

The Raise the Wage Act would support essential care workers

Nearly 2 million direct care workers who provide long-term services and supports would benefit from a \$15 minimum wage in 2025

Report • By [Julia Wolfe](#) and [Ben Zipperer](#) • September 28, 2021

The important and difficult work of helping people to lead dignified and independent lives, regardless of age or ability, is deeply undervalued. The 2021 Raise the Wage Act would increase the federal minimum wage from its current level of \$7.25 per hour to \$15 in 2025 and would disproportionately benefit direct care workers who provide long-term health and personal care services and supports to the elderly and people with disabilities.

Previous research has estimated that for the workforce as a whole, the Raise the Wage Act would increase the pay of 32 million workers; these “affected” workers make up 21.2% of all wage and salary workers (Cooper, Mokhiber, and Zipperer 2021). **Table 1** provides the analogous estimates for the direct care workforce, who are much more likely to be affected by the policy because they are paid particularly low wages.

The first row of Table 1 shows that a \$15 minimum wage in 2025 would increase the wages of 2.2 million, or 46.6%, of the 4.7 million nursing assistants, home health aides, and personal care aides working in the United States. In this report, we focus in on the subset of these direct care workers who provide long-term services and supports (LTSS). We define LTSS direct care workers as those employed as nursing assistants and home health and personal care aides in the following industries: nursing care facilities, residential care facilities, home health care services, and individual/family services. We exclude care workers in industries in which they are less likely to be providing LTSS, such as in hospitals (see the methodology for more details).

Of the 3.7 million direct care workers providing LTSS, about half (49.9%), or 1.9 million, would receive higher pay with a \$15 minimum wage in 2025. About 1.1 million of these affected direct care employees work in home care, and about 760,000 work in nursing or residential care homes.

Most of the LTSS direct care workers who would benefit from the Raise the Wage Act are women and people of color. **Table 2** shows that, among direct care workers in LTSS, women are particularly likely to have their pay rise (51.2% would see a raise compared with 40.5% of men in this profession).

Since women make up the vast majority of LTSS direct care workers, 90.7% of those who would benefit from the Raise the Wage Act are women. One-half of those who would

By the numbers

- **1.9 million (49.9% of)** long-term services and supports (LTSS) direct care workers nationwide would get a raise if the minimum wage is \$15 in 2025.
- **Nine in 10** of those getting a raise are women.
- **One-half** are Black, Hispanic, or Asian American/Pacific Islander.
- **\$3,200** – average annual pay increase for a year-round worker.
- **\$3,500** – average annual pay increase for a Black year-round worker.
- **\$3,700** – average annual pay increase for a Hispanic year-round worker.
- In **23 states, 75% or more** of LTSS direct care workers would have higher pay.

Table 1

Nearly 2 million LTSS direct care workers would get a raise if the minimum wage is \$15 in 2025

Direct care workers affected by the Raise the Wage Act in 2025

Group	Total workforce (thousands)	Number affected (thousands)	Share of group affected
All direct care workers: Nursing assistants, home health aides, and personal care aides	4,649	2,166	46.6%
Direct care workers who provide long-term services and supports	3,711	1,852	49.9%
...in home care	2,355	1,093	46.4%
...in nursing and residential care homes	1,357	759	55.9%

Notes: Long-term services and supports (LTSS) are health and social services provided to individuals who need assistance with daily living activities such as bathing, dressing, toilet care, shopping, preparing meals, housekeeping, and managing medications. “Home care” includes care workers who work in the “Home health services” or “Individual family services” industries. The affected shares in the “LTSS direct care workers in home care” and “LTSS direct care workers in nursing and residential care homes” subcategories have been scaled for consistency with the broader category “LTSS direct care workers.” See methodology for details.

Sources: Campbell et al. 2021 and Economic Policy Institute Minimum Wage Simulation Model; see *Technical Methodology* by Cooper, Mokhiber, and Zipperer (2019).

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benefit are Black, Hispanic, or Asian American/Pacific Islander.

Table 3 shows that the average LTSS direct care worker affected by the Raise the Wage Act would receive an annual pay increase of \$3,200 (in 2021 dollars) if they work year round (52 weeks per year). Black or Hispanic LTSS direct care workers would see slightly larger pay increases: The average annual earnings for these workers would rise by \$3,500 and \$3,700, respectively, if they work year round.

