



YEAR ONE SUMMARY

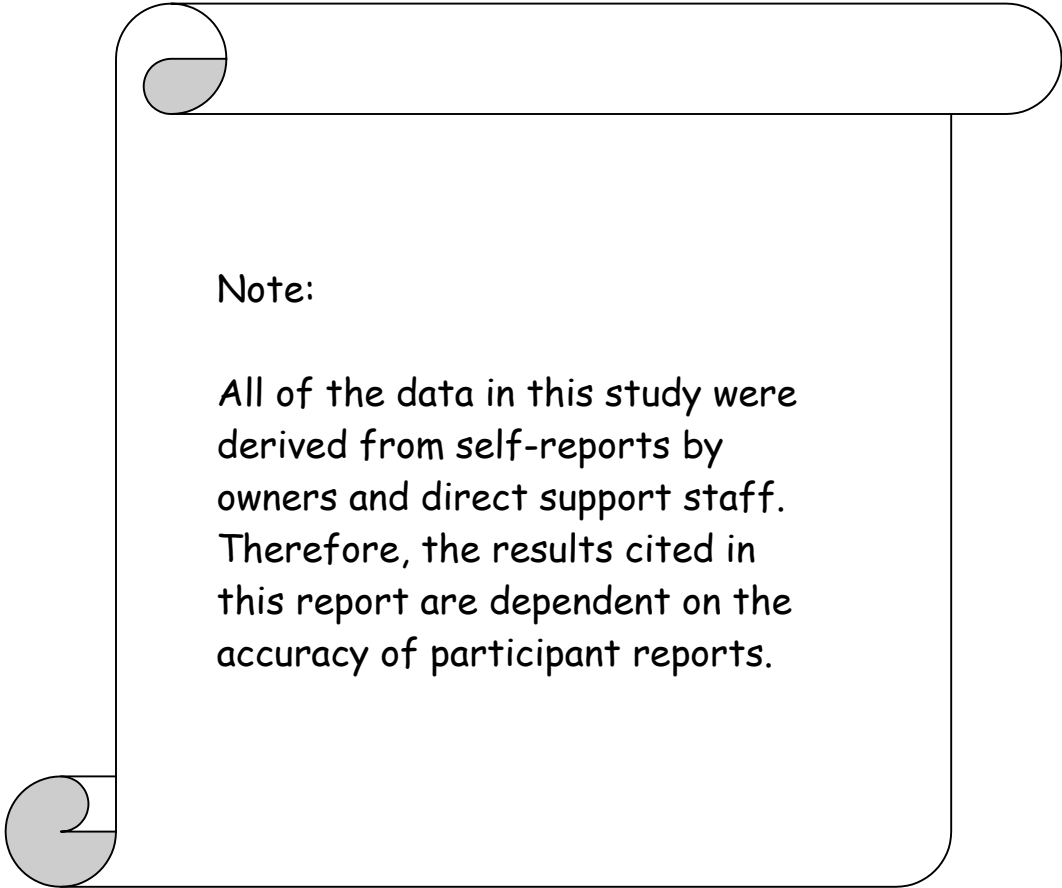
A 3-year Evaluation of the Impact of WIC Section 4681.4 (Rate Increase) on Direct Support Staff Turnover in California's Community Care Facilities for People with Developmental Disabilities Year 1 Results: 1999-2000

Submitted by

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*This report was originally released in March, 2001. This document represents the final report of Year 1 findings.



Note:

All of the data in this study were derived from self-reports by owners and direct support staff. Therefore, the results cited in this report are dependent on the accuracy of participant reports.

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I. BACKGROUND

The purpose of this 3-year study is to determine the impact of the rate increase for Community Care Facilities (CCF's) operated by the state of California for people with developmental disabilities, mandated under Welfare and Institutions Code Section 4681.4, on staff turnover. Three years of study are planned. This report summarizes findings from the first year which responded to the following questions:

1. What are the characteristics of individuals who own and operate community care facilities?
2. What are the characteristics of individuals who provide direct support in community care facilities?
3. What is the turnover rate of direct support staff in CCF's?
4. How was the rate increase in 1999 utilized by CCF's? What was the impact on employee wages and benefits?
5. What factors are related to employee job satisfaction?

II. METHODS

A. STUDY DESIGN

The study was designed to collect data which would answer the above five questions, using three methods.

1. Population-based mail-in survey: A 2-page written survey which was mailed to all 4,451 CCF's in the state.
2. In-depth telephone interviews of owners: 90 owners were randomly selected (stratified across service levels) for interview using a 160-item telephone interview protocol.
3. In-depth telephone interviews of employees: Telephone interviews of all of the employees of selected CCF's (not to exceed 5/facility).

