

DIRECT CARE *Worker*

(DCW) WAGE ISSUE BRIEF

According to Iowa Workforce Development's

(IWD's) 2020, 2021, and 2022 Labor Market Information (LMI), Health Care/Social Assistance is one of the top employment sectors in Iowa in terms of number of people employed, trailing only Manufacturing. Occupations included in this sector are Certified Nursing Assistants (CNAs), Personal Care Aides (PCAs), and Home Health Aides (HHAs). Industry family/groups defined by the federal government and more detailed industry data is available.

**DIRECT CARE WORKERS (DCWs)
PROVIDE ESSENTIAL CARE AND
SUPPORTIVE SERVICES TO IOWANS
OF ALL AGES AND ABILITIES.**

Women make up 89% of the direct care workforce and 20% are persons of color.¹ They provide services in the homes of individuals, assisted living facilities, retirement communities, group homes, residential care facilities, nursing homes, hospices, and hospitals.²

NUMBER OF DIRECT CARE WORKERS — JOB OPENINGS — PROJECTED GROWTH

There are believed to be 45-60,000 DCWs in Iowa³ but those are estimates due to a lack of infrastructure such as a central certification entity or registry that houses the names, demographics, and training of DCWs across the spectrum. Present job openings in Iowa as of 2/16/23:

- **1,162** Certified Nursing Assistants (CNAs)
- **220** Home Health Aides (HHAs)
- **263** Personal Care Aides (PCAs)
- In 2020 there were:
 - o **22,880** individuals working as Certified Nursing Assistants (CNAs) in Iowa. That number is expected to climb to 25,725 by 2030.
 - o **23,885** individuals working as Home Health Aides (HHAs) and Personal Care Aides in Iowa. That number is expected to climb to 31,585 by 2030.⁴

CERTIFIED NURSING ASSISTANT - HOME HEALTH AIDE - PERSONAL CARE AIDE WAGES⁵

According to a United Way 2018 Asset-Limited, Income-Constrained, Employed (ALICE) Report⁶,

66% OF IOWA JOBS PAY LESS THAN \$20/HOUR; MORE THAN HALF OF THOSE PAY LESS THAN \$15/HOUR. MANY OF THESE INDIVIDUALS ARE DCWS.

DCW wages are not keeping up with the rate of inflation and the cost of living.

Occupational Title	2021 Starting Hourly Wage	2021 Mean Wage	2021 Median Hourly Wage	2021 Experienced Hourly Wage
Certified Nursing Assistant	\$13.61	\$15.60	\$14.42	\$16.59
Home Health Aide & Personal Care Aide	\$11.45	\$14.23	\$13.89	\$15.62

2019 CERTIFIED NURSING ASSISTANT — HOME HEALTH AIDE — PERSONAL CARE AIDE WAGES

In 2019 The Iowa CareGivers partnered with Iowa Department of Workforce Development (IWD) to conduct a Direct Care Worker Wage and Benefit Survey. The survey methodology was a departure from their usual process in which they collect wage data from Iowa employers. Instead, they surveyed those working in direct care. The findings complement the employer survey by providing the unique perspectives of workers with lived experience and captured their need for and utilization of various worker supports such as childcare assistance, Supplemental Nutrition Assistance Program (SNAP), and the Children's Health Insurance Program (HAWK-I). The survey yielded the following results:⁵

Occupational Title	2019 Median Hourly Wage
Certified Nursing Assistant	\$13.80
Home Health Aide	\$15.63
Personal Care Aide	\$13.34
All Occupations	\$18.79

- **56%** of DCWs in Iowa had been employed in direct care for six years or more, including just over **16%** who had been a DCW for more than 20 years.
- **28%** held more than one job. It is unknown whether additional jobs were in direct care.
- **78%** who were looking for work outside direct care were doing so to get better wages.
- **Nearly 10%** plan to retire in the next five years. Of those who planned to retire in the next five years:
 - o **59%** said they would consider staying in direct care if wages were increased.
 - o **31%** said they would consider staying in direct care if there was more flexibility.
 - o **47%** said they would consider staying in direct care if the physical demands of the job could be reduced.
 - o **22%** said they would never return to direct care work.
- Of those no longer working in direct care:
 - o **59%** said they would consider returning to direct care if pay were increased.

