

California's Care Workforce

An Overview of Needs,
Opportunities, and Challenges

May 7, 2024

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Supported with funding from the Blue Shield of California Foundation and the James Irvine Foundation



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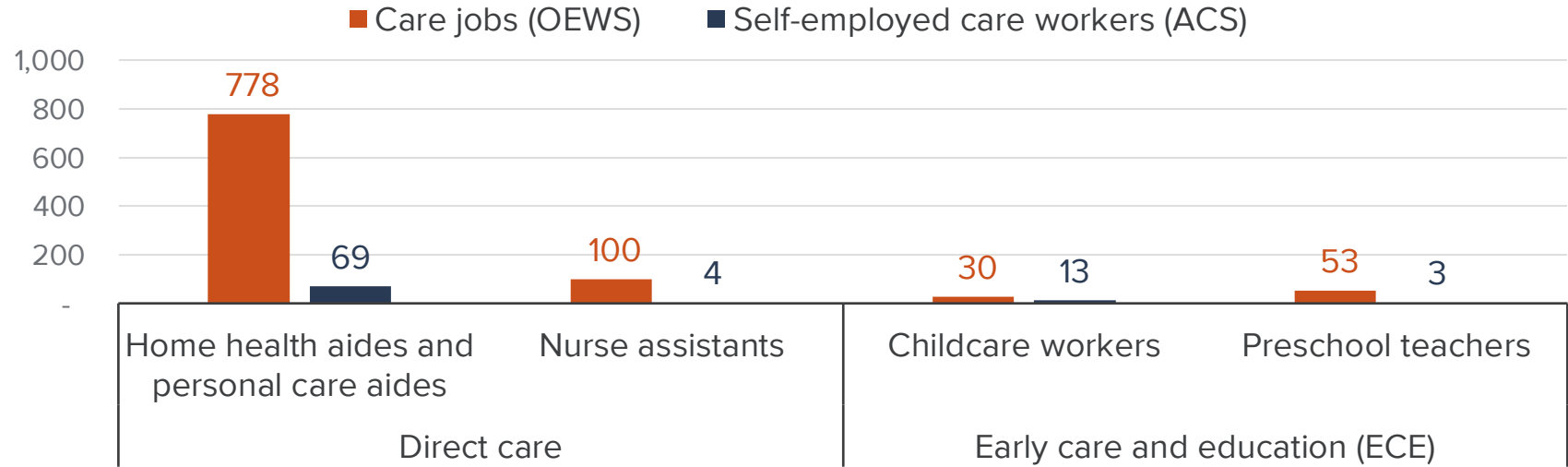
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California's care sector is at a critical juncture

