

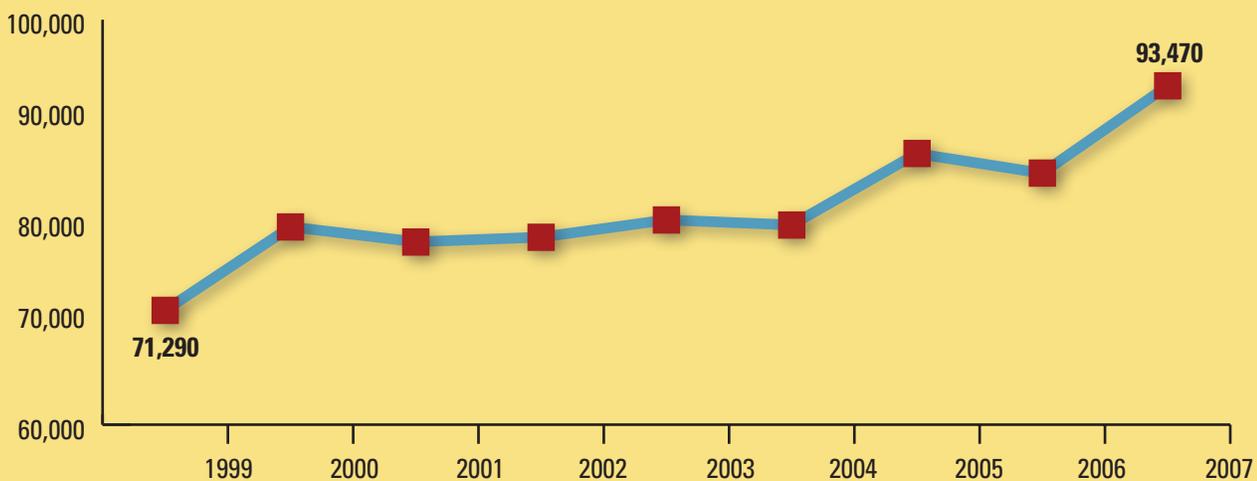
Michigan's Direct-Care Workforce

Michigan's direct-care workers are the state's "frontline" paid caregivers who provide daily living services and supports to older persons, people living with disabilities, those with intellectual and developmental disabilities, and people with chronic care needs. Direct-care workers are officially counted as Personal and Home Care Aides; Home Health Aides; and Nursing Aides, Orderlies and Attendants.

Helping their clients bathe, dress, and eat, among other daily activities, these workers are employed in a range of long-term care programs and settings, including in the consumer's home or workplace, and in residential settings such as nursing facilities, adult foster care homes, homes for the aged, and assisted living facilities.

Michigan's direct-care workforce grew by a third over the last eight years, from about 71,000 workers in 1999 to nearly 93,500 workers in 2007.

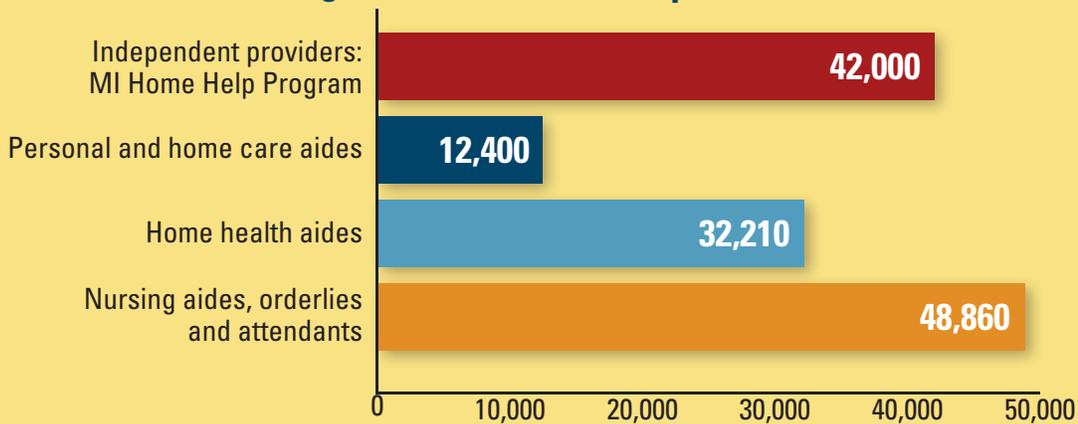
Michigan's Direct-Care Workforce,* 1999–2007



