The increasing demand for long-term care

THE SCALE OF UNPAID CARE WORK

Across OECD countries:
Women spend 2.8 times the number of hours on unpaid care work as men.

Women per day on unpaid care work:
4.5 hours

This implies over $877 billion USD in foregone wages annually for women in 30 OECD countries.

Across the UK and USA, unpaid long-term care often far outweighs formal services:
- Long-term care workforce: 1.5 million
- Unpaid carers: 6.5 million

Many countries are rapidly ageing and those with many aged 80+ face major challenges:

<table>
<thead>
<tr>
<th>Republic of Korea</th>
<th>Japan</th>
<th>Spain</th>
<th>Greece</th>
<th>Italy</th>
<th>Portugal</th>
<th>Singapore</th>
<th>Germany</th>
<th>Austria</th>
<th>Switzerland</th>
<th>Netherlands</th>
<th>France</th>
<th>Finland</th>
<th>Belgium</th>
<th>Ireland</th>
<th>China</th>
<th>UK</th>
<th>Canada</th>
<th>Sweden</th>
<th>New Zealand</th>
<th>Australia</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of population aged 65 and over</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>14</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Japan</th>
<th>Republic of Korea</th>
<th>Italy</th>
<th>Spain</th>
<th>Greece</th>
<th>Portugal</th>
<th>Singapore</th>
<th>Germany</th>
<th>Austria</th>
<th>Switzerland</th>
<th>Netherlands</th>
<th>France</th>
<th>Finland</th>
<th>Belgium</th>
<th>Canada</th>
<th>UK</th>
<th>Sweden</th>
<th>New Zealand</th>
<th>US</th>
<th>Australia</th>
<th>Ireland</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of population aged 80 and over</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>14</td>
<td>16</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>14</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INCREASING DEMAND

What is driving increasing demand for older persons’ care outside the household?

- Rapid ageing
- Low fertility rates
- Women increasingly in the workforce
- Changes in families:
  - Declining family size
  - Less multigenerational living
  - Increased mobility/distance between families

The long-term care workforce in OECD countries

**WORKFORCE**

Women make up **90%** of the long-term care workforce

Over **20%** of long-term care workers are migrants

**45%** of long-term care workers work part-time (over twice the share in the economy as a whole)

**PAY AND CONDITIONS**

Workers suffer from **physical** risk factors

- **65%**

and are exposed to **mental well-being** risk factors

- **46%**

**Long-term care workers receive**

- **Around minimum wage**
- **35% less pay** (than similar occupations in hospitals)

**Long-term care workers have**

- **Limited training and career opportunities**
- **Physically demanding working conditions**

**SHORTAGES AND FORECASTS**

OECD countries are struggling to increase their long-term care workforce to meet increasing demand

*2011 and 2019 (or nearest year), small selection of OECD countries only
OECD (2020) Workforce and Safety in Long-Term Care during the Covid-19 pandemic
OECD (2021) Health at a Glance

By 2040 an additional **13.5 million** workers will be needed
The UK adult social care sector

**WORKFORCE**

- Work in adult social care: 1.54 million
- Work in direct care roles: 1.28 million
- Care workers: 895,000

**Profile of workforce**

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>18%</td>
<td>82%</td>
</tr>
</tbody>
</table>

**Average age:** 44

- Black, Asian and Minority Ethnic: 21%
- Foreign-born workers: 22%

**PAY AND CONDITIONS**

- Adult social care work is amongst the lowest paid occupation in the UK
- Median care worker hourly rate*: £9.01
- 73% of care workers earn below a real living wage
- 24% of the adult social care workforce
- 31% of those working in direct care roles
- 55% of care workers delivering home-based support
- 2020: 6.8% of roles in adult social care were vacant at any one time, equivalent to 105,000 vacancies
- 2020: 9.9% this was highest amongst registered nurses
- 2020: 7.6% and very high for care workers

**VACANCIES AND FORECASTS**

- The population aged 65 and above is projected to grow
  - 2020: 10.5 million
  - 2035: 13.8 million
- The sector will need 490,000 extra workers by 2035

---

* March 2021


“Three quarters of care workers in England were paid less than the real living wage on the eve of the pandemic.” The Living Wage Foundation
### The US long-term care sector

#### Workforce

- **Direct care workers**: 4.6 million
  - Including hospitals, employment and vocational rehabilitation settings and some others.
  - **2020**.

- **Home care workers**: 2.4 million

- **Residential/nursing care workers**: 1.2 million

#### Pay and Conditions

- **Direct care workers workers are amongst the lowest paid occupations in the US**
  - Median care worker hourly rate**: $13.56**.
  - Which, due to high rates of part-time employment, translates to only
  - Median annual earnings**: $20,200**.

#### Staffing Challenges

- Shortages of workers and high turnover rates are a major challenge, especially in home care.

- **Turnover rates in home care agencies**:
  - 81.6% in 2018
  - 64.3% in 2019
  - 65.2% in 2020

#### Forecasts

- The population aged 65 and above is projected to grow
  - **54 million** in 2019
  - **70 million** in 2028

- The sector will need **1.3 million** direct care workers, creating more new jobs than any other occupation in the US economy.

---