



# EPI BRIEFING PAPER

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## **LOW WAGES AND SCANT BENEFITS LEAVE MANY IN-HOME WORKERS UNABLE TO MAKE ENDS MEET**

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**I**n-home workers—those whose worksites are private homes—are critical to the U.S. economy. They free the time and attention of other workers by tending to children, cleaning, providing essential support that allows seniors and people with disabilities or illnesses to live at home, and performing other home care tasks. They are professionals but tend to work in the shadows, socially isolated and often without employment contracts, leaving them with little job security and vulnerable to exploitation.

Many in-home jobs are explicitly excluded from the protections of federal labor and employment laws and standards. For example, domestic workers are not covered by the National Labor Relations Act, which guarantees employees the right to organize; domestic workers are thus unable to form labor unions or organize for better working conditions. “Live-in” workers are excluded from the overtime protections in the Fair Labor Standards Act. The Occupational Safety and Health Act does not apply to “individuals who, in their own residences, privately employ persons for the purpose of performing ... what are commonly regarded as ordinary domestic household tasks, such as house cleaning, cooking, and caring for children” (OSHA 1970). Federal antidiscrimination laws, such as the Civil Rights Act, the Americans with Disabilities Act, and the Age Discrimination in Employment Act, all generally only cover employers with multiple employees, meaning most in-home workers are excluded from these protections. This is also true of the Family and Medical Leave Act. In addition to the lack of many formal legal protections, the isolated and informal or “under the table” arrangements that often define these occupations mean those who work in them are particularly vulnerable to violations of basic labor standards (Burnham and Theodore 2012; Seavey and Marquand 2011; Dresser 2008).

This paper directly examines in-home occupations and the workers who hold in-home jobs, including how much they earn, the hours they work, whether they receive benefits, and whether they and their own families are able to make ends meet. Key findings include:

- In-home workers are more than 90 percent female, and are disproportionately immigrants. One out of every nine foreign-born female workers with a high school degree or less works in an in-home occupation. In-home occupations are growing rapidly, driven by sharp growth in direct-care work, including personal care aides and home health aides.
- In-home workers receive very low pay, and many have trouble getting the hours they need.
  - The median hourly wage for in-home workers is \$10.21, compared with \$17.55 for workers in other occupations. After accounting for demographic differences between in-home workers and other workers,

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in-home workers have hourly wages nearly 25 percent lower than those of similar workers in other occupations.

- In-home workers are more likely to work part time than other workers. This is due in many instances to their own preferences, but it is also the case that a larger share of in-home workers than other workers want (and are available for) full-time jobs, but have had to settle for a part-time schedule.
- The median weekly pay for in-home workers who have or want full-time work is \$382, compared with \$769 for workers in other occupations. After accounting for demographic differences between in-home workers and other workers, in-home workers who have or want full-time work have weekly wages 36.5 percent lower than those of similar workers in other occupations.
- In-home workers rarely receive fringe benefits.
  - Only 12.2 percent of in-home workers receive health insurance from their job, compared with 50.6 percent of workers in other occupations. The majority of in-home workers who receive health insurance from their job are agency-based direct-care aides (18.4 percent of whom have employer-provided health insurance). Only 4.9 percent of maids and 6.3 percent of nannies receive employer-provided health insurance.
  - Only 7.0 percent of in-home workers are covered by a pension plan at their job, compared with 43.8 percent of workers in other occupations. The majority of in-home workers who are covered by a pension plan at their job are agency-based direct-care aides (10.7 percent of whom are covered by a pension plan). Less than 3 percent of maids and nannies are covered by a pension plan.
- In-home workers have a higher incidence of poverty than workers in other occupations.
  - Nearly a quarter—23.4 percent—of in-home workers live below the official poverty line, compared with 6.5 percent of workers in other occupations.
  - Twice the official poverty threshold is commonly used by researchers as a measure of what it takes a family to actually make ends meet. More than half—51.4 percent—of in-home workers live below twice the poverty line, compared with 20.8 percent of workers in other occupations.

## Who are in-home workers?

**Table 1** shows the categories of in-home occupations discussed throughout this paper.<sup>1</sup> It also shows the number of workers in each of these occupations in 2012, though it should be noted that due to the nature of these jobs, employment in these occupations is likely undercounted.<sup>2</sup> What follows is a description of the categories displayed in the table:

- In-home maids and housekeeping cleaners are workers who perform cleaning and housekeeping duties in private households. In 2012, there were 328,000 such workers who were paid directly by someone in the household (and not by a private company such as Merry Maids).<sup>3</sup>
- This analysis includes two types of childcare workers: nannies and childcare workers who provide care in their own home. Nannies are workers who attend to children—performing a variety of tasks such as dressing, feeding, bathing, and overseeing activities—in the child’s own home. Nannies may either “live in” with employers or live in their own homes, but they work in employers’ private residences. In 2012, there were 201,000 nannies working in

TABLE 1

## Employment in in-home occupations, 2012

	In-home total	Maids and housekeeping cleaners	Childcare workers		Direct-care aides	
			Nannies	Provide care in own home	Not agency-based	Agency-based
<i>Number of workers</i>	1,992,000	328,000	201,000	367,000	115,000	981,000

**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group 2012 microdata

private U.S. households. Other in-home childcare workers are those who provide childcare in their *own* home to the children of one or more families. In 2012, there were 367,000 such workers.<sup>4</sup>

- Direct-care aides include personal care aides and home health aides who assist people in their homes. Personal care aides assist the elderly, convalescents, or persons with disabilities with daily living activities. Their duties may include keeping house (e.g., making beds, doing laundry, washing dishes) and preparing meals. Home health aides provide hands-on health care such as giving medication, changing bandages, and monitoring the health status of the elderly, convalescents, or persons with disabilities. They may also provide personal care such as bathing, dressing, and grooming of the patient. This paper distinguishes between the smaller group of direct-care aides who are paid directly by someone in the household, and the larger group of direct-care aides who are agency-based. There are 115,000 direct-care aides—more than 90 percent of whom are personal care aides—who are paid directly by someone in the household, and there are 981,000 direct-care workers who are agency based (slightly over half of whom are home health aides and the rest of whom are personal care aides).

Altogether in 2012 there were roughly 2 million workers in these in-home occupations. These 2 million workers made up 1.6 percent of all workers. However, they made up a much larger share of certain groups of workers. Three percent of all female workers are in-home workers. Of foreign-born female workers, 7.2 percent work in in-home occupations. And of foreign-born female workers with a high school degree or less, one out of every nine (11.1 percent) works in an in-home occupation.

To get a clearer idea of the demographic profile of in-home workers, **Table 2A** provides the breakdown of in-home workers by demographic characteristics (see <http://www.epi.org/files/2013/in-home-workers-state-tables.pdf> for state-level versions of this table for all 50 states and the District of Columbia). In-home workers are largely female; 93.1 percent are women, whereas slightly less than half—47.9 percent—of workers in other occupations are women. At 98.7 percent, childcare workers who provide childcare in their own home have the highest female share, but all categories of in-home workers are very strongly female.

In-home workers are mostly U.S. born but are much more likely to be foreign born than workers in other occupations; one-third (33.1 percent) of in-home workers are immigrants, compared with 15.7 percent of other workers. Furthermore, foreign-born in-home workers are less likely to be naturalized U.S. citizens than are foreign-born workers in other

