California’s Care Workforce

An Overview of Needs, Opportunities, and Challenges

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California’s care sector is at a critical juncture

- California’s care workforce provides essential services
  - Direct care for a growing population of older adults as well as people with disabilities
  - Early care and education for young children
- Changes in both health and education policy could further shift care workforce needs
- The state recently developed master plans to address Californians’ needs in the next few decades
California has a large care workforce

Demand for care workers will surge over the next decade

% 

<table>
<thead>
<tr>
<th>California workforce</th>
<th>16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total direct care</td>
<td>27</td>
</tr>
<tr>
<td>Home health and personal care aides</td>
<td>29</td>
</tr>
<tr>
<td>Nursing assistants</td>
<td>13</td>
</tr>
<tr>
<td>Total ECE</td>
<td>14</td>
</tr>
<tr>
<td>Childcare workers</td>
<td>5</td>
</tr>
<tr>
<td>Preschool teachers</td>
<td>22</td>
</tr>
</tbody>
</table>

Overview of the care sector workforce
Women make up a disproportionate share of California’s care workforce

<table>
<thead>
<tr>
<th>Category</th>
<th>Care workforce</th>
<th>Direct care</th>
<th>ECE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>83</td>
<td>79</td>
<td>95</td>
</tr>
<tr>
<td>Over 40</td>
<td>62</td>
<td>66</td>
<td>50</td>
</tr>
<tr>
<td>Latino/Black</td>
<td>52</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>High school or less</td>
<td>43</td>
<td>48</td>
<td>29</td>
</tr>
</tbody>
</table>

Less than half of California care workers are employed full time

<table>
<thead>
<tr>
<th></th>
<th>Care workforce</th>
<th>Direct care</th>
<th>ECE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time/full-year</td>
<td>15.9</td>
<td>13.6</td>
<td>23.1</td>
</tr>
<tr>
<td>Part-time/full-year</td>
<td>7.3</td>
<td>6.0</td>
<td>11.5</td>
</tr>
<tr>
<td>Full-time/part-year</td>
<td>29.1</td>
<td>32.4</td>
<td>19.2</td>
</tr>
<tr>
<td>Part-time/part-year</td>
<td>48</td>
<td>48</td>
<td>46</td>
</tr>
</tbody>
</table>

Many care workers earn low wages

$/hour

- California workforce: $24.7
- Home health aides and personal care aides: $15.6
- Nurse assistants: $20.1
- Childcare workers: $18.0
- Preschool teachers: $19.5

Key challenges of expanding the care workforce
Current job realities pose workforce challenges

- California is grappling with the challenge of low wages
  - Some direct care workers could be covered by California’s new health care minimum wage law
  - A pay increase for family childcare providers was funded for two years

- Part-time work and high turnover deepen the need for new workers
  - Boosting the number of full-time workers might help, but workers report family obligations and other impediments
  - Care workers are more likely than workers in other sectors to switch employers or leave the labor force
Affordability is a major challenge for government payers and families

- Government is a major payer for care services
  - Public funds cover 80% of direct care through Medicare and Medi-Cal
  - Childcare for low- and moderate-income families is subsidized by a mix of state, federal, and local funding
  - Budgetary constraints and policy decisions affect the care workforce

- The high cost of private care often forces families to rely on unpaid care and/or get less care than they need
Private care services are expensive

Annual cost ($)

Source: Authors’ calculations based on Genworth – Cost of Care Survey and National Database of Childcare Prices 2016-2018, Women’s Bureau, U.S. Department of Labor.
Looking forward
California can focus on improvements in several key areas

- Investing in well-defined career pathways could foster economic mobility
- Improving economic security is key to reducing turnover
- Better integrating care workers into health and education sectors could improve care services
- Investing in technology could increase care worker productivity
- Monitoring progress on master plan workforce initiatives is critical