to provide written notices to employees.

Table 2: Reported Written Notices Received by RCFE and Homecare Agency Workers

	Agency workers	RCFE workers	Agency and RCFE combined
Pay policy	37%	48%	41%
Time off policy	23%	36%	28%
Legal rights	20%	38%	27%
Received all three types of notices	15%	20%	16%
None	55%	32%	46%

Source: Long-Term Care Worker Survey 2021

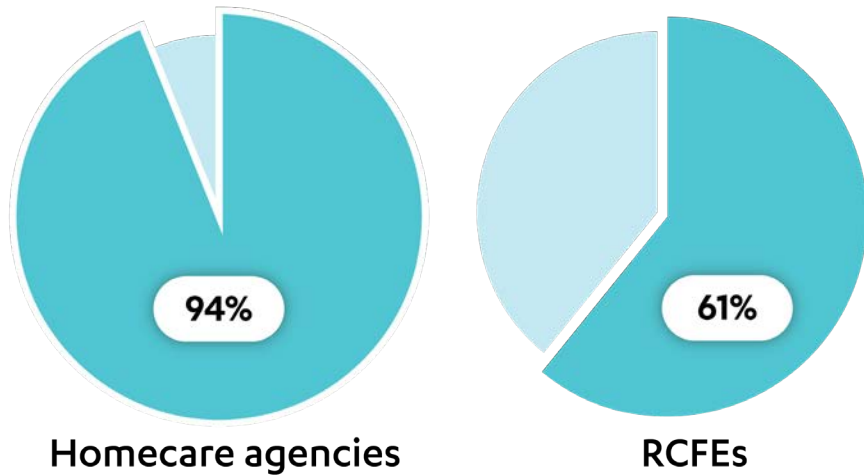
The homecare industry’s lack of infrastructure shapes employment arrangements and burdens workers by exposing them to significant vulnerabilities in their daily lives. While supporting others in staying rooted in their homes and communities, many homecare workers do not enjoy a reciprocal relationship. They require clearly-stated workplace dependability in order to sustain both their families and their own autonomy and well-being. Plainly articulating terms of employment in writing goes a long way towards improving working conditions and providing stability for workers.

Sick Time

The pervasive lack of written employment terms and conditions in the industry impacts workers’ ability to advocate for their rights, negotiate employment arrangements, and use benefits such as their right to paid sick time.

Our audit of RCFEs and homecare agencies found a remarkable contrast: just 61% of the RCFEs interviewed provided paid sick leave in a way that met the state requirement—a minimum of 24 hours or three working days in a calendar year—compared to 94% of homecare agencies. One homecare agency specified that it was only for full-time employees, while another indicated that it was only for those caregivers who were classified as employees and received a W-2.

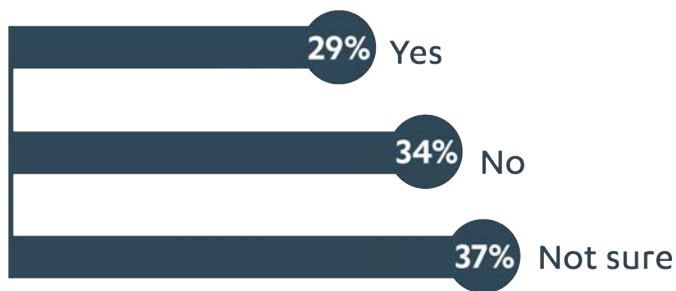
Figure 16: Workers Received Paid Sick Leave, According to Consumers



Source: Homecare Agency and RCFE Audit 2021

Meanwhile, most consumers either didn't know, or didn't provide paid time off for workers in the event of illness, pain, or injury. Only 29% of agency and direct-hire consumers reported that the workers they employ receive paid time off from work in the event of illness, pain, or injury, and over one-third didn't know if they did. Consumers lack the information they need to set up terms related to benefits.

Figure 17: Workers Received Paid Sick Time Off, According to Consumers



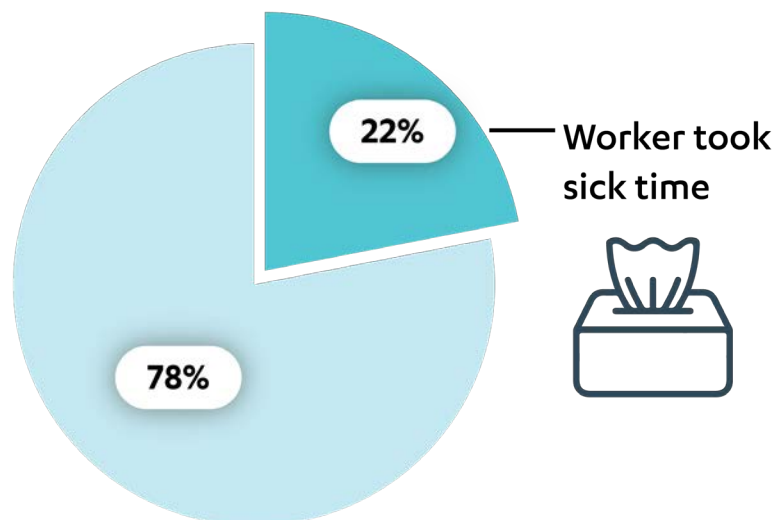
Source: Long-Term Care Consumer Survey 2021

Consumers who reported that they were unsure whether the worker received time off included direct-hire consumers, who are responsible for tracking and providing paid time off. Homecare agency consumers and RCFE consumers were also among those who reported that they were not sure whether the worker they employed received paid time off.

The low rate of consumers providing sick time was reflected in the low rates of actual usage. Our study found that most workers weren't taking any sick time whatsoever. Only around one-fifth (22%) reported having ever taken paid sick leave, to which they are entitled by law. A 45-year-old San Francisco homecare worker hired by an agency described the challenges of taking sick leave.

“And if [my doctor] asks me to rest for a few days, I have to ask for them off and those days they will not pay me. So, many times I have to work, no matter that it hurts, no matter that I feel bad, that what the doctors told me is happening: ‘Don’t make so much effort, don’t lift so heavy.’ But I have to do it because if I don’t, how do I pay my rent, how do I pay everything else?”

Figure 18: Workers Taking Paid Sick Time



Source: Long-Term Care Workers Survey 2021

Rose's Story

Rose provides support to a 98-year-old woman in San Francisco. She showers her, changes her diapers, cuts her nails, monitors and adjusts her oxygen levels, cleans and does her laundry, and provides companionship. She was hired directly, and works for this family for 30 hours per week in addition to her other housecleaning jobs. She is employed by the woman's children and credits her positive relationship with them to her respect for the care recipient, and their many years of work together. Before she began to provide homecare, she worked for the family as a housecleaner. She believes the job requires dedication, love, and patience. Rose admires the way her employers care for their mother. Rose is 58, and hopes her daughters will provide care for her, too, "because at some point in our lives we are [all] going to reach that age."

Although there is a language barrier between her, her employer, and the care recipient, they do their best to communicate. Her employers have proven to be respectful and reliable. For example, once a week her employer allows her to meet with her workers' organization during her shift. For part of the pandemic, her employers continued to pay her while she sheltered-in-place. She does not, however, have a written contract.

Rose does not currently receive the paid sick leave to which she is entitled under labor law. She wants to communicate her right to paid sick leave to her employer, and also negotiate other benefits she does not have, such as paid rest and meal breaks, and paid vacation time. Despite the trust, respect, and long-standing relationship between worker and employer, it is an intimidating process to ask for these rights and benefits. She is collaborating with a worker organization to support her through these negotiations, and would benefit from the greater clarity and formality offered by a written agreement.

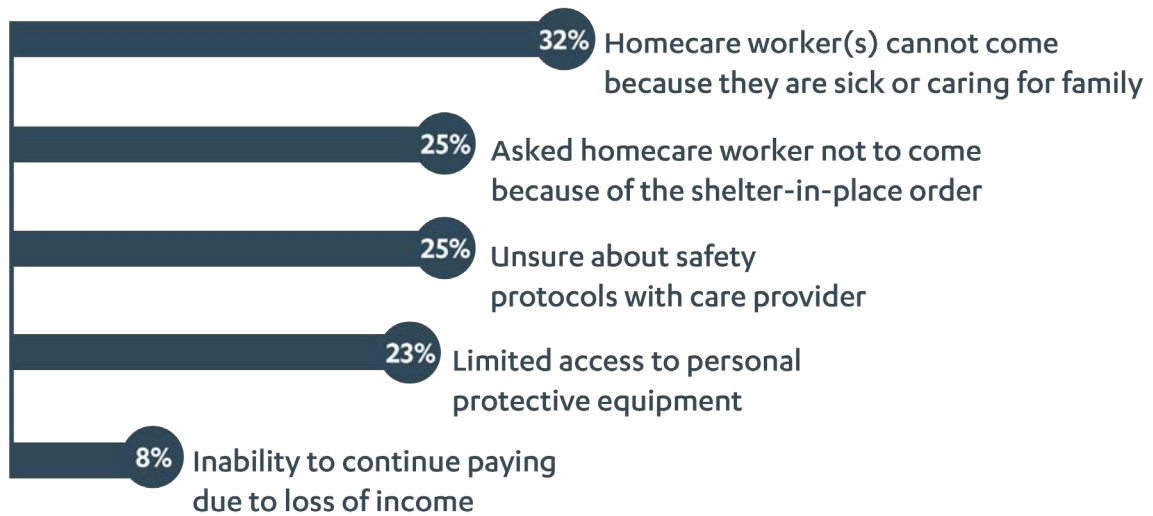
COVID-19 Challenges

Early on in the COVID-19 pandemic, homecare workers were at especially high risk of severe disease. Homecare work is, by its nature, face-to-face, both the care provider and recipient tend to skew older, and many homecare workers could not afford to stay home from work.⁶⁴ Homecare workers were also predisposed to dangerous situations during the pandemic because of a lack of easy access to personal protective equipment (PPE), as well as sick pay and other benefits that allow workers to refrain from attending potentially compromised workplaces. Homecare workers' exclusion from Cal/OSHA protections also meant that neither they nor their employers had guidance on workplace safety protocols, nor did employers have a legal obligation to provide PPE.

As much recent research has shown, members of racial and ethnic minority groups are at increased risk of contracting COVID-19 and experiencing severe illness. The impact of the coronavirus has been pronounced among Indigenous, Black, and Latinx populations.⁶⁵ In California, immigrant women of color predominate the homecare workforce, with Latinx women constituting the single largest group. Moreover, according to the National Domestic Workers Alliance survey, 72% of domestic workers, which along with homecare workers includes childcare and house cleaning workers, lost employment during the pandemic, pushing a workforce – who are largely already paid poverty wages – further into economic distress.⁶⁶

Consumers also struggled. As older adults and people with disabilities, many consumers were also at high risk of severe disease. Close to one-third of employers in our survey indicated that there had been times since the onset of the pandemic when homecare workers were not able to provide care because they were themselves sick or were caring for family. One-quarter were unsure about safety protocols with care providers, and nearly one-quarter had limited access to PPE. About 8% said they were unable to continue paying the worker due to loss of income.