TABLE 2A

## Demographic characteristics of in-home workers, 2012

			Percentage-point difference	In-home				
	Not in-home	In-home		Maids and housekeeping cleaners	Childcare workers		Direct-care aides	
					Nannies	Provide care in own home	Not agency-based	Agency-based
<i>All</i>	100%	100%		100%	100%	100%	100%	
<b>Gender</b>								
<i>Female</i>	47.9%	93.1%	45.2	96.8%	96.9%	98.7%	86.2%	89.6%
<i>Male</i>	52.1%	6.9%	-45.2	3.2%	3.1%	1.3%	13.8%	10.4%
<b>Nativity</b>								
<i>U.S. born</i>	84.3%	66.9%	-17.4	37.8%	69.7%	76.5%	66.3%	72.8%
<i>Naturalized U.S. citizen</i>	7.1%	12.9%	5.8	15.0%	6.8%	8.7%	17.9%	14.4%
<i>Non-naturalized immigrant</i>	8.6%	20.2%	11.6	47.2%	23.5%	14.8%	15.8%	12.8%
<b>Race/ethnicity</b>								
<i>White, non-Hispanic</i>	67.1%	47.6%	-19.6	36.8%	64.3%	61.4%	50.0%	42.5%
<i>Black, non-Hispanic</i>	10.9%	18.5%	7.6	5.5%	6.4%	13.0%	17.7%	27.6%
<i>Hispanic, any race</i>	15.0%	27.2%	12.2	54.3%	22.5%	20.5%	23.8%	21.7%
<i>Asian</i>	5.2%	4.8%	-0.4	2.7%	5.2%	3.9%	6.2%	5.6%
<i>Other</i>	1.7%	1.9%	0.2	0.8%	1.5%	1.2%	2.3%	2.6%
<b>Education</b>								
<i>Not high school graduate</i>	8.3%	20.9%	12.6	37.9%	14.2%	14.2%	19.9%	19.0%
<i>High school graduate</i>	27.9%	37.2%	9.3	39.3%	28.4%	36.5%	34.8%	38.7%
<i>Some college</i>	30.1%	30.3%	0.2	16.3%	37.0%	34.3%	30.0%	32.4%
<i>Bachelor's degree</i>	22.1%	9.5%	-12.6	5.7%	18.6%	12.0%	12.5%	7.8%
<i>Advanced degree</i>	11.6%	2.1%	-9.6	0.8%	1.8%	2.9%	2.8%	2.1%
<b>Age</b>								
<i>18–22</i>	8.1%	8.6%	0.5	4.1%	32.2%	3.1%	5.7%	7.9%
<i>23–49</i>	61.4%	53.8%	-7.7	55.0%	47.7%	60.4%	45.5%	52.9%
<i>50+</i>	30.5%	37.6%	7.2	40.9%	20.1%	36.6%	48.9%	39.2%
<i>Median age</i>	41	44		46	26	45	49	45

**Note:** To ensure sufficient sample sizes, this table draws from pooled 2010–2012 microdata.

**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group microdata

occupations; 38.9 percent of foreign-born in-home workers are naturalized U.S. citizens, compared with 45.2 percent of foreign-born workers in other occupations (not shown in table).

Among *all* in-home workers, about 20.2 percent are immigrants who are not naturalized U.S. citizens, compared with 8.6 percent of workers in other occupations, as shown in Table 2A. At 47.2 percent, maids are the in-home occupation that has the highest share of non-naturalized foreign-born workers. With the Current Population Survey data used in this analysis, we are unable to distinguish between authorized and unauthorized immigrants. However, Burnham and Theodore (2012) find that 47 percent of the immigrants in their sample of domestic workers in 14 metropolitan areas are unauthorized. Applying that share to our sample implies that roughly 15.6 percent of in-home workers are unauthorized immigrants. This is higher than the unauthorized immigrant share of the overall labor force, which was estimated at 5.2 percent in 2010 (Passel and Cohn 2011).

A plurality of in-home workers are white and non-Hispanic, but in-home workers are much more likely to be non-white or Hispanic than workers in other occupations. More than a quarter (27.2 percent) of in-home workers are Hispanic (compared with 15.0 percent of workers in other occupations), and 18.5 percent of in-home workers are black, non-Hispanic (compared with 10.9 percent of workers in other occupations). At 54.3 percent, maids are the in-home occupation that has the highest share of Hispanic workers, and at 27.6 percent, agency-based direct-care workers are the in-home occupation that has the highest share of black, non-Hispanic workers.

Most in-home workers have at least a high school degree, but in-home workers are less likely to have a high school degree than workers in other occupations. One in five in-home workers (20.9 percent) does not have a high school degree, compared with 8.3 percent of workers in other occupations. At 37.9 percent, maids are the in-home occupation that has the highest share of workers without a high school degree. In-home workers are also less likely than other workers to have at least a college degree. Slightly more than one in 10 in-home workers (11.6 percent) have a college degree or an advanced degree, compared with one-third (33.7 percent) of workers in other occupations. At 20.4 percent, nannies are the in-home occupation that has the highest share of workers with a college degree or more.

In-home workers, who have a median age of 44, are somewhat older than workers in other occupations, who have a median age of 41. In particular, in-home workers are more likely to be at least 50 years old (37.6 percent of in-home workers are age 50 or older, compared with 30.5 percent of workers in other occupations). The key exception to this generality is the fact that nannies—with a median age of 26—tend to be much younger than other workers. Direct-care aides who are not agency-based are the oldest subgroup of in-home workers, with a median age of 49.

**Table 2B** shows how in-home workers are distributed across states. Just over one-fifth (21.3 percent) of in-home workers are in the Northeast. Given that just *under* one-fifth (18.7 percent) of not-in-home workers are in the Northeast, that means Northeast states disproportionately employ in-home workers. New York is the biggest employer of in-home workers in the Northeast, particularly agency-based direct-care aides (15.9 percent of all such workers are in New York). Western states as a group employ 26.4 percent of in-home workers, also a disproportionate share, given that Western states employ 22.5 percent of all not-in-home workers. California is the biggest employer of in-home workers in the West, particularly maids (23.0 percent of all in-home maids are in California).

One-fifth (20.8 percent) of in-home workers are in the Midwest, but 22.9 percent of not-in-home workers are in the Midwest, meaning that in-home workers are somewhat less common in Midwestern states. The exception is workers

TABLE 2B

## Where in-home workers are located, 2012

	In-home		Percentage-point difference	Maids and housekeeping cleaners	In-home			
	Not in-home	In-home			Childcare workers		Direct-care aides	
					Nannies	Provide care in own home	Not agency-based	Agency-based
<i>All</i>	100%	100%		100%	100%	100%	100%	100%
<b>Northeast</b>	<b>18.7%</b>	<b>21.3%</b>	<b>2.7%</b>	18.7%	19.5%	16.5%	19.4%	25.9%
<i>Maine</i>	0.4%	0.5%	0.1%	0.2%	0.3%	0.7%	0.6%	0.6%
<i>New Hampshire</i>	0.5%	0.3%	-0.1%	0.3%	0.5%	0.3%	0.4%	0.3%
<i>Vermont</i>	0.2%	0.3%	0.1%	0.2%	0.2%	0.5%	0.4%	0.3%
<i>Massachusetts</i>	2.3%	1.9%	-0.3%	1.6%	2.6%	1.8%	2.4%	1.9%
<i>Rhode Island</i>	0.4%	0.3%	-0.1%	0.2%	0.3%	0.3%	0.2%	0.3%
<i>Connecticut</i>	1.2%	1.1%	-0.2%	1.1%	1.4%	0.9%	1.8%	1.0%
<i>New York</i>	6.3%	11.7%	5.4%	9.9%	8.7%	8.2%	7.1%	15.9%
<i>New Jersey</i>	3.0%	2.4%	-0.6%	3.4%	2.5%	1.6%	2.3%	2.4%
<i>Pennsylvania</i>	4.3%	2.8%	-1.5%	1.8%	3.0%	2.2%	4.2%	3.2%
<b>Midwest</b>	<b>22.9%</b>	<b>20.8%</b>	<b>-2.2%</b>	11.7%	20.6%	32.8%	13.4%	20.0%
<i>Ohio</i>	3.9%	3.3%	-0.6%	2.1%	2.9%	4.2%	1.0%	3.9%
<i>Indiana</i>	2.2%	1.2%	-1.0%	1.0%	1.3%	2.1%	0.5%	1.0%
<i>Illinois</i>	4.4%	4.0%	-0.4%	2.6%	5.2%	5.3%	3.9%	3.7%
<i>Michigan</i>	3.2%	2.8%	-0.4%	1.6%	3.3%	4.1%	2.8%	2.7%
<i>Wisconsin</i>	2.0%	1.8%	-0.3%	0.8%	1.1%	2.9%	1.0%	2.0%
<i>Minnesota</i>	1.9%	2.4%	0.5%	1.2%	2.4%	4.4%	1.4%	2.2%
<i>Iowa</i>	1.1%	1.0%	-0.1%	0.6%	0.9%	2.5%	0.4%	0.5%
<i>Missouri</i>	2.0%	2.0%	0.0%	0.8%	1.7%	2.6%	1.3%	2.6%
<i>North Dakota</i>	0.2%	0.2%	0.0%	0.1%	0.2%	0.7%	0.1%	0.2%
<i>South Dakota</i>	0.3%	0.2%	0.0%	0.1%	0.2%	0.7%	0.2%	0.1%
<i>Nebraska</i>	0.7%	0.6%	-0.1%	0.3%	0.6%	1.4%	0.3%	0.3%
<i>Kansas</i>	1.0%	1.1%	0.1%	0.6%	0.9%	2.1%	0.6%	1.0%
<b>South</b>	<b>36.0%</b>	<b>31.5%</b>	<b>-4.5%</b>	39.3%	32.5%	25.1%	35.4%	30.2%
<i>Delaware</i>	0.3%	0.2%	-0.1%	0.1%	0.1%	0.3%	0.2%	0.1%
<i>Maryland</i>	2.0%	1.6%	-0.4%	2.0%	3.5%	2.1%	1.3%	0.8%
<i>District of Columbia</i>	0.2%	0.2%	0.0%	0.3%	0.4%	0.1%	0.1%	0.1%
<i>Virginia</i>	2.8%	2.5%	-0.2%	2.2%	6.0%	3.1%	2.8%	1.4%
<i>West Virginia</i>	0.6%	0.7%	0.1%	0.3%	0.3%	0.6%	0.8%	1.0%
<i>North Carolina</i>	2.9%	2.7%	-0.2%	2.1%	3.0%	1.9%	1.7%	3.6%

