

# Snapshot

# Home Care in Arizona

## What is Home Care?

Professional home care workers support their elderly and disabled clients with activities of daily living. This workforce enables their clients to remain in their homes and supports their clients' family members to participate in the labor force.

## Growing Need for Home Care Workers



**1.2 million**

people 65 and older in Arizona.<sup>1</sup>

By 2030, this population is projected to double, to **2.4 million**.<sup>2</sup>



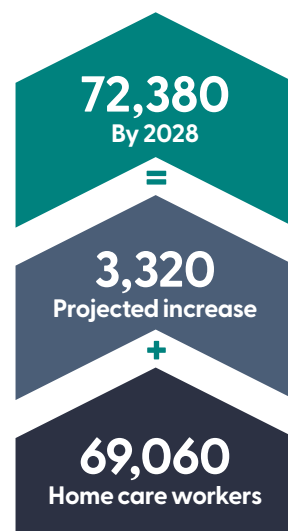
**900,000**

additional disabled individuals in Arizona who could potentially benefit from personal support workers in their homes.<sup>3</sup>

## Rapidly Growing Occupation

Home care is one of the largest and fastest growing occupations, but the need exceeds the supply, drawing unpaid family caregivers from full-time employment to help fill the gap.

- + There are **69,060** professional home care workers in Arizona.<sup>4</sup>
  - + This occupation has grown **111%** over the past 10 years in Arizona.
- + Arizona is projected to add an additional **3,320** home care jobs by 2028.<sup>5</sup>
- + Due to high turnover, each year there are projected to be **470** home care job openings in Arizona.



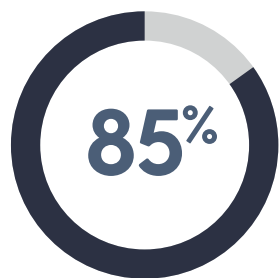
## Rising Revenues, Persistent Low Wages, High Costs of Home Care

- + The annual median cost of home care in Arizona is **\$59,488**,<sup>6</sup> up from **\$54,055** in 2009.<sup>7</sup> This has translated into rising revenues, while low wages persist.
- + Home care industry revenues are **\$109.6B** and projected to increase by **5.1%** annually.<sup>8</sup>
- + In 2019, Arizona home care workers received a median hourly wage of **\$12.02/hour** and a median annual income of **\$26,050**.
  - + This rose to **\$12.70/hour** and **\$27,740** annually in 2020,<sup>9</sup> though this increase may be temporary as pandemic subsidies expire.<sup>10</sup>

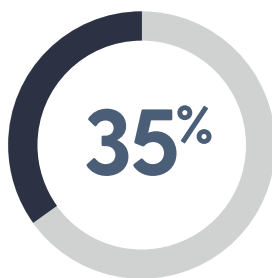


# Worker Demographics

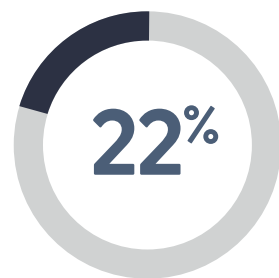
The Arizona home care workforce is disproportionately composed of women of color and immigrant women. Their median age is 51.<sup>11</sup>



Women



People of Color  
29% being women of color

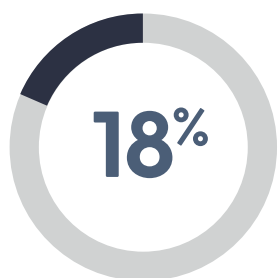


Foreign-Born

## Economic Impacts and Racial & Ethnic Disparities

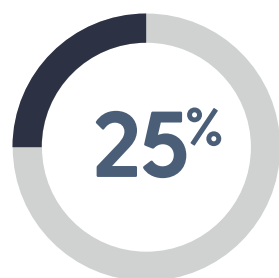
Recruitment and retention of workers in this rapidly growing occupation can help support the Arizona economy.

