From PHI News: New Research: 7.8 Million Direct Care Jobs Will Need to Be Filled by 2026

BY STEPHEN CAMPBELL | JANUARY 24, 2019

In a recent conversation, a state labor economist from Pennsylvania casually mentioned to me that every state has added new measures of "occupational separations" to their employment projections. I was intrigued: *What are occupational separations? Did the Bureau of Labor Statistics (BLS) figure out how to measure turnover?*

At PHI, we have historically presented job growth as the best metric of future demand for direct care workers. Growth figures deserve our attention, as I'll explain below. But growth alone tells an incomplete story because long-term care employers often struggle to fill their *existing* positions due to high turnover.

Could our methodological limitation be resolved with this new measure from the BLS? To answer this question, I spoke with BLS labor economists and pored over their methodological guidance. I learned that yes, the new separations data *do* offer a more complete picture of expected employment trends over the next decade. And when I analyzed these data for the direct care workforce for the first time, the results were startling. Let me explain why.

KEY FINDINGS

- **The BLS projects there will be 7.8 million direct care job openings from 2016 to 2026: 3.6 million workers will leave the labor force, 2.8 million workers will leave the field for other occupations, and 1.4 million new positions will be created due to rising demand.**
- **The direct care workforce will grow more than any single occupation in the country.**
- **From 2016 to 2026, the direct care workforce will add the greatest number of new jobs (as compared to other occupations) in 38 states.**

FIRST: WHAT IS JOB GROWTH?

Employment growth figures from the BLS rely on past economic trends to capture how much the direct care workforce is expected to expand or contract in the coming decade. Based on the most current BLS projections, we expect the direct care workforce to grow by 1.4 million workers from 2016 to 2026. To put that figure in perspective, the direct care workforce will grow more than registered nurses and fast food workers *combined*, which are ranked second and third for net job growth according to the BLS. Of note, the total direct care workforce will be larger than any single occupation in 2026.

State-level employment projections show similar trends. From 2016 to 2026, the direct care workforce will add the greatest number of new jobs (as compared to other occupations) in 38 states—and by 2026, it will be the largest workforce in 21 states (see Figure 1). In California, Minnesota, New Mexico, and Vermont, personal care aides *alone* will be the largest single occupation in 2026.

However, this projected growth only tells us how many *new* direct care worker positions will be created, not how many *current* workers we will need to replace.

WHAT DO 'OCCUPATIONAL SEPARATIONS' ADD?

To better understand future workforce needs, we can now turn to projected occupational separations, which have two components. The first—labor force exits—reflects the number of workers who will retire or leave the labor force for other reasons. The second component—occupational transfers—reflects the number of workers who are likely to leave their current occupations for new ones.

On the latter, occupational transfers capture turnover for the aggregate direct care workforce—not churn *within* the workforce. For example, a personal care aide who leaves her job to become a cashier at a retail store *would* count as a transfer, while one who leaves her job to work at another agency in the same role *would not* count as a transfer.

That said, even though occupational separations don't account for *all* turnover in the workforce, the new estimates are striking. According to the BLS, the long-term care industry will need to replace 6.4 million direct care workers from 2016 to 2026, including 3.6 million workers who will leave the labor force and 2.8 million workers who will leave the field for other occupations. Taken together, long-term care employers will need to fill *7.8 million* total direct care job openings from 2016 to 2026—double the population of Los Angeles (see Figure 2).

WHAT DOES THIS MEAN FOR OUR SECTOR?

These statistics are startling, but they should serve to galvanize, not further stall, the long-term care sector. To reduce unnecessary turnover among direct care workers, the long-term care sector needs to improve the quality of direct care jobs through higher wages, better training, and opportunities for advancement, among other interventions. Also, employers should consider expanding the labor pool for this workforce through education campaigns that elevate the profile of direct care workers; through targeted recruitment of new populations (including men, younger workers, and older workers, among others); and through partnerships with community institutions such as schools, churches, and workforce development agencies.

In short, these BLS projections confirm that we need a large-scale investment to recruit new workers and reduce turnover within this workforce to ensure that older adults and people with disabilities can access proper supports in the coming years.

To understand the future of this direct care workforce, PHI's Workforce Data Center reports projected growth, separations, and total job openings in every state from 2016 to 2026. For detailed occupational separations projections, refer to state-level labor market information agencies.

METHODOLOGY, DATA SOURCE & LIMITATIONS

The direct care workforce comprises personal care aides, home health aides, and nursing assistants. See PHI's FAQs for a detailed description of each occupation.

Growth and occupational separations data were sourced from the Bureau of Labor Statistics (BLS) Employment Projections Program's 2016 to 2026 *Occupational Separations and Openings* table, available here. We multiplied annual average occupational separations by 10 to generate aggregate figures for the decade. For more information regarding the BLS occupational separations methodology, refer to this page. The *Long Term Occupational Projections (2016 to 2026)* from Projections Central, available here, were used for state-level employment projections.