TABLE 2B (CONTINUED)

	In-home							
	Not in-home	In-home	Percentage-point difference	Maids and housekeeping cleaners	Childcare workers		Direct-care aides	
					Nannies	Provide care in own home	Not agency-based	Agency-based
<i>South Carolina</i>	1.4%	0.8%	-0.5%	0.9%	1.1%	1.0%	1.3%	0.6%
<i>Georgia</i>	3.1%	1.9%	-1.2%	2.8%	2.4%	2.1%	3.2%	1.0%
<i>Florida</i>	5.8%	4.5%	-1.3%	9.6%	3.7%	2.8%	6.7%	2.8%
<i>Kentucky</i>	1.4%	0.8%	-0.5%	1.0%	0.4%	1.0%	1.7%	0.6%
<i>Tennessee</i>	2.0%	1.3%	-0.7%	1.4%	1.0%	1.3%	1.4%	1.3%
<i>Alabama</i>	1.5%	0.9%	-0.6%	1.1%	1.0%	0.8%	1.8%	0.7%
<i>Mississippi</i>	0.9%	0.5%	-0.3%	0.6%	0.3%	0.6%	0.7%	0.4%
<i>Arkansas</i>	0.9%	0.8%	-0.1%	0.7%	0.4%	0.7%	1.0%	1.0%
<i>Louisiana</i>	1.4%	1.3%	0.0%	1.4%	0.9%	0.8%	1.8%	1.7%
<i>Oklahoma</i>	1.2%	0.9%	-0.2%	0.9%	0.7%	0.9%	0.8%	1.1%
<i>Texas</i>	7.8%	9.8%	2.1%	12.0%	7.3%	5.1%	8.0%	12.1%
<b>West</b>	<b>22.5%</b>	<b>26.4%</b>	<b>4.0%</b>	<b>30.4%</b>	<b>27.4%</b>	<b>25.6%</b>	<b>31.8%</b>	<b>23.8%</b>
<i>Montana</i>	0.3%	0.3%	0.0%	0.2%	0.3%	0.5%	0.3%	0.3%
<i>Idaho</i>	0.5%	0.5%	0.0%	0.2%	0.4%	0.8%	0.8%	0.4%
<i>Wyoming</i>	0.2%	0.2%	0.0%	0.1%	0.1%	0.3%	0.2%	0.1%
<i>Colorado</i>	1.7%	1.4%	-0.3%	1.7%	2.0%	1.9%	0.9%	1.0%
<i>New Mexico</i>	0.6%	0.9%	0.3%	0.6%	0.4%	0.7%	0.9%	1.3%
<i>Arizona</i>	2.0%	1.5%	-0.5%	1.5%	1.9%	1.2%	2.3%	1.3%
<i>Utah</i>	0.9%	0.5%	-0.4%	0.3%	0.8%	1.0%	0.3%	0.3%
<i>Nevada</i>	0.9%	0.4%	-0.4%	0.6%	0.6%	0.4%	0.5%	0.3%
<i>Washington</i>	2.2%	2.1%	-0.1%	1.1%	3.3%	2.4%	2.7%	2.0%
<i>Oregon</i>	1.2%	1.4%	0.2%	0.8%	1.7%	2.3%	2.1%	1.0%
<i>California</i>	11.4%	16.8%	5.3%	23.0%	15.6%	13.3%	20.5%	15.2%
<i>Alaska</i>	0.2%	0.3%	0.1%	0.1%	0.2%	0.4%	0.2%	0.4%
<i>Hawaii</i>	0.4%	0.2%	-0.2%	0.2%	0.1%	0.3%	0.3%	0.2%

**Note:** To ensure sufficient sample sizes, this table draws from pooled 2003–2012 microdata.

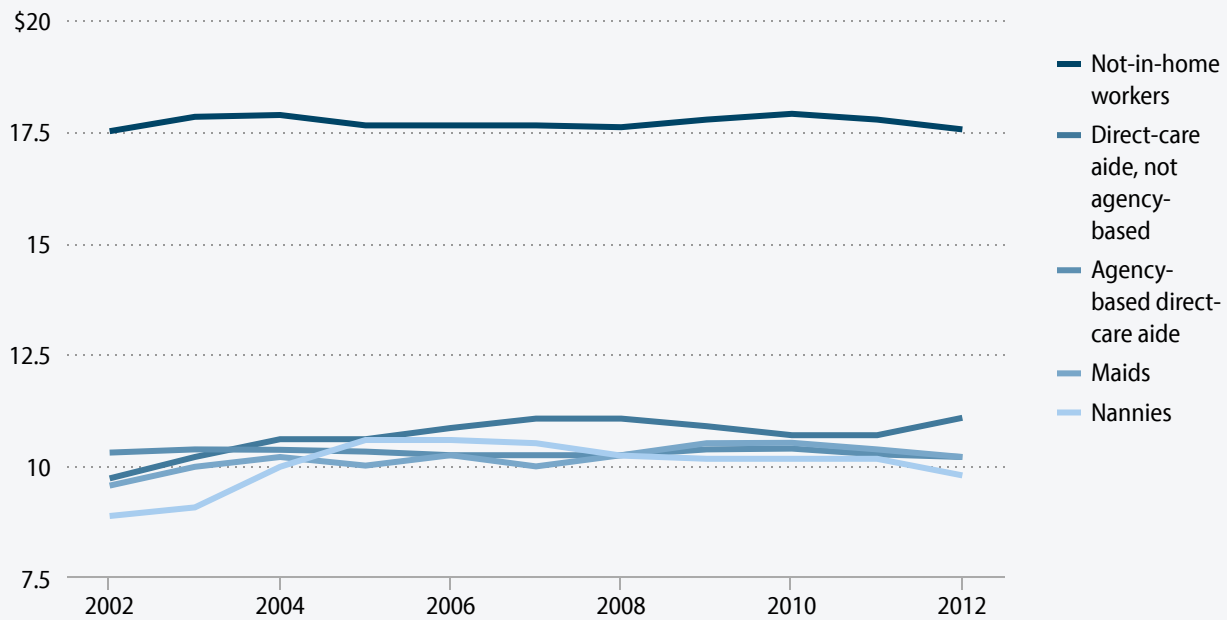
**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group microdata

who provide childcare in their own homes, who are overrepresented in Midwestern states. Finally, nearly one-third (31.5 percent) of in-home workers are in the South, but 36.0 percent of not-in-home workers are in the South, meaning that in-home workers are less common in Southern states. In particular, there are many fewer workers who provide childcare in their own homes in Southern states. Florida, the fourth-most-populous state in the country, perhaps surprisingly does not disproportionately employ in-home workers. Texas, the most populous Southern state, bucks the trend of fewer in-home workers in the South, employing disproportionately more maids and agency-based direct-care aides.



FIGURE A [VIEW INTERACTIVE on epi.org](#)

## Median real hourly wages, in-home workers versus other workers, 2002–2012



**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group, rolling three-year pooled microdata (i.e., "2012" is pooled 2010–2012 data, "2011" is pooled 2009–2011 data, etc.)

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## In-home workers receive very low hourly pay

We turn now to an examination of hourly wages, hours, and weekly wages for in-home workers.<sup>5</sup> It should be noted that the best wage measure in the Current Population Survey is not available for self-employed workers, so in this analysis, we are unable to look at the wages of childcare workers who provide childcare in their own home, since they are self-employed.<sup>6</sup>

**Figure A** shows median real hourly wages over the last decade for in-home workers and other workers. One of the striking features of **Figure A** is that across the board, among both in-home workers and other workers, wages have largely been stagnant over this period. For more on wage stagnation over the last decade, see *A Decade of Flat Wages*, by [Lawrence Mishel and Heidi Shierholz \(2013\)](#). **Figure A** also illustrates the large disparities between the hourly wages of in-home workers and those of other workers.