Initial estimates of wage, benefits, and staffing were referenced to December 1998 (the month prior to the first rate increase). Inquiries regarding staff turnover utilized the full calendar year January 1, 1998 - December 31, 1998.

B. LIMITATIONS OF THE STUDY

All of the data in this study were derived from self-reports by owners and direct support staff. Respondents to the mail-in survey were self-selected with a 33% return rate.

Respondents to the telephone interviews were initially randomly chosen with 37% self-selecting to participate.

The significant role of biased responses when individuals volunteer for studies cannot be under-estimated. While we do not know the full effects of the bias in this study, it is very possible that the data reported are biased towards more favorable conditions within the CCF network in California. Hence, the picture painted in this report may not accurately reflect conditions within the full network of community care facilities in California.

C. THE SAMPLE

Our final sample consisted of 1,423 mail-in surveys, 84 owner interviews completed, and 186 employee interviews completed. As can be seen in Figures 1, 2a & 2b, CCF's participating in the mail-in survey and owner interviews were generally representative of

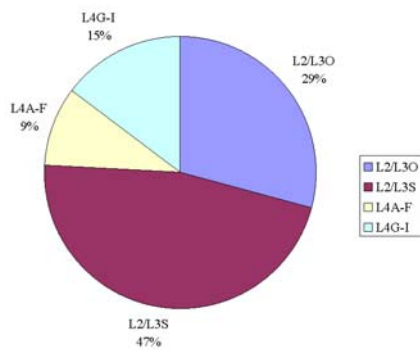


Figure 1. Percentage of facilities by service level (Total in California, N = 4,451)

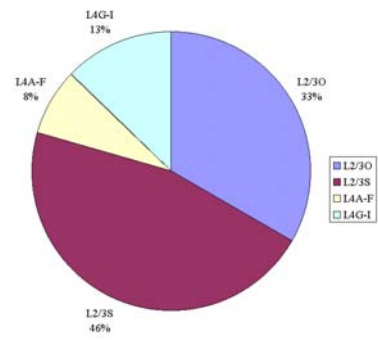


Figure 2a. Percentage of facilities by service level (Mail-in State Survey, n = 1,423)

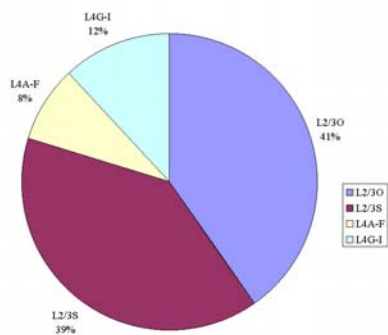


Figure 2b. Percentage of facilities by service level (Owner Interview, n = 84)

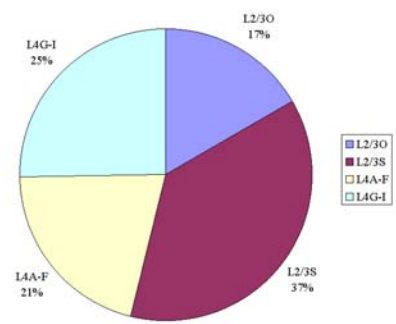


Figure 2c. Percentage of employees by service level (Employee Survey, n = 186)

the service levels in the statewide network. Figure 2c depicts our attempt to interview as many employees at each participating facility as possible. As would be expected, our employee sample is relatively well distributed across the staff operated facilities, with the largest representation of employees from Levels 2/3 staff operated facilities, followed by Level 4 facilities, with the fewest number from Levels 2/3 owner-operated facilities, where staff are not as frequent, as owners usually provide the direct support.

III. FINDINGS (Note: The following results reflect owner and employee reports which have not been verified through other means)

A. WHAT ARE THE CHARACTERISTICS OF INDIVIDUALS WHO OWN AND OPERATE COMMUNITY CARE FACILITIES?

EDUCATIONAL LEVEL

In general, the owner workforce within California’s CCF’s is fairly well educated. Eighty-five percent (85%) of the owners participating in the state survey reported they had attended college. Forty-one percent (41%) had earned a Bachelor’s or Master’s degree. Approximately 3% reported having a Doctorate degree. Eight percent (8%) of the respondents reported having a high school diploma, and 4% had reported no high school diploma. See Figure 3.