Figure A shows that pay increases for LTSS direct care workers are concentrated in the bottom half of their occupations’ hourly wage distributions and would significantly reduce inequality in this profession. For instance, without the Raise the Wage Act, the 10th percentile of the LTSS direct care worker wage distribution would be just \$11.10 in 2025. However, with the Act it would be 35.1% higher, at \$15. The 20th-percentile wage would be 19.0% higher in 2025 under the Raise the Wage Act.

Nationally, 49.9% of LTSS direct care workers would benefit from the Raise the Wage Act. However, since some states already have higher minimum wage standards, this overall share understates the benefits of the Raise the Wage Act in low-minimum-wage states.

Figure B and **Appendix Table 1** show state-specific totals and shares of LTSS direct care workers who would have higher pay as a result of the policy. In nine states, more than five out of every six direct care workers in LTSS would have higher take-home pay: Mississippi (90.7%), Louisiana (89.3%), Arkansas (87.4%), Oklahoma (85.9%), West Virginia (85.3%),

Table 2

Half of LTSS direct care workers who would get a raise from a \$15 minimum wage are Black, Hispanic, or AAPI

Numbers and shares of LTSS direct care workers affected by the Raise the Wage Act in 2025, by race/ethnicity and gender

Group	Total LTSS direct care workforce (thousands)	Number affected (thousands)	Share of group affected	Share of affected who are in each group
Overall	3,711	1,852	49.9%	100.0%
Gender				
Women	3,279	1,679	51.2%	90.7%
Men	431	174	40.5%	9.4%
Race/ethnicity				
White	1,428	860	60.2%	46.4%
Black	1,145	590	51.5%	31.9%
Hispanic	747	296	39.7%	16.0%
AAPI	263	40	15.4%	2.2%

Notes: Long-term services and supports (LTSS) are health and social services provided to individuals who need assistance with daily living activities such as bathing, dressing, toilet care, shopping, preparing meals, housekeeping, and managing medications. AAPI stands for Asian American/Pacific Islander.

Sources: Campbell et al. 2021 and Economic Policy Institute Minimum Wage Simulation Model; see *Technical Methodology* by Cooper, Mokhiber, and Zipperer (2019).

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Alabama (84.8%), New Mexico (84.8%), Missouri (84.4%), and Kansas (83.5%). In 23 states, 75% or more of LTSS direct care workers would have higher pay. Southern states tend to have particularly high shares of direct care workers who would benefit from the RTWA, since many of these states have low minimum wages (EPI 2021). In fact, the five states that would not have a minimum wage at all if it were not for the federal minimum wage are all in the South.

Direct care workers are on the front lines of meeting a large and growing need for support with daily activities (Campbell et al. 2021). Yet their work is deeply undervalued, reflecting the racism, sexism, and xenophobia these workers face, and intersecting with the ableism and ageism faced by those they care for. The result is policy choices that marginalize and deprioritize long-term services and supports, including the historical exclusion of domestic workers—a group that includes some direct care workers—from important labor standards (Gould, Sawo, and Banerjee 2021).

Raising the minimum wage to \$15 is an important step toward ensuring economic security for direct care workers and their families. However, raising the minimum wage does not in itself guarantee adequate and equitable wages for care workers nor does it address the

Table 3

Black and Hispanic LTSS direct care workers would see larger-than-average annual pay gains from a \$15 minimum wage

Pay increases for LTSS direct care workers affected by the Raise the Wage Act in 2025, by race/ethnicity and gender

Group	Average hourly increase	Average annual increase for year-round workers
Overall	\$1.83	\$3,200
Gender		
Women	\$1.85	\$3,300
Men	\$1.72	\$3,000
Race/ethnicity		
White	\$1.67	\$2,900
Black	\$1.92	\$3,500
Hispanic	\$2.24	\$3,700
AAPI	\$1.39	\$2,300

Notes: Long-term services and supports (LTSS) are health and social services provided to individuals who need assistance with daily living activities such as bathing, dressing, toilet care, shopping, preparing meals, housekeeping, and managing medications. AAPI stands for Asian American/Pacific Islander. Year-round workers work 52 weeks per year. All estimates are in 2021 dollars.