** Estimates do not include self-employed independent providers or those working in consumer-directed programs.*

These estimates do not include a growing number of “independent providers”—direct-care workers who are self-employed or who work directly for consumers under consumer-directed programs rather than through a traditional employer. **Michigan’s Home Help Program relies on approximately 42,000 independent providers to provide supports and services to 50,000 Medicaid long-term care consumers.** With these providers included, **the state’s estimated direct-care workforce totals over 135,000.**

Breakdown of Michigan’s Direct-Care Occupations, 2007

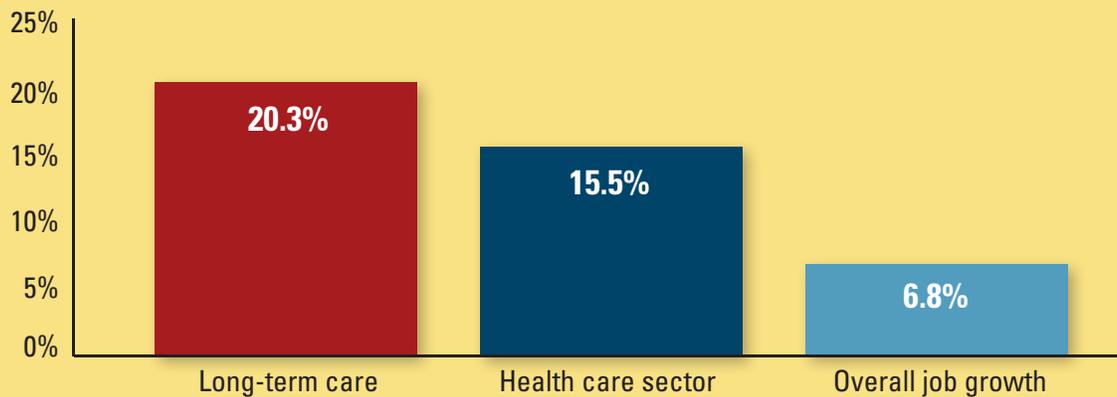


Today, direct-care workers in Michigan, including providers in the Home Help Program, outnumber: Secretaries and Administrative Assistants (114,420), RNs and LPNs (103,100), Teachers from pre-K through 12 (96,400), Assemblers and Fabricators (97,450), Truck Drivers (87,510), and all Law Enforcement and Public Safety Workers (82,990).

Why are direct-care jobs important for Michigan’s economy?

- **Michigan’s direct-care workforce is the employment core of the state’s growing long-term care industry.** This industry—one of the fastest growing in the state—plays a substantial role in overall health care employment, **accounting for 28 percent of all health care jobs in 2007.** Health care, in turn, is Michigan’s largest employer, ahead of education, agriculture, and all transportation equipment manufacturing.
- According to projections from the Michigan Department of Energy, Labor and Economic Growth, **employment in the state’s long-term care industry is projected to grow by 20 percent over the decade beginning in 2006,** increasing by nearly 25,000 new positions. **This expansion contrasts sharply with the state’s overall job growth rate expected for this period—6.8 percent.** It is also projected to exceed job growth in the overall health care sector (15.5 percent).

Projected Job Growth in Michigan, 2006–2016



- Jobs for Home Health Aides are expected to be the second fastest-growing occupation in Michigan, increasing by a third, and adding nearly 11,000 positions.

