INVESTING IN HOME AND COMMUNITY BASED SERVICES: GOOD FOR WORKERS, FAMILIES, AND THE ECONOMY

The Biden Administration’s American Jobs Plan (AJP) includes $400 billion in funding for home and community based services (HCBS). These investments are long overdue, and would significantly shore up a piecemeal care infrastructure that has failed families, workers, and those who need care and services for decades.

Significant investments in HCBS would benefit our economy as a whole by reducing staffing shortages, boosting the pay of care workers, and allowing family caregivers to have career opportunities otherwise unavailable to them without access to care. Investing in a robust and inclusive care infrastructure – particularly in HCBS – would improve the health and economic security of families across the nation and support broadly shared economic growth.

Investing in the Home and Community Based Services (HCBS) workforce will create new jobs and support a more inclusive economy.

- Significant investments in the HCBS sector would have important spillover effects. Recent research finds that a $400 billion investment in the sector over ten years would create more than 1 million jobs, including nearly 800,000 direct care jobs. These investments would generate $40 billion additional income each year for American families and the economy. This investment would also create 394,611 additional jobs in other sectors of the economy because HCBS workers will be able to spend in their local communities and consume additional goods and services.

- One in eight direct care workers lives in poverty, and three-quarters earn less than the living wage in their states. A $400 billion investment in the HCBS workforce would raise wages to a floor of $15 for all workers, resulting in a total workforce of 3,068,287 who are earning $15/hour and higher.

Investing in HCBS would increase women’s labor market participation – a key factor in a healthy and equitable economy. Such investments would particularly support Black women and Latinas, who were among those hit hardest at the beginning of the pandemic.

- The United States’ significant shortage of home and community-based care workers pushes people – disproportionately women – out of the labor market to care for loved ones. One study showed that women who care for their parents over a two-year period decreased their work hours by 367 hours per year or 41% on average. Between 2017-2018, roughly 15 percent of women and 13 percent of men between the ages 25 and 54 – one-in-five of those between the ages 55 and 64 – spent time caring for an older relative.

- Care shortages – and the unpaid care burdens women face – are only expected to worsen as our population ages. 3.5 million additional health care workers are estimated to be needed by 2030. Significant investments in HCBS will increase the number of well-paying care jobs and enable women to enter (or re-enter) the labor market.

- Sixty-six percent of Black and Latinx caregivers said that family caregiving responsibilities impacted their ability to work, ten percentage points higher than white caregivers. Investments in care infrastructure are therefore particularly important to women of color, who face additional structural disadvantages to accessing quality jobs, including occupational segregation and discrimination.
Failing to make investments in HCBS will only mean that high costs for care fall on families struggling to put food on the table.

- Families face exorbitant bills for long-term care. The median price tag for home care is over $4,400 per month, with total costs amounting to more than $90,000 for men and $180,000 for women. That accounts for 150% percent of the median household’s annual income.

- Research shows that families forgo $28.9 billion a year in wages because of caregiving responsibilities that pull them out of the labor market. This tradeoff is only amplified for women, especially women of color, who bear the brunt of the caregiving load. Families simply cannot shoulder these costs in an economy where wages have been stagnant for decades and race and gender wage and wealth gaps are persistent.

Supporting women workers and families who rely on care shores up the economy as a whole. When we do well, so does the economy.

- A study by the Federal Reserve Bank of San Francisco found that 5 million more women would have been in the workforce in 2018 if women workers in the United States participated in the labor force at the same rates as their counterparts in Canada — a country with more generous family and care policies.

- The pandemic has only exacerbated these pressures. Millions of women have been forced out of the labor market since early 2020, in large part due to family caregiving responsibilities. Research finds that two years out of work post-pandemic would collectively cost women $885 billion. Failing to invest in a robust care infrastructure, including HCBS, is functionally a choice to leave millions of women on the sidelines – which harms our progress towards a more inclusive and healthy economy.

- Incomes for families rise over time when women’s labor force participation increases, which encourages economic growth. Women’s workforce participation has made families more secure, and supporting women will support families across the economic spectrum.

- Investing in HCBS will have important spillover effects for local communities and our economy more broadly. Research shows that lower-income workers are more likely than higher-income workers to spend at local businesses or make purchases they’ve been putting off when they have more money. Every dollar that goes to minimum wage workers has an economic multiplier of at least 1.21, meaning that for every dollar spent on these workers, $1.21 goes back into the economy.

Investing in HCBS is a critical need for workers, families and communities around the country – and doing so will strengthen our economy by creating new jobs and a stronger care infrastructure.

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