Figure 19: Consumer Challenges During COVID-19



Source: Long-Term Care Consumer Survey 2021

The COVID-19 pandemic has made clear the shortcomings of the current homecare system. Care is self-reinforcing; those who have what they need to care for themselves are better able to care for others. California needs to support homecare workers and consumers in recovering from the ongoing fallout of the pandemic and reinforce the homecare system to be more resilient to future crises.



3. Carrying the Cost of Care

Credit: Shayan Asgharnia

Image Description: A white bearded man in a power wheelchair leans forward, holding the arm of a white woman with glasses and blond hair.

High costs for consumers and low wages for workers

Homecare consumers and workers together carry the cost of a broken, underregulated system. Homecare is too expensive for most, and can drain the savings of those who initially seem to be able to afford it. Caregivers typically earn low wages, experience wage theft, cannot take paid sick leave, and have no retirement benefits cumulatively resulting in dramatically high rates of turnover and burnout in the industry.⁶⁷ Working conditions in this industry frequently do not live up to standards established in other sectors, and in many cases fall far short of what is required by law.

Consumers Struggle to Afford the Care They Need

Paying a living wage with benefits for home care is impossible for most middle-class and low-income consumers, and many struggle to find the funds to hire homecare workers that might allow them or their loved ones to continue living at home.

On average, consumers spend around \$5000 per month for eight hours of care per day, five days per week.⁶⁸ While expensive, at this rate home care costs about the same as long-term care in a facility. The majority (76%) of the consumers we surveyed did not require around-the-clock care (i.e., fewer than 65 hours of support per week). But for those that do, home care becomes far more expensive than care in a facility. Based on our audit and other statewide cost surveys for those who need 24/7 care, the median cost of employing homecare workers through an agency falls between \$13,000 and \$21,000 per month.⁶⁹ All but one homecare agency we audited offered 24-hour shift coverage. About 38% of those agencies charged the consumer a flat daily rate for such care, and the average daily rate we recorded was \$442, which works out to more than \$13,000 per month. The prohibitive cost of 24/7 care sometimes means that some unpaid family caregivers will hire a homecare worker for some number of hours per week, and provide the rest of the care themselves.

Figure 20: Cost of 24/7 Homecare

	Lowest rate for 24-hour care	Highest rate for 24-hour care	Average daily rate for 24 hours
Flat rate	\$200/day	\$730/day	\$442/day
By the hour	\$17/hr *	\$60/hr	\$29/hr

*Did not note whether this was the base price, before overtime, or whether the rate was \$17 for all 24 hours

Source: Homecare Agency and RCFE Audit 2021

RCFEs provide a more economical option for some consumers. The average cost of the RCFEs we audited was \$4348 per month. The lowest monthly cost was \$3000 for a shared room in a facility in Southern California, and the highest cost was \$8000 per month for a six-bed facility in Pasadena. The monthly cost generally included assistance with daily living, laundry, and housekeeping. While they offer a more affordable option than in-home, round-the-clock care, RCFEs are still too costly for many Californians who need long-term care. And consumers who receive home care tend to have better health outcomes, fewer hospital stays, and a generally better quality of life. The overall cost of long-term care, whether expenses come from hospital bills or home care, still tends to be lower for home care.

Jim's Story

Jim, a 45-year-old Los Angeles County resident with disabilities, employs multiple homecare workers to provide him support during the day and at night. He was a recipient of In-Home Supportive Services, but no longer qualifies and now uses his personal savings to pay the homecare workers he employs. Jim hires directly because it is less costly than hiring through an agency. Since he has experience with hiring and management in a corporate environment, he finds it cost-effective and straightforward to handle the process of paying "on the books." Jim is comfortable with managing payroll and payroll taxes, along with the other tasks required of employers that give employees access to state safety net benefits.

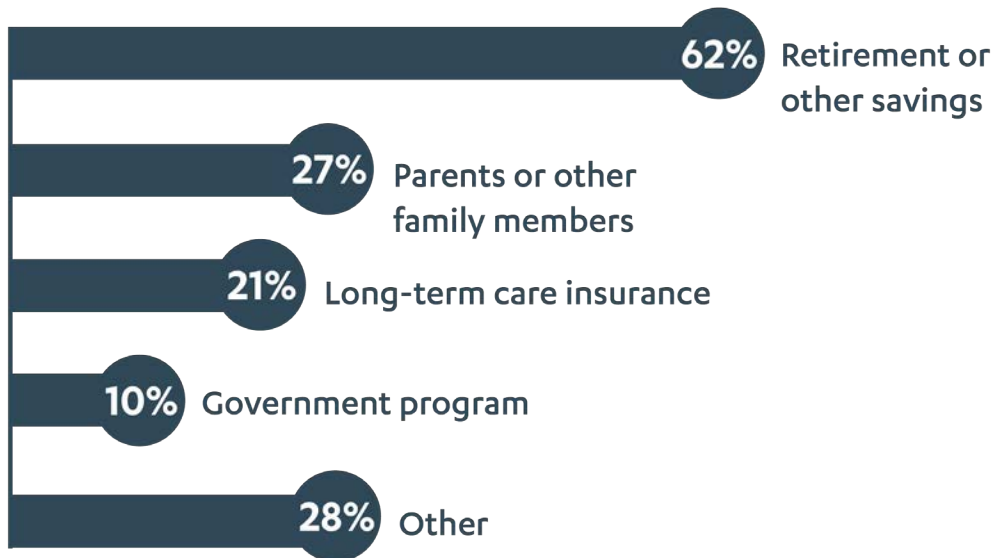
He has slowly increased the hourly wage for his workers over his 30 years of employing homecare workers. He would love to pay them more, particularly those with high-level job performance, but cannot because he pays out-of-pocket and needs to make his savings last. Jim says, "If I were wealthy, I'd pay my caregivers much more because they deserve more than I can afford to pay them."

The caregivers Jim hires often leave after just a few months, usually due to the low pay for skilled work, which keeps him in hiring mode on a consistent basis. He struggles with a low number of applicants when he recruits, making it difficult to find a quality homecare worker. Over the years, Jim has had to fire about a half dozen homecare workers.

When a worker cannot show up for their shift, Jim hires through a state licensed homecare agency as a back-up. He can't afford the agency rates. But he really can't afford a day or week-long gap in care. So he bites the bullet and hires from an agency until he can find the next skilled homecare worker and hopes they stay for longer than a few months.

The consumers we surveyed reported drawing on a variety of sources of financial support to cover the cost of paying the worker, the homecare agency, or the RCFEs. Over one-half of employers used their retirement savings or other savings to cover the cost and one-quarter relied on parents or other family for financial support. A few of our respondents noted other sources of support as well, including income from wages, VA benefits, and other forms of insurance. About one-fifth used long-term care insurance. Notably, AARP Public Policy Institute estimated that private long-term care insurance accounted for only 4% of LTSS spending nationally in 2017.⁷⁰ (Our sample of consumers likely overrepresented those with long-term care insurance policies.)

Figure 21: Financial Sources Used to Pay for Home Care



Source: Long-Term Care Consumer Survey 2021

Our sample overrepresented white consumers and underrepresented Latinx consumers compared to the proportions of the state’s overall population. As a result, the portion of consumers in our survey results who pay for home care from their individual savings is likely higher than the portion of Californians who can actually afford to do so due to racial wealth disparities in the state. Reliable data detailing wealth by race or ethnicity for California are sparse. Still, according to the Federal Reserve’s 2019 Survey of Consumer Finances, across the country the median white household controls nearly eight times more wealth than the median Black household and more than five times more wealth than the median Latinx household.⁷¹

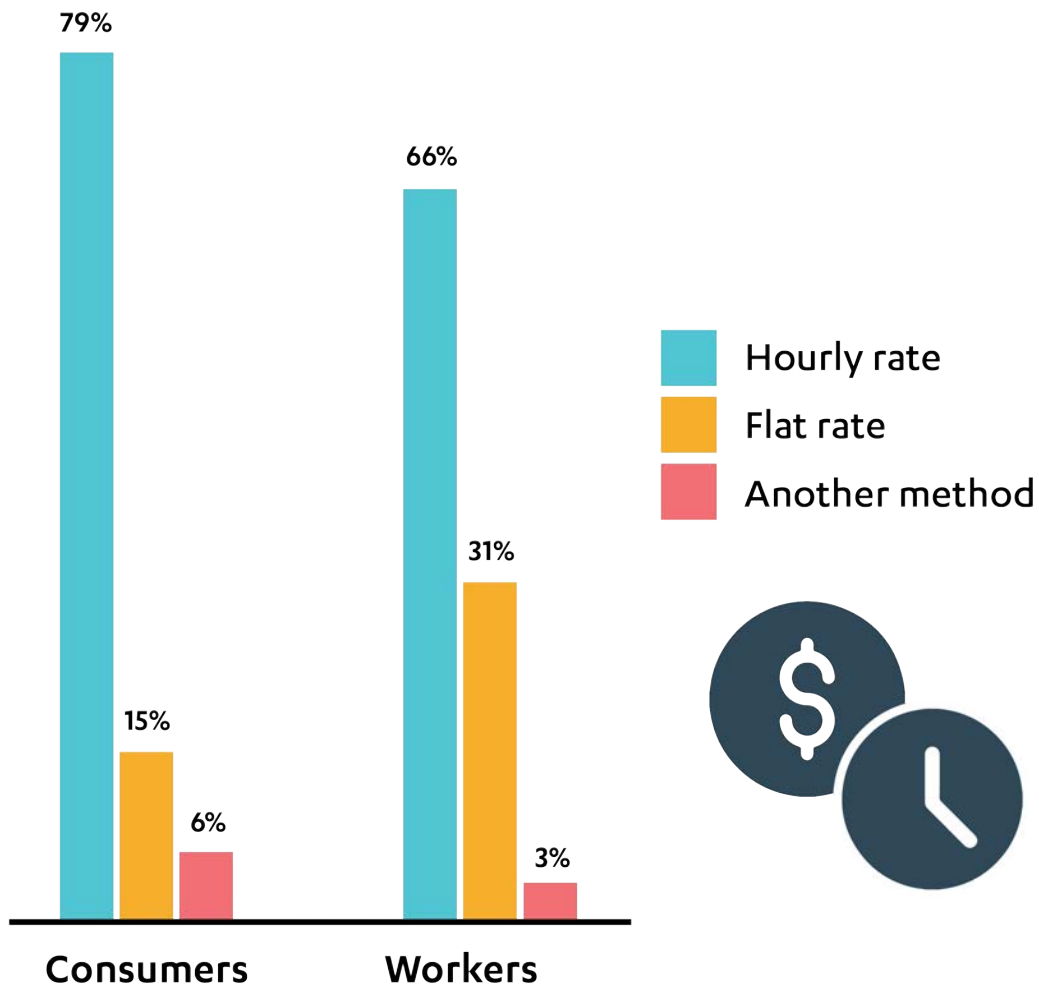
Black and Latinx Californians, who together make up 45% of the state’s population, are especially squeezed by the high cost of home care, as they typically have less wealth to draw on.⁷²

As reflected in the data that one-quarter of our respondents reported relying on parents or other family for financial support, middle-class families often have to make sacrifices in order to afford the home care they need. One consumer we spoke to, Cynthia, described how she and her two sisters pooled their resources in order to pay for more professional care for their mother when it became clear she needed more than part-time care. “When we started [employing a caregiver] two years ago, we just hired one person, since we only needed part-time care because my sisters were doing it for a while. But it became too much for them because they both work full time. So over time, we got the agency to come in to make up for the hours.”⁷³ She is concerned that the savings they are relying on to fund this care are running out, and if that happens, their only option will be to refinance her house and thus go into greater debt.