Top Four Fastest-Growing Occupations in Michigan, 2006–2016

Occupational Titles	2006 estimated employment	2016 projected employment	Numeric Change	Percent Change
Network/Data Communications Analysts	7,300	10,090	2,790	38%
Home Health Aides	32,200	42,940	10,740	33%
Computer Software Engineers, Applications	11,580	15,060	3,480	30%

- In addition, Home Health Aides and Nursing Aides, Orderlies and Attendants are on the list of the top ten jobs projected to produce the largest job growth in the state's economy.

Michigan's Top Ten Occupations with the Largest Job Growth, 2006–2016

Occupational Titles	Number of positions to be added
1 Retail Salespersons	16,150
2 Registered Nurses	16,130
3 Customer Service Representatives	13,880
4 Combined Food Preparation and Serving Workers, Including Fast Food	11,360
5 Home Health Aides	10,740
6 Office Clerks, General	9,470
7 Janitors and Cleaners, Except Maids and Housekeeping Cleaners	8,330
8 Business Operations Specialists, All Other	7,300
9 Waiters and Waitresses	7,170
10 Nursing Aides, Orderlies, and Attendants	6,710

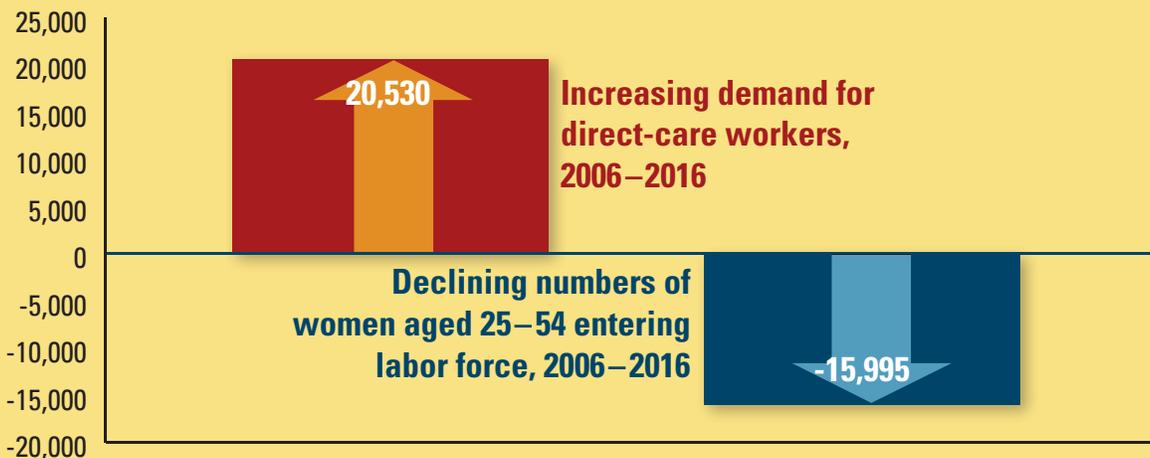
■ **Direct-care jobs are Michigan’s jobs of the future.** These jobs are plentiful; they can’t be outsourced; they are nearly recession-proof; they offer opportunities for displaced workers; and they can become powerful economic drivers for improving the lives of many low-income families while spurring community revitalization. At the same time, direct-care workers are delivering invaluable services and supports to growing numbers of individuals needing long-term care and their family members, who are able to participate in the economy and receive needed respite.

What are the labor market challenges for Michigan’s long-term care employers?

Record demand for direct-care workers does not mean that these positions will be easy to fill.

■ **Core labor pool is declining.** Over the period 2006 to 2016, Michigan will need at least 20,530 new direct-care workers to provide services and supports for those needing long-term care, but at the same time, **the number of women aged 25–54 entering the labor force is expected to decline by nearly 16,000** due to the falling numbers of women in that age group in the overall population.

