

Aging in Place in Rural Nebraska: Homecare Worker Cooperatives

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In 2022, the 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 — and the U.S. as a whole — are facing a potential elder care crisis.

According to U.S. Census reports, America is aging:

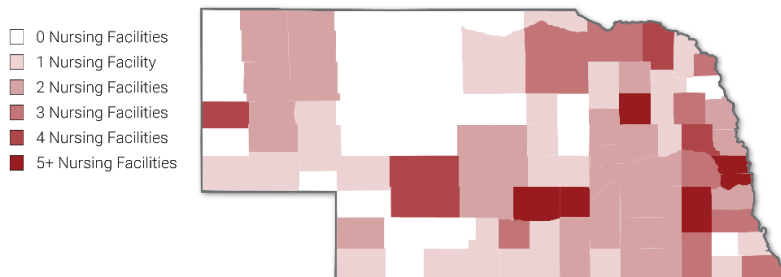
- From 2016 to 2060, the population Americans 65 and older is projected to nearly double from 49.2 million to 94.7 million.
- The number of Americans 85 and older is projected to nearly triple from 6.4 million to 19 million.
- 10,000 Americans are retiring every day.
- For the first time in history, people over 65 will outnumber children under 5.

Looking at Nebraska, in 2010, 13.5% of the population was 65 or older. In 2020, that percentage increased to 16.4%. Nebraskans 65 or older outnumber those under 5 by 9%.

Additionally, according to the Nebraska Healthcare Association, 12 Nebraska nursing homes have closed in the state in the past three years. As the graphic below indicates, 15 Nebraska counties have no nursing home or assisted living facility. More recently, the Heritage of Webster County Home in Red Cloud announced its closing in February 2024 due to staffing shortages. Fortunately, the Webster County Hospital Foundation agreed to acquire the facility and continue operations. Had they not, one more county would have been without a care facility.

Number of Nebraska Nursing Facilities by County - November 2023

Source: Nebraska Department of Health and Human Services Licensure Roster



These closures leave residents of rural Nebraska communities with few options for care in their community. This has led to 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 resources to find a community-based solution to allow residents to age in place.

For residents to age in place, caregivers must be available in their community. Census data compiled by the Paraprofessional Healthcare Institute indicate that America is also experiencing a caregiver shortage:

- Currently there are about 4.6 million direct care workers, including 2.4 million homecare workers. By 2029, industry will have approximately 4.5 million openings.
- 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 — the average wage for a homecare worker in 2021 was \$12.98 with few benefits, making recruiting difficult.
- The homecare 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 rates of close to 75%.

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

Homecare worker cooperatives have the following attributes:

- 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 and stay in the communities where they work and live.

Following the completion of the Homecare Worker Academy, community leaders in Arapahoe have been working with the Nebraska Cooperative Development Center to form the first Homecare Worker Cooperative in the state. Through NCDC's participation in the Homecare Cooperative Initiative sponsored by the Cooperative Development Foundation, one member of the steering team was able to attend the National Homecare Conference and network with industry leaders from around the country. These connections have provided the necessary resources to move the group forward.

Current conversations have focused on the best organizational structure, how to add members, and capitalization needs. Community partners have been identified, and neighboring communities are engaged. The goal is to have the cooperative operating and serving area residents by early fall 2024.

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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