



**2020-2021 Economic Development Testimony
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On behalf of the members of Hand in Hand: The Domestic Employers Network, thank you for the opportunity to testify about the 2020-2021 budget, specifically about investment in the home care workforce.

Hand in Hand: The Domestic Employers Network is a network of employers of nannies, housecleaners and home care workers, organizing for dignified and respectful working conditions that benefit the employer and worker alike. Our members are seniors and people with disabilities across New York state who employ home care workers. We are a sister organization to the National Domestic Workers Alliance.

I am also here on behalf of New York Caring Majority, a campaign of seniors, people with disabilities, family caregivers and direct care workers. We are working to win affordable access to long term care services and supports for all who need them, and to improve pay and conditions for workers in the direct care workforce.

The Steering Committee members of NY Caring Majority are: A Better Balance, Caring Across Generations, Consumer Directed Personal Assistance Association of New York State, Cooperative Home Care Associates, Hand in Hand: The Domestic Employers Network, FPWA, Jews for Racial & Economic Justice, National Domestic Workers Alliance, National Employment Law Project, New York Association on Independent Living, New York Statewide Senior Action Council, and PHI.

New York's Aging Boom and the Home Care Workforce Shortage

We are facing an unprecedented elder boom in our state and country— our population is aging rapidly and people are living longer. In the last decade, the number of residents in New York aged 65 and older grew 26% compared to an overall population that grew 3%. This trend will continue - according to the Cornell Program on Applied Demographics, between 2015 and 2040, the overall population of New York State will grow 1.3%, but the number of adults 65 and over will increase by 50%, and the number of adults over 85 will double. **At the same time, the number of working-age adults for every adult over age 85 will drop from 28 to 14.**

People are also living and longer, and most choose to age in place – in their own communities. The benefits of aging in place are many – it allows people to remain with beloved family and friends, and sustains rich intergenerational relationships. It is also cheaper - according to the 2016 Genworth report on the cost of long-term care, home health aide services in New York State can cost about \$4,400 a month while nursing home care can cost \$11,330 for a private room.

Home care workers make aging in place possible (and make it possible for many people with disabilities to live independently in their own communities.) Home care workers (this includes Home Health Aides and Personal Care Assistants) assist with tasks like bathing, toileting, getting dressed, fixing meals, and managing a home for older adults and people with disabilities. These services are often provided by unpaid caregivers, but are also provided by aides in home-based, community-based, and institutional settings. One study predicts that 70% of those 65 and older will need long-term care within their lifetime - 20% for five years or longer.¹

Despite this growth in people needing care, our state – particularly in rural areas – faces a devastating shortage of workers, often making it impossible for people to age in place and find the care they need. According to [PHJ](#), between 2016 and 2026, there will be over 750,000 job openings for home health and personal care aides in New York. Home care workers have great influence over the quality of life of our loved ones, yet the annual salary for home care workers in New York is \$19,000². In addition to wages, problems with transportation, especially in rural parts of the state, uneven and erratic scheduling, and lack of benefits contribute to the challenge of recruiting and retaining workers. If we don't improve the quality of home care jobs, the workforce shortage will

¹ How Much Care Will You Need?, Longtermcare.gov, October 10, 2017, <https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html>.

² Occupational Wages, New York State Department of Labor, accessed June 28, 2018, <https://labor.ny.gov/stats/lswage2.asp#31-0000>

worsen, causing consumers to resort to institutional care — which is often not the preferred setting and is more expensive.

The home care worker shortage relates not only to recruiting workers into the profession but also retaining workers in practice.³ High rates of turnover have been observed to correlate with a lower quality of life among the elderly, persons with disabilities, and their families. According to PHI, on the provider side high turnover rates create additional costs to recruitment, orientation, and training.^{4 5}

Home Care is Driving Local Economies Around the State

It is unfortunate, and frankly surprising that home care is not considered within an economic development framework in New York State, and that we don't invest in the home care sector the way we do in others. I am here today to testify to encourage you to think differently about how our state's economic development would be served by investing in the home care workforce and making home care jobs quality, family-sustaining jobs that also strengthen our communities.

Home care and Consumer Directed Personal Assistance are driving local economies across New York. They are creating jobs in every corner of the state. But, as stated above, we can't retain workers because of poor pay and supports. However, poor wages reflect a lack of investment in this workforce, and the failure to look at these workers through an economic development lens represents a failure of New York to invest in the jobs that lower income New Yorkers, especially women of color, rely on - jobs that immediately invest back in local economies through food, rent, and other necessities.

According to report by Leading Age NY *New York's Long Term Care System: An Economic Powerhouse*, "Not-for-profit aging services providers are at the heart of New York State's communities, keeping seniors close to their families and providing vital care for people with disabilities and those at the end of their lives. Families, individuals and businesses look for these rich community resources when choosing where to live and do business. A vibrant network of not-for-profit service providers makes a community a great place to live, work and do business. Whether in Upstate New York, Long Island or

³ Anthony, A., & Milone-Nuzzo, P. (2005). Factors attracting and keeping nurses in home care. *Home Healthcare Now*, 23(6), 372-377.