Source: Economic Policy Institute Minimum Wage Simulation Model; see *Technical Methodology* by Cooper, Mokhiber, and Zipperer (2019).

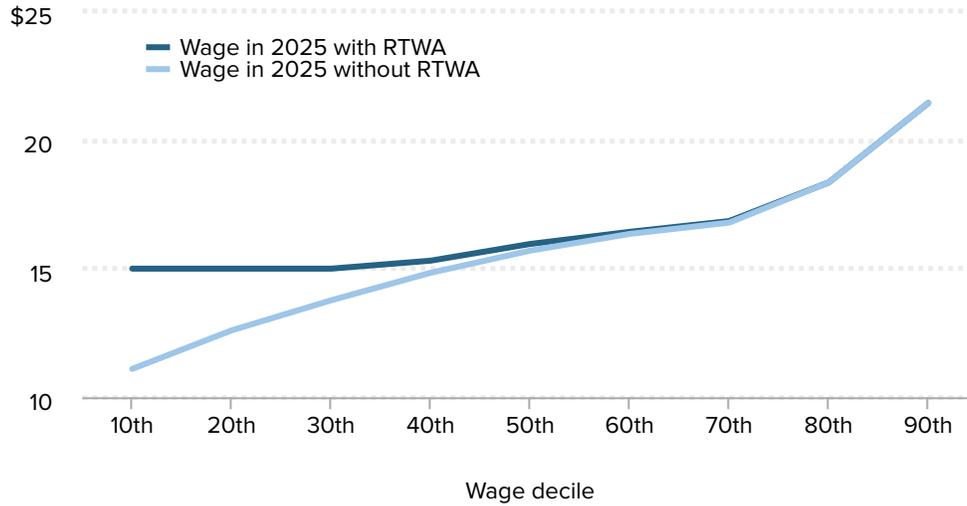
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care work and demographic pay penalties they face (Gould, Sawo, and Banerjee 2021). Lawmakers at all levels of government should also take further action by passing policies that encourage even stronger wages, benefits, and protections for these workers—such as strengthening collective bargaining rights and following the lead of the 10 states and two major cities that have passed Domestic Workers Bills of Rights (NDWA 2021). Raising labor standards for direct care workers should be coupled with public investments that make long-term support services more accessible and affordable (Palladino and Mabud 2021).

Figure A

LTSS direct care worker pay increases from a \$15 minimum wage would be concentrated at the bottom of the wage distribution

Wage distribution of LTSS direct care workers in 2025, with and without the Raise the Wage Act (RTWA)



Notes: Long-term services and supports (LTSS) are health and social services provided to individuals who need assistance with daily living activities such as bathing, dressing, toilet care, shopping, preparing meals, housekeeping, and managing medications. All estimates are in 2021 dollars.

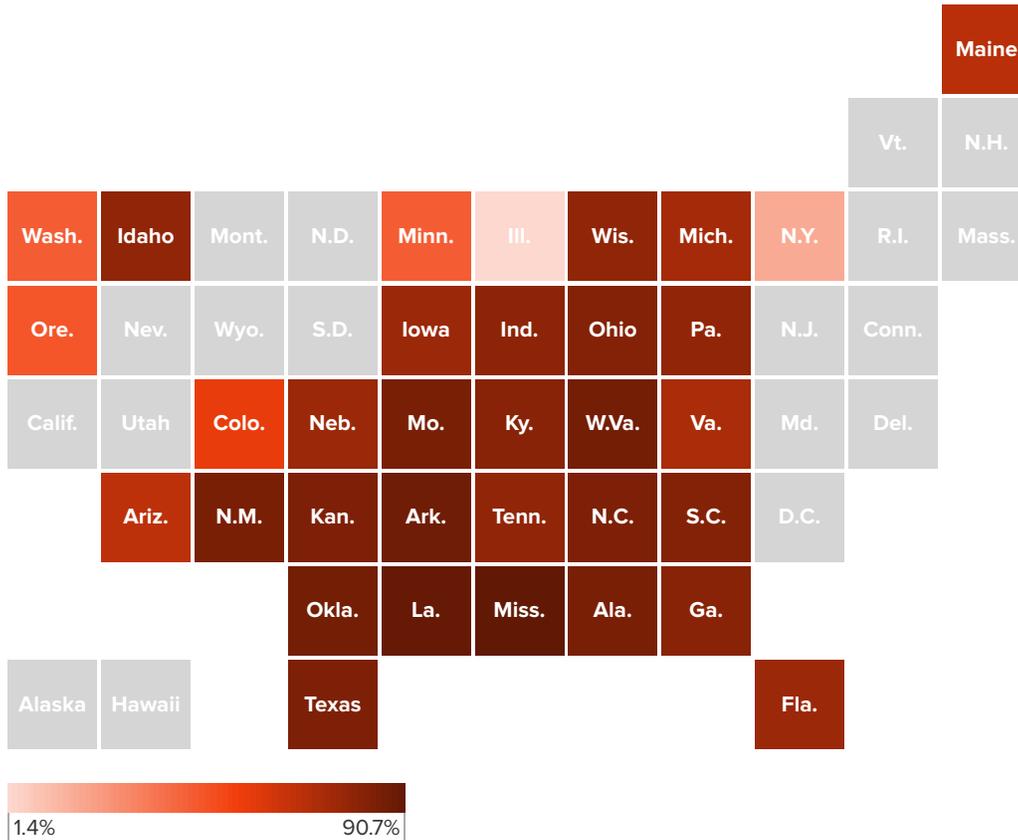
Sources: Economic Policy Institute Minimum Wage Simulation Model; see *Technical Methodology* by Cooper, Mokhiber, and Zipperer (2019).