Pay and Wages

Of those who pay the homecare worker directly, the majority (79%) pay the worker an hourly rate, and 15% pay flat rate. These findings are consistent with what the workers in our survey reported, with two-thirds (66%) of workers being paid by the hour, and 31% paid a flat rate. Flat rate payment is more common among direct-hire caregivers at 35% compared to homecare agency workers at 25% and RCFE workers at 31%.

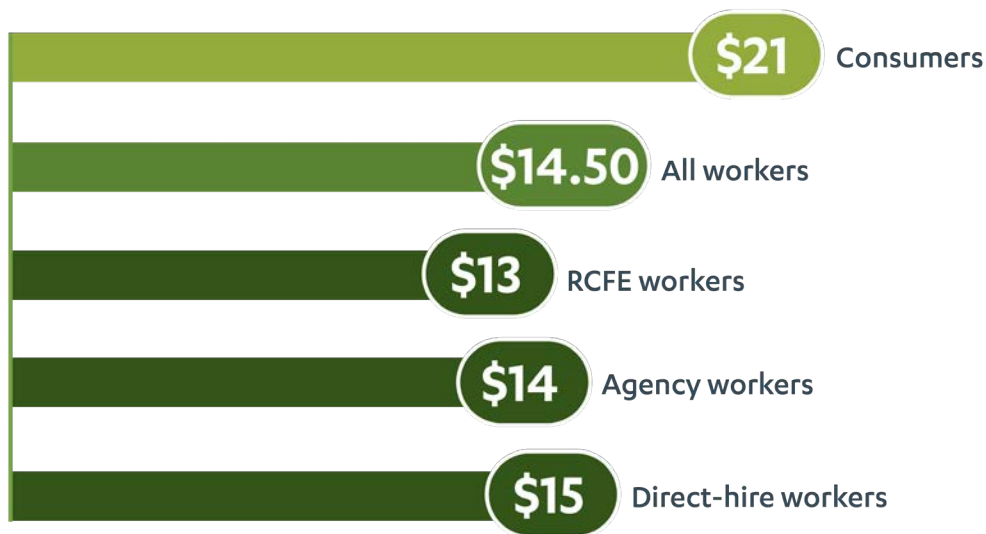
Figure 22: Payment Method



Source: Long-Term Care Worker and Consumer Surveys 2021

The median hourly rate employers reported was \$21 per hour; workers reported much lower rates. For those paid at an hourly rate, the hourly median wage was reported at \$14.50. Among direct-hire workers, the hourly median wage was \$15, for agency hires, it was \$14, and for those working at RCFEs, it was \$13. Consumers pay agencies and RCFEs more than they pay workers they hire directly. For agencies and RCFEs, profitability, in part, derives from paying caregivers significantly less than what they were paid by consumers. The tandem crisis of affordability and low wages is especially evident when we see how much consumers pay and how little workers take home.

Figure 23: Hourly Median Wage Reported by Consumers and Workers



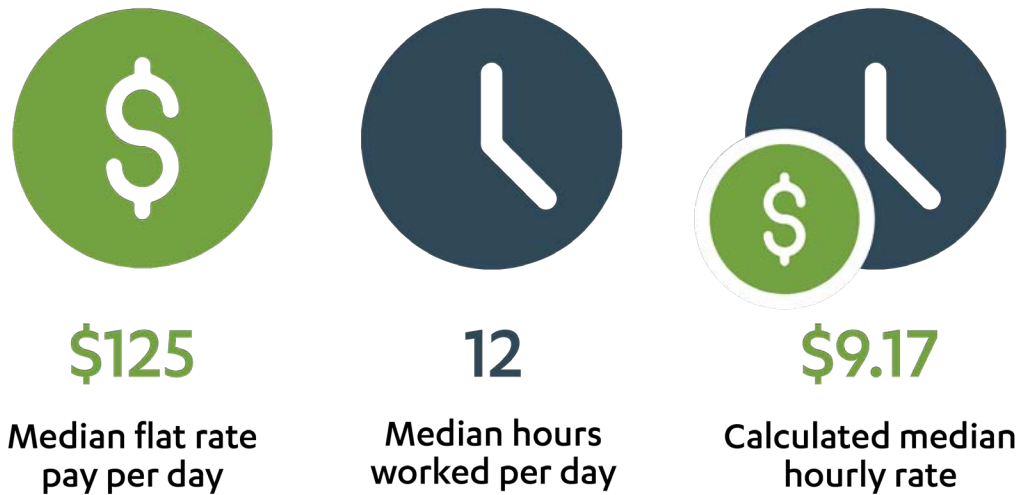
Source: Long-Term Care Consumer and Worker Surveys 2021

All the homecare agencies that responded to our audit confirmed that they pay homecare workers at least the applicable minimum wage. Approximately 25% reported paying above the minimum wage, and in some cases considerably more.⁷⁴

Among workers paid a flat rate, 66% said they receive a daily rate; 15% said they receive a flat rate for every two weeks; 11% said they receive a weekly rate; and 9% said they receive a monthly rate. For those receiving a flat rate per day, the median flat rate was \$125 and the median hours worked per day were 12. When we aggregated data for all workers who reported being paid a flat rate, we found a median hourly wage of just \$9.17.

74. Our wage data exceed the Census Bureau's estimates for median wages in the homecare industry in California. We speculate that the discrepancy owes to our survey sampling a higher portion of organized workers—such as those belonging to worker organizations such as the Pilipino Workers Center (PWC)—than the ACS sample. Therefore, these workers are likely to be more informed about their rights and have support to advocate for higher wages and better working conditions. Additionally, our sample of consumers skewed towards white respondents, who tend to have greater access to wealth. As a result, these respondents may have been able to pay a higher than average wage. However, further research is needed in order to draw concrete conclusions.

Figure 24: Median Pay and Hours for Workers Paid a Flat Rate



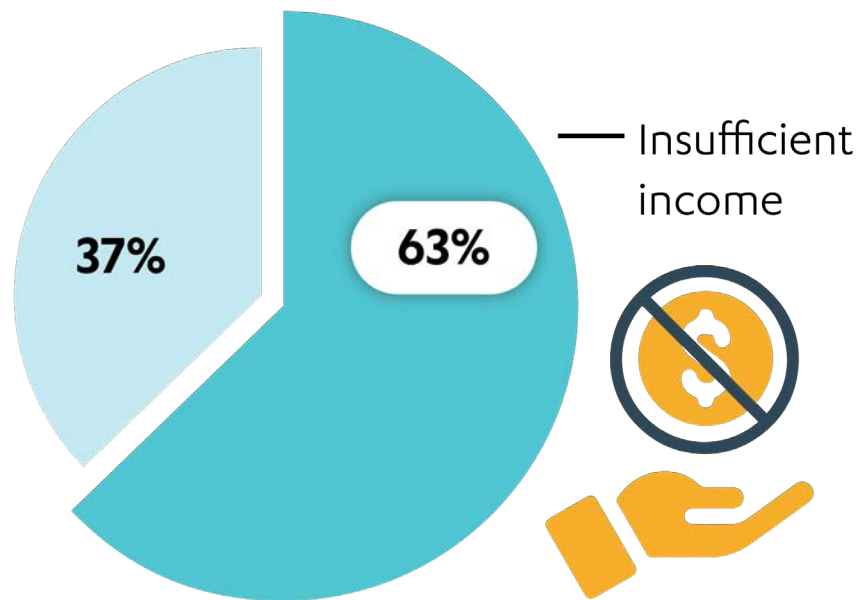
Source: Long-Term Care Worker Survey 2021

Even without accounting for overtime, this hourly rate represents a wage substantially below both our overall wage findings and what the ACS data show. Our survey shows that greater regulation is needed to address wage violations in the homecare industry, as flat-rate payment arrangements hold down wages below the state’s minimum wage—let alone a living wage—for a substantial portion of homecare and RCFE workers.

Researchers at MIT estimate that each earner in a Californian family made up of two working adults and two children requiring child care would need to earn an hourly wage of \$27.08 (equivalent to a gross household income of \$112,651 per year for two earners) in order to afford basic living expenses including housing, child care, food, and health care. Factor in the cost of hiring a homecare worker to support an aging parent, for example, and what constitutes a living wage for many California families skyrockets. Whether based on our own data or that of the Census Bureau, it is clear that homecare workers are not earning living wages in California. While they aid homecare consumers across the state in maintaining health and independence at home, the industry does not currently support wages high enough to ensure the same for care providers and their families.

Our wage data generally lines up with what the homecare workers we surveyed reported about their own financial situations: more than half reported that they do not earn enough to meet their living expenses.

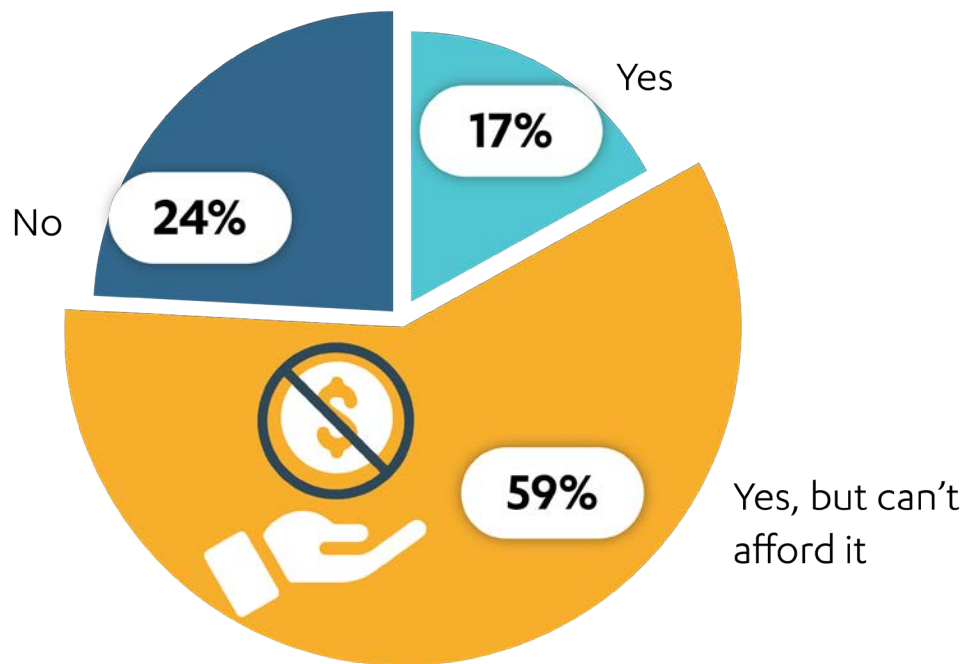
Figure 25: Worker Income Insufficient To Meet Living Expenses



Source: Long-Term Care Worker Survey 2021

Employers generally recognize that homecare workers deserve higher pay. Among the consumers we surveyed, three-quarters would pay higher wages to the workers they employ, and nearly 60% of those surveyed reported that they would like to increase wages, if only they could afford to do so.