NURSING HOME STAFF TURNOVER RATE AND COST

Iowa Health and Human Services (IHHS) develops and submits an annual report to the Iowa Legislature that outlines the turnover rates for Certified Nursing Assistants (CNAs) and other staff in nursing homes. The just released 2022 report is based on 2021 calendar year nursing home cost report data.⁷ According to LeadingAge the cost of staff turnover can include exit interviews, the use of temporary staff, and training. While every organization is different, they estimate the cost of replacing any employee to be 25% of their salary.⁸

Using their “rule of thumb,” a CNA earning a median hourly wage of \$14.42, working full-time (2,080 hours per year) would earn \$29,993.60. The 25% replacement cost for that one individual would be \$7,498. In 2020 there were 22,880 CNAs working in Iowa and the annual turnover was 61% (13,957). In this scenario, the total turnover cost of CNAs in Iowa’s nursing homes would be over \$104M.

Job Title	2021 Turnover report (based on 2020 calendar year nursing home cost report data)	2022 Turnover report (based on 2021 calendar year nursing home cost report data)
Certified Nursing Assistant (CNA)	61%	74%
Other Direct Care	58%	70%
Registered Nurse (RN)	47%	56%
Licensed Practical Nurse (LPN)	46%	54%
Administrator	23%	47%

In a Labor Shed study completed by Iowa Workforce Development in 2021, 34% of all individuals working in the Health Care/Social Assistance sector were likely to change employment, up from the 25% who answered that way in 2019.



Promising Workforce

INITIATIVES ON THE HORIZON:

Governor Reynold’s Emergency Education Relief Fund (GEER)⁹ provided free training for CNAs at some community colleges with no income eligibility requirements and helped to fast-track training for these high demand occupations. GEER funding needs to continue for all community colleges to provide more up-front CNA and other DCW training to fill the many job vacancies that exist and to ensure lowans receive the good care and support they need. Multi-year funding is needed to allow time to measure student success and establish needed quality assurance measures.

The Governor announced a \$15M Registered Apprenticeship Grant Program¹¹ for high demand health care worker occupations that include Certified Nursing Assistants (CNAs), Home Health Aides (HHAs,), Direct Support Professionals (DSPs), licensed nurses and others. The initiative includes a high school registered apprenticeship program which may be a good way to introduce and attract young people to the health and disability service professions.

But...Iowa needs to do much more. Recruiting and training are extremely important, but a major investment in retention must also be made to ensure a stable and well-prepared direct care workforce.

Summary

The demand for DCWs in Iowa is high with no lessening of the need in sight. The needs of many older lowans, people with disabilities, and children with special needs are not getting the care and supportive services they need. The shortage of a qualified direct care workforce has been a long-term challenge and has grown more dire with the COVID-19 pandemic, wages that don’t keep up with inflation and cost of living, the increasing use of temporary staffing agencies, and trends such as traveling CNAs, licensed nurses, and other health care workers receiving wages that employers are unable to compete with.

