Who Enters and Who Exits Direct Care Jobs in Long-Term Care Settings?[1]

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Millions of older adults and people with disabilities rely on long-term services and supports (LTSS) for assistance with activities of daily living. In 2025, roughly two million individuals received such care in nursing homes and other residential facilities, and 7.3 million received it at home or in the community (PHI 2025). Direct care workers, comprising nursing assistants, home health aides, and personal care aides, constitute the majority of the LTSS workforce and number approximately 4.5 million (BLS 2025). Staffing is closely tied to the quality of care that residents and clients receive: low staffing levels are associated with worse resident health and higher mortality in nursing facilities, and high staff turnover is associated with lower measured quality of care (Shen, McGarry, and Gandhi 2023).

The direct care labor market faces several interlocking challenges. Average pay was $19.34 per hour in 2024, against a private sector average of $32.66; staffing in most nursing facilities falls below clinical standards; and annual turnover among nursing staff exceeds 46 percent at the average facility. Policy responses have begun to target recruitment and retention directly, through staffing campaigns and targeted wage subsidies (Gandhi et al. 2024). Designing such policies requires knowing which occupations and industries direct care workers arrive from and depart to, and how earnings and job quality change when they move. Existing evidence on these flows is limited, drawing largely on short windows or the pandemic period (PHI 2025).

In this paper, we describe worker flows into and out of the LTSS direct care workforce over a sixteen-year period. Our analysis uses the monthly Current Population Survey (CPS) from January 2010 through December 2025, with hourly wages from the Outgoing Rotation Group supplement and measures of employer-sponsored health insurance and pension access from the Annual Social and Economic Supplement, merged at the industry-by-occupation level. We define LTSS direct care workers as nursing, psychiatric, and home health aides and personal care aides employed either in nursing care or residential care facilities (residential care DCWs) or in home health care services, individual and family services, or private households (home care DCWs). The CPS rotation structure

[1]**Acknowledgements and disclosure.** The analysis uses public-use data from the Current Population Survey accessed through IPUMS. The authors declare that they have no relevant or material financial interests, employment, consulting, or ownership relationships that relate to the research described in this paper.

allows us to construct a year-over-year panel linking individuals between year t and year t+1. We report results separately for the two settings and replicate the analysis using a month-over-month panel.

We find that the direct care workforce differs systematically from the broader labor market. Hourly wages average $17.03 in residential care and $16.11 in home care, against $23.71 across all workers and $38.16 for licensed practical and registered nurses. Direct care workers are overwhelmingly female, 88 percent in both settings, disproportionately workers of color, and less likely to hold education beyond high school. One quarter of residential care and one third of home care workers are foreign born, against 19 percent overall. Access to non-wage benefits is correspondingly limited: 45 percent of residential care and 33 percent of home care workers receive employer-sponsored health insurance against 59 percent of all workers, and pension receipt is 20 and 11 percent against 36 percent.

Turnover is high and concentrated within health care. Fewer than half of direct care workers remain in the same role a year later. Among those who leave for other employment, 75 percent of residential care and 60 percent of home care workers move to other health care and LTSS jobs. Movement into credentialed nursing is rare: 6 percent of residential care and 3 percent of home care workers become licensed practical or registered nurses within a year, consistent with the degree requirements those roles carry. No field outside health care emerges as strongly connected to the direct care workforce, and flows in and out are close to symmetric, so that the distribution of origins closely resembles the distribution of destinations.

A substantial share of transitions involves non-employment rather than another job. Eleven percent of residential care and 16 to 17 percent of home care workers enter from or exit to non-employment, up to twice the corresponding rate among all workers. The most common reason for non-participation, both before entering and after leaving direct care work, is caregiving. This pattern points to a permeable boundary between the paid and unpaid care sectors and suggests that the same individuals move between them over time (Maestas, Messel, and Truskinovsky 2024).

Comparing workers who remain in direct care with those who leave, we find that stayers are older, more likely to be female and foreign born, and less educated than leavers, consistent with stayers having fewer outside options. The wage consequences of leaving are substantial. Stayers receive average hourly wage gains of roughly $0.43 to $0.47 over the following year, while leavers who move to other employment gain $1.71 to $1.89. Leavers also move into jobs with markedly better benefits, with increases of 9 to 22 percentage points in employer-sponsored insurance receipt and 12 to 22

percentage points in pension receipt. These patterns indicate that direct care roles are poorly compensated relative to the alternatives available in these workers' own labor market, and that most turnover reflects churn within health care rather than exit from it.

The CPS establishes the broad structure of these flows but cannot observe the employer, and we are extending the analysis using linked administrative data. In work planned within the Federal Statistical Research Data Center system, we will link ACS records to the Longitudinal Employer-Household Dynamics (LEHD) data to separate workers who remain in the same occupation and industry at the same establishment from those who change employers while remaining direct care workers, a margin of turnover survey data cannot detect. The LEHD also provides quarterly earnings, allowing us to trace earnings and employment trajectories of leavers and stayers continuously rather than at two annual points, and to treat employment tenure as an outcome in its own right. Linking to the Longitudinal Business Database will allow us to characterize how churn varies by establishment type, including facility size, age, and pay, and whether the establishments receiving direct care leavers differ systematically from those losing them. In parallel, we plan to draw on the National Dementia Workforce Study through the NIA LINKAGE platform, which provides survey measures of training, working conditions, and burnout together with linkage to Medicare claims and the Minimum Data Set. The two extensions are complementary: the LEHD identifies where workers go and what happens to their earnings, while the NDWS speaks to why they leave and how staffing patterns relate to the outcomes of the people they care for.

These results bear on several questions central to the future of long term care. The composition of the workforce, and in particular the finding that foreign born workers are more likely than U.S. born workers to remain in these roles, connects workforce stability directly to immigration policy. The concentration of flows within health care implies that policies raising wages in one care setting will tend to draw workers from another rather than from outside the sector, which matters for staffing mandates and wage pass-through requirements in nursing homes and home and community based services alike. And the prominence of caregiving as a reason for movement into and out of paid direct care work suggests the paid and unpaid care workforces are more closely linked than either literature assumes.

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