Michigan Faces Growing Demand but Fewer Potential Direct-Care Workers

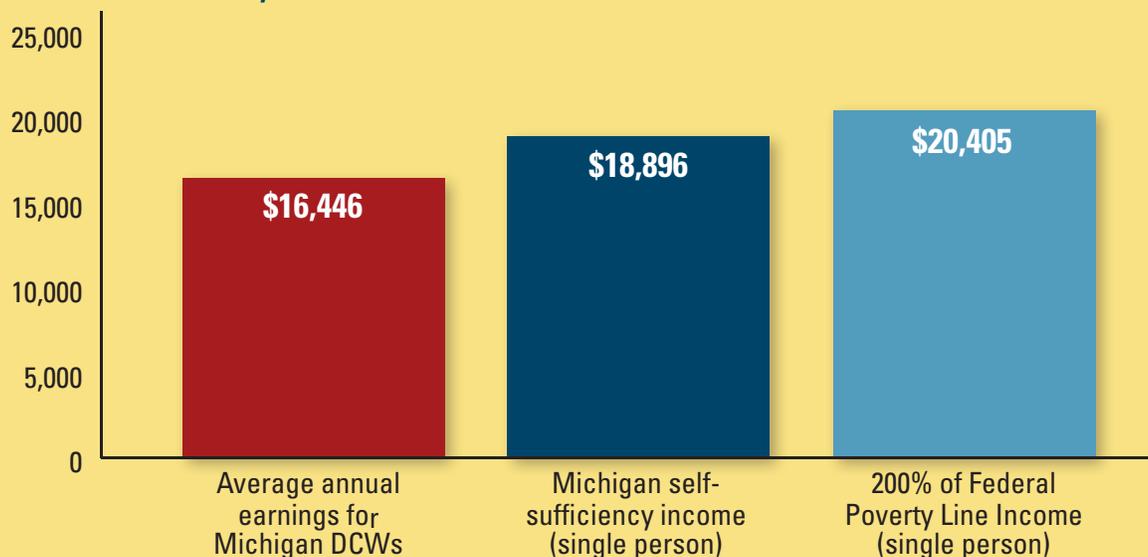


■ **Poor job quality hampers the competitiveness of direct-care jobs in Michigan.**

- **Wages cannot meet basic needs.** Average annual earnings for Michigan’s direct-care workers (\$16,446) are less than the state’s self-sufficiency income—

the amount necessary to meet basic expenses without relying on government or nonprofit assistance, as calculated by the Michigan League for Human Services. Direct-care worker earnings also are lower than the basic income level (200 percent of the Federal Poverty Level) that qualifies households for many state and federal public assistance programs.

Earnings for Michigan's Direct-Care Workers Compared to Basic Minimum Levels, 2007



- **Wages not keeping up with inflation.** From 1999 to 2007, real wages for Home Health Aides in Michigan fell by 5 percent. Wages for Personal and Home Care Aides rose 24 percent over the same eight-year period, but in real terms the increase was only 4 percent, i.e., about a half a percent per year.
- **Hours are unpredictable and often part time.** Due to the irregular, part-time nature of many direct-care jobs—particularly those in home care—only half of direct-care workers in Michigan work full time, contributing to low and unpredictable income.
- **Many workers don't have health coverage.** Roughly a quarter of the state's direct-care workers do not have any health insurance, with uninsurance rates among home care workers approaching a third. These rates are twice as high as those for Michigan generally.
- **Many direct-care workers must rely on public benefits.** A third of Michigan's direct-care workers live in households that rely on some kind of public benefits, such as Medicaid or food stamps.

Summing Up

Health care is Michigan's largest employer, and within health care, long-term care is the sector's biggest job engine with 20 percent growth expected over the decade, compared to a 7 percent projected increase in jobs for the state's economy as a whole.

Direct-care jobs constitute the employment core of the long-term care industry, one of Michigan's fastest-growing industries. Demand for these jobs is at historic highs but, in sharp contrast, the numbers of women aged 25–54 entering the labor force—the traditional labor pool from which these workers have been drawn—is declining. Poor job quality is adding to these demographic pressures, leading to a potential workforce crisis for the long-term care industry and the families who rely on long-term care services and supports.

Yet, there is nothing inherent about direct-care jobs that make them low quality. Careful injection of public and private investment can help re-shape the structure and quality of these vital occupations. With improvements in job design, compensation, training and credentialing systems along with strengthened recruitment and selection, supervision practices, and linkages to community supports, the quality of direct-care jobs can reflect the importance of this work and these jobs to Michigan families and communities.

