

# Helping Hands: An Assessment of the Personal Care Aide Workforce in Nevada



## Executive Summary

Nevada has approximately 13,000 personal care aides (PCAs) who provide non-medical supports and assistance with daily tasks to older adults and individuals with disabilities in their homes. PCAs assist with bathing, dressing, grooming, toileting, transferring/positioning, mobility/ambulation, and eating, along with light housekeeping, laundry, essential shopping, and meal preparation. Demand for their services is growing rapidly as Nevadans age. It is estimated that, by 2026, Nevada will need to add 5,300 personal care aides to its workforce as a result of growing demand. As of 2028, personal care services (PCS) will be the fourth most in-demand job sector nationwide. But those statistics belie a potential structural distortion: a “care gap” is emerging, whereby demand for services is expected to outstrip supply over the long term.

This policy report summarizes the personal care aide landscape in Nevada and identifies challenges faced by personal care aides in the workplace. The Guinn Center analyzed data from a broad range of governmental, academic, and non-profit entities, while using official government documents to inform our research further, as well as secondary sources to provide context.

Our team evaluated four primary dimensions of the workforce to provide a comprehensive assessment: demographic, social, and economic characteristics; training requirements; employment, occupational projections, and wages; and public financing of personal care services. The Guinn Center’s findings are as follows:

### Demographic, Social, and Economic Characteristics of the Personal Care Aide Workforce in Nevada

- ❖ Almost half of all personal care aides are **older middle-aged adults** (48.7 percent), or those aged 45 to 64.
- ❖ Nevada’s personal care aide workforce is **predominantly female**. More than 8 in 10 personal care aides (83.7 percent) in Nevada are women.
- ❖ A breakdown by racial categories evinces disproportionate representation.
  - More than one-half of all personal care aides are white, but they are underrepresented in the PCA workforce; at 66.1 percent of Nevada’s total population in 2018, they account for 55.8 percent of personal care aides.
  - African Americans and Asians are overrepresented in the PCA workforce. The African American share of Nevada’s population is 8.9 percent, and the Asian share is 8.0 percent. Amongst Nevada’s PCAs, 14.3 percent are African American, and 13.5 percent are Asian.
  - People of color make up 33.9 percent of Nevada’s population but 44.2 percent of the personal care aide workforce.

## Demographic, Social, and Economic Characteristics of the Personal Care Aide Workforce in Nevada (cont'd)

- **Women of color make up 17.3 percent of the total population but 35.2 percent of the PCA workforce.**
- ❖ One-quarter of Nevada's PCAs (25.0 percent) are Latino, but with Latinos accounting for 28.4 percent of Nevada's population, there is a slight underrepresentation in the PCA workforce.
- ❖ While a high school diploma is not required to become a personal care aide in Nevada, **over one-third of PCAs (33.5 percent) have at least a high school diploma**, and a slightly smaller percentage (30.1 percent) additionally have completed some college or received an Associate's Degree.
- ❖ Health insurance coverage is a challenge for some of Nevada's personal care aides.
  - Nearly **one in five PCAs (19.9 percent) is uninsured**, which is eight percentage points higher than Nevada's overall uninsurance rate of 11.9 percent in 2018.
  - Just under **one-third of personal care aides (32.0 percent) in Nevada receive health care coverage through Medicaid**; the greatest share of PCAs receive coverage through this program. At the same time, Medicaid is the largest public payer of personal care services. This means that personal care aides in Nevada, much like the population they serve, depend on federal health benefits.

## Personal Care Aide Workforce Training

- ❖ In Nevada, personal care aides complete **a minimum of eight hours of initial training** prior to providing care as agency employees; the training covers 16 initial topics upon hire. A minimum of **eight hours of annual continuing education** is required, as well.
- ❖ The University of California, San Francisco (UCSF) Health Workforce Research Center on Long-Term Care has identified "leader states" in PCA training standards, and Nevada lags behind these states.
- ❖ Research shows that training is important for a number of reasons, including the development and maintenance of appropriate skill sets to ensure client well-being, higher job quality and satisfaction, and better wages.