Figure 26: Consumers Would Pay More for Care Services



Source: Long-Term Care Consumer Survey 2021

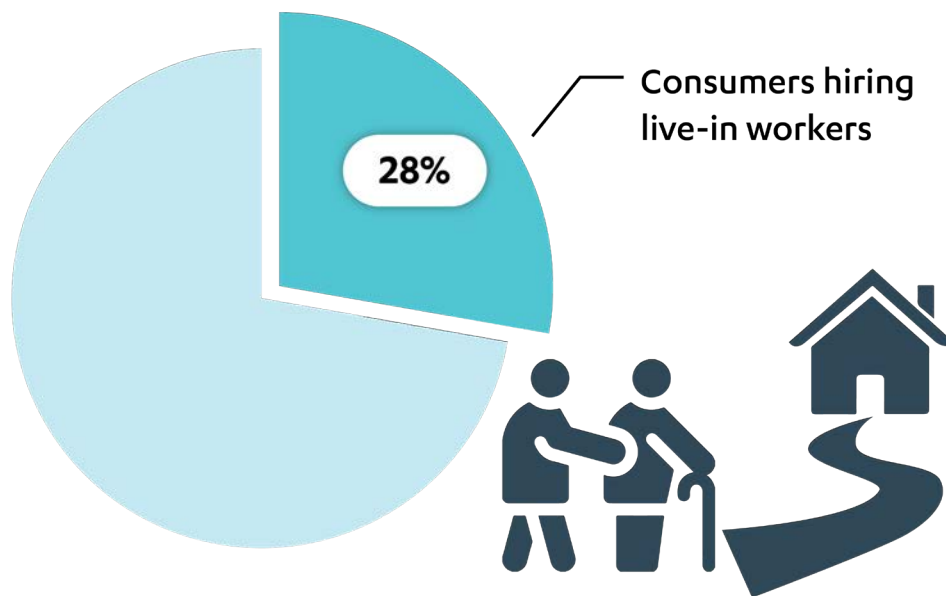
The picture that emerges from the survey is one of an essential but undercompensated workforce that supports families who value them deeply but can't pay them enough to reflect their true value. The need for support is extensive—more than half of consumers reported requiring full-time support (35 hours or more) from the homecare workers they employed. One-quarter reported receiving 65 or more hours, with 14% getting 24-hour, seven-day care. Among the direct-hire and agency consumers, 28% said the homecare worker lives in the home of the person receiving care, and 17% said the homecare worker worked 24-hour shifts. Only about one-fifth of consumers reported receiving 14 hours or less of support per week.

Table 3: Consumer’s Weekly Hours of Support

	Total Hours	Hours Covered By Primary Homecare Worker
Less than 5	1%	3%
5–14	20%	25%
15–24	12%	19%
25–34	17%	20%
35–44	13%	11%
45–54	9%	7%
55–64	5%	3%
65 or more	24%	12%

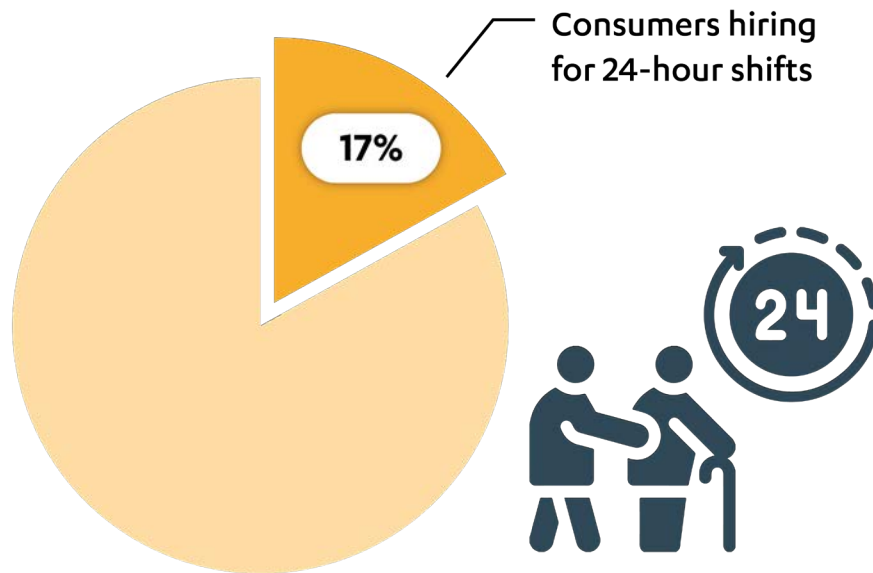
Source: Long-Term Care Consumer Survey 2021

Figure 27: Direct-Hire and Agency Consumers Hiring Live-in Workers



Source: Long-Term Care Consumer Survey 2021

Figure 28: Direct-Hire and Agency Consumers Who Hire Workers For 24-Hour Shifts



Source: Long-Term Care Consumer Survey 2021

Worker Hours

Most homecare workers reported working full-time or overtime in a typical work-week. More than half worked full-time hours (35 hours or more) during the week prior to the survey. In fact, over one-quarter worked over 44 hours during the week before the survey. When asked about the hours they usually worked, the number of those working full-time hours is slightly lower at 47%, which may be an impact of the COVID-19 pandemic on worker hours.

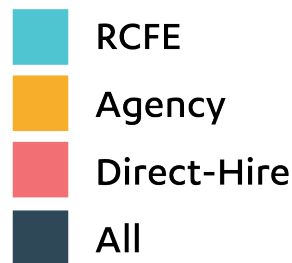
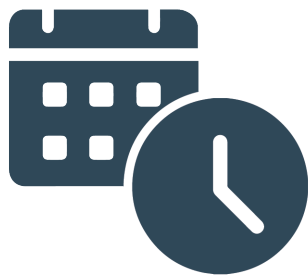
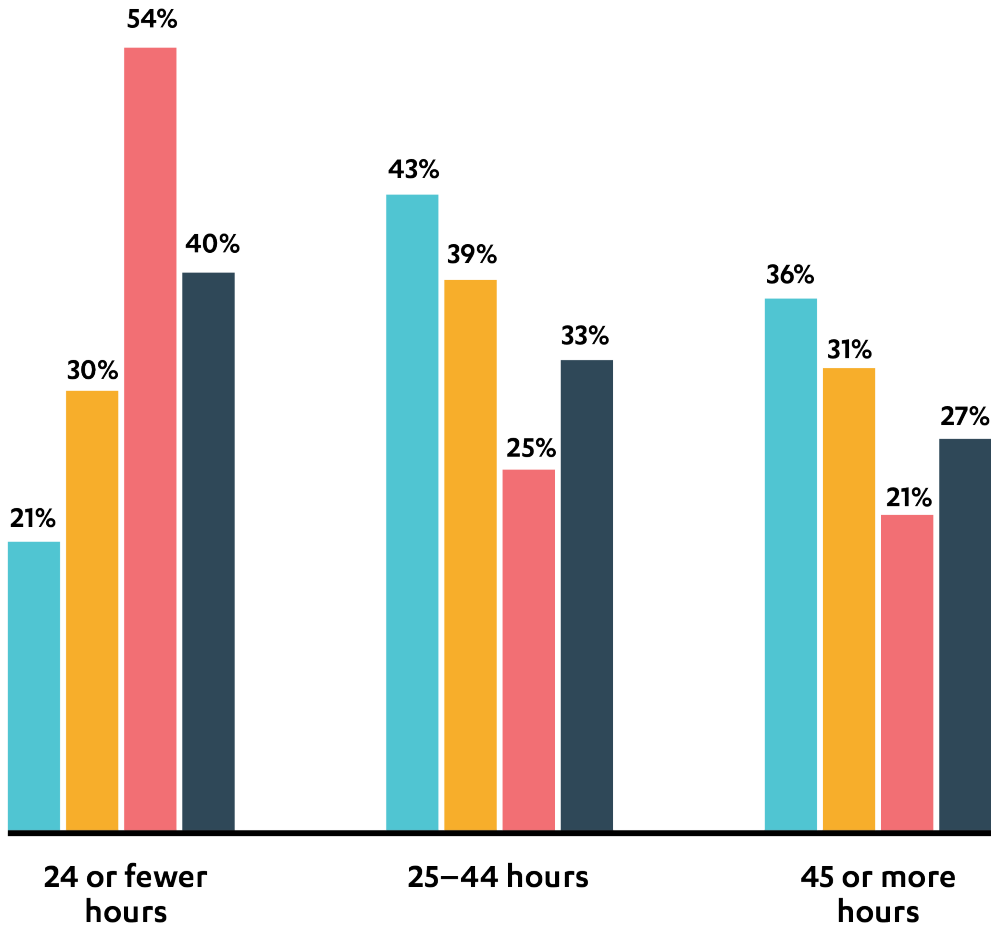
Table 4: Reported Weekly Hours Worked

	Hours Worked Last Week	Hours Usually Worked per Week
14 or fewer	24%	23%
15–24	14%	17%
25–34	9%	13%
35–44	20%	20%
45–54	13%	10%
55–64	7%	6%
65 or more	13%	11%

Source: Long-Term Care Worker Survey 2021

The amount of hours worked varied among types of workers. Over a third (36%) of RCFE workers worked 45 or more hours per week, compared to 21% of direct-hire workers and 31% of homecare agency workers. Over half (54%) of direct-hire workers report working 24 hours or less for one consumer.