⁴ Anthony, A., & Milone-Nuzzo, P. (2005). Factors attracting and keeping nurses in home care. *Home Healthcare Now*, 23(6), 372-377.

⁵ Cohen, S. A. (2009). A review of demographic and infrastructural factors and potential solutions to the physician and nursing shortage predicted to impact the growing US elderly population. *Journal of Public Health Management and Practice*, 15(4), 352-362.

New York City, not-for-profit aging services providers are impacting their local economies and communities in powerfully positive ways.”

The report continues, “Long term care is a large and growing field, employing hundreds of thousands of New Yorkers. In 2007, there were an estimated 100,000 certified nursing aides, 131,000 home health aides and 60,000 personal care aides employed in New York State.¹ By 2016, the NYS Department of Labor projects increases in the number of home health aides by 37.8 percent and nurse aides by 11.6 percent, exceeding overall growth in the work force. The economic impact is multiplied by employee spending and tax contributions. All told, long term care providers are pumping nearly \$30 billion into the state’s economy annually.

Health sector employment in New York State accounted for 12% of total employment in 2016, higher than the national level of nearly 11%, and has grown by nearly 30% between 2000 and 2016, compared to less than 5% job growth for all other employment sectors. Employment in the health care sector outside of New York City increased by over 24%, while employment in other employment sectors increased by less than 1% during that same period. Statewide, jobs grew more rapidly in home health care between 2002 and 2016, compared to other health sector settings.

Employment in the health care sector is expected to grow faster than employment in all other sectors between 2016 and 2026, with projected increases of 18% and 6%, respectively. Home health care is projected to see the most job growth (54%) across all health care settings.⁶

Even the Governor, who used his budget address to specifically target the Consumer Directed Personal Assistance Program (a Medicaid funded program that allows consumers to directly hire and supervise their own personal care aides) discussed the job growth in this sector (unfortunately, it was to denigrate these jobs.) Indeed, for a Governor obsessed with job creation, who in his briefing book brags about spending \$6.9 Billion in economic development funds to create 240,000 jobs, it was surprising to see his anti-job creation rhetoric when it comes to jobs in the direct care sector. He used a blurb from a January 20th Daily News Editorial that cites “The Medicaid-funded personal care industry added 36,000 new jobs in the first nine months of 2019, making up 75% of citywide private-sector job growth over that period” to speak *against* the program. *I urge you to see this growth in the home care sector as a positive development for our state – one that has the potential to lift community members out of poverty*

⁶ Martiniano R, Krohmal R, Boyd L, Liu Y, Harun N, Harasta E, Wang S, Moore J. The Health Care Workforce in New York: Trends in the Supply of and Demand for Health Workers. Rensselaer, NY: Center for Health Workforce Studies, School of Public Health, SUNY Albany; March 2018.

while creating a care infrastructure that allows New Yorkers to stay in New York for the entire duration of their lives – if we start prioritizing and investing in this sector.

Economic Development and the Home Care Sector

Investing in the home care workforce is sound, smart economic development policy. If our current economic development model is to invest in private corporations to bring in **new** jobs and industries, we must also invest in the jobs and care infrastructure that already exist that keep our communities strong (and allow us to remain in New York for our entire lives, continuing to contribute to our local economies.) Why is it that these essential home care jobs, mostly done by women, women of color and immigrants are valued less? How many of you believe that the people who care for your parents, your spouse, your children, deserve \$11.80 an hour? At Hand in Hand and NY Caring Majority, we believe that investing in the home care workforce would ultimately save the state money, by improving health outcomes (less institutionalization, hospitalization and ER visits) but having less low-wage workers receiving public benefits (including Medicaid) and would enhance local economies by improving the pay, and therefore spending ability, of the fastest growing sector of low wage jobs.

If our state's economic development investment includes a \$750 million investment to Elon Musk, at what has been shown to be \$1 million investment per job created, how can we not look to expand our definition of economic development, especially if it also prioritizes a sector where we can lift the floor for women of color? Why is it ok to make these "investments" in multi-billion dollar corporations who add little value to our local economy; but, new jobs in CDPA are derided and those consumers and workers are labeled as the problem with Medicaid?

Investing in home care also contributes to racial equity. According a report writing by the Fiscal Policy Institute in 2018 - *Shortchanged Racial Disparities in New York's Economic Development Programs*- areas with a higher concentration of people of color across New York State are awarded less than their fair share of economic development funds. Investing in the home care workforce could model a deeper investment in women of color in New York. According to PHI, women of color make up the largest and fastest-growing segment of the direct care workforce— from 2005 to 2015, the number of women of color in direct care grew from 1.2 million to 1.7 million. In addition, from 2016 to 2026, the number of women of color in the labor force is projected to grow by 6.3 million workers, while the number of white women in the labor force is projected to decline by 384,000 over the same time period.⁷ Unfortunately, direct care jobs do not

⁷ 2016–2026, Table 3.4 Civilian labor force by age, sex, race, and ethnicity, 1996, 2006, 2016, and projected 2026 (Numbers in thousands). <https://www.bls.gov/emp/>; analysis by PHI (October 25, 2017).

provide economic stability to women of color and their families—they are generally more likely to live in poverty and rely on public benefits than their counterparts, and they have smaller family incomes to rely on for support. In this context, improving the economic well-being of women of color in direct care would improve their quality of life, and it would help recruit and retain to this important occupation.