- 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

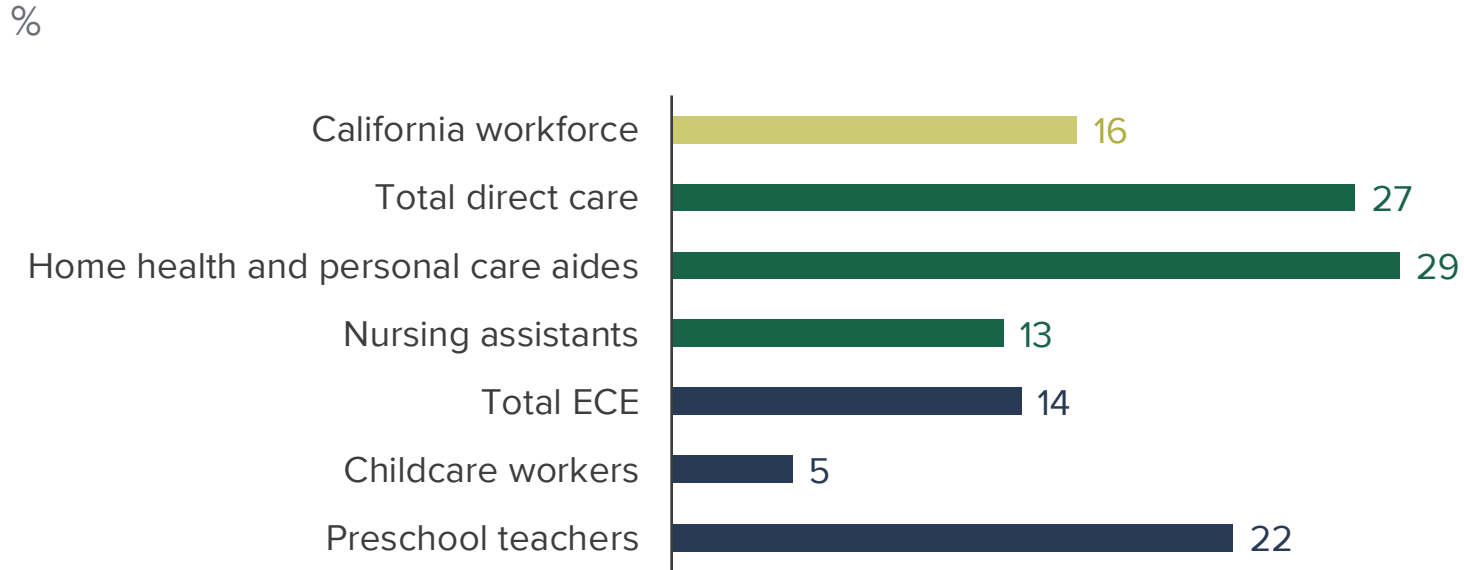
California has a large care workforce

Thousand



Source: Occupation Employment and Wage Statistics (OEWS) Data – EDD, 2023, and American Community Survey (ACS) – IPUMS, 2022.

Demand for care workers will surge over the next decade

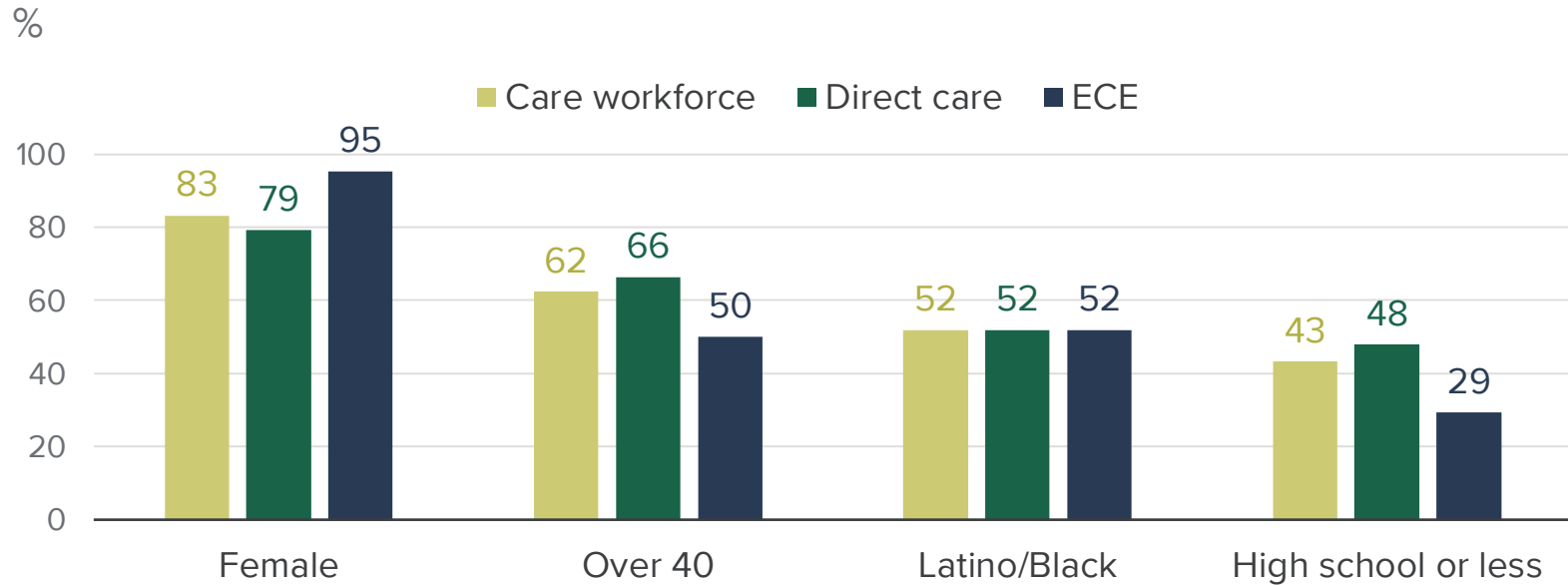


Source: EDD Occupation and Industry long-term projections, 2020–2030.