Recommendations TO CONSIDER

- 1) Fund Iowa Workforce Development (IWD) to repeat the 2019 Direct Care Worker Wage and Benefit survey and compare to previous survey results. (Allocation from American Rescue Plan Act)
- 2) Fund IWD and the University of Iowa to conduct extensive analysis on DCW wage data that would include the impact of variables such as COVID-19 pandemic, inflation, increasing use and cost of temporary agency staff, the trend of traveling CNAs and other DCWs, bonuses or hazard pay during the pandemic, high numbers of veteran CNAs/DCWs leaving the field during the pandemic and being replaced with new DCWs at lower hourly wages, possibly accounting for the stagnation of wages since 2019, and additional analysis through a rural/urban lens. The wage data analysis will inform stakeholders and elected officials on policies and practices needed to bring stability to the workforce. (Allocation from American Rescue Plan Act)
- 3) Invest in well-established programs and services proven to be effective in retaining the direct care workforce at all levels.
- 4) Host a Direct Care and Childcare Worker Wage Enhancement Idea Summit with engagement of all key stakeholders (State Departments, Direct Care Workers; Childcare workers; health, long-term care, hospitals, hospices, group homes, and home and community-based employers; family caregivers; older Iowans, people with disabilities and other consumers; educators; advocates; business community; researchers; elected officials; and others) to explore new and existing ideas on how to raise these essential worker's wages. Conduct a post-summit cost and benefits analysis on each of the proposed wage enhancement ideas. Then pursue policies that will ensure equitable wages for direct care and childcare workers across settings and populations served.
- 5) Expand the Governor's Emergency Education Recovery (GEER) program that provides free CNA/DCW training through the community colleges.
- 6) Promote Registered Apprenticeships programs for Certified Nursing Assistants (CNAs), Direct Support Professionals (DSPs), Home Health Aides (HHAs) other DCWs, licensed nurses and others.

Conclusion

Care work enables people to survive and thrive across generations, and it cannot be accomplished without workers. It is a field that is valuable and demanding and requires specialized skills where workers are routinely making highly consequential decisions about and with care recipients. They are vital to Iowans' ability to access quality care and support and the lifeline to both rural and urban communities and economies.

Above all, Iowa needs to summon the will to address the problems with direct care in the state. The workers, people, and families they serve, employers, business community and all Iowans now and into the future deserve better.

Sources:

- 1 PHI National, Direct Care Workforce State Index, Iowa, 2021 <https://www.phinational.org/state/iowa/>
- 2 Issue Brief #1: Defining Iowa's Direct Care Workforce Iowa CareGivers, 2022, <https://iowacaregivers.org/uploads/pdf/Brief1-Defining%20DC%20Workforce-ELECTRONIC-.pdf>
- 3 Iowa Department of Workforce Development, 2022 Iowa Wage Report, Occupational Forecasts Long-Term 2020-2030 <https://www.iowalmi.gov/occupational-projections>
- 4 Iowa Department of Workforce Development, Occupational Wages, Iowa Wage Report, <https://www.iowalmi.gov/iowa-wage-report>
- 5 Direct Care Workers of Iowa 2019 Wage and Benefit Survey, Iowa Workforce Development and Iowa CareGivers, June 2019, Direct Care Workers of Iowa 2019 Wage and Benefit Survey
- 6 Asset-Limited, Income-Constrained, Employed (ALICE) Report, United Way, 2018, https://unitedforalice.org/meet-alice?gclid=CJ0KCQiA18kFBhCuARIsADp-A572x9YKcttVZX0eE-A5_cnEVwoHZpccUpps_r_yYgDnVP1P-eFOX-OEaAj6DEALw_wcB
- 7 Direct Care Worker in Nursing Facilities Turnover Report, State of Iowa Department of Health and Human Services (IHHS), December 2022, <https://www.legis.iowa.gov/docs/publications/DF/1313148.pdf>
- 8 LeadingAge, Workforce Calculator, 2023, Workforce Cost Calculator (leadingage.org), Workforce (leadingage.org)
- 9 Governor's Emergency Education Recovery (GEER) Program, <https://oese.ed.gov/offices/education-stabilization-fund/governors-emergency-education-relief-fund/>

Other Resources: O*NET OnLine is sponsored by the U.S. Department of Labor, Employment & Training Administration, and developed by the National Center for O*NET Development. Employment & Training Administration and developed by the National Center for O*NET Development.

31-1121.00 – Home Health Aides -- <https://www.onetonline.org/link/summary/31-1121.00>

31-1122.00 – Personal Care Aides -- <https://www.onetonline.org/link/summary/31-1122.00>

31-1131.00 – Nursing Assistants -- <https://www.onetonline.org/link/summary/31-1131.00>

31-1133 – Psychiatric Aides -- <https://www.onetonline.org/link/summary/31-1133.00>

31-1132 – Orderlies -- <https://www.onetonline.org/link/summary/31-1132.00>