Michigan's booming demand for direct-care workers cannot be met without making these jobs more competitive so that they attract enough workers, especially at a time when the state has set goals to offer more long-term care options to elders, their families, and persons with living with disabilities.

Definitions and Data Sources

Direct-care occupational categories are defined by the Standard Occupational Classification (SOC) system developed by the Bureau of Labor Statistics within the U. S. Department of Labor. Definitions of these three occupations can be found at: <http://www.bls.gov/SOC>.

Occupational projections data are taken from: MI Department of Energy, Labor and Economic Growth, *Occupational Projections (Long-Term) 2006-2016, Michigan Statewide*, Labor Market Information Office. **Industry projections data** are taken from: MI Department of Energy, Labor and Economic Growth, *Industry Employment Forecasts 2006-2016, Michigan Statewide*, Labor Market Information Office.

Wage and compositional employment data are taken from: the U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) Program. Inflation adjustments are made using the Midwest Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-84=100), also available from the Bureau of Labor Statistics.

Labor force participation statistics are calculated from U.S. Department of Labor, Bureau of Labor Statistics, Division of Local Area Unemployment Statistics, *Preliminary 2006 Data on Employment Status and Demographic Group* (see p. 25).

Statistics relating to poor job quality are based on PHI analysis of Current Population Survey, March Supplement, pooled data from 2005-2007.

Annual self-sufficiency earnings calculations are taken from the Michigan League for Human Services, *Economic Self-Sufficiency in Michigan—A Benchmark for Ensuring Family Well-Being*, May 2007.

Statistics on providers and consumers in the MI Home Help Program are taken from: <http://www.mihomecare.org/about-home-help/>

More Information about Quality Care and Quality Jobs

PHI offers both public policy and workplace solutions to the workforce crisis in long-term care. Visit our website at www.PHInational.org to find out more about how our experts can help you address recruitment and retention of workers and improve quality of care for consumers.

To learn more about our Michigan services, contact Hollis Turnham, PHI Midwest Director, at hturnham@PHInational.org. Ph: 517.327.0331.

For more information about national direct-care workforce projections and the impending care gap facing the country, download Occupational Projections for Direct Care Workers, 2008 -2016, at:

www.directcareclearinghouse.org/download/BLSfactSheet4-10-08.pdf

Five Ways to Improve Michigan's Direct-Care Jobs

In keeping with the recommendations of the Michigan Medicaid Long-Term Care Task Force, PHI recommends the following policy actions to improve Michigan's direct-care jobs:

- 1.** Continue to increase **wages and benefits** to make direct-care jobs more attractive to workers in order to meet current and future demand for quality long-term care supports and services.
- 2.** Increase and improve effective **training and advancement opportunities** for all direct-care workers and their supervisors to enable motivated and competent people to enter and remain in the field.
- 3.** Improve the availability and affordability of adequate **health benefits** for direct-care workers and their employers in order to recruit and retain a qualified workforce.
- 4.** Mobilize all relevant state departments (Community Health; Energy, Labor and Economic Growth, Human Services, and Education) and their programs to **promote and support careers** in long-term care, and to better screen and prepare job seekers for direct-care positions.
- 5.** Improve state collection and use of core **direct-care workforce data** and calculate key indicators of workforce stability, size, and compensation in order to build an adequate and stable long-term care workforce to deliver quality supports and services.



workers, so that both may live with dignity, respect and independence. For more information, contact PHI Midwest Director Hollis Turnham, hturnham@phinational.org, Ph: 517.327.0331.

PHI Michigan, a regional program of PHI (www.PHInational.org), works to improve the lives of people who need home and residential care—and the lives of the workers who provide that care. Using our workplace and policy expertise, we help consumers, workers, and employers, and policymakers improve long-term care by creating quality direct-care jobs. Our goal is to ensure caring, stable relationships between consumers and