Figure 29: Usual Weekly Hours Worked by Worker Type

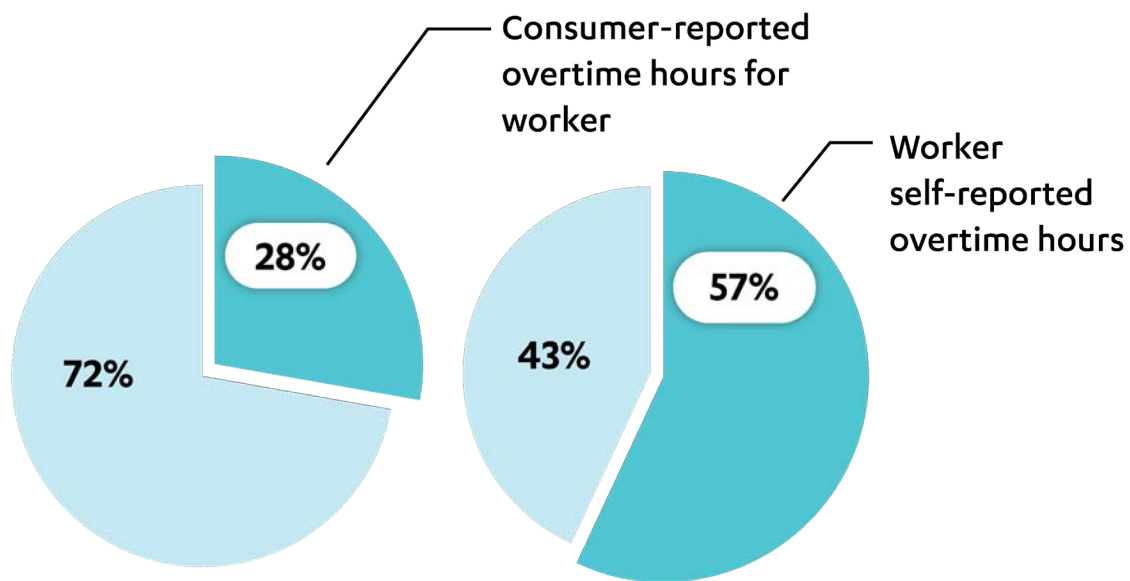


Source: Long-Term Care Worker Survey 2021

Overtime

Over a quarter (28%) of both private-pay and agency consumers said the homecare worker had worked more than nine hours in a day or more than 45 hours per week in the month prior to the time of the survey. However, these numbers were not reflected in the workers' experiences, as they reported overtime at double the rate of consumers, demonstrating clear discrepancies that suggest potential wage violations or a lack of understanding about overtime and its requirements.

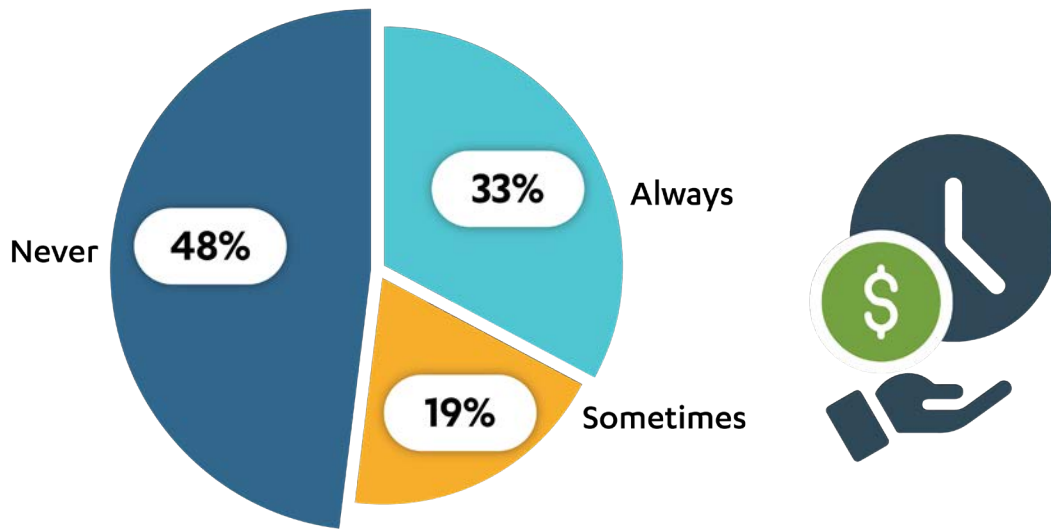
Figure 30: Worker Worked Overtime Hours



Source: Long-Term Care Worker and Consumer Surveys 2021

The sample for consumers that hired care providers who worked overtime was small but the majority of those (except for 4) did not pay time-and-a-half for those hours. Workers also reported that they did not always receive overtime pay. Half never did, and close to 20% sometimes did.

Figure 31: Worker Received Overtime Pay



Source: Long-Term Care Worker Survey 2021

Of the homecare agencies we audited, most did not respond to our questions about overtime. Among those that responded to questions about overtime, they all reported paying overtime for all hours worked in excess of nine hours. Among the RCFEs audited that did respond to this question, all but one confirmed that they pay overtime when it is due.

The California Domestic Worker Bill of Rights requires time-and-a-half pay for most professional caregivers who work more than nine hours in a day or 45 hours in a week, and our finding regarding overtime pay demonstrates that wage theft—which includes not paying overtime when due—remains a common characteristic of the homecare industry in California. Most consumers that hire directly typically do not pay overtime either because they are unaware the law requires them to, or because they simply cannot afford to. Alongside a system that will help them carry the burdensome cost of homecare, consumers need better education and information resources to understand their obligations as employers.

Payment Methods

Loosely-observed and unwritten employment arrangements present a major obstacle to homecare workers exercising their rights. This informality extends to the ways care providers are paid: 25% reported being paid by cash, 21% by personal check, and 1% by an app such as Venmo or PayPal. Among direct-hire workers, cash pay is more pervasive.

Table 5: Payment Method by Hiring Arrangement Type

	Direct-Hire	Agency	RCFE	All Homecare and RCFE Workers
Cash	43%	6%	10%	25%
Personal check	30%	9%	18%	21%
Payroll check	5%	35%	37%	21%
Direct deposit	9%	31%	15%	17%
Venmo or PayPal	1%	2%	1%	1%
More than one method, or other	12%	17%	19%	15%

Source: Long-Term Care Worker Survey 2021

These forms of payment (cash, personal check, app)—reported by nearly half of surveyed workers (47%)—constitute another example of the lack of infrastructure in the industry. It is unlikely employers are withholding payroll taxes and providing pay stubs if they are paying by these means. As a result, workers are unable to access unemployment insurance, paid family leave, and disability insurance.

One agency-employed worker from San Francisco shared that she regretted not asking for a contract and tax withholdings:

“There is nothing written because I kept quiet. I realized many things. Because I accepted a personal payment, a check for personal payment, with that I don’t have the right to disability payments. Of course, I did not have it because we did not have a signed contract—nothing, nothing. So I just couldn’t work for five months [due to disability] and they didn’t pay me anything at all during that time.”

When homecare workers are paid “under the table” by informal means, existing safety net programs such as disability insurance can be painfully inaccessible.

In discussing what they would like to see from a world-class long-term care system in California, one homecare worker wished “[t]hat somehow people will be educated about how to give the right pay for caregivers like me [and that] the regulations will be mandatory.” Consumers and workers are each impacted by the current homecare system’s lack of infrastructure. As we’ve seen, the burden of an under-resourced, underregulated system has largely fallen on overstretched, underpaid workers and overwhelmed consumers who are marginalized by ableism. In the next chapter, we’ll discuss the structural changes that policymakers, regulatory agencies, and homecare agencies need to make to address this crisis.

What Does It Mean To Be A Fair, High-Road Employer?

With a long-term care system that is not working for many workers and consumers, employers and consumers can implement practices to address some of the gaps in this system. Fair, high-road employment practices are practices that not only comply with the law, but go beyond it to provide fair conditions for workers and high quality care for consumers. For example, a higher wage—especially one that approaches a living wage—is one essential component of fair employment. Yet the majority of consumers in our sample neither provided overtime nor guaranteed sick leave as required by law. To be fair employers, individuals hiring homecare should:

- Comply with the law, including paying overtime
 - See Chapter Two for more details about homecare worker labor rights under the law.

- Pay a living wage⁷⁶
- Offer paid time off
 - Homecare workers have the right to earn and use paid sick leave (more details in Chapter Two). Offer additional paid time off, in the form of more sick time, paid family leave, and paid vacation or holiday time goes above and beyond the law.
- Provide severance pay
- Communicate clearly and transparently
 - Direct-hire employers should have clear communication with the workers they employ by using a written agreement, translating the agreement into the primary language of both the care consumer and the care worker, and having regular check-ins.
- Consumers who employ through a homecare agency should ensure that the homecare agency is registered with the California Home Health Aide Registry, and confirm with the homecare worker that the homecare agency is providing fair pay and benefits.



4. Care Is Essential

Credit: California Domestic Workers Coalition

Image Description: A Latinx woman wearing scrubs smiles and hands medication to an older man, who is sitting.

Most Californians are impacted by the need for long-term services and supports at some point in their lives. In part, this is because anyone who lives long enough will require some assistance as they age, if they do not already have a disability that requires regular support. This also includes workers who provide home care who may already be older or disabled.

Despite the accompanying financial stress and hardship, homecare consumers of all income brackets pay for home care out-of-pocket. A 2017 study, which includes consumers of the state's In-Home Supportive Services (IHSS) program, found that 44% of private homecare employers have household incomes below \$25,000, and 78% have household incomes below 100,000.²⁷

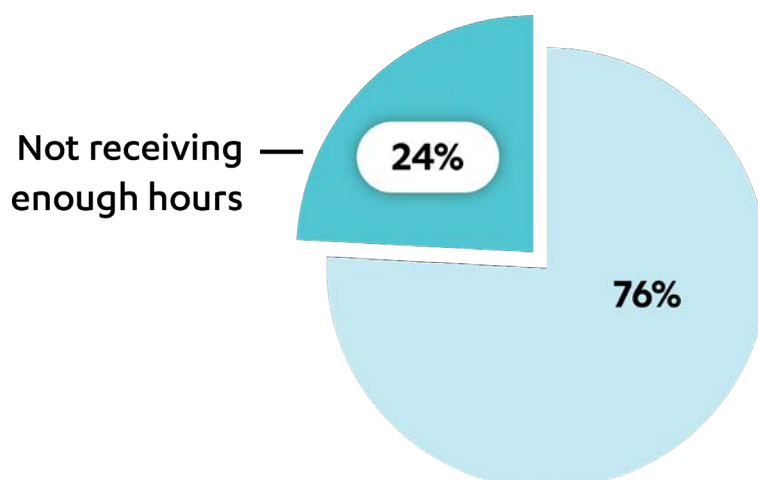
Homecare employers are diverse across age, race, and income. The same study found that 41% of consumers are people of color. A tenth are Black—consistent with the demographic breakdown of California’s population. Still, these numbers are not quite representative of California’s Asian and Latinx populations, who will comprise a large part of this state’s elder boom. For example, over the next forty years, the Inland Empire area of San Bernardino and Riverside counties will see among the highest percentage increase of older adults in California.⁷⁸ Latinx and Black communities together comprise a majority of the Inland Empire’s population.