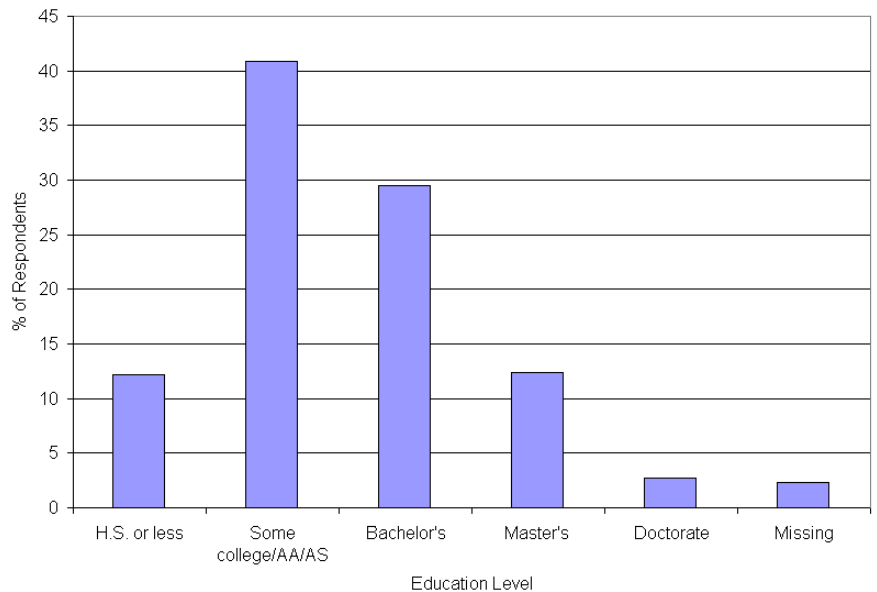


Figure 3. Level of education of owners by grand mean – State survey data

ETHNICITY AND LANGUAGE

As can be seen in Figure 4, the majority of CCF owner/licensees participating in the owner interview were people of color (60%). Twenty-three percent (23%) were African American, 18% were Hispanic, 17% were Asian/Pacific Islander (primarily Filipino), 2% were Native American, and 1% identified themselves as “other.” Approximately 40% of the owners participating in the interview were White.

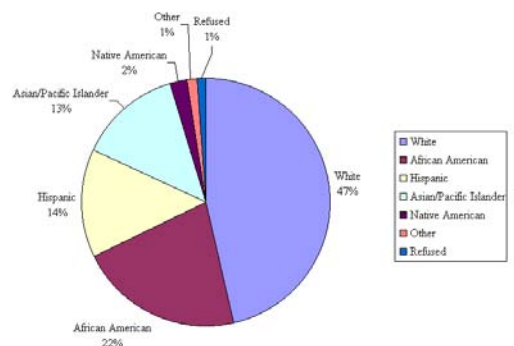


Figure 4. Ethnicity of owners- Owner Interview

English is the language spoken most frequently reported by owner/licensees (77%). This is followed by Tagalog (9%), Spanish (2%), other Asian languages (Korean, Vietnamese, Chinese (2%).

TENURE IN THE CCF BUSINESS

The vast majority of owners interviewed, reported working in the CCF business between 2 and 20 years (see Figure 5). Ten percent (10%) of the respondents reported working in the business over 26 years and only 7% reported having 1 year or less experience, suggesting a relatively stable owner workforce.

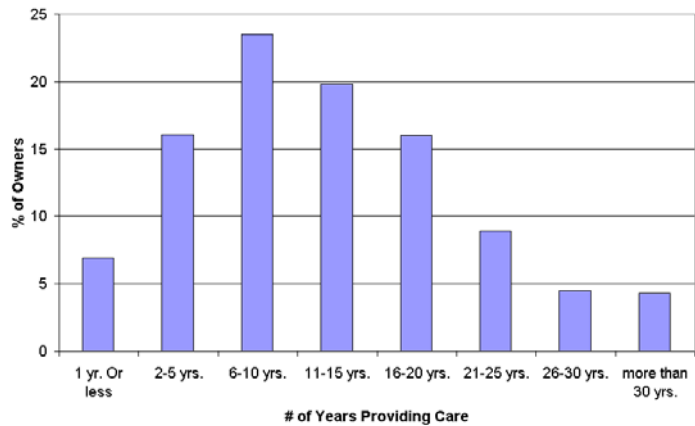


Figure 5. Number of years providing care in CCF's – Owner Interviews

Who are the Individuals who Own and Operate CCF's? A Snapshot

Table 1 displays a typical profile of a CCF owner/licensee. As can be seen, the average owner of a community care facility has at least a couple of years of college, is non-white, speaks English, and has 6-15 years of experience in the CCF industry.

