

## **Key Findings** *from the 2010 Iowa Direct Care Worker Wage and Benefit Report\**

### **Direct Care Worker Compensation**

Iowa direct care workers are among the lowest paid workers in the state, with respondents reporting hourly wages of \$11.50, compared with the state median hourly wage of \$14.40 for all jobs.

Although most direct care workers work full-time, 18.2% percent report household incomes that put them at or below the poverty level and half (49.9%) report household incomes that put them below 200% of the federal poverty level [the 2010 poverty level for a family of four is \$22,050].

Even direct care workers with long tenures on the job are paid below the statewide median wage, and their earning ladders in direct care are limited.

Despite both an increase in the size of the direct care workforce and worker shortages since the 2001 and 2004 surveys, direct care worker pay has increased at about the same rate for workers as a whole in the state, with almost no narrowing of the wage gap between the direct care workforce and other Iowa workers.

The primary reasons that over 20% of direct care workers indicate they are seeking employment outside the direct care profession are low pay and lack of benefits.

### **Direct Care Worker and Household Health Coverage**

Direct care workers overall are much more likely than other Iowa workers to be without health insurance coverage for themselves, although workers for public health agencies are more likely to be covered by their employer.

Direct care workers who are single parents are most likely to be uninsured, with 35% reporting no health coverage for themselves. Twenty-six percent of single workers are uninsured, 25% of married couples with children and 17% of married couples without children report lacking any health coverage, all with rates above the reported state uninsurance rate among non-elderly adults (13% in 2007-08).

Coverage for children of direct care workers is very high, with only 5% lacking health insurance, in large measure due to Iowa's Medicaid and *hawk-i* programs. Almost half (41%) of children in married couple families and nearly three-quarters (72%) of children in single parent families are covered by one of these two programs.

Direct care workers report that employer health benefits have declined over the last several years, adding to their out-of-pocket expenses or their likelihood of not being covered.



## **Direct Care Worker Working Conditions and Use of Public Benefits**

Direct care workers have significant work-related concerns, including stress on the job and lack of adequate staffing, particularly in nursing homes and hospitals.

The issue of direct care workers working when sick contributes to public health concerns. Only 43% of direct care workers have sick leave available to them, and 65% of those surveyed noted that they were either somewhat or very concerned about working when sick. Clearly, quality of care and services decline when workers are sick and unable to recover with rest.

Direct care workers make use of public benefit programs [Earned Income Tax Credit (EITC), Supplemental Nutrition Assistance Program (SNAP) or food stamp benefits, child care assistance], with particularly high estimated levels of participation in the EITC.

Increases in Medicaid for individuals under federal law and in food stamp gross income eligibility levels under state law will benefit many direct care workers, when they go into effect (in 2014 for Medicaid, unless the state acts earlier, and in 2011 for food stamps).

## **Possible State Roles in Addressing Survey Wage and Benefit Issues**

State programs could provide critical help to direct care workers if the state were to set higher eligibility levels (for the child care subsidy and adult Medicaid, in particular) or be more generous in the benefits it provides (the state Earned Income Tax Credit).

State government also has a regulatory and monitoring role and could use its position as purchaser of many direct care worker services (particularly under Medicaid for nursing home and home health care) to improve the compensation and conditions of the direct care workforce.