- + Professional home care workers help family members—especially women—to remain in the workforce,<sup>12</sup> but many families are waiting to receive this support.
- + Studies have found that raising wages for home care workers leads to lower costs from reduced turnover and from workers’ reliance on public safety net programs.<sup>13</sup>
- + Low wages result in thousands of Arizona home care workers living in poverty:<sup>14</sup>



Home care workers live in poverty including:

- 21% of Black workers
- 17% of Hispanic workers
- 23% of Asian workers
- 13% of White workers



Home care workers receive food stamps including:

- 33% of Black workers
- 33% of Hispanic workers
- 34% of Asian workers
- 15% of White workers

## Authors

Lina Stepick and Brooke Ada Tran

## Acknowledgment

Thanks to Bina Patel Shrimali for editorial guidance and Victoria Felix for graphic design.

## Disclaimer

The views expressed here are those of the authors and not necessarily those of the Federal Reserve Bank of San Francisco or the Federal Reserve System.

## Endnotes

1. U.S. Census Bureau. American Community Survey: 2015–2019 (5-Year Estimate).
2. Population Projections, United States, 2004 – 2030, By State, Age and Sex. CDC WONDER Online Database. <http://wonder.cdc.gov/population-projections.html>
3. U.S. Census Bureau. American Community Survey: 2015–2019 (5-Year Estimate).
4. U.S. Bureau of Labor Statistics. Occupational Employment and Wage Statistics (State-Level): May 2010–2020. <https://www.bls.gov/oes/tables.htm>. SOC codes 31–1120 (2020); 31–1011, 39–9021 (2010).
5. Projections Central, U.S. Department of Labor. Long-Term State Employment Projections: 2018–2028. [https://projectionscentral.org/Projections/rest\\_and\\_downloads](https://projectionscentral.org/Projections/rest_and_downloads). SOC codes 31–1011, 39–9021.
6. Genworth. Cost of Care Survey 2020. <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>
7. Genworth. Cost of Care Survey 2009. <http://www.insurancebrokerageamerica.com/genworth/cost-of-care-170-page-survey.pdf> Values inflation-adjusted to 2020 dollars.
8. Diment, Dmitry. “Home Care Providers in the US: Industry at a Glance.” IBISWorld, August 2021. <https://my.ibisworld.com/us/en/industry/62161/industry-at-a-glance>
9. U.S. Bureau of Labor Statistics. Occupational Employment and Wage Statistics, State-Level May 2019–2020. <https://www.bls.gov/oes/tables.htm>. For comparison, a living wage in Arizona is \$18.66 per hour for a single adult: Glasmeier, Amy K. Living Wage Calculator. 2020. Massachusetts Institute of Technology. <https://livingwage.mit.edu/states/06>.
10. Musumeci, MaryBeth, Rachel Dolan, and Madline Guth. “State Actions to Sustain Medicaid Long-Term Services and Supports during COVID-19.” Kaiser Family Foundation, August 25, 2020. <https://www.kff.org/medicaid/issue-brief/state-actions-to-sustain-medicaid-long-term-services-and-supports-during-covid-19/>
11. U.S. Census Bureau. IPUMS microdata, American Community Survey: 2015–2019 (5-year Estimate). For comparison, the Arizona working age population is 21% people of color, including 11% women of color, and 17% foreign-born.
12. Shen, Karen. “Who Benefits from Public Financing for Low-Income Seniors?” Harvard University, May 12, 2021. <https://scholar.harvard.edu/files/kshen/files/caregivers.pdf>
13. Howes, Candace. 2005. “Living Wages and Retention of Homecare Workers.” *Industrial Relations: A Journal of Economy and Society*, 44 (1): 139–163. “The Case for Public Investment in Higher Pay for New York State Home Care Workers: Estimated Costs and Savings.” Jaboula-Carolus, Isaac, Stephanie Luce, and Ruth Milkman. 2021. City University of New York (CUNY) Graduate Center.
14. U.S. Census Bureau. American Community Survey: 2015–2019 (5-Year Estimate).

For additional state profiles and more on this topic, please visit: [sffed.us/homecare](https://sffed.us/homecare)