**Table 3** shows median hourly wages in 2012 of in-home workers and other workers, both overall and for various demographic groups. In 2012, the median hourly wage of in-home workers was \$10.21, which was more than 40 percent below the median hourly wage of other workers, \$17.55. Of the subgroups of in-home workers for whom hourly wages are available, direct-care aides who are not agency-based have the highest hourly wage, at \$11.09; however, this is still 36.8 percent below the median hourly wage of not-in-home workers. Among in-home workers, nannies have the lowest median hourly wage, at \$9.80.

TABLE 3

## Median real hourly wages, in-home workers versus other workers, 2012

			Percent difference	In-home			
	Not in-home	In-home		Maids and housekeeping cleaners	Nannies	Direct-care aides	
						Not agency-based	Agency-based
<i>Median hourly wage</i>	\$17.55	\$10.21	-41.8%	\$10.21	\$9.80	\$11.09	\$10.21
<b>Gender</b>							
<i>Female</i>	\$15.91	\$10.21	-35.8%	\$10.21	\$9.80	\$11.00	\$10.21
<i>Male</i>	\$19.23	\$10.53	-45.2%	\$11.00	*	\$12.39	\$10.53
<b>Nativity</b>							
<i>U.S. born</i>	\$18.00	\$10.21	-43.3%	\$10.21	\$10.00	\$11.00	\$10.13
<i>Naturalized U.S. citizen</i>	\$18.50	\$10.53	-43.1%	\$11.11	\$10.21	\$12.00	\$10.53
<i>Non-naturalized immigrant</i>	\$12.64	\$10.00	-20.9%	\$10.00	\$8.42	\$10.53	\$10.38
<b>Race/ethnicity</b>							
<i>White, non-Hispanic</i>	\$19.23	\$10.21	-46.9%	\$10.50	\$10.00	\$12.00	\$10.25
<i>Black, non-Hispanic</i>	\$14.90	\$10.21	-31.5%	\$10.53	\$9.48	\$10.37	\$10.21
<i>Hispanic, any race</i>	\$13.27	\$9.75	-26.5%	\$10.00	\$9.70	\$10.53	\$9.50
<i>Asian</i>	\$20.24	\$11.06	-45.4%	\$12.25	\$9.00	*	\$11.23
<i>Other</i>	\$15.64	\$10.21	-34.7%	*	*	*	\$10.13
<b>Education</b>							
<i>Not high school graduate</i>	\$10.53	\$9.40	-10.7%	\$9.19	\$8.50	\$9.48	\$9.48
<i>High school graduate</i>	\$14.70	\$10.21	-30.5%	\$10.53	\$9.82	\$10.46	\$10.21
<i>Some college</i>	\$15.80	\$10.35	-34.5%	\$10.72	\$9.50	\$11.75	\$10.32
<i>Bachelor's degree</i>	\$24.31	\$11.94	-50.9%	\$13.07	\$12.00	*	\$11.03
<i>Advanced degree</i>	\$31.50	\$12.25	-61.1%	*	*	*	\$12.64
<b>Age</b>							
<i>18–22</i>	\$9.48	\$9.19	-3.1%	\$8.74	\$8.73	\$8.42	\$9.50
<i>23–49</i>	\$17.90	\$10.21	-43.0%	\$10.00	\$10.21	\$11.40	\$10.21
<i>50+</i>	\$20.05	\$10.53	-47.5%	\$10.55	\$10.21	\$11.12	\$10.35

\* Indicates limited sample size

**Note:** To ensure sufficient sample sizes, this table draws from pooled 2010–2012 microdata.

**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group microdata

There are key differences by demographic group. Of in-home workers, the demographic group with the lowest hourly wages are workers age 18–22, with a median hourly wage of \$9.19. Young workers also have the lowest hourly wage among *not*-in-home workers, so the disparity between the wages of young in-home workers and young not-in-home workers is quite low. Another demographic group of in-home workers with particularly low wages is Hispanics, with a median hourly wage of \$9.75. But again, not-in-home Hispanic workers also have relatively low hourly wages, so the disparity between the wages of in-home and not-in-home workers among Hispanics (though very steep, at -26.5 percent) is lower than it is for other racial and ethnic groups. The in-home workers with the highest hourly wages are workers with a bachelor's (\$11.94) or advanced degree (\$12.25). However, these are the *not*-in-home workers with the highest hourly wages, so the wage disparities between in-home and not-in-home workers are very high in these groups.

Figure A and Table 3 show that in-home workers have lower hourly wages than other workers. However, as shown in Table 2A, in-home workers are more likely to fall into demographic groups that have lower wages on average (e.g., women, non-naturalized immigrants, those with a high school degree or less, and racial and ethnic minorities). In order to ascertain the true “penalty” of holding an in-home job—the difference between the wages an in-home worker receives and what she would get if she worked in another occupation—it is important to account for the fact that in-home workers have a different demographic profile than workers in other jobs. We thus turn to a regression analysis that controls for the differences in demographics between in-home workers and other workers (in particular, it controls for gender, nativity, citizenship, race and ethnicity, educational attainment, age, marital status, urbanicity, and region of the country). In other words, the results of this analysis demonstrate not the raw difference in hourly wages between in-home workers and other workers, *but the difference between the hourly wages earned by an in-home worker and those earned by a similar worker in another occupation*. This is the “wage penalty” of in-home work.

**Table 4** presents the results. The top line in the table shows that in-home workers make roughly 25 percent less than similar workers in other occupations. The subgroup of in-home workers with the lowest wage penalty is maids, and there it is still extremely large, at -18.1 percent. Direct-care workers have the most severe hourly wage penalty, at -26.6 percent for agency-based in-home direct-care workers, and -26.1 percent for in-home direct-care workers who are not agency-based.

The remainder of the table shows how the wage penalty of in-home work differs for various demographic groups. The difference between what an in-home worker makes and what that worker would make if he or she were in another occupation is somewhat higher for men (-30.5 percent) than for women (-25.4 percent). At -16.5 percent, the in-home wage penalty for immigrants who are not naturalized U.S. citizens is very large, but is smaller than for U.S.-born citizens and naturalized U.S. citizens. Similarly, at -17.9 percent, the in-home wage penalty for Hispanic workers is large, but is smaller than for other racial and ethnic groups.

The more education credentials a worker has, the greater the wage penalty of in-home work, since workers with higher levels of educational attainment are more able to secure higher wages in other occupations. However, while workers without a high school degree face the lowest in-home work wage penalty of any education category, they still make 8.4 percent less than similar workers who work in other occupations.

TABLE 4

## Hourly wage penalty\* for in-home workers, 2012

	In-home	Maids and housekeeping cleaners	Nannies	Direct-care aides	
				Not agency-based	Agency-based
<i>All</i>	-24.7%****	-18.1%****	-25.8%****	-26.1%****	-26.6%****
<b>Gender</b>					
<i>Female</i>	-25.4%****	-18.0%****	-18.0%****	-26.4%****	-27.6%****
<i>Male</i>	-30.5%****	-46.1%****	-31.8%****	-28.6%****	-29.7%****
<b>Nativity</b>					
<i>U.S. born</i>	-26.2%****	-27.4%****	-20.5%****	-27.0%****	-26.9%****
<i>Naturalized U.S. citizen</i>	-25.6%****	-16.3%****	-29.7%****	-22.5%****	-29.0%****
<i>Non-naturalized immigrant</i>	-16.5%****	-8.1%****	-41.1%****	-23.1%***	-17.2%****
<b>Race/ethnicity</b>					
<i>White, non-Hispanic</i>	-30.8%****	-28.8%****	-23.0%****	-30.4%****	-33.7%****
<i>Black, non-Hispanic</i>	-21.4%****	-13.9%***	-25.0%****	-22.1%****	-21.6%****
<i>Hispanic, any race</i>	-17.9%****	-10.1%****	-28.1%****	-16.9%***	-22.6%****
<i>Asian</i>	-30.7%****	-16.5%	-45.0%****	-34.8%****	-29.9%****
<i>Other</i>	-20.5%****	-13.1%	3.0%	-45.5%****	-21.6%****
<b>Education</b>					
<i>Not high school graduate</i>	-8.4%****	-5.8%***	-17.2%****	-26.0%****	-6.9%****
<i>High school graduate</i>	-20.8%****	-17.1%****	-18.9%****	-21.9%****	-22.2%****
<i>Some college</i>	-28.5%****	-31.5%****	-20.6%****	-17.3%****	-30.8%****
<i>Bachelor's degree</i>	-52.5%****	-42.4%****	-45.4%****	-44.7%****	-59.7%****
<i>Advanced degree</i>	-72.1%****	-80.8%****	-63.3%****	-70.1%****	-72.8%****
<b>Age</b>					
<i>18–22</i>	-6.6%****	-6.8%	-12.5%****	-16.0%	-1.2%
<i>23–49</i>	-25.2%****	-19.0%****	-33%****	-21.1%****	-26.5%****
<i>50+</i>	-27.0%****	-15.1%****	-32.4%****	-30.3%****	-30.2%****

\* Percent difference between the hourly wages earned by an in-home worker and those earned by a demographically similar worker in another occupation

**Note:** \*\*\*\* indicates significance at the .01 level; \*\*\* indicates significance at the .05 level; \*\* indicates significance at the 0.1 level. OLS regressions control for gender, nativity, citizenship, race/ethnicity, educational attainment, age, marital status, urbanicity, and region of the country. Complete regression results available by request from the author. To ensure sufficient sample sizes, this table draws from pooled 2010–2012 microdata.

