

# Snapshot

# Home Care in California

## What is Home Care?

Professional home care workers support their elderly and disabled clients with activities of daily living. This workforce enables their clients to remain in their homes and supports their clients' family members to participate in the labor force.

## Growing Need for Home Care Workers



**5.5 million**

people 65 and older in California.<sup>1</sup>

By 2030, this population is projected to increase by 51%, to **8.3 million**.<sup>2</sup>



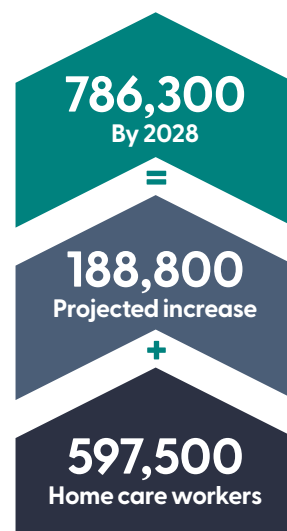
**4.1 million**

additional disabled individuals in California who could potentially benefit from personal support workers in their homes.<sup>3</sup>

## Rapidly Growing Occupation

Home care is one of the largest and fastest growing occupations, but the need exceeds the supply, drawing unpaid family caregivers from full-time employment to help fill the gap.

- + There are **597,500** professional home care workers in California.<sup>4</sup>
  - + This occupation has grown **67%** over the past 10 years in California.<sup>5</sup>
- + California is projected to add an additional **188,800** home care jobs by 2028.<sup>6</sup>
- + Due to high turnover, each year there are projected to be **114,570** home care job openings in California.



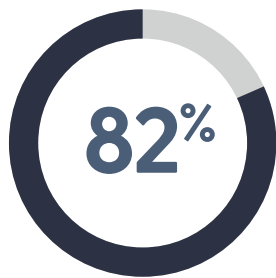
## Rising Revenues, Persistent Low Wages, High Costs of Home Care

- + The annual median cost of home care in California is **\$66,352**,<sup>7</sup> up from **\$59,002** in 2009.<sup>8</sup> This has translated into rising revenues, while low wages persist.
- + Home care industry revenues are **\$109.6B** and projected to increase by **5.1%** annually.<sup>9</sup>
- + In 2019, California home care workers received a median hourly wage of **\$12.58/hour** and a median annual income of **\$28,780**.
  - + This rose to **\$14.05/hour** and **\$31,270** annually in 2020,<sup>10</sup> though this increase may be temporary as pandemic subsidies expire.<sup>11</sup>

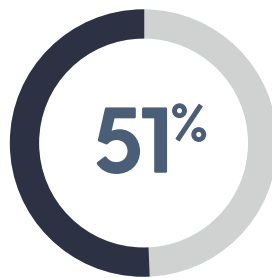


## Worker Demographics

The California home care workforce is disproportionately composed of women of color and immigrant women. Their median age is 51.<sup>12</sup>

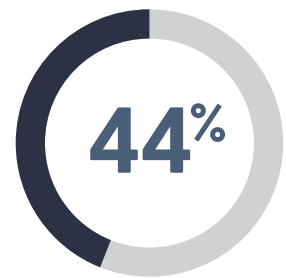


Women



People of Color

41% being women of color

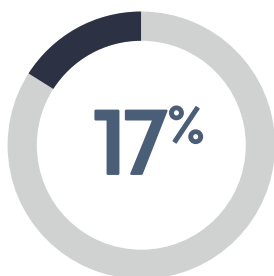


Foreign-Born

## Economic Impacts and Racial & Ethnic Disparities

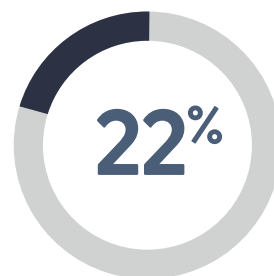
Recruitment and retention of workers in this rapidly growing occupation can help support the California economy.

- + Professional home care workers help family members—especially women—to remain in the workforce,<sup>13</sup> but many families are waiting to receive this support.
  - + **8,434** elderly and disabled individuals are waitlisted for home care Medicaid waivers in California.<sup>14</sup>
- + Studies have found that raising wages for home care workers leads to lower costs from reduced turnover and from workers' reliance on public safety net programs.<sup>15</sup>
- + Low wages result in thousands of California home care workers living in poverty:<sup>16</sup>



Home care workers live in poverty including:

24%	■	of Black workers
19%	■	of Hispanic workers
13%	■	of Asian workers
16%	■	of White workers



Home care workers receive food stamps including:

30%	■	of Black workers
23%	■	of Hispanic workers
12%	■	of Asian workers
20%	■	of White workers

## Authors

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## Acknowledgment

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## Disclaimer

The views expressed here are those of the authors and not necessarily those of the Federal Reserve Bank of San Francisco or the Federal Reserve System.

## Endnotes

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