Finally, investing in the home care workforce would attract young families and new businesses to our state, and capitalize on our designation as the country’s first “Age Friendly State” by AARP and the World Health Organization. If we want to live up to this designation, we actually have to be a state where older adults can access the long-term care that they need. This care workforce would then be a competitive advantage in recruiting workers to our region. If we can promise a full care infrastructure, where young people can find jobs, and can build successful careers that won’t be interrupted by having to leave the workforce to care for aging parents – our communities and economy will grow.

Recommendations

Home care jobs are here and the sector is growing rapidly – we need to invest and make them quality jobs, and this will benefit all of our communities.

We are excited to work with you to think creatively about ways we can partner to use our economic development resources to support this growing industry, to create quality jobs for our residents that provide care and the ability to age in place for our aging loved ones. Without investing significantly in the growth of the home care work force, we will have no solution to how to support our aging New Yorkers to age in place with dignity.

1. CREATE A HOME CARE JOBS INNOVATION FUND (*\$5 million per year for 3 years*) As New York’s home care providers struggle to recruit and retain workers, they unfortunately lack the resources to test innovative solutions to this problem. This year’s budget should include funding to support pilot projects throughout the state that boost the number of home care workers that enter and remain in the field. The findings from these projects can help determine statewide solutions. Already, organizations around the state are investing in small pilot projects in transportation, enhanced supports and training to bring new workers into the workforce, and initiatives especially designed to incentivize recruitment and retention. We need to fund more of these projects, and do rigorous analysis of what is working so that we can apply these lessons statewide.

We recommend that the Home Care Jobs Innovation Fund is funded at \$15 million over three years. It assumes that the fund will cover projects over the course of three years and provides for three different tiers of projects: tier 1 (ranging from \$100,000 to \$300,000 per year), tier 2 (ranging from \$300,001 to \$750,000 per year), and tier 3 (ranging from \$750,001 to \$1,000,000 per year).

The awards are intended to include all project-related costs, including administration, implementation, and evaluation. All worker-related costs associated with the projects, such as additional compensation or bonuses, must also be covered by these funds. The awards should include a diversity of regions (including urban and rural), types of grantees (such as home care agencies, organizations that work with CDPAP consumers, and organizations with experience in home care workforce development), and tiers of grants.

Depending on the applicants, the funding could be spent on different combinations of grantees and project tiers. For example, the state could select five tier 3 projects funded at the maximum amount. As a different example, the state could select two tier 3 projects, three tier 2 projects, and three tier 1 projects.

2. SET ASIDE SIGNIFICANT STATE ECONOMIC DEVELOPMENT AND WORKFORCE DOLLARS TO SUPPORT THE HOME CARE WORKFORCE

These funds should be allocated through Empire State Development to create a stipulation for local REDCs to set aside a percentage of their money to support innovations for the home care workforce and/or prioritize applications that invest in home care.

Additionally, we call for at least \$50 million of the State's Workforce Development Initiative to be set aside for investment in the long-term care workforce.

This funding should support initiatives to train, recruit and retain the long-term care workforce including programs that provide:

- Funding for enhanced wages and benefits
- Access to transportation for workers
- Job-related social supports for workers
- Funding for adult learning/certification programs at community colleges and BOCES
- Supports and stipends for trainees

- High school pre-apprenticeship programs
- Apprenticeship programs
- Peer mentoring
- Co-op conversation of home care agencies

These funds should be made available to both Medicaid providers and senior services providers that do not bill Medicaid.

Conclusion

“There are only four kinds of people in this world—those who have been caregivers, those who currently are caregivers, those who will be caregivers, and those who will need caregivers.”

— Former First Lady Rosalynn Carter

We believe that investing in the home care workforce to making home care jobs quality jobs is a sound investment for our state, and could be a model for economic development investment in the care economy.

In this highly polarized political moment, care is an issue that people on both sides of the political aisle can recognize as important to a wide range of constituents. It is perhaps one of the few issues where the possibility for recognizing our interdependence can transcend our political differences. All of us need care at some point in our life cycle, and many of us provide it to others. Now more than ever, we need to invest in solutions that can protect and unite, rather than divide, all New Yorkers for the long haul. We must invest in comprehensive public systems and policies, moving toward a vision of care that meets the full range of New Yorkers’ care and support needs, and where care work is considered a valuable component of our overall economy and one that makes New York a desirable place to live AND age.

Now is the time for creative, innovative, and bold solutions to the growing care crisis. This report seeks to contribute to a conversation about how we can transform our care and support infrastructure in New York and beyond.

Thank you for this opportunity to testify.