| Table 1. CCF Owners/Licensees- A Profile State Survey Data (n=1423) | | | |
|--|---|-------------------------------------|-------------------------------------|
| | <i>Most frequently reported</i> | <i>2nd most frequently reported</i> | <i>3rd most frequently reported</i> |
| Educational Level | Some College AA/AS (41%) | BA/BS (30%) | MA (12%) |
| Ethnicity | Non-White: African American, Hispanic, or Asian/Pacific Islander (60%) | White (40%) | |
| Language Spoken | English (77%) | Tagalog (9%) | Spanish/Other (4%) |
| Tenure in CCF Business | 6-15 years (45%) | 16-20 years (17%) | |

B. WHAT ARE CHARACTERISTICS OF DIRECT SUPPORT WORKERS IN COMMUNITY CARE FACILITIES?

PERCENTAGE OF FULL-TIME, PART-TIME, AND ON-CALL WORKERS

Estimates of the use of full-time, part-time, and on-call staff were determined by owner recall of direct care staff working in the designated facility in December, 1998. Full-time staff were defined as *scheduled to work 40 hrs/week*, part-time staff were those who were *scheduled to work less than 40hrs/week*, on-call staff were those who were *not regularly scheduled and worked less than 16hrs/month*.

As can be seen in Table 2, staffing patterns for staff-operated facilities appear to be consistent across the three collapsed service levels used for this study. *Approximately 50% of staff are full-time, 30% are part-time, and 10-15% are on-call. Owner operated facilities rely on on-call personnel more than other types of facilities and are also less likely to have full-time staff. This is not surprising, given the nature of owner-operated facilities. (i.e., typically the owner/licensee is the direct care staff in the facility).*

| Table 2. Average percentage¹ of Full-time, Part-time, and On-Call Staff by Service Level-- State Survey Data (n=1423) | | | | | | |
|---|----------------------|----------------------------------|-----------|-----------|---------|--------|
| Service Level | Number of facilities | No staff or missing ² | Part-time | Full-time | On-call | Total |
| 2/3 Owner Operated | 476 | 38.2% | 18.5% | 20.4% | 22.8% | 100.0% |
| 2/3 Staff Operated | 653 | 4.9% | 30.9% | 49.2% | 15.0% | 100.0% |
| 4A-F | 114 | 8.8% | 32.4% | 49.5% | 9.3% | 100.0% |
| 4G-I | 180 | 8.3% | 29.7% | 51.8% | 10.2% | 100.0% |
| Grand Total with Owner-operated | 1423 | 16.8% | 26.7% | 39.9% | 16.6% | 100.0% |
| Grand Total without Owner-operated | 947 | 6.0% | 30.8% | 49.7% | 13.4% | 100.0% |

¹ "Average percentage" is the average of the percentages calculated for each facility. Percentages for each facility were computed by dividing the number of staff reported within each category by the total number of staff reported working at the facility.

² "No staff or missing" represents the % remaining when the sum of Full-time, Part-time, and On-Call does not equal the total number of staff, owners reported. In the case of owner-operated facilities, it is likely that this discrepancy is due to owners reporting "no staff" because of the dual role owners play as the direct support staff for their facility. In addition, this column may also represent inconsistent counting of informal workers (such as relatives who provide back-up support) for all service levels (i.e., missing data).

PERCENTAGE OF DIRECT SUPPORT WORKERS WHO ARE RELATED TO OWNERS OR OTHER WORKERS

The data in Table 3 indicate that the challenges of staffing a CCF have led to informal solutions to staffing--specifically the recruitment of relatives and family members for salaried positions and the use of an informal network for back-up staffing needs (i.e., on-call staff). In this study we attempted to document the extent to

| Table 3. Percentage of staff who are related to Owners State Survey Data (n=1423) | | | | | |
|--|------|------------------------------|-----------|-----------|---------|
| Service Level | N | % of Staff who are Relatives | | | |
| | | Total | Full-time | Part-time | On-Call |
| L2/3 Owner operated | 476 | 51.6% | 16.9% | 9.4% | 25.3% |
| L2/3 Staff operated | 653 | 46.1% | 18.8% | 18.8% | 8.5% |
| L4A-F | 114 | 21.4% | 12.1% | 5.0% | 4.3% |
| L4G-I | 180 | 19.0% | 6.1% | 2.7% | 10.2% |
| Grand Mean | 1423 | 42.5% | 16.0% | 12.5% | 14.0% |

which informal networks are used to meet the staffing needs of CCF's. As can be seen, the use of relatives to staff CCF's is more widely practiced in Level 2 and 3 facilities. Again, not surprisingly, this practice is most prevalent within owner operated facilities, especially for on-call or back-up supports for owners. However, it is notable that approximately 1/5 of staff in Level 4 facilities are related to owners.

