

# Caring for Colorado: An Analysis of Personal Care Aide Pay

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## Highlights

- Wages for personal care aides are barely keeping up with the cost of living. The median wage for the profession was up only 8 cents in 2018 compared to where it was in 2004, when adjusted for inflation.
- In Denver, where nearly 60 percent of personal care aides live and work, someone with that job has to work an average of 93 hours per week in order to afford to spend 30 percent of their income on housing.
- Regardless of the target rate of 30 percent of income towards rent, a personal care aide in the Denver Metro Area will see the first 28 hours of their wages – about 70 percent of earnings for a full-time worker – go solely towards paying for housing.
- The issue of stagnant pay for personal care aides especially affects women, who make up over 80 percent of the profession, and people aged 50 or older, with more than half of personal care aides falling into that age group.
- Despite Medicaid reimbursement going up by \$4.56 per hour since 2012-13, the median wage for personal care aides has increased by less than half that figure, at \$2.23 per hour.

## Introduction

The United States health care system represents a significant section of the country's economy. With an aging population and a sizeable increase in the amount of money we spend on health care, the health care industry overtook retail in 2017 as the biggest source of jobs in the US, [according to The Atlantic](#).

Of those jobs, about 3 million are home health care workers and personal care aides. While both professions work to improve the lives of people with disabilities and those suffering from chronic illnesses (typically older people), home health care workers provide some direct health-related services, while personal care aides usually provide non-medical services to their clients. The majority of these jobs – roughly two-thirds – are personal care aides, [according to federal data](#). Nationally, these jobs are expected to be a fast-growing occupation, with federal analysts predicting as many as 1.2 million new personal care and home health aides by 2026.

Personal care aide jobs across Colorado 2018	
Boulder	1,600
Colorado Springs	2,380
Denver-Aurora-Lakewood	16,100
Fort Collins	1,100
Grand Junction	820
Greeley	560
Pueblo	1,310
Non-Metro Areas in Colorado	3,440
<b>Total</b>	<b>27,310</b>

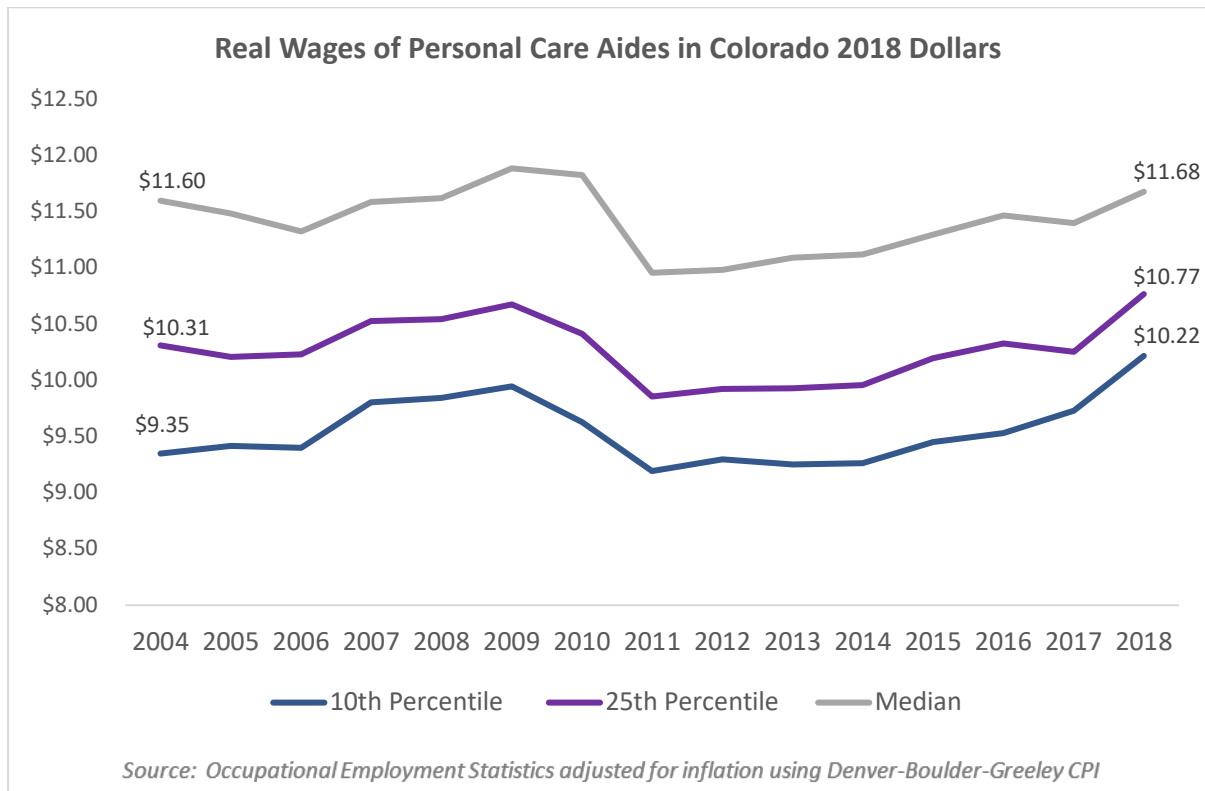
In Colorado, there are more than 27,000 personal care aides, the vast majority of whom work along the Front Range urban corridor between Fort Collins and Pueblo.

