



Consumer Directed Personal Assistance Association of New York State

Bonuses Are Not a Replacement for Increased Wages

New York is experiencing a worst-in-the-nation home care crisis stemming from poverty-level wages stemming from over a decade's worth of disinvestment and cuts. Despite government officials, advocates, agencies, and those who actually use these programs knowing the cause of this crisis, Governor Hochul's budget does not propose to raise the wages. Instead, she proposes a one-time bonus that is too-little, too-late and will be as effective at solving this crisis as trying to drain the ocean with a tablespoon.

Over \$500 million in cuts in just the last four years, combined with systemic neglect of the industry for over a decade have caused the hourly pay for home care workers to drop from 162% of the minimum wage in 2006 to the minimum wage itself, which in much of the state is a mere 88% of the higher minimum wage of \$15/hr for the fast food sector. CDPA consumers, more than 140,000 disabled and older adults statewide, are unable to hire and retain workers and are not getting some or all of their approved services.

This crisis has spread to every corner of the state and is increasingly dire: since March 2020, more than one-third of consumers have lost a PA that they could not replace, and more than 50% of the PAs who quit cited low pay as the reason. Mercer, in their national workforce estimate, predicted New York will experience a shortage of 23,000 home care workers by 2025, but with the COVID-19 pandemic greatly increasing the number of individuals in need to long-term care, this may be an underestimate.

The proposed budget does not include a real solution in the form of increased wages. Instead it proposes a complicated bandaid in the form of one-time bonuses based upon the number of hours that home care workers work ranging from \$500 - \$3,000 for those who actually receive the bonus, with an estimated 1 in 5 not qualifying for any bonus at all.

Even if a worker qualified for the full amount, a full-time PA in upstate would still be paid less than \$15.00 an hour. Further, a temporary monetary increase will also push many workers over the "benefits cliff" in which they themselves are pushed above the income limit for public benefits, on which 47% of home care workers rely to survive, even though there is no long-term income to allow them a continued ability to survive at this wage.

Fair Pay for Home Care is a simple mechanism that would guarantee home care workers earn 150% of the minimum wage in which they work, tied to future increases in the minimum wage. Not only would this reverse the home care shortage, but it would also create a net economic gain of at least \$1 billion, creating a self-sustaining investment that would advantage local economies across the state.

Bonuses are a nice extra, but are not a replacement for increased wages. The final budget must include Fair Pay for Home Care to end the workforce crisis, end state imposed poverty-level wages, and lift thousands into the middle class by investing in human infrastructure - something bonuses cannot do.

The final budget must reject bonuses and enact Fair Pay for Home Care to actually show this workforce we respect the work they do while ending the workforce crisis we are experiencing.