

Gender, Race and Job Opportunities in the New York Home Care Economy

Research Brief | December 2021

Stephanie Luce, Isaac Jabola-Carolus, and Ruth Milkman
City University of New York



The nation's home care workforce has more than doubled in size over the past decade, and rapid growth will continue as the population ages.¹ But home care jobs are underpaid, physically and emotionally demanding, and often involve unpredictable hours. As a result, even before the pandemic, the home care field suffered from high turnover and severe labor shortages.

In New York State, as many as 260,000 new home care job openings will open statewide between 2022 and 2032 due to rising demand.² But low wages and poor work conditions mean that many of these jobs will see high turnover or remain unfilled altogether.

Our research has shown that public investment in higher pay for home care would mitigate these challenges: substantial wage increases would attract more workers to the field, help to alleviate shortages, and allow older adults and people with disabilities to live in their own homes instead of institutions.³ New analysis, presented here, reveals further potential impacts of such an investment. By ensuring higher wages in home care, the State can create thousands of high-quality jobs for women, people of color, and immigrants.

Raising wages and providing benefits like health insurance would attract an estimated 19,000 home care workers to the field each year—either people who enter home care from other occupations or who increase their hours of work as a home care worker.⁴ Over ten years this would yield 194,000 new home care jobs that pay a living wage.

Based on current workforce trends, almost 175,000 of the jobs would be filled by women, 161,000 by people of color, and 131,000 by immigrants and refugees.⁵ Overall, 143,000 of the jobs would go to women of color.

This kind of investment would also have spillover benefits in other parts of the labor market. Home care workers in new, better paid positions would spend much of their earnings in local and state economies, thus creating an additional 176,000 jobs. These spillover jobs would span a range of industries and occupations across the state's total labor force.⁶

As Table 1 summarizes, if home care wages and working conditions are meaningfully improved, the State will gain 370,000 new jobs from 2022 to 2032. Current trends suggest that over a quarter million of these jobs would go to women, 244,000 to people of color, 181,000 to women of color, and 180,000 to immigrant workers.

Table 1: Potential Workforce Growth in Home Care and Spinoff Industries Created by Raising Home Care Wages, 2022-2032

	Total new jobs	New jobs for women	New jobs for people of color	New jobs for women of color	New jobs for immigrant workers
New home care workers	194,000	175,000	161,000	143,000	131,000
New jobs in other industries	176,000	84,000	83,000	38,000	49,000
TOTAL	370,000	259,000	244,000	181,000	180,000

Facing low pay and irregular hours, 57 percent of New York State home care workers currently receive public assistance, and 49 percent live in or near poverty.⁷ Such stark realities motivate the recent legislative proposal to provide “Fair Pay for Home Care,” which could significantly raise wages for up to 390,000 home health care workers. Given the current workforce composition, such raises would reach up to 351,000 women, 324,000 people of color, 288,000 women of color, and 262,000 immigrants and refugees.⁸

In short, investing in improved compensation for home care work would allow New York State to support job creation and retention for women, people of color, and immigrant workers. As well, the state would ensure that hundreds of thousands of workers earn living wages.

Public investment in home care wages would produce far broader impacts than current economic development programs, such as the Empire State Development (ESD) Fund grants. The latter do not necessarily create jobs that pay a living wage, nor jobs for women and people of color. The State’s recent Annual Jobs Reports show that New York’s millions of dollars in ESD grants have resulted in approximately 11,000 new jobs per year, or 110,000 over ten years.⁹ A substantial investment in home care compensation would create far more jobs, and better paid jobs, over an even shorter period.

In addition, there is no requirement that ESD grants create living wage jobs or provide health benefits; indeed the State does not even have a tracking system to monitor whether the jobs are generated.¹⁰ Moreover, a recent report from the Fiscal Policy Institute and Make the Road New York has documented racial disparities in the way that the State currently funds economic development.¹¹ Raising wages for home care workers, in contrast, would ensure job creation and retention efforts that support people of color, immigrant workers, and women.

Notes

¹ PHI, 2021. “Direct Care Worker Employment, 2010 to 2020,” Workforce Data Center, <https://phinational.org/policy-research/workforce-data-center/#var=Public+Assistance&states=36&tab=National+Data>.

² This estimate adjusts Department of Labor occupational projections for 2020-2022 and assumes the projected rate of demand will be the same over time. There are several potential countervailing factors that could change the rate of demand. For example, according to Matthew Stevenson, former analyst at Mercer, there are several impacts of the COVID-19 pandemic that likely impact the estimates. First, mortality rates may have resulted in fewer older residents requiring home care. Second, safety concerns appear to have had some impact on people’s willingness to take the job. Finally, acute cases may result in more people requiring home care. The first factor would lead to a decrease in demand for home care. The second would lead to a decrease in supply and a the third an increase in demand.

³ Isaac Jabola-Carolus, Stephanie Luce, and Ruth Milkman, 2021. “The Case for Public Investment in Higher Pay for New York State Home Care Workers: Estimated Costs and Savings.” New York: CUNY, https://academicworks.cuny.edu/gc_pubs/682/.

⁴ Ibid.

⁵ The estimate for women, people of color, and immigrant workers comes from the authors’ analysis of the 2019 American Community Survey.

⁶ This assumes that annual job creation estimates will grow at the same rate for the next ten years. Labor force demographics on gender and race for the New York State labor force are from the 2019-2020 American Community Survey and New York State Department of Labor, <https://dol.ny.gov/system/files/documents/2021/06/cps-1970-2020.pdf>. Data for the share of immigrant workers in New York comes from <https://www.migrationpolicy.org/data/state-profiles/state/workforce/NY>.

⁷ PHI, 2021. “Workforce Data Center,” <https://phinational.org/policy-research/workforce-data-center/#var=Public+Assistance&states=36> and <https://phinational.org/policy-research/workforce-data-center/#var=Poverty&states=36>. Given the limitations of federal poverty definitions, we consider “near poverty” here to include incomes between 100% and 200% of official poverty thresholds.

⁸ While encouraging men to pursue careers in home care would help address the home care shortage, current trends suggest that the imbalanced gender composition of the home care workforce is unlikely to change in the near term. For more on this issue, see PHI, 2018, “Men and the Direct Care Workforce,” <https://phinational.org/resource/men-direct-care-workforce/>.

⁹ Empire State Development. Annual Jobs Reports for 2017, 2018 and 2019. New York State. <https://esd.ny.gov/esd-media-center/reports/esd-2017-annual-jobs-report>; https://esd.ny.gov/sites/default/files/ESD%20Annual%20Jobs%20Report%202018_2.21.2020.pdf; <https://esd.ny.gov/esd-media-center/reports/esd-2019-annual-jobs-report>.

¹⁰ Thomas P. DiNapoli, State Comptroller, 2021. "Empire State Development: Project Tracking Systems and Economic Assistance Program Evaluations," Report 2019-S-48, <https://www.osc.state.ny.us/files/state-agencies/audits/pdf/sga-2022-19s48.pdf>.

¹¹ Fiscal Policy Institute and Make the Road New York, 2018. "Shortchanged Racial Disparities in New York's Economic Development Programs," https://fiscalpolicy.org/wp-content/uploads/2018/08/Shortchanged_Final.pdf.