

Homecare worker cooperatives aim to support aging in place in rural Nebraska

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In 2022, the University of Nebraska-Lincoln's Nebraska Cooperative Development Center (NCDC), in partnership with the Northwest Cooperative Development Center of Washington state, introduced a six-week Homecare Worker Cooperative Academy designed to take caregivers through the worker cooperative development process. Topics covered by the academy included democracy in the workplace, business basics, marketing and member engagement.

The impetus for the academy was the realization that Nebraska, along with the entire country, is facing a potential elder care crisis.

According to census reports, America is aging.

From 2016 to 2060, the population of Americans 65 and older is projected to nearly double, from 49.2 million to 94.7 million.

The number of Americans 85 and older is projected to nearly triple, from 6.4 million to 19 million.

10,000 Americans are retiring every day and, for the first time in history, people over 65 outnumber children under 5 years old.

In 2010, 13.5% of Nebraska's population was 65 years or older. That increased to 16.4% in 2020. Nebraskans aged 65 or older now outnumber those under 5 by 9%.

According to the Nebraska Hospital Association, 35 long-term care facilities and 27 assisted-living facilities have closed in Nebraska in the past five years. Data from the Centers for Medicare & Medicaid Services show nine nursing homes closed in the state last year, second most in the country behind only Texas. This leaves rural residents with few options for care in their communities. This has led some communities, like Arapaho, Nebraska, to look at options to allow residents to age in place.

In 2021, the Arapahoe Good Samaritan Society care facility closed, leaving the community of 1,002 without an assisted living facility or nursing home. With 25.8% of residents over 65, Arapahoe community leaders reached out to state-level resources to find a community-based solution to allow residents to age in place.

In order for residents to age in place, caregivers must be available in their community. Census data compiled by the Paraprofessional Healthcare Institute (PHI) indicates that America is also experiencing a caregiver shortage. PHI found tha

- There are about 3 million direct care workers; by 2030, the industry will need approximately 5 million.
- Homecare workers are the fastest-growing jobs in the country; the demand for these positions is expected to increase by 70% in the next 20 years.
- Low wages make recruiting difficult. In 2021, the average wage for a homecare worker was \$14.09, with few benefits.
- The home care industry has an aging workforce with a median age of 48. In 2021, 57% of homecare workers were over 45, with 12% over 65.
- The industry experiences a persistently high turnover rate of close to 75%.

Homecare worker cooperatives are one business model that is being used to address the homecare worker shortage nationwide.

Attributes of homecare worker cooperatives include:

- A private business that is owned and operated by the employees of the business.
- A worker co-op is owned democratically by its members — each member owns one share of the business.
- Member-owners set the wages, benefits and policies.
- Members have a say in how the business is managed.
- Members have a greater influence on the quality of care.
- Profits go back to the workers.

In February 2022, an Omaha World-Herald article connected Arapahoe with the NCDC Homecare Worker Cooperative Academy. Since completing the program, community leaders in Arapahoe have been working with NCDC to form the first homecare worker cooperative in Nebraska. Conversations have focused upon the best organizational structure, how to add members and capitalization needs. Community partners will be identified, and neighboring communities will be engaged. The goal is to have the cooperative operating and serving area residents by early fall 2023.

If you would like to learn more about forming a homecare worker cooperative in your community, contact Cindy Houlden, Cooperative Development Specialist, at choulden2@unl.edu or 308-293-6417.

Cooperatives are user-owned and user-controlled businesses formed to benefit a group of members. Cooperatives are designed to reward use, encourage users to commit to using the services and encourage users to voice opinions about how the business is doing.

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