Overview of the care sector workforce

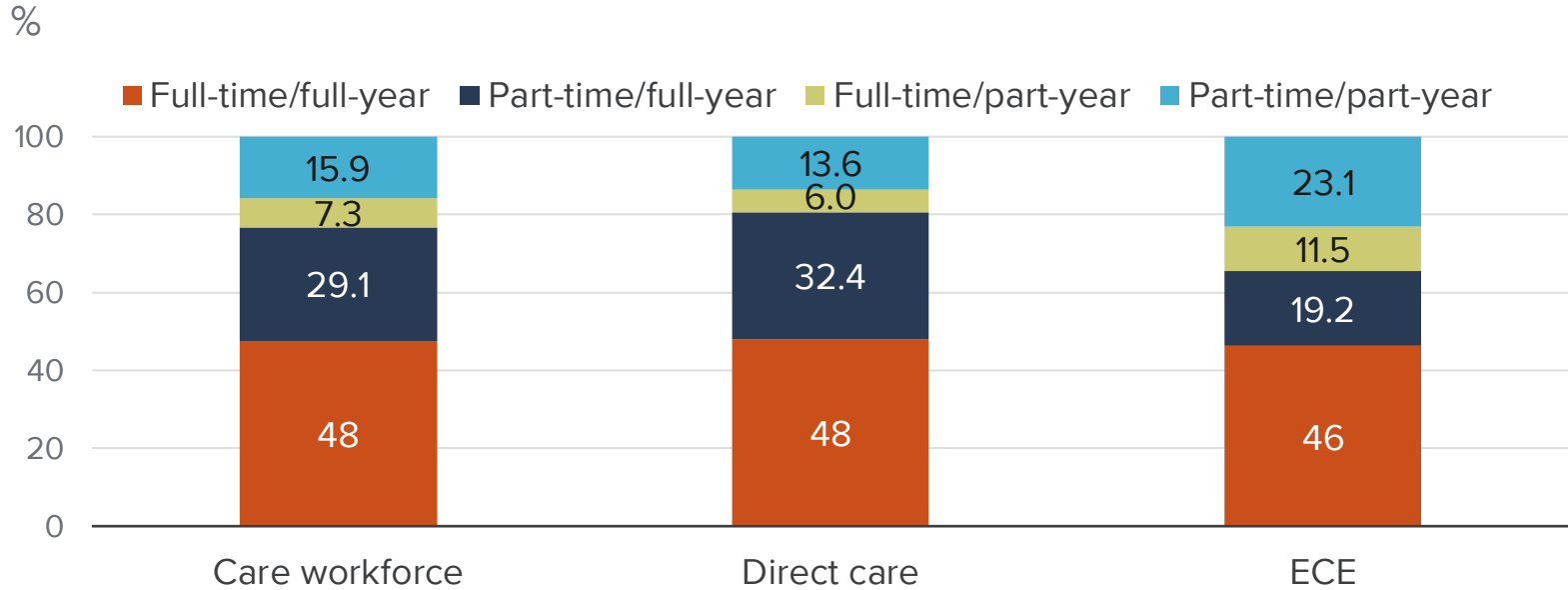


Women make up a disproportionate share of California's care workforce



Source: American Community Survey (ACS) – IPUMS, 2021 and 2022.

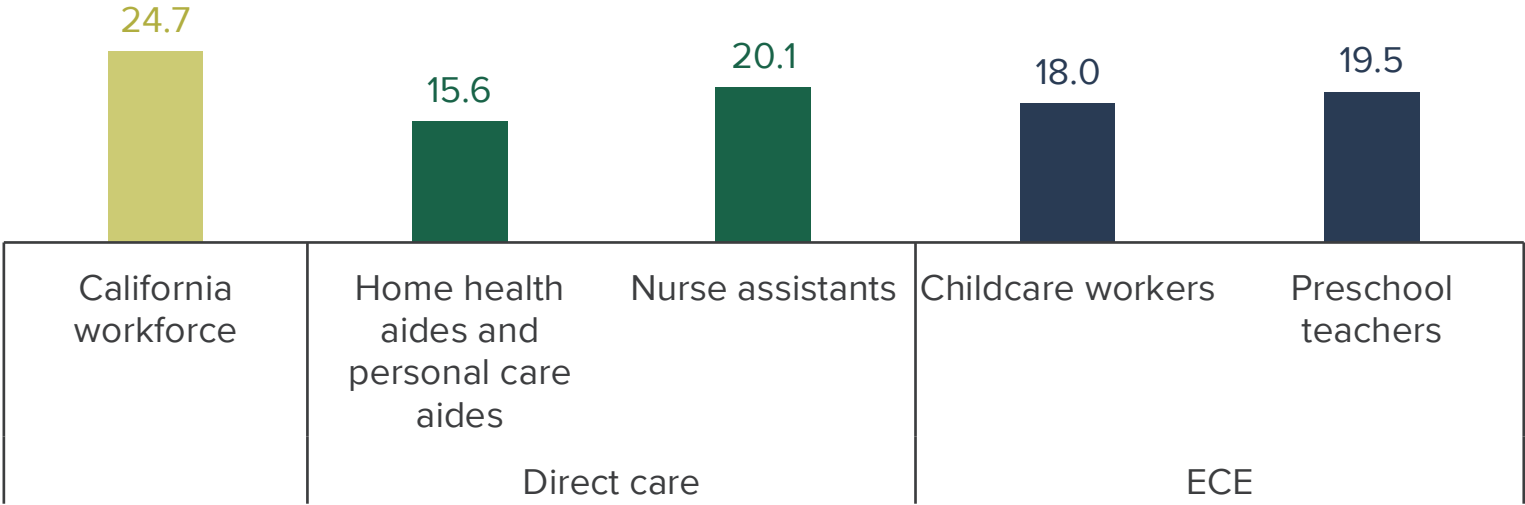
Less than half of California care workers are employed full time