**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group microdata

TABLE 5

## Hours worked, in-home workers versus other workers, 2012

			Percent difference	Maids and housekeeping cleaners	In-home			
	Not in-home	In-home			Childcare workers		Direct-care aides	
					Nannies	Provide care in own home	Not agency-based	Agency-based
<i>Average weekly hours</i>	38.4	32.4	15.6%	26.7	30.6	39.3	34.1	32.3
<b>Full-time/ part-time breakdowns</b>			<b>Percentage-point difference</b>					
<i>All</i>	100%	100%		100%	100%	100%	100%	100%
<i>Full time</i>	80.3%	52.5%	-27.7	35.8%	49.3%	69.5%	54.5%	52.3%
<i>Part time</i>	19.7%	47.5%	27.8	64.2%	50.7%	30.5%	45.5%	47.7%
<i>Part time for economic reasons (i.e., want full time)</i>	6.0%	16.4%	10.3	27.4%	12.6%	8.0%	14.8%	16.7%
<i>Part time for non-economic reasons</i>	13.7%	31.1%	17.4	36.9%	38.2%	22.6%	30.7%	30.9%

**Note:** To ensure sufficient sample sizes, this table draws from pooled 2010–2012 microdata.

**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group microdata

Similarly, the older a worker is, the greater the wage penalty of in-home work, since older workers are typically able to secure higher wages in other occupations. However, while workers under age 23 face the lowest wage penalty of in-home work of any age category, they still make 6.6 percent less than similar workers who work in other occupations.

In short, Table 4 shows that the wages of in-home jobs are low. Regardless of what demographic group they belong to, in-home workers make significantly less than similar workers who work in other occupations.

## Many in-home workers work part time

One characteristic of most in-home occupations is that they are more likely to be part time than are other jobs. As Table 5 shows, 47.5 percent of in-home workers are part time, compared with 19.7 percent of workers in other occupations. This, of course, means a shorter workweek; the length of the average workweek is 32.4 hours for in-home workers, compared with 38.4 hours for other workers (35 hours is the standard cutoff for a job to be considered full time). Maids have the shortest average workweek, at 26.7 hours. Childcare workers who provide care in their own homes are the exception to the generality that in-home workers have shorter workweeks than other workers, with an average workweek of 39.3 hours.

The lower hourly wages received by in-home workers described in the previous section, combined with fewer hours worked on average, mean that the *weekly* paychecks of in-home workers are substantially lower than those of other workers. However, in comparing weekly paychecks it is important to note that many people who work part time do so

by their own preference, because they want or need a part-time schedule given other interests or obligations. Table 5 further breaks down part-time workers into those who are part time for “economic” reasons (i.e., those who want and are available to work full time but have had to settle for a part-time schedule) and those who are working part time for “non-economic” reasons (those who are working part time by their own preference). In-home workers are much more likely than other workers to work part time because they cannot get the hours they want, but are also more likely than other workers to be working part time by their own preference. Nearly one-third (31.1 percent) of in-home workers are working part time by their own preference, compared with 13.7 percent of other workers. Roughly one in six in-home workers, or 16.4 percent, are working part time but want full-time work, compared with 6.0 percent of other workers. Maids are the most likely subgroup of in-home workers to be unable to get the hours they want, with more than a quarter (27.4 percent) involuntarily working part time.<sup>7</sup>

## Full-time in-home workers receive very low weekly wages

In this section we turn to an investigation of weekly wages for the full-time workforce, defined as people who either have full-time jobs or have part-time jobs but want and are available to work full time. (In practice, this includes everyone *except* people who are working part time by their own preference.) Restricting to people who have or want full-time work allows us to get a weekly wage comparison that is uncontaminated by the fact that a higher share of in-home workers than other workers are working part time by their own preference.

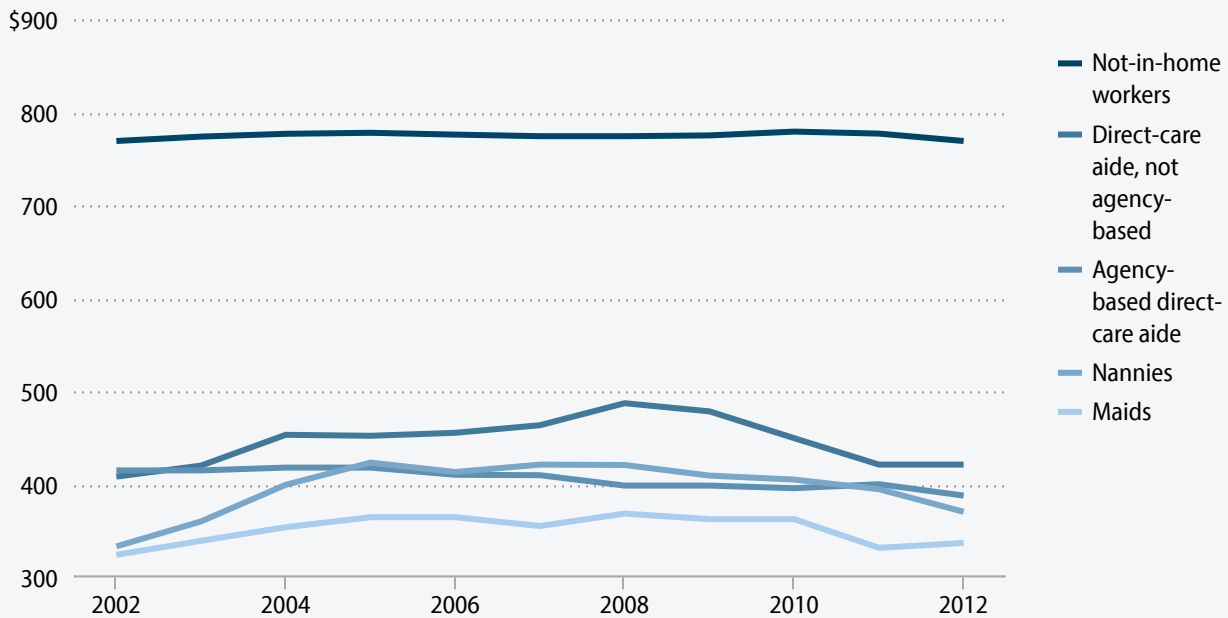
**Figure B** shows median real weekly wages over 2002–2012 for those who have or want full-time jobs. As in Figure A, a striking feature of Figure B is that across the board, among both in-home workers and other workers, there has been little if any wage growth over this period (again, for more on stagnant wages for most workers in the last decade, see *A Decade of Flat Wages*, by Lawrence Mishel and Heidi Shierholz (2013)). Figure B also shows the large disparity between the weekly wages of in-home workers and those of other workers, with the disparities in weekly wages (Figure B) even more pronounced than those in hourly wages (Figure A).

**Table 6** shows median real weekly wages in 2012 for the full-time workforce—i.e., those who have a full-time job and those who have a part-time job but who want and are available to work full time. For simplicity, this discussion will refer to these workers as full-time workers. In 2012, the median weekly wage for full-time in-home workers was \$382, more than 50 percent below the median weekly wage of other full-time workers, \$769. Of the subgroups of full-time in-home workers for whom weekly wages are available, direct-care aides who are not agency-based have the highest weekly wage, at \$421, 45.2 percent below the median weekly wage of not-in-home full-time workers. Among full-time in-home workers, maids have the lowest weekly wage, at \$337.