## Historical Employment, Occupational Projections, and Wages of Personal Care Aides in Nevada

- ❖ Between 2010 and 2018, Nevada saw a **near-tripling of the PCA workforce**, with 198.4 percent growth.
- ❖ The **primary demand driver is demographic change, with a projected 163.0 percent increase in the population aged 65 years and older between 2010 and 2040.** (Nevada is ranked first in the percent change of this age cohort over time.)
- ❖ State-level demand projections are not available, but one estimate predicts a **national shortfall** of direct care workers of 355,000 by 2040.
  - Approximately 50 percent of people currently turning 65 are expected to need long-term services and support at some point. If all require personal care services, and that data point holds into the future, by 2040, when Nevada's population aged 65 years and older reaches 852,984, then 426,492 personal care aides would be necessary to meet demand.
  - With 13,130 Nevadans working as PCAs in 2018, that would translate into a significant unmet need, barring extraordinary growth in the field. Perhaps a more accurate metric is the percentage of Nevadans reporting a self-care difficulty in 2018, or 2.8 percent. Roughly 23,884 seniors would require personal assistance in 2040 if that percentage holds. Assuming a one-to-one ratio of personal care aides to those aged 65 and older, Nevada would need to add 10,754 personal care aides to its workforce—an increase of about 81.9 percent.
- ❖ On the supply side, Nevada's **personal care aide workforce is projected to remain flat** through 2026 (when adjusted for population).
- ❖ A **care gap would occur if demand for personal care services were to outstrip supply of personal care aides.** There are structural reasons underlying a potential care gap, most notably the demographics of labor force participation. And these effects may be fairly pronounced in Nevada.
  - Nearly half of all personal care aides in Nevada are between the ages of 45 and 64.
  - Over time, these individuals will age from participants in the caregiver economy to potential recipients of care. In other words, the **most concentrated age cohort of personal care aides will exit the labor force.**
- ❖ But occupational attributes may be even more salient to the potential care gap: **Personal care assistance in the home is one of the most low-paid occupations in the country**, with a high prevalence of income insecurity, which is a major contributor to higher turnover rates.

## Historical Employment, Occupational Projections, and Wages of Personal Care Aides in Nevada (cont'd)

- Median wages for personal care aides in Nevada have remained flat over time. In 2018, **Nevada was ranked 31<sup>st</sup> in the nation with an annual median PCA wage of \$23,020, which is below the national annual median PCA wage of \$24,020.**
- To put the annual median wage of \$23,020 for a personal care aide in Nevada in perspective, our team assessed this wage against cost-of-living expenses using the Economic Policy Institute's Family Budget Calculator.
  - For a personal care aide residing in the Las Vegas/Henderson/Paradise metro area who is single and has no children, **his or her annual costs would amount to \$32,410, or \$9,390 more than the annual median wage.**
  - In order to make up the difference, the PCA would need to work **more than 56 hours per week or earn \$15.58 per hour.**

## Public Financing of Personal Care Services

- ❖ **Nevada's expenditures for personal care services have been increasing over time,** both in current and constant (inflation-adjusted) dollars. In State Fiscal Year (FY) 2018, Medicaid **reimbursements were more than 1.5 times higher** than they were in FY 2013 in current dollars. However, this may be driven by increased utilization rather than investment in the workforce.
- ❖ Medicaid is the primary public payer for long-term care services nationwide, and each state sets its own provider reimbursement rates under Medicaid. Reimbursement rates thus establish the ceiling for what personal care aides can be paid under Medicaid, which explains some of the variation in median wages across states.
- ❖ In October 2003, the personal care aide **reimbursement rate in Nevada was set at \$17.00 per hour.** Although the rate increased twice in subsequent years, it was returned to the 2003 rate as of July 2009 and **remained in effect through December 2019.** In 2019, the Nevada **Legislature passed a 3.3 percent increase** for personal care service providers (effective January 1, 2020) to **\$17.56 per hour.** However, budget cuts necessitated by the COVID-19 pandemic resulted in a Medicaid PCS reimbursement rate decrease to **\$16.52 per hour** as of August 2020, which is the **lowest reimbursement rate for Medicaid-reimbursable PCS in Nevada since 2003.** Had the reimbursement rate set in October 2003 kept pace with inflation, it would have increased to **\$23.81 per hour** in July 2020.