

Labor Department Proposes Reforms for Home Care Workers, Excluded From Federal Wage-and-Hour Protections for Nearly Four Decades

Statement of Christine Owens, Executive Director, National Employment Law Project

Today's announcement by the U.S. Department of Labor (DOL) that it will propose updated rules to ensure basic wage-and-hour protections for home care workers is an important step in recognizing the growing importance of home care in our economy and the invaluable role home care workers play. There are an estimated 2.5 million home care aides in the country, a number projected to grow by an additional 800,000 by 2018. But without this DOL rules change, these workers are excluded from the federal minimum wage and overtime protections most workers take for granted—an exclusion that undermines their work, their industry and the economy. DOL's action is long overdue and deserves the support of all of us.

With a steady growth in the aging population, home care is one of the nation's fastest-growing industries. Rising demand for and responsibilities of home care workers mean their jobs are often their primary vocation. Millions of American families depend on this income, and millions more depend on these workers.

But the historical accident that excluded home care jobs from basic wage protections is now stressing workers and recipients. The exclusion has depressed wages in the industry and led to extremely long hours for those workers who provide round-the-clock care. With an average wage of \$9.34 per hour (nationally) for this demanding occupation, one in five workers lives below the poverty line, according to PHI, an advocacy group for the direct care workforce. In 29 states, the average hourly wages are low enough to qualify workers for public assistance, which burdens already cash-strapped states.

Without the changes DOL is proposing, home care faces a crisis that threatens us all. Over the next two decades, the U.S. population over age 65 will grow to more than 70 million. People are living longer, and the demand for caregiving is expected to grow significantly. An estimated 27 million Americans will need direct care by 2050, according to the Department of Health and Human Services. If recruitment and retention problems grow, labor shortages could prevent us from meeting the growing need.

Some argue that having to pay minimum wage and overtime would sink this fast-growing industry, but it's an argument that carries no weight in reality. Twenty-one states and the District of Columbia already provide some coverage of home care workers under state minimum wage and overtime laws. And some home care employers, including one of the nation's largest for-profit home care agencies, are already paying overtime despite the federal exemption. They keep overtime costs low by spreading caseloads more equally across a larger workforce with the help of modern scheduling and management systems, and with no impact on quality of care.

The workers affected by the DOL proposal are the caregivers who make it possible for our grandmothers to get out of bed in the morning and for our disabled neighbors to live as independently as possible. They provide essential services that make a critical difference in the lives of all who depend on them. We can't afford not to guarantee that these invaluable workers receive at least the minimal protections our laws provide—the right to minimum wage and overtime pay.

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.nelp.org.

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