Again, there are key differences by demographic group. Of full-time in-home workers, the demographic groups with the highest weekly wages are workers with a bachelor’s (\$442) or advanced degree (\$579). However, these are the *not*-in-home workers with the highest weekly wages, so the wage disparities between in-home and not-in-home workers are very high in these groups. Of in-home workers, the age group with the lowest weekly wages are workers age 18–22, with a median weekly wage of \$337. However, young workers are also the *not*-in-home workers with the lowest weekly wage, so the disparity between the wages of in-home workers and not-in-home workers is smaller among this age range than among other age ranges. Hispanics are another demographic group of in-home workers with particularly low wages, with a median weekly wage of \$350. But again, not-in-home Hispanic workers also have relatively low weekly wages,

FIGURE B [VIEW INTERACTIVE on epi.org](#)

## Median real weekly wages for those who have or want a full-time job, in-home workers versus other workers, 2002–2012



**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group, rolling three-year pooled microdata (i.e., "2012" is pooled 2010–2012 data, "2011" is pooled 2009–2011 data, etc.)

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so the disparity in wages between in-home and not-in-home workers among Hispanics, while severe at -36.5 percent, is lower than it is among most other racial and ethnic groups.

Figure B and Table 6 show that full-time in-home workers have lower weekly wages than other full-time workers. But as above, in order to ascertain the true “penalty” of working in an in-home job—the difference between the wages an in-home worker receives and what she would get if she worked in another occupation—it is important to account for the fact that in-home workers have a different demographic profile than workers in other jobs. We thus turn to a regression analysis that controls for the differences in demographics between in-home workers and other workers. In other words, the results of this analysis demonstrate not the raw difference in weekly wages between full-time in-home workers and other full-time workers, *but the difference between the weekly wages earned by a full-time in-home worker and those earned by a similar full-time worker in another occupation.* This is the “weekly wage penalty” of full-time in-home work.

**Table 7** presents the results. The top line in the table shows that in-home workers who have or want full-time jobs make roughly 36.5 percent less than similar workers in other occupations. This is a bigger gap than exists with hourly wages (where, as seen in Table 4, the gap is -24.7 percent), which is unsurprising given the higher share of in-home workers working part time who want full-time work. The subgroup of in-home workers with the highest weekly wage penalty is maids, at -39.0 percent.

TABLE 6

Median real weekly wages for those who have or want a full-time job, in-home workers versus other workers, 2012

	Not in-home	In-home	Percent difference	In-home			
				Maids and housekeeping cleaners	Nannies	Direct-care aides	
						Not agency-based	Agency-based
<i>Median weekly wage</i>	\$769	\$382	-50.3%	\$337	\$371	\$421	\$388
<b>Gender</b>							
<i>Female</i>	\$687	\$379	-44.8%	\$337	\$368	\$421	\$388
<i>Male</i>	\$842	\$408	-51.5%	\$415	*	\$470	\$404
<b>Nativity</b>							
<i>U.S. born</i>	\$800	\$380	-52.5%	\$327	\$400	\$415	\$380
<i>Naturalized U.S. citizen</i>	\$754	\$421	-44.1%	\$420	\$408	\$494	\$427
<i>Non-naturalized immigrant</i>	\$505	\$359	-29.0%	\$327	\$306	\$400	\$400
<b>Race/ethnicity</b>							
<i>White, non-Hispanic</i>	\$850	\$392	-53.8%	\$368	\$400	\$451	\$399
<i>Black, non-Hispanic</i>	\$620	\$400	-35.5%	\$358	\$372	\$415	\$400
<i>Hispanic, any race</i>	\$551	\$350	-36.5%	\$332	\$348	\$400	\$363
<i>Asian</i>	\$883	\$408	-53.8%	\$480	\$327	*	\$408
<i>Other</i>	\$689	\$398	-42.2%	*	*	*	\$398
<b>Education</b>							
<i>Not high school graduate</i>	\$437	\$337	-22.9%	\$306	\$295	\$348	\$358
<i>High school graduate</i>	\$613	\$380	-38.0%	\$342	\$371	\$421	\$385
<i>Some college</i>	\$707	\$398	-43.7%	\$400	\$374	\$505	\$391
<i>Bachelor's degree</i>	\$1,039	\$442	-57.4%	\$557	\$450	*	\$430
<i>Advanced degree</i>	\$1,376	\$579	-57.9%	*	*	*	\$579
<b>Age</b>							
<i>18–22</i>	\$379	\$337	-11.1%	\$259	\$272	\$337	\$358
<i>23–49</i>	\$768	\$379	-50.6%	\$327	\$400	\$456	\$388
<i>50+</i>	\$883	\$403	-54.4%	\$382	\$390	\$421	\$404

\* Indicates limited sample size

**Note:** To ensure sufficient sample sizes, this table draws from pooled 2010–2012 microdata.

**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group microdata



TABLE 7

## Weekly wage penalty\* for in-home workers who have or want a full-time job, 2012

	In-home	Maids and housekeeping cleaners	Nannies	Direct-care aides	
				Not agency-based	Agency-based
<i>All</i>	-36.5%****	-39.0%****	-36.6%****	-34.1%****	-35.9%****
<b>Gender</b>					
<i>Female</i>	-37.2%****	-39.3%****	-38.5%****	-35.2%****	-36.4%****
<i>Male</i>	-43.2%****	-42.7%****	-40.9%****	-31.5%****	-45.0%****
<b>Nativity</b>					
<i>U.S. born</i>	-39.6%****	-58.2%****	-33.2%****	-38.6%****	-38.6%****
<i>Naturalized U.S. citizen</i>	-32.5%****	-32.4%****	-39.7%****	-24.7%***	-32.9%****
<i>Non-naturalized immigrant</i>	-28.0%****	-28.7%****	-45.3%****	-27.7%***	-20.8%****
<b>Race/ethnicity</b>					
<i>White, non-Hispanic</i>	-44.9%****	-50.4%****	-36.7%****	-45.2%****	-45.7%****
<i>Black, non-Hispanic</i>	-30.5%****	-35.7%****	-30.2%****	-26.1%****	-30.6%****
<i>Hispanic, any race</i>	-31.0%****	-33.5%****	-31.0%****	-25.3%***	-29.3%****
<i>Asian</i>	-40.6%****	-19.8%	-58.0%****	-22.2%	-43.0%****
<i>Other</i>	-30.5%****	-37.2%	-34.0%****	-57.3%**	-26.6%****
<b>Education</b>					
<i>Not high school graduate</i>	-21.8%****	-29.6%****	-28.0%****	-30.7%***	-14.2%****
<i>High school graduate</i>	-31.6%****	-37.9%****	-25.0%****	-25.7%****	-31.2%****
<i>Some college</i>	-39.4%****	-43.9%****	-33.7%****	-30.1%****	-40.6%****
<i>Bachelor's degree</i>	-63.9%****	-61.1%****	-55.2%****	-67.6%****	-68.3%****
<i>Advanced degree</i>	-74.7%****	-94.3%***	-68.8%****	-61.8%****	-74.5%****
<b>Age</b>					
<i>18–22</i>	-19.6%****	-38.6%****	-32.2%****	3.6%	-11.2%***
<i>23–49</i>	-36.7%****	-40.6%****	-39.1%****	-27.0%****	-35.9%****
<i>50+</i>	-37.7%****	-33.4%****	-33.6%****	-41.5%****	-39.1%****

\* Percent difference between the weekly wages earned by a full-time in-home worker and those earned by a demographically similar full-time worker in another occupation

**Note:** \*\*\*\* indicates significance at the .01 level; \*\*\* indicates significance at the .05 level; \*\* indicates significance at the 0.1 level. OLS regressions control for gender, nativity, citizenship, race/ethnicity, educational attainment, age, marital status, urbanicity, and region of the country. Complete regression results available by request from the author. To ensure sufficient sample sizes, this table draws from pooled 2010–2012 microdata.

**Source:** Author's analysis of Current Population Survey Outgoing Rotation Group microdata

The remainder of the table shows how the weekly wage penalty of full-time in-home work differs for various demographic groups. The difference between what a full-time in-home worker makes and what that worker would make if employed in another occupation is somewhat higher for men (-43.2 percent) than for women (-37.2 percent). At -28.0 percent, the full-time in-home wage penalty for immigrants who are not naturalized U.S. citizens is very large, but is somewhat smaller than for in-home workers born in the United States (-39.6 percent) or who are naturalized U.S. citizens (-32.5 percent).