And consumers who manage care for someone may be a Baby Boomer, or they may be a 22-year-old member of Generation Z caring for a young child and supporting an aging grandparent. A fifth (21%) of respondents to our employer survey also had children under the age of 18 living in their household or in the household of the person receiving care. Sometimes referred to as “sandwich generation” caregivers, these individuals are balancing the challenge of raising children while supporting aging or disabled loved ones.⁷⁹

Consumers Need More Support

Families all across California often scramble to find professional care for themselves or for their loved ones when the amount of care they need exceeds the support their personal networks can provide. When consumers do find professional care—whether directly, through an agency, or in an RCFE—more often than not they must carry the cost of care themselves, without support from insurance or public assistance. The 2017 study that included both private pay consumers and consumers of California’s government-run IHSS program found that one-third of employers weren’t receiving enough hours of support.⁸⁰ In our study, one-quarter (24%) of employers said the hours they received from the primary homecare worker they employ were insufficient to meet their needs. When asked why they were unable to receive the care they need, most said they could not afford the out-of-pocket cost. Other reasons included the COVID-19 pandemic and the difficulty of finding homecare workers.

Figure 32: Receiving Enough Hours of Support from the Homecare Worker



Source: Long-Term Care Consumer Survey 2021

When consumers don't receive enough support, some land in long-term care facilities, including RCFEs and nursing facilities, against their wishes. In our interviews, consumers reported unsafe conditions at facilities, especially larger ones. One consumer in Huntington Beach who managed her father's long-term care shared, "We had a horrible incident last year. He was sick, and he had to go into a skilled nursing facility for two weeks. He stayed three days, because I took him out... because they were terrible... they were just really understaffed." She also reported that there were seven workers attending to 120 residents at that facility.

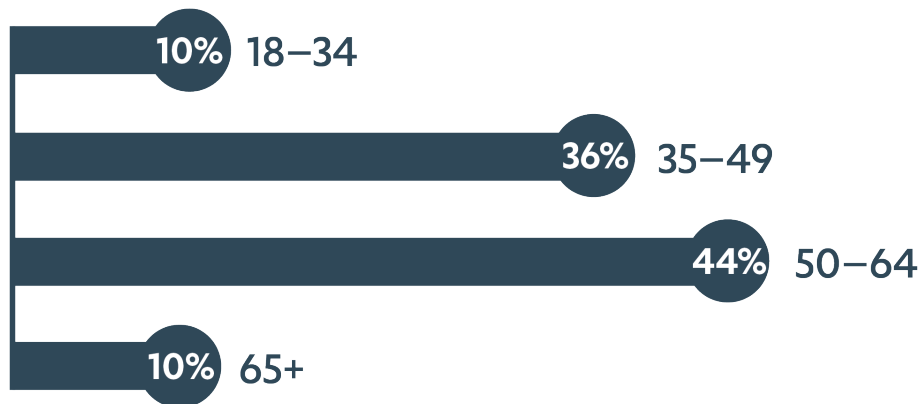
Workers also experienced the persistent obstacles of understaffing and under-resourcing; they want to provide the best quality care, but must fight management to get the tools they need to do so. One worker reported, "When we don't have the right tools... we don't have enough detergent to wash all those soiled, you know, urine-soaked bed sheets, we don't have the spray cleaning tools, you know, we can't do anything! And we tend to ask the, you know, you call your boss and then they say, 'Oh, we will, we have it, we'll deliver to you a certain day,' and then they will not do it." This under-resourcing of facilities not only imperils workers and consumers alike, it also creates real, well-founded fear for consumers who are struggling to receive enough hours of homecare support.

The stinging irony is that homecare workers—particularly those approaching retirement age—typically cannot afford the same services and supports they deliver to consumers across the state every day. Like all working people, homecare workers ought to enjoy the same level of dignity and security in being able to retire comfortably, afford the care they need, and have a safety net in the event of disability. All Californians need more affordable, more easily accessible home care to address the shortcomings of our current long-term services and supports system.

Workers Need More Support

The homecare workforce is aging.⁸¹ Over half of workers surveyed were aged 50 and over, while the median age for all other workers is 40.⁸² Homecare work is often physically demanding, sometimes involving lifting and transferring care recipients, which is challenging work for those who are themselves aging or possess physical disabilities. As homecare workers grow older or become disabled as they support the aging process for other families, many will themselves need care—yet they lack any such security.

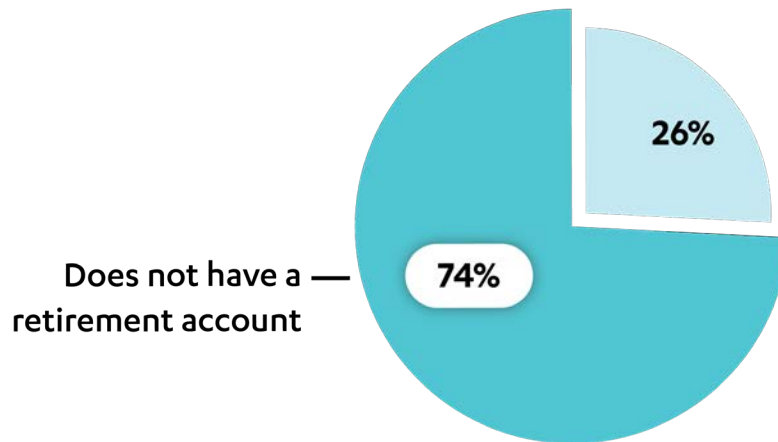
Figure 33: Worker Age



Source: Long-Term Care Worker Survey 2021

Furthermore, as homecare workers age and approach retirement, many lack adequate access to Medicare and Social Security as a result of the industry's lack of infrastructure. If their employers pay them informally and do not deduct taxes, they are unlikely to pay into Social Security or pay Medicare taxes. And, unsurprisingly, the majority of workers surveyed did not have any form of personal retirement savings.

Figure 34: Worker Has Retirement Savings



Source: Long-Term Care Worker Survey 2021

As we noted in the last chapter, 63% of workers did not have enough income to meet their household expenses. In this way, workers face short-term and long-term financial hardship whereby they are neither able to provide for their current needs nor secure resources for their retirement.

Many homecare and RCFE workers are cut off from retirement benefits and other safety-net programs due to their immigration status. One agency-employed worker from Los Angeles laughed when asked if he received benefits. "I'm paying taxes, [I'm] 1099. Yeah and I'm, of course, I've been, I'm here illegally, so I don't have such benefits."⁸³

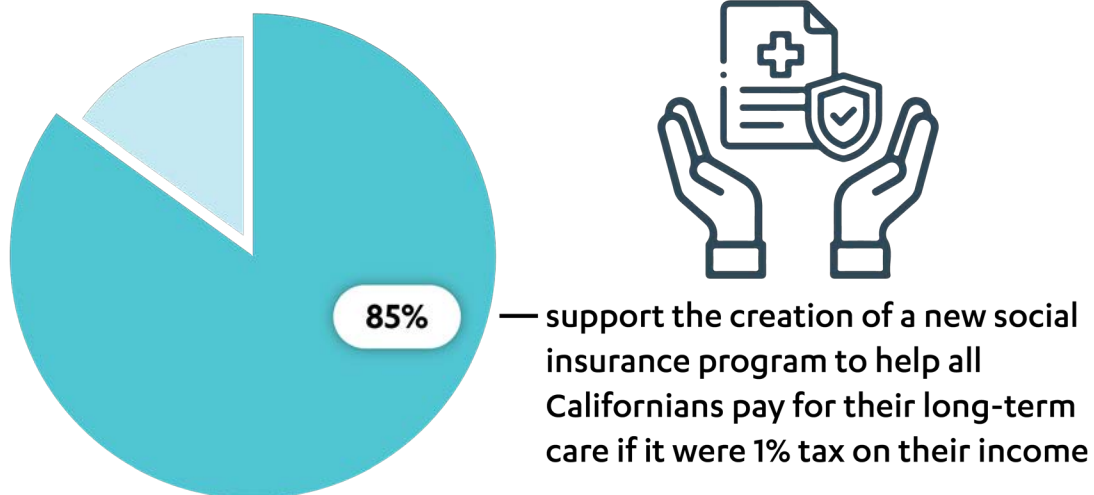
Extending a strong safety net to all homecare workers, both during their working years and in retirement, would better equip the workforce to weather future crises, to deliver high-quality care to those who need it, and to have access to the care they need as they age or become disabled.

Strong Support for a Public Long-Term Care Program

Public investment in the state’s homecare workforce and in the infrastructure necessary to connect consumers and workers will be crucial to the sustainability of California’s long-term care system over the next decade and beyond. In the wake of a nationwide labor shortage that has demonstrated that the labor force is less and less willing to tolerate low-paying, high-risk jobs, the struggling homecare industry will have to make bold transformations to recruit new workers. In order for professional home care to be both affordable and fairly compensated, public money needs to flow toward funding recruitment, training, and education for homecare workers,⁸⁴ information services for consumers navigating the highly complex system, and operating budgets for agencies tasked with policy enforcement.

Our study reflects strong support for universal long-term services and supports insurance programs in California. The vast majority (85%) of the consumers we surveyed answered affirmatively to the question: “Would you support the creation of a new social insurance program to help all Californians pay for their long-term care if it were a 1% tax on your income?” Such a program would dramatically improve the landscape of home care in the state by publicly financing long-term services and supports for consumers across income brackets.

Figure 35: Consumer Support for New Long-Term Care Social Insurance Program



Source: Long-Term Care Consumer Survey 2021

Given a universal insurance program in which the vast majority of consumers received assistance in paying for care, wages and benefits would need to rise in the homecare sector. Higher wages and benefits would draw new workers into the industry and make it more attractive for workers to stay. To have a homecare system that works for all Californians, the industry must sustain living wages, strong labor protections, and job stability for the homecare workers so many daily rely upon.

Investing in Training to Prepare for the Future

With an expanding base of consumers and a favorable climate for a long-term care benefit, the homecare workforce must ready itself. There are not enough homecare workers, and the workforce is not growing at the pace required to meet either the current or the anticipated need. Some have proposed more training as one solution to the homecare crisis, as 30% of consumers reported that they would pay a worker more if they had specialized training in dementia and paramedical care. And many consumers reported interest in skills that are broader in scope, especially interpersonal skills. Further, training naturally creates a larger pool of skilled workers, providers who can work more fluidly alongside health care professionals, and can help lay out a career advancement path for workers and in so doing render the sector more deeply sustainable over the long-term. ⁸⁵

But as we've discussed in Chapter Three, 59% of consumers would pay workers more—regardless of training—but can't afford to. Additionally, consumers report that the workers they employ already have training in skills such as dementia care (30%), limited paramedical care (36%), and complex paramedical care (25%). And more training for workers certainly would not alleviate high costs for consumers. To attract and retain more workers, and more highly-skilled workers, homecare wages must rise across the board, buoyed by public investment in the form of grants, subsidies, and certification programs. And paired with higher wages, an investment in training plays an important role in the development of a more accessible, affordable, high-paying, and high-quality homecare industry.

Table 6: Some Consumers Would Pay Workers More If They Had Specialized Training

	Yes, would pay more for workers with this training	No, would not pay more for workers with this training	Homecare worker already has this training
Dementia care training	32%	38%	30%
Limited paramedical care (such as eye drops, special diets, catheter care)	30%	34%	36%
Complex paramedical care (such as injections, wound care, ventilators)	32%	44%	24%

Source: Long-Term Care Consumer Survey 2021



Recommendations

Credit: Shayan Asgharnia

Image Description: A Black woman wearing glasses puts her arm around a white woman with glasses who sits in a power wheelchair.