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Figure B

In 23 states, 75% or more of LTSS direct care workers would have higher pay if the minimum wage is raised to \$15 an hour

Number and share of direct care workers in long-term services and supports who would benefit from the Raise the Wage Act of 2021, by state



Notes: Long-term services and supports (LTSS) are health and social services provided to individuals who need assistance with daily living activities such as bathing, dressing, toilet care, shopping, preparing meals, housekeeping, and managing medications. We do not report data for states in which the total direct care workforce sample size is less than 250. We also do not report counts and shares of affected workers for states in which fewer than 1,000 workers are affected; this is the case for states in which the state minimum wage is already scheduled to reach \$15 by 2025.

Sources: [Campbell et al. 2021](#) and Economic Policy Institute Minimum Wage Simulation Model; see [Technical Methodology](#) by Cooper, Mokhiber, and Zipperer (2019).

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Methodology

The estimates in this report combine two different data sources: shares and distributions of affected workers from the Economic Policy Institute Minimum Wage Simulation Model (Cooper, Mokhiber, and Zipperer 2019) and direct care workforce employment counts from Campbell et al. (2021).

The estimates of the shares and demographics of affected workers and expected wage increases come from our analysis of the 2021 Raise the Wage Act using the Economic Policy Institute Minimum Wage Simulation Model. The results in this memorandum are the projected effects of the policy in 2025. The model incorporates all already scheduled state and local minimum wage increases through 2025 and includes all wage and salary workers with valid wage values, excluding the self-employed and those working abroad. A description of the detailed methodology can be found in Cooper, Mokhiber, and Zipperer 2019.

In the simulation, direct care workers who work in LTSS settings are defined using the 2018 American Community Survey (ACS) occupation categories personal care aides (3602), home health aides (3601), and nursing assistants (3603) and the 2017 ACS industry codes nursing care facilities (8270), residential care facilities (8290), home health care services (8170), and individual/family services (8370).

The ACS-based employment counts for these occupation categories are lower than establishment survey-based counts such as the BLS Occupational Employment and Wage Statistics (OEWS). We make the assumption that the household-based ACS survey undercounts this workforce and that the OEWS is the more accurate of the two surveys. We therefore estimate the total direct care employment levels using the 2018 OEWS-based values on page 18 of Campbell et al. 2021 for direct care employment in home care and in nursing and residential care homes. Conceptually these are similar to the ACS categories we use, except that Campbell et al.'s (2021) estimates use the narrower "services for the elderly and persons with disabilities" industry in the place of the broader "individual/family services," which is the most detailed industry category available for these workers in the ACS.

To estimate 2025 total and affected direct care LTSS counts, we increase the Campbell et al. 2021 workforce estimates for 2018 by a projected 4.22% population growth factor (see Cooper, Mokhiber, and Zipperer 2019) and multiply them by the shares affected, which we estimate using ACS data.