As is the case with hourly wages, the more education credentials a worker has, the greater the weekly wage penalty of full-time in-home work, since workers with higher levels of educational attainment are potentially able to secure higher wages in other occupations. However, while full-time in-home workers without a high school degree face the lowest wage penalty of any education category, they still make 21.8 percent less than similar workers who work in other occupations.

Similarly, the older a worker is, the greater the weekly wage penalty of full-time in-home work. However, while full-time in-home workers under age 23 face the lowest wage penalty of any age category, they still make nearly 20 percent less than similar workers who work in other occupations. What Table 7 shows is that regardless of what demographic group they belong to, full-time in-home workers bring home significantly smaller paychecks than similar workers who work in other occupations.

## Annual and hourly earnings for in-home workers are very low

We now turn to a new data source, the Annual Social and Economic Supplement to the Current Population Survey, which provides information on fringe benefits such as health insurance and pensions, along with data on annual income and poverty. With this data source we are also able to examine annual *earnings*, which is what a worker earns on the job in a year. Earnings are a subset of income; income includes not just earnings but also other things such as unemployment insurance, child support, interest, dividends, Social Security, etc.

**Table 8** shows median annual earnings for in-home workers and other workers. Median annual earnings of in-home workers—at \$12,252—are 62.7 percent below those of other workers. Among in-home workers, nannies have the lowest annual earnings, at \$9,000, while agency-based direct-care aides have the highest; however, at \$13,689, their annual earnings are still far less than half those of not-in-home workers.

Table 8 also includes hourly earnings, an alternative hourly wage measure to the one presented in Table 3. Hourly earnings are calculated for each worker by dividing annual earnings by total hours worked in the year. While this is a conceptually sound way to measure hourly wages, in practice it is considered to be less accurate than the one presented in Table 3, which uses a direct measure of hourly wages where available, and where it is unavailable, calculates the hourly wage for a much shorter period (one week versus one year). Nevertheless, we present this less-than-ideal measure because, unlike in Table 3, here we also have data for workers who provide childcare in their own homes. We find that these childcare workers have the lowest hourly earnings among in-home workers, although they do not have the lowest annual earnings. This is due to their greater hours worked (see Table 5). At \$7.53, the hourly earnings of workers who provide childcare in their own homes are just slightly above the federal minimum wage (which has been set at \$7.25 since mid-2009).

TABLE 8

## Median annual and hourly earnings, in-home workers versus other workers, 2012

			Percent difference	In-home				
	Not in-home	In-home		Maids and housekeeping cleaners	Childcare workers		Direct-care aides	
					Nannies	Provide care in own home	Not agency-based	Agency-based
Median annual earnings	\$32,854	\$12,252	-62.7%	\$10,210	\$9,000	\$12,064	\$11,957	\$13,689
Median hourly earnings	\$17.62	\$9.45	-46.3%	\$10.00	\$9.23	\$7.53	\$10.22	\$9.81

**Note:** To ensure sufficient sample sizes, this table draws from pooled 2010–2012 data.

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement data

## Very few in-home workers receive fringe benefits

The preceding analysis shows that the wages—hourly, weekly, and annual—of in-home workers are substantially lower than the wages of workers in other occupations. We now turn to a comparison of the fringe benefits received by in-home workers and those received by other workers. **Table 9** examines the share of workers covered by employer-provided health insurance plans—i.e., the share covered by their own employer and not a spouse's employer—and the share of workers covered by employer-provided pension plans. Just 12.2 percent of in-home workers have employer-provided health insurance, compared with 50.6 percent of workers in other occupations. Most of the in-home workers with employer-provided health insurance are direct-care workers, in particular those who are agency-based, 18.4 percent of whom are covered by an employer-provided health insurance plan (this is still 32.2 percentage points lower than the share of not-in-home workers with this benefit). Less than 5 percent of maids and those who provide in-home child care, and just 6.3 percent of nannies, have health insurance from their job.

The first row of Table 9 shows that in-home workers are much less likely to have employer-provided health insurance than other workers. However, to ascertain the true “penalty” of working in an in-home job—an in-home worker's likelihood of receiving employer-provided health insurance as compared with the likelihood she would receive this benefit if she were employed in another occupation—it is important to account for the fact that in-home workers have a different demographic profile than other workers. As before, we turn to a regression analysis that controls for these demographic differences. The analysis demonstrates that the employer-provided health insurance coverage rate is 28.4 percentage points lower for in-home workers than for similar workers in other occupations. Nannies face the lowest employer-provided health insurance “penalty” among in-home workers, but their coverage rate is more than 20 percentage points lower than that of similar workers who do not work in in-home occupations.

Table 9 also shows that just 7.0 percent of in-home workers are covered by an employer-provided pension plan, compared with 43.8 percent of workers in other occupations. Again, most of those in-home workers with coverage are direct-care workers, in particular those who are agency-based, 10.7 percent of whom are covered by an employer-provided pension plan (this is still 33.1 percentage points lower than the share of not-in-home workers with employer-provided pension coverage). Less than 3 percent of maids, nannies, and those who provide in-home child care have a

TABLE 9

## Employer-provided health insurance and pension coverage rates, in-home workers versus other workers, 2012

	In-home		Percentage-point difference	Maids and housekeeping cleaners	In-home		Not agency-based	Agency-based	
	Not in-home	In-home			Childcare workers				Direct-care aides
					Nannies	Provide care in own home			
<i>Employer-provided health insurance coverage</i>	50.6%	12.2%	-38.5	4.9%	6.3%	3.2%	12.1%	18.4%	
<i>Employer-provided pension coverage</i>	43.8%	7.0%	-36.8	2.4%	2.7%	2.8%	6.3%	10.7%	
<i>In-home-worker employer-provided health insurance penalty*</i>			-28.4****	-29.4****	-20.9****	-41.4****	-32.2****	-23.7****	
<i>In-home-worker employer-provided pension penalty*</i>			-27.5****	-25.6****	-21.1****	-38.7****	-32.3****	-24.5****	

\* Percentage-point difference between the coverage rate of in-home workers and that of demographically similar workers in other occupations

**Note:** \*\*\*\* indicates significance at the .01 level; \*\*\* indicates significance at the .05 level; \*\* indicates significance at the 0.1 level. OLS regressions control for gender, nativity, citizenship, race/ethnicity, educational attainment, age, marital status, urbanicity, and region of the country. Complete regression results available by request from the author. To ensure sufficient sample sizes, this table draws from pooled 2010–2012 microdata.

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

pension plan from their job. And as is true with other measures, even after controlling for the demographic differences between in-home workers and other workers, the discrepancies in employer-provided pension plan coverage are stark: Coverage is 27.5 percentage points lower for in-home workers than for similar workers in other occupations. Again, among in-home workers, nannies face the lowest employer-provided pension plan “penalty,” although at more than 20 percentage points, it is still severe. The key message of Table 9 is that in-home workers are much less likely to receive fringe benefits from their employers than are similar workers in other jobs.

## Most in-home workers do not have incomes high enough to make ends meet

Table 10 shows that across the board, in-home workers are much more likely to live in poverty than workers in other occupations; 23.4 percent of in-home workers live in poverty, compared with 6.5 percent of workers in other occupations, a 16.9 percentage-point difference. At 29.1 percent, maids are the subgroup of in-home workers most likely to live in poverty.

Even after controlling for demographic differences between in-home workers and other workers, the poverty rate among in-home workers is still 11.6 percentage points higher than among similar workers in other occupations. Among in-home workers, this “poverty penalty” is highest among maids (at 14.4 percentage points) and lowest among childcare workers who provide care in their own homes (although it is still a sizable 7.7 percentage points among these workers).

TABLE 10

## Poverty rates, in-home workers versus other workers, 2012

			Percentage-point difference	In-home				
	Not in-home	In-home		Maids and housekeeping cleaners	Childcare workers		Direct-care aides	
					Nannies	Provide care in own home	Not agency-based	Agency-based
Share below the poverty line	6.5%	23.4%	16.9	29.1%	23.3%	17.3%	18.9%	24.4%
Share below twice the poverty line	20.8%	51.4%	30.6	64.0%	43.2%	39.0%	43.5%	54.8%
In-home worker poverty penalty*			11.6****	14.4****	10.9****	7.7****	12.0****	12.6****
In-home worker "twice poverty" penalty*			19.4****	23.4****	12.2****	11.7****	17.0****	23.5****

\* Percentage-point difference between poverty/"twice poverty" rates of in-home workers and those of demographically similar workers in other occupations

**Note:** \*\*\*\* indicates significance at the .01 level; \*\*\* indicates significance at the .05 level; \*\* indicates significance at the 0.1 level. OLS regressions control for gender, nativity, citizenship, race/ethnicity, educational attainment, age, marital status, urbanicity, and region of the country. Complete regression results available by request from the author. To ensure sufficient sample sizes, this table draws from pooled 2010–2012 data.