Our study points to key areas where homecare workers and consumers are struggling. All Californians have a stake in quality, affordable home care, as they or their loved ones will one day need to access or provide long-term services and supports (LTSS). A robust, well-functioning LTSS system can deliver care in a cost-effective, equitable way, allowing care recipients who wish to remain in their homes and communities the ability to do so, while supporting well-paying, dignified work for care providers.

When we asked homecare providers what they would change about their industry, they replied better wages and benefits more than any other single change. Expanded regulation and better treatment on the job were the next

two most common responses. Consumers said that they would like to see the industry become more affordable and accessible, and would like to see increased government subsidies and regulation. They also replied that they want more training, support and certification for workers, as well as increased wages and benefits for workers. These responses reflect an understanding that high standards for workers benefit both workers and consumers, and that fair working conditions can produce the necessary expansion of the workforce from which consumers can hire.

Without a magic wand, the best way for California to achieve the goal of an LTSS system that both provides high-quality care to consumers and offers well-paying jobs to workers is through public investment, regulation, and financing. Raising wages for the homecare workforce, as well as compliance education for employers, will lift standards in the industry over time. A well-administered, public, universal social insurance program would help finance home care for the wide swath of consumers who currently struggle to afford it. The mounting public crisis surrounding long-term care in California demands an urgent public response.

The present study has detailed the ways in which the current homecare system is failing employers and workers alike. Toward the tandem goals of high-quality services and fair work in the homecare sector, we recommend the following actions to bring about a homecare system in California that works for all.



Connecting Care: Making It Easier For Consumers to Find Care and Workers To Find Fair Employers

- **Help consumers connect with skilled, compatible homecare workers and quality, high-road homecare agencies and RCFEs. Help workers connect with consumers, agencies, and RCFEs that will uphold their rights under California’s labor laws.**
 - The state should provide more centralized and easy-to-access information for consumers to navigate direct-hire processes, work with agencies, and find quality, high-road care facilities.

Materials should be available in a wide range of languages. These efforts should include increasing funding for its Aging Disability Resource Connections (ADRC) initiative. ADRCs help individuals connect with the right resource(s) to find and pay for LTSS.

- The state should make available to the public a robust and easily searchable database of Labor Code violations at RCFEs and homecare agencies so that workers and consumers can search for high-road RCFEs and homecare agencies to make informed decisions.



Setting Terms Without Infrastructure

- **Provide education to domestic employers, consumers, and workers.**
 - The state should continue to expand the California Department of Industrial Relations' (DIR) domestic worker and domestic employer outreach programs, with the aim of educating workers about their rights and employers about their responsibilities. Philanthropic efforts should also invest in these programs. Trusted liaisons to the community, such as worker centers and other community-based organizations, should implement this education and outreach and make it available in the preferred language of the worker and employer. This program should include:
 - Educating consumers on how to identify whether the RCFEs and homecare agencies they work with are in compliance with labor laws and provide fair working conditions. These resources should teach consumers how to identify high-road business practices—such as pay, overtime, and sick time for workers—that will help them determine if the homecare agency or facility will provide quality care for consumers and fair employment for workers.

- Educating employers about their responsibilities and how to be proactive in creating a legal and fair working environment in which the worker is protected from retaliation (see Chapter One for the details of labor law obligations for employers, and Chapter Three for fair employment details.)
- Educating workers about their rights and how to assert those rights to bring employers into compliance with existing labor laws.
- Creating and distributing tools for consumers, including contract templates, easy-to-read guides that include questions consumers should ask in the hiring process, and details about labor laws, all available in multiple languages .
- **Bring RCFEs and agencies into compliance with labor laws and fair, transparent employment practices.**
 - The Department of Social Services and the Division of Labor Standards Enforcement should increase enforcement of RCFE compliance with labor laws via joint investigations.
 - RCFE and agency owners should cooperate with inspectors and maintain consistent records of their compliance efforts.
 - RCFEs and homecare agencies should provide consumers with clear information about the costs of care (including daily and hourly rates and overtime rates), benefits, and workers' wages.



Carrying the Cost of Care: Addressing The Crisis of Poor Working Conditions and Low Wages

- **Address the harm that noncompliance and limited labor protections causes for both workers and consumers by expanding protections and rights for domestic workers and setting higher standards for homecare agencies**

- State and local labor agencies should enforce existing minimum wage law, and give workers restitution for wage theft, with special attention paid to flat rate wage violations.
- The state legislature should increase wages and benefits for homecare workers through minimum wage legislation, additional paid time off, and job-training and professional development programs.
- The state legislature should create portable benefits options for all domestic workers, including homecare workers and undocumented workers, so that workers can reliably access benefits such as paid time off, health care, and retirement even when they have multiple employers.
- The state legislature should bring all homecare workers, including those who work in private residences, under Cal/ OSHA protections. Fund health and safety outreach and education to employers to protect the health of workers and employers in the recovery from the COVID-19 pandemic and beyond.
- **Create high-road programs that uphold workers' rights and provide affordable, quality care for consumers.**
 - The state and all labor enforcement agencies should fund the development of cooperative ownership and high-road business models for homecare agencies and facilities. Invest in emerging worker-run homecare cooperatives, such as the COURAGE Cooperative operated by the Pilipino Worker Center.
 - The California Workforce Development Board (CWDB) should promote high-road employment practices, and provide training in the sector beyond minimum compliance required by the law. These efforts should include bringing qualified homecare agencies into its High-Road Training Partnerships (H RTP) program, which brings new workers into sectors such as homecare, builds skills of existing workers, and partners with employers that provide quality jobs that pay wages that can support families.

- **Make RCFEs and homecare agencies a more sustainable part of the LTSS system.**
 - Homecare agencies and RCFEs should provide a living wage and paid time off, beyond what is required by law.
 - Homecare agencies and RCFEs should work with families to access existing programs to help them afford their care.



Care Is Essential: The Care Crisis Affects Most Californians

- **Greatly increase public investment in current and emerging public programs to increase affordability and meet the homecare and LTSS needs of California’s older adults and people with disabilities, their families, and the workers who provide that care.**
 - The state legislature should establish a new public universal LTSS program to help all Californians afford their LTSS needs and include provisions for workforce protections.
 - The state should ensure that new and existing programs support unpaid family caregivers by providing more funding for respite care, robust paid family leave policies, and better access to paid homecare workers.
 - The state should make safety net programs, such as IHSS, accessible to all immigrants—including the many who are homecare workers—by expanding eligibility and creating a pathway to citizenship. Undocumented immigrants over 50 are able to access Medi-Cal and IHSS as of May 2022; the state should build on this expansion and extend access to all undocumented immigrants.
- **To achieve higher quality care for consumers, provide more training for workers and consumers.**
 - Funded by the state, an array of worker centers, unions, and consumer-focused organizations such as California Foundation for Independent Living Centers (CFILC), should design and deliver trainings to workers to grow their skills as homecare workers, and to consumers to develop their skills in managing and training the workers they employ.

In the field of home care, California can be a model for the rest of the country. The state has an extensive 10-year “Master Plan for Aging” intended to make California the finest state to age in, and hosts the largest consumer-directed Medicaid homecare program nationally.⁸⁶ California should continue with programs and initiatives that are working in the sector and invest substantially in new, innovative solutions to address the significant areas in which the industry consistently falls short.

Workers and consumers are a critical force in advancing a better future for homecare. They can make their voices heard by joining an organization fighting for high-road standards in the industry and a stronger LTSS public safety net. They can make sure legislators know why they care about worker protections and need massive public investment in homecare. This scale of public investment is also in the interest of homecare agencies and RCFEs, as it will bring more consumers to the industry. They too should join the call for enhanced funding that will enable higher wages and high-quality, affordable care.

Our report has shown that by considering the needs of LTSS consumers and workers in tandem, the state can rise to the occasion and meet the growing demand for home care that will accompany the next decade. Ultimately, California can and should create the best homecare system in the United States, one that provides dignity, autonomy, and prosperity through care for all.



Appendix A: Methodology

Credit: Brooke Anderson

Image Description: A white woman with a short hair and glasses, uses a syringe to administer liquids into the feeding tube of an older white woman with short gray hair and a nasal cannula.

This study employed a mixed-methods research design including homecare worker and consumer survey data, qualitative interviews, a review/audit of selected homecare agencies and RCFEs, and an extensive literature review. To complement our findings, we also analyzed the U.S. Census Bureau data.

1. Survey Data

Worker and consumer surveys were conducted online and by phone between June 25, 2020 and February 23, 2021. Participants were recruited through the networks of our partner organizations, including governmental, for-profit, and non-profit organizations that serve and interface with older adults, family

caregivers, homecare and RCFE workers, and people with disabilities (see acknowledgements for list of individuals and organizations), and promoted online through advertisements on Facebook and Twitter. While we cast a wide net in the outreach process, many of the respondents in both our consumer and worker survey sample are active members of our partner organizations.

The worker survey consisted of a series of questions related to finding work, employment arrangements, wages and hours, and demographic information. Workers surveys were conducted in English, Spanish, and Tagalog, and took approximately 5 minutes to complete. A \$10 incentive was provided to workers who successfully completed the survey. A total of 333 worker surveys were collected.

We pooled our worker survey sample with a second sample of 167 worker surveys provided by the California Domestic Worker Coalition and Isaac Jabola-Carolus from the City University of New York. The second sample was collected between November 2019 and February 2020.

The consumer survey questionnaire covered topics such as finding a homecare worker or RCFE, employment practices, cost and affordability, and demographic information. The consumer survey took approximately 15-20 minutes to complete and was offered in both English and Spanish. A \$10 stipend was provided to consumers who completed the survey. A total of 103 consumer surveys were collected.

The worker and consumer survey data was analyzed using SPSS. Once the data was prepared, we conducted web meetings with homecare employer organizations, domestic worker organizations, and attorneys to review and analyze findings. Additionally, we convened a stakeholder meeting, including survey participants, members of partner organizations, and academics in the field, to discuss preliminary findings. Their feedback was incorporated into the final report.

2. Interviews

From our survey pool and through outreach via partner organizations, we conducted in-depth interviews with 14 consumers and six workers from various employment types and regions. The qualitative interviews were conducted online by various interviewers, via video conferencing software.

These interviews lasted from 30 minutes to an hour, and examined themes from our quantitative survey. The interview recordings were uploaded by the interview conductors and transcribed by our research team. These transcripts were coded by various researchers and analyzed.