## Wages of Personal Care Aides

2018 Personal Care Aides Colorado Jobs	10th Percentile Wage	25th Percentile Wage	Median Wage	75th Percentile Wage	90th Percentile Wage
27,360	\$ 10.22	\$ 10.77	\$ 11.68	\$ 13.60	\$ 16.43

*Source: BLS Occupational Employment Statistics 2018*

Analysis of inflation-adjusted wages for many personal care aides in Colorado shows median earnings for those workers are barely outpacing inflation. The largest growth in wages for personal care aides occurred for the workers earning the lowest wages. This growth can largely be attributed to minimum wage increases, as Colorado’s minimum wage increased in 2007 and again in 2017. For workers in the bottom 10<sup>th</sup> percentile, wages have grown by about 10 percent, up from \$9.35 in 2004 to \$10.22 in 2018. The wage boosts are much less dramatic for personal care aides who earn the median wage for their profession: the 2018 inflation-adjusted median wage of personal care aides only grew \$0.08 in the last 14 years.



## History of Medicaid Reimbursement Rates

Because many of the people who rely on personal care aides get their health care paid for through Medicaid, there is a direct connection between Medicaid reimbursement rates and personal care aide wages. The portion of reimbursement for personal care that goes to wages in the past seven years has ranged from 68 percent to 61 percent and was 63 percent in FY2018-19. This means as reimbursements for elderly, blind, and disabled personal care have gone up by \$4.56 an hour, the median wage of personal care aides has only increased \$2.23 an hour.

Personal care aide Wages Compared to Medicaid Reimbursements				
	Elderly, Blind or Disabled Personal Care 15-minute unit Rate*	EBD Personal Care Hourly Rate**	Median Wage Personal Care Aide Colorado***	Median Wage as Portion of Medicaid Reimbursement****
FY 2012-13	\$3.47	\$13.88	\$9.45	68%
FY 2013-14	\$3.76	\$15.04	\$9.81	65%
FY 2014-15	\$3.84	\$15.36	\$10.11	66%
FY 2015-16	\$4.25	\$17.00	\$10.39	61%
FY 2016-17	\$4.25	\$17.00	\$10.84	64%
FY 2017-18	\$4.38	\$17.52	\$11.14	64%
FY 2018-19	\$4.61	\$18.44	\$11.68	63%
<p><i>*Personal Care History of Rates and Increases by Service provided by HCPF</i>  <i>**first column multiplied by 4</i>  <i>***Bureau of Labor Statistics Occupational Employment Statistics Colorado</i>  <i>****column 3 divided by column 2</i></p>				

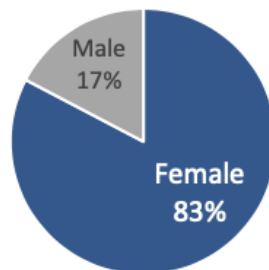
As the chart above shows, the median wage for personal care aides as a portion of Medicaid reimbursements is now below what it was in FY2012-13. Because wages are tied so closely to Medicaid reimbursements, there is an opportunity for policy changes that could bring about better wages for personal care aides.