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement data

Table 10 also shows the "twice-poverty rate," the share of in-home and other workers whose income is below twice the official poverty line. Poverty researchers generally do not consider the poverty rate to be a good measure of the share of families who cannot make ends meet, in part because the poverty thresholds were set in the 1960s and have not evolved to reflect changing shares of spending on various necessities by low-income families. Instead, "twice poverty" is often used as a better cutoff for whether or not a family is able to make ends meet. For reference, in 2012, the poverty threshold for a family of four was \$23,492, and the "twice poverty" threshold was \$46,984.

More than half of in-home workers (51.4 percent) live below twice the poverty threshold, compared with 20.8 percent of other workers, a 30.6 percentage-point difference. Even after controlling for demographic differences between in-home workers and other workers, the share of in-home workers living below twice the poverty line is still 19.4 percentage points higher than that of similar workers in other occupations. Among in-home workers, this "twice-poverty penalty" is highest among agency-based direct-care workers (23.5 percentage points) and maids (23.4 percentage points).

TABLE 11

## Projected employment growth of in-home occupations, 2010–2020

			In-home				
	Not in-home	In-home	Maids and housekeeping cleaners	Childcare workers		Direct-care aides	
				Nannies	Provide care in own home	Not agency-based	Agency-based
<i>Employment, 2010 (in thousands)</i>	130,061.4	2,157	354.4	201.1	389.1	119	1,093.4
<i>Employment, 2020 (in thousands)</i>	148,710	3,304.7	347.8	216.4	489.3	144.6	2,106.6
<i>Percent change</i>	14.3%	53.2%	-1.9%	7.6%	25.8%	21.5%	92.7%

Source: Author's analysis of Bureau of Labor Statistics Employment Projections program public data series

## In-home occupations are growing rapidly

In-home occupations are a fast-growing part of the labor market. **Table 11** presents data from the Employment Projections program of the Bureau of Labor Statistics (BLS). It shows employment levels in 2010 for in-home occupations and other occupations, along with projected employment levels in 2020.<sup>8</sup> Altogether, in-home occupations are expected to grow much faster than other occupations this decade, with in-home occupations growing 53.2 percent, compared with 14.3 percent for other occupations. The strong growth is being driven mainly by the increase in direct-care workers (personal care aides and home health aides), which according to BLS projections are the two fastest-growing occupations in the economy.

In our categories of in-home workers, agency-based direct-care workers are expected to see the strongest growth, with employment expected to nearly double this decade. Workers who provide childcare in their own homes and not-agency-based direct-care workers are also expected to see strong growth this decade, at 25.8 percent and 21.5 percent, respectively. In-home maids are expected to see declines this decade, but recall these numbers do not include agency-based in-home maids because of data limitations. Employment for all wage and salary maids—including in-home maids and those who work in hotels, hospitals, etc.—is expected to grow 7.9 percent over this period (not shown in the table).

## Conclusion

This paper has documented the very low compensation received by in-home workers—compensation that leaves most in-home workers living below twice the official poverty threshold. What can be done?

Though individual employers of in-home workers can and should improve their employees' wages and benefits, policy changes at the state and federal level are needed to rectify the exclusion of many in-home workers from employment and labor laws. Three states—New York, Hawaii, and California—have already each signed into law a bill of rights for domestic workers. Other states should follow suit.

Furthermore, policies that improve job quality for low-wage workers in general will boost the prospects of in-home workers. These include measures such as a sizable increase in the minimum wage, a stronger social safety net, and the

provision of paid sick days. Additionally, comprehensive immigration reform that includes a path to citizenship for unauthorized immigrant workers would raise their wages and working conditions by making them less vulnerable to exploitation, and through positive “spillover” effects, this could also boost the wages of other workers—either authorized immigrant workers or native-born workers—who do the same jobs as unauthorized immigrants do.

Finally, at a time like this, when wages and incomes are being severely depressed by high unemployment, a major fiscal expansion—e.g., substantial investment in infrastructure, fiscal relief to states, and direct job creation programs in states hardest-hit by the recession—would help get the economy back on its feet. This would help reverse the severe erosion of wages and job quality that is being caused by the weak economy that has prevailed in the aftermath of the Great Recession.

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## About the author

**Heidi Shierholz** joined the Economic Policy Institute as an economist in 2007. She has researched and spoken widely on the economy and economic policy as it affects middle- and low-income families, especially in regards to employment, unemployment, labor force participation, compensation, income and wealth inequality, young workers, unemployment insurance, and the minimum wage. Shierholz is a coauthor of *The State of Working America, 12th Edition*; is a frequent contributor to broadcast and radio news outlets, including ABC, CBS, NBC, CNN, and NPR; and is regularly quoted in print and online media outlets, including the *New York Times*, *Washington Post*, and the *Huffington Post*. She has repeatedly been called to testify in Congress on labor market issues. She is a member of the board of directors of the DC Employment Justice Center. Prior to joining EPI, Shierholz worked as an assistant professor of economics at the University of Toronto. She earned her Ph.D. in economics at the University of Michigan-Ann Arbor.

## Endnotes

1. Using the occupation, industry, and sector classification systems in the Current Population Survey Outgoing Rotation Group dataset, in-home workers are defined as follows: Maids are defined as workers who are in the occupation “Maids and housekeeping cleaners” and in the “Private household” industry. Nannies are workers who are in the occupation “Childcare workers” and in either the “Private household” industry or the “Employment services” industry. Workers who provide childcare in their own homes are workers who are in the occupation “Childcare workers,” in the industry “Child day care services,” and are self-employed, unincorporated. Direct care aides who are not agency-based are workers who are a) in the occupation “Nursing, psychiatric, and home health aides” and in the “Private household” industry, or b) in the occupation “Personal care aides” and in either the “Private household” industry or the “Employment services” industry. Agency-based direct-care workers are workers who are a) in the occupation “Nursing, psychiatric, and home health aides” and in either the “Home health care services” industry or the “Individual and family services” industry, or b) in the occupation “Personal care aides” and in either the “Home health care services” industry or the “Individual and family services” industry.
2. In-home jobs are likely to be undercounted in survey data for two reasons. First, a significant proportion of in-home workers are paid “under the table,” which makes individuals less likely to report these jobs. Second, in-home workers are disproportionately foreign born (see Table 2A), and it is believed that immigrants are underrepresented in national surveys (GAO 1998, 42–44). Therefore, it is very likely that the count of 2 million in-home workers in the 2012 Current Population Survey understates the total employment in these jobs. Note also that we exclude any workers who do in-home work without pay, and instead focus on those who do this work for wages. We also exclude other types of in-home workers such as cooks or chauffeurs.

3. Many in-home maids work for private companies such as Merry Maids, but we are unable to include them here because data limitations prevent us from identifying these workers separately from maids who work for private companies in settings other than private homes.
4. Again, it is very likely that this is a substantial undercount; some researchers estimate that as many as 650,000 individuals provide family childcare services (Burton et al. 2002).
5. It should be noted that the wage measure used in this analysis includes overtime, tips, and commissions for both hourly and non-hourly workers. It was created using the “hybrid” approach described on pages 9–13 of Schmitt (2003).
6. In a later section on annual earnings, which are available for the self-employed, we generate an hourly earnings measure by dividing annual earnings by total annual hours in order to compare hourly earnings for those who provide childcare in their own home to other workers.
7. Due to the ongoing weak demand for workers in the sluggish recovery, the share of workers who want and are available to work full time but have had to settle for a part-time schedule is roughly twice as high as it was before the Great Recession began. This is true for both in-home workers and other workers. Before the recession began as well as today, a greater share of in-home workers than other workers work part time but want full-time jobs.
8. All but one of the in-home occupations are defined in exactly the same way here as they are defined earlier in the paper (see endnote 1 for details). The only difference is that here, due to data limitations, workers who provide childcare in their own homes are defined as any childcare workers who are self-employed (either incorporated or unincorporated). Prior to this analysis, the definition of workers who provide childcare in their own homes is somewhat more restrictive: childcare workers who work in the child day care services industry who are self-employed *but not incorporated*. The difference between the two definitions is small (in the 2012 Current Population Survey Outgoing Rotation Group data we find 367,000 in-own-home childcare workers using the more restrictive definition, and 398,000 using the looser definition) and is unlikely to affect any conclusions about the projected growth of in-home work.

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