Source: American Community Survey (ACS) – IPUMS, 2021 and 2022.

Many care workers earn low wages

\$/hour



Source: OEWS Employment and Wage Statistics Data, first quarter 2023.

Key challenges of expanding the care workforce



Current job realities pose workforce challenges

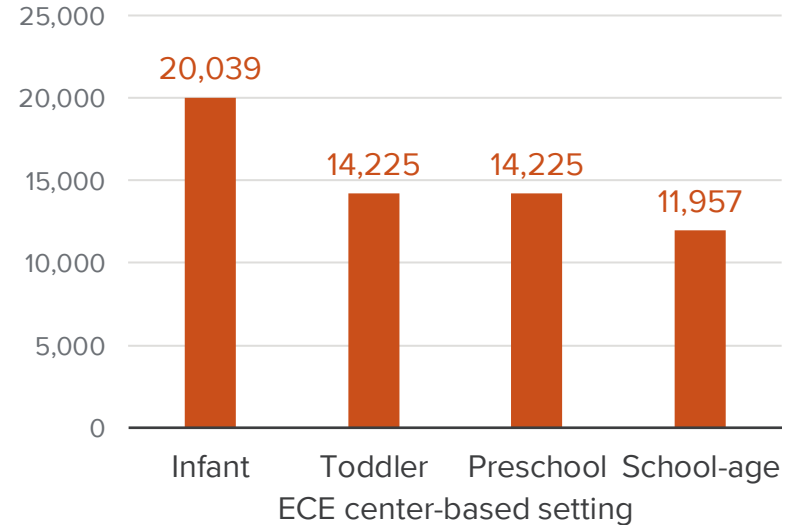
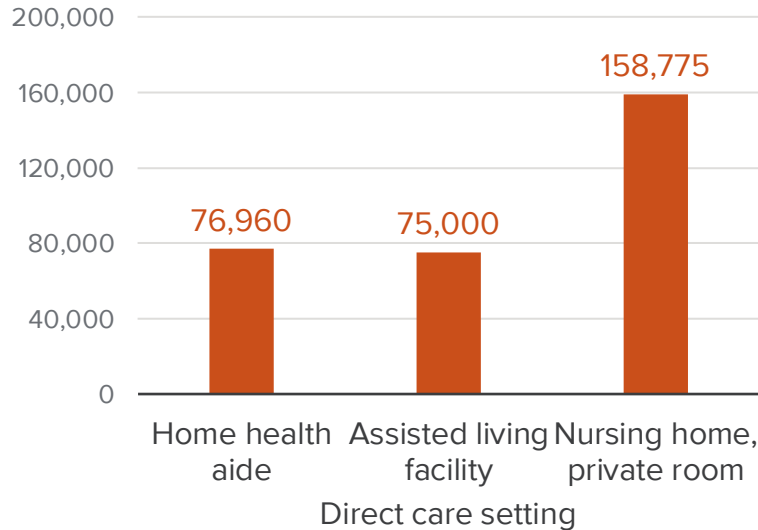
- California is grappling with the challenge of low wages
 - Some direct care workers could be covered by California's new health care minimum wage law
 - A pay increase for family childcare providers was funded for two years
- Part-time work and high turnover deepen the need for new workers
 - Boosting 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