## Demographics of personal care aides in Colorado

CFI's analysis of demographic data for personal care aides breaks down as follows:

- More than four out of every five personal care aides in Colorado are women.

Large Majority of Personal Care Aides are Female



Source: CFI analysis of ACS PUMS

- Though the profession goes across all age groups, 46 percent of personal care aides are over 50 years old, and only one-third are 34 or younger.
- The racial and ethnic breakdown of personal care aides largely matches the state's as a whole.
- The majority of personal care aides are full-time workers, with 51 percent working 35 hours or more. Nearly three-quarters work more than 25 hours per week.

Age	Portion of Personal Care Aides
under 25	14%
26 to 34	20%
35 to 49	20%
50 to 60	28%
above 60	18%
Race	Portion of Personal Care Aides
White (non-Hispanic)	70%
Latinx/Hispanic	20%
African American	5%
Other, Two or More	6%
Hours Worked Per Week	Portion of Personal Care Aides
less than 15 hours	10%
15 to 24 hours	18%
25 to 34 hours	21%
35 hours or more	51%

Source: CFI analysis of ASC PUMS; figures do not sum to 100% because of rounding

### Housing challenges for personal care aides

Similar to the problem of wages not keeping up with the overall cost of living, personal care aides – like other workers who earn low wages – most likely find it difficult to afford to put a roof over their heads. A good measure of housing affordability is for a worker or a family to have housing take up no more than 30 percent of income, but many personal care aides must pay well over that targeted amount.

This is especially pronounced in the Denver Metro Area, where a personal care aide in Denver earning the median wage for their profession would have to work 93 hours a week in order to keep housing costs at the 30 percent of income target. More realistically, a personal care aide needs to work 28 hours a week before they earn enough money to pay for rent, up from 22 hours in 2012.

	Fair Market Rent for 2-Bedroom (monthly)		Median Wage of Personal Care Aide		Hours Worked a Week to Cover Cost of Housing		Hours to work so that housing is 30%	
	2012	2018	2012	2018	2012	2018	2012	2018
Boulder	\$987	\$1,461	\$10.73	\$13.58	21	25	71	83
Colorado Springs	\$756	\$1,020	\$9.25	\$11.30	19	21	63	69
Denver-Aurora-Lakewood	\$893	\$1,418	\$9.57	\$11.78	22	28	72	93
Fort Collins	\$746	\$1,106	\$9.77	\$11.72	18	22	59	73
Grand Junction	\$685	\$844	\$9.03	\$10.85	18	18	58	60
Greeley	\$687	\$937	\$9.48	\$11.53	17	19	56	63
Pueblo	\$636	\$770	\$8.80	\$11.08	17	16	56	53

*Source: CFI analysis of HUD Fair Market Rent data and BLS Occupational Employment Statistics Wage data*

### Conclusion

Tens of thousands of personal care aides live and work in Colorado, and federal jobs data suggest there will be even more personal care aides working in Colorado and across the country in the next 10 years. In Colorado, the vast majority of personal care aides are women, and the majority are over the age of 50.

Though these workers provide critical services to mostly older Coloradans dealing with chronic illnesses and other health issues, their wages have been essentially flat for nearly 15 years (when considering inflation). Additionally, personal care aides, like other workers earning low wages, struggle to afford to pay to put a roof over their heads, and many of them devote upwards of 70 percent of their wages to housing.

As Colorado’s population continues to age, it will be more important as time passes for personal care aides to be able to earn a living wage and afford housing. One way to address the challenges faced by personal care aides would be for state lawmakers to consider policies that will boost their wages, including more explicit policies tying the wages of personal care aides to Medicaid reimbursement amounts.