Using the overall share of LTSS direct care workers who are affected (rather than using separate "affected" shares from the ACS for the two subsets of LTSS direct care workers, in-home and nursing and residential care home workers), we estimate that 23,000 more workers will be affected. To ensure that the values in the last two rows of Table 1 sum to a consistent level, we distribute these 23,000 affected workers to the two subcategories

based on their share of the overall LTSS direct care workforce. This changes the separate estimates of the shares of workers affected in these two subcategories by less than 1%.

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Number and share of direct care workers in LTSS who would benefit from the Raise the Wage Act of 2021, by state

State	Total LTSS direct care workforce	Total number of affected LTSS direct care workers	Share of LTSS direct care workers affected
<i>Alabama</i>	37,000	31,000	84.8%
<i>Alaska</i>	NA	NA	NA
<i>Arizona</i>	59,000	39,000	66.3%
<i>Arkansas</i>	36,000	32,000	87.4%
<i>California</i>	471,000	NA	NA
<i>Colorado</i>	44,000	24,000	55.1%
<i>Connecticut</i>	54,000	NA	NA
<i>Delaware</i>	NA	NA	NA
<i>District of Columbia</i>	NA	NA	NA
<i>Florida</i>	152,000	115,000	75.7%
<i>Georgia</i>	61,000	49,000	80.7%
<i>Hawaii</i>	NA	NA	NA
<i>Idaho</i>	19,000	15,000	78.2%
<i>Illinois</i>	145,000	2,000	1.4%
<i>Indiana</i>	66,000	52,000	79.6%
<i>Iowa</i>	41,000	31,000	75.0%
<i>Kansas</i>	34,000	29,000	83.5%
<i>Kentucky</i>	32,000	26,000	80.4%
<i>Louisiana</i>	54,000	48,000	89.3%
<i>Maine</i>	22,000	15,000	67.6%
<i>Maryland</i>	53,000	NA	NA
<i>Massachusetts</i>	96,000	NA	NA
<i>Michigan</i>	115,000	84,000	73.2%
<i>Minnesota</i>	97,000	41,000	42.3%
<i>Mississippi</i>	26,000	23,000	90.7%
<i>Missouri</i>	77,000	65,000	84.4%
<i>Montana</i>	NA	NA	NA
<i>Nebraska</i>	23,000	17,000	75.6%

Appendix
Table 1
(cont.)

State	Total LTSS direct care workforce	Total number of affected LTSS direct care workers	Share of LTSS direct care workers affected
<i>Nevada</i>	NA	NA	NA
<i>New Hampshire</i>	NA	NA	NA
<i>New Jersey</i>	90,000	NA	NA
<i>New Mexico</i>	34,000	29,000	84.8%
<i>New York</i>	423,000	68,000	16.1%
<i>North Carolina</i>	98,000	82,000	83.3%
<i>North Dakota</i>	NA	NA	NA
<i>Ohio</i>	146,000	120,000	82.1%
<i>Oklahoma</i>	35,000	30,000	85.9%
<i>Oregon</i>	54,000	24,000	44.4%
<i>Pennsylvania</i>	187,000	146,000	78.1%
<i>Rhode Island</i>	NA	NA	NA
<i>South Carolina</i>	43,000	36,000	82.3%
<i>South Dakota</i>	NA	NA	NA
<i>Tennessee</i>	58,000	45,000	78.2%
<i>Texas</i>	324,000	270,000	83.2%
<i>Utah</i>	NA	NA	NA
<i>Vermont</i>	NA	NA	NA
<i>Virginia</i>	74,000	52,000	71.1%
<i>Washington</i>	77,000	32,000	42.0%
<i>West Virginia</i>	25,000	22,000	85.3%
<i>Wisconsin</i>	87,000	67,000	77.5%
<i>Wyoming</i>	NA	NA	NA

Notes: Long-term services and supports (LTSS) are health and social services provided to individuals who need assistance with daily living activities such as bathing, dressing, toilet care, shopping, preparing meals, housekeeping, and managing medications. We do not report data for states in which the total direct care workforce sample size is less than 250. We also do not report counts and shares of affected workers for states in which fewer than 1,000 workers are affected; this is the case for states in which the state minimum wage is already scheduled to reach \$15 by 2025.

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