



Executive Summary

The High Cost of Undervaluing Direct Care Work

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Maine's direct care workforce is in a fragile state due to a fundamental undervaluing of care. Low government reimbursement rates for direct care mean workers are paid low wages and face high rates of poverty, financial hardship, and burnout.

These circumstances have far-reaching consequences, beyond those imposed on workers: providers face chronic labor shortages; people receiving care struggle to obtain quality services or maintain trusted relationships; family members of people who cannot access professional care must drop out of the labor force; businesses lose workers at a time when it is already difficult to hire staff; state and federal governments incur more costs and have fewer resources available to invest in people and communities; and our health care system's capacity is stretched dangerously thin.



The costs outlined in this report will continue to rise until we properly value care work, confront the profound consequences of inaction, and commit to meaningful change. Legislators and advocates across the state have begun to appreciate this reality, but more work remains to shore up the foundations of the direct care workforce. By properly investing in these workers, our state can ensure consumers have the supports and services they need to live with independence and dignity, and we can realize myriad benefits throughout our economy. Now is the time for bold solutions that center care workers and the people and families who rely on the services they provide.



This report details the far-reaching costs of our broken direct care system. Some of the findings include:

- Our collective failure to adequately support direct care workers is keeping **more than 8,000 people out of Maine's labor force**.
- Maine is missing out on over **\$1 billion per year in additional economic activity** as a result of people dropping out of the labor force due to direct care challenges.
- Undervaluing care work imposes significant public costs on our state, as low wages lead more workers to rely on public assistance programs, including MaineCare and Supplemental Nutrition Assistance Program (SNAP). Meanwhile, the drop in labor force participation due to direct care responsibilities means fewer workers are contributing taxes. These combine to **cost our state and federal budgets more than \$70 million each year**.
- Direct care workforce shortages place undue strains on Maine's health care system. In March 2023, Maine Medical Center had about 50 people under its care who were approved for discharge but could not find an alternative care setting; meanwhile, Northern Light Health noted that over a nearly six-month period, the **cost of delayed discharges across the system's hospitals totaled \$13.6 million and amounted to approximately \$63,000 per person**.

This summary is based on a report by MECEP economic policy analysts. For the full report and citations, visit mecep.org.