3. U.S. Census American Community Survey

To generate a profile of wage, industry, and worker characteristics in California, we use data from the American Community Survey (ACS), an ongoing annual survey of American households by the U.S. Census Bureau. The ACS 5-year estimate (2015–2019) is pulled from IPUMS-USA extract, which harmonizes U.S. census microdata.⁸⁷

Variable Definitions

Low Wages: We computed the hourly wage variable for the ACS following the steps outlined by the UC Berkeley Labor Center.⁸⁸ We calculated the median hourly wage for full-time workers in California at \$24.45, using the 2015–2019 ACS 5-year sample. Following the UC Berkeley Labor Center’s methods, we define workers as low-wage if they earn less than two-thirds of the full-time median wage.⁸⁹ For California, the cutoff is \$16.14.

Homecare Workers: Broadly, the estimates for homecare workers include those that are U.S. civilians and currently employed, except for the unemployment and labor force participation data points. We acknowledge that there are other types of homecare work, such as nursing assistants, who are beyond the scope of this report. Homecare workers in our report include “Home health aides

(Census occupation code 3601) and “Personal care aides” (Census occupation code 3602) who perform a variety of services including assistance with activities of daily living. Personal care aides often help with household chores, meal preparation, assisting with medication, and helping with personal care needs. Along with supporting activities of daily living, home health aides also help perform clinical tasks (e.g., blood pressure readings), range-of-motion exercises and help assist other medical personnel. We included those who are paid directly by household employers (e.g., direct-hires), those who are agency-based, and RCFE workers. Using the industry, occupation, and worker classification system in the ACS dataset, homecare worker occupations are defined as follows:

- Direct-hires (non-agency-based homecare aides) are (a) in the “Private household” industry (Census industry code 9290) and in the “Home health aides” (Census occupation code 3601) or “Personal care aides” (Census occupation code 3602) occupations; or (b) in the “Employment services” industry (Census industry code 7580) and in the “Personal care aides” (Census occupation code 3602) classification.
- Agency-based homecare aides are (a) in the “Home health care services” industry (Census industry code 8170); or (b) in the “Individual and family services” industry (Census industry code 8370) and are in the “Home health aides” (Census occupation code 3601) or “Personal care aides” (Census occupation code 3602) occupation.
- Residential Care Facilities for the Elderly (RCFEs) workers are in the “Residential care facilities, except skilled nursing facilities” industry (Census industry code 8290) and are in the “Home health aides” (Census occupation code 3601) or “Personal care aides” (Census occupation code 3602) occupation.
- All Other Workers include all workers in California that are not in the industries (Census industry code 9290, 7580, 8170, 8370, 8290) and occupations (Census occupation code 3601, 3602) specified for homecare workers.

- Class of worker: For the homecare worker occupations, we limited our analysis to those who work for wages (private and nonprofit) or are self-employed (incorporated and not incorporated) (Census class of worker codes 22, 23, 13, and 14). For RCFE workers, we also include federal, state, and local government workers (Census class of worker codes 25, 27, and 28).

4. RCFE and HCO Audit

The research team created a field survey to capture information directly from homecare organizations and residential care facilities. We recruited students in undergraduate and graduate programs to pose as consumers looking for care for their grandmother, either in the home or in a facility. The demographic identity of the grandmother is as follows: a 78 year old female, lives alone, bilingual Spanish speaker, has diabetes, early signs of dementia, had a fall recently and is at high risk of falling again. A survey was designed with 11-12 questions.

A list of all licensed homecare organizations (HCOs) and residential care facilities for the elderly (RCFEs) was downloaded from the California Department of Social Services.⁹⁰ The data was then narrowed to four counties: 1) Bay Area (Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara); 2) Los Angeles; 3) Orange; and 4) San Diego.

Calls were made to HCOs and RCFEs within the four county groups from April 2020 to July 2020. A total of 110 contacts were made, with 100 surveys completed, of which 62 were HCO surveys and 38 RCFE surveys. The geographical distribution of audit participants is as follows:

Table A.1: Geographical Distribution of Audited RCFEs and HCOs

	HCOs	RCFEs
Bay Area	45%	5%
Los Angeles	32%	45%
Orange	13%	18%
San Diego	15%	32%

The consumer profile for the survey inquired about a full-time caregiver, five days a week for eight hours a day, and also inquired about 24 hour shifts in the event that the need for increased care arose.



Appendix B: Worker and Consumer Sample Characteristics

Credit: Shayan Asgharnia

Image Description: A white woman stands next to an older white woman with glasses and shoulder-length gray hair, using a walker. Both are smiling.

Table B.1: Characteristics of Worker Survey Sample

Age	%
18–34	10
35–49	36
50–64	44
65+	10
Gender	%
Men	24
Women	76
Non-binary	<1
Other	<1

Race/Ethnicity		%
Latinx		24
AAPI		66
Black		7
White		3
American Indian or Alaska Native		<1
Other		1
Place of Work		%
LA County		69
SF County		8
Other metro LA area		10
Other metro SF area (incl. Santa Clara)		8
Other counties - Northern California		2
Other counties - Central California		<1
SD County		2

Table B.2: Characteristics of Consumer Survey Sample

Age		%
18–34		8
35–49		18
50–64		32
65+		42
Gender		%
Men		15
Women		85
Race/Ethnicity		%
Latinx		2
AAPI		14
Black		5
White		67
American Indian or Alaska Native		2
Other		10

Income	%
Less than \$25,000	7
\$25,000 to less than \$50,000	22
\$50,000 to less than \$100,000	29
\$100,000 to less than \$150,000	25
\$150,000 to less than \$200,000	9
\$200,000 or more	8

County	%
LA County	21
SF County	8
Other metro LA area	10
Other metro SF area (incl. Santa Clara)	38
Other counties - Northern California	11
Other counties - Central California	4
SD County	1



Appendix C: Profile of Homecare and RCFE Workers

Credit: Wil Prada

Image Description: An older Filipino man wears scrubs, mask, apron, and gloves and stirs a pot.

Appendix 3.1: Demographic and Economic Characteristics of Homecare and RCFE Workers

2015–2019 IPUMS American Community Survey (ACS) data

Gender	All Homecare and RCFE Workers	Direct-Hires	Agencies	RCFEs
Female	81%	82%	81%	81%
Male	19%	18%	19%	19%

Race/ethnicity	All Homecare and RCFE Workers	Direct-Hires	Agencies	RCFEs
Latinx	35%	39%	34%	35%
Asian	26%	26%	25%	31%
White	25%	27%	26%	20%
Black	11%	6%	12%	11%
Other	3%	2%	3%	3%

Age Range

18–34	27%	20%	26%	40%
35–49	26%	26%	27%	24%
50–64	36%	43%	36%	29%
65+	10%	12%	11%	7%

Median Age

Age	48	51	48	42
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Child Status

One child or more	44%	42%	45%	44%
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Nativity

U.S.-born	53%	45%	55%	54%
Foreign-born	47%	55%	45%	46%

Full time/ full year

Full time	57%	52%	54%	75%
Full year	81%	79%	82%	82%

Low wage

Low wage	76%	68%	77%	81%
Not low wage	24%	32%	23%	19%

About the Organizations

UCLA Labor Center

For more than 50 years, the UCLA Labor Center has created innovative programs that offer a range of educational, research, and public service activities within the university and in the broader community, especially among low-wage and immigrant workers. The Labor Center is a vital resource for research, education, and policy development to help create jobs that are good for workers and their communities, to improve the quality of existing jobs in the low-wage economy, and to strengthen the process of immigrant integration, especially among students and youth.

675 S Park View St.
Los Angeles, CA 90057
www.labor.ucla.edu

Hand in Hand

Hand in Hand is a national organization building a just and caring economy starting in our homes and communities. We support employers of nannies, house cleaners, homecare workers, and attendants, their families and allies to understand that their homes are workplaces. We organize people to demand dignity and fairness for domestic workers, and to win public investment in care for families, people with disabilities and older adults.

National Office:
45 Broadway, Suite 320
New York, NY 10006
www.domesticemployers.org

National Domestic Workers Alliance

The National Domestic Workers Alliance (NDWA) is the nation's leading voice for dignity and fairness for the millions of domestic workers in the United States. Founded in 2007, NDWA works for respect, recognition, and inclusion in labor protections for domestic workers, the majority of whom are immigrants and women of color. NDWA is powered by over 70 affiliate organizations and local chapters and by tens of thousands of members. Domestic workers in all 50 states can join NDWA and gain access to member benefits, connection with other workers, and opportunities to get involved in the domestic worker movement.

National Office:
45 Broadway, Suite 320
New York, NY 10006
www.domesticworkers.org

California Domestic Worker Coalition

Founded in 2006, the California Domestic Worker Coalition (CDWC) is the state's leading voice for the more than 300,000 domestic workers in California. The CDWC is a domestic worker-led, statewide alliance of community-based organizations, domestic employers, worker centers, labor unions, faith groups, students, and policy advocates. We've come together to confront a history of exclusion to basic labor protections and to advance the rights and dignity of domestic workers and their communities across the state.

3543 18th Street, #23
San Francisco, CA, 94110
www.cadomesticworkers.org

Pilipino Workers Center

Pilipino Workers Center of Southern California is a nonprofit community-based organization founded in 1997. Our organization is focused on developing service and advocacy programs that assist Pilipino Americans primarily residing in Southern California. PWC is a vehicle and resource center for the 1,000,000 Pilipino residents of Southern California to come together and address important issues in the community like housing, access to legal services, poverty, workforce development and workplace justice.

153 Glendale Blvd 1st Floor

Los Angeles, CA 90026

<http://pwcsc.org/>

Golden Gate University's Women's Employment Rights Clinic

The Women's Employment Rights Clinic (WERC) of Golden Gate University School of Law was established in 1993 to serve as a training ground for the next generation of ethical, competent, and socially responsible professionals and to provide critical legal services and support to the community. The Clinic's mission is centered on ensuring that every worker has the right to economic fairness, equal opportunity, and dignity in the workplace. Our mission is to collaborate with grassroots, community-based organizations, and worker centers to enhance their capacity for systemic change. Our individual and impact cases are informed and are coordinated in partnership with broader community campaigns for economic justice.

536 Mission Street, Suite 3326,

San Francisco, CA 94105-2968

<https://law.ggu.edu/academics/clinics/womens-employment/>



Acknowledgements

Credit: Shayan Asgharnia

Image Description: A Filipino man with a button-down shirt leans over to embrace an older, seated Filipina woman, both smiling.

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Back Image Credit: Shayan Asgharnia

Back Image Description: A Black woman wears blue scrubs and smiles at the camera. Logos for the UCLA Labor Center, Golden Gate University School of Law Women’s Employment Rights Clinic, Hand in Hand, Pilipino Workers Center, California Domestic Workers Coalition and National Domestic Workers Alliance are next to her.

UCLA Labor Center



HAND IN HAND
THE DOMESTIC
EMPLOYERS NETWORK



GOLDEN GATE UNIVERSITY

SCHOOL OF LAW
WOMEN'S EMPLOYMENT RIGHTS CLINIC



**NATIONAL DOMESTIC
WORKERS ALLIANCE**



**PILIPINO WORKERS
CENTER**



**CALIFORNIA
DOMESTIC WORKERS
COALITION**