The utilization of family members to staff CCF's represents opportunities for owners to find workers in an industry that complains of significant difficulties with worker recruitment and retention. At the same time, from a business point of view, the use of family members as workers may pose some dilemmas for worker supervision and performance.

DEMOGRAPHIC CHARACTERISTICS OF DIRECT SUPPORT WORKERS

Studies of direct support workers suggest that direct support jobs are often viewed as dead end, low wage jobs that bring little value and respect to those who take them (c.f., Larson et al., 1999). In this study, we attempted to describe the direct support workforce in California. See Table 4.

| Table 4. Demographic characteristics of direct support workers Employee Survey Data (n=186) | | |
|--|---|-------------------------------------|
| | <i>Most frequently reported</i> | <i>2nd most frequently reported</i> |
| Gender | Female (66%) | Male (34%) |
| Age (Average: 39yrs) | 19-39 years (55%) | 40-59 years (33%) |
| Ethnicity | Non-White: African American, Hispanic, Asian/Pacific Islander (57%) | White (40%) |
| Language Spoken | English (76%) | Spanish/Tagalog (8% each) |

Similar to other workforce profiles, 2/3 of direct support workers in this study were female. Over half of the employees interviewed were between the ages of 19 and 39 years and another third were between 40-59 years of age. Unlike other studies but reflective of the demographics of California, over half of the workforce are people of color. The majority of workers interviewed reported speaking English. Spanish and Tagalog are the most frequently spoken non-English languages within the direct support workforce.

The field continues to question whether current wages constitute a “living wage” for direct support workers. This question was investigated by examining the life circumstances of workers, for whom direct support was their primary source of income. As can be seen in Table 5, we found that approximately 67% of the direct support

| Table 5. Socio-economic status of direct support workers- A Profile Employee Survey Data (n=186) | |
|---|---|
| Educational level | High School diploma/Some college 67% |
| Marital status | Single 51% |
| Size of household | 1-2 people 42% |
| Number of wage earners | More than 1 wage earner 56% |
| Transportation to work site | Drives 71% |
| Additional employment | Worked at 2nd job 30% |

workforce participating in this study reported having at least a high school diploma, and almost half reported having some college (although they did not necessarily have degrees). Over half were single and approximately 40% lived in small households of 1-2 people, with another 1/3 living in households of 3-5 people. Over half of workers reported living in households where there is another wage earner and approximately 1/3 of workers reported they worked at a second job. Surprisingly, over 70% of the employees reported driving to work instead of using public transportation.³

³ This percentage appears high for low-income workers. However, this may be due to lack of or significantly limited public transportation during certain shifts, e.g., those that start at 6:00 a.m. or end at 11:00 p.m.

C. WHAT IS THE TURNOVER RATE FOR DIRECT SUPPORT WORKERS IN CALIFORNIA'S CCF'S?

The intent of WIC 4681.4 was to improve staff turnover in community care facilities in California. While reports of high turnover in the direct support workforce are frequent, these have primarily been anecdotal in nature. Because there are very little data to support these contentions, this study attempted to document turnover in two ways. First, we estimated the turnover rate prior to the first rate increase by asking owners how many staff left their facility during the calendar year January 1, 1998 - December 31, 1998. We divided this number by the total number of full-time and part-time positions reported for that facility. We then multiplied this fraction by 100 to yield a percentage. Second, we collected data from employees on their length of tenure at the current facility.

TURNOVER RATE:

Because owner operated facilities frequently do not have staff, they tended to report 0% turnover which skewed the overall turnover rate for the sample. Thus, we computed turnover rate excluding owner operated facilities, which yielded the results in Table 6. **As can be seen, the overall turnover rate for direct care staff in the state is estimated to be approximately 48% based on data from telephone interviews of owners.**

| Table 6. Average Turnover Rate Excluding owner-operated facilities Owner Interview Data (n=84) | | | | |
|---|-----------------|--------------|--------|---------|
| Service Level | # of facilities | Average | Lowest | Highest |
| L2S | 15 | 8.9% | 0% | 50.0% |
| L3S | 15 | 81.6% | 0% | 357.1% |
| L4A-4F | 6 | 46.1% | 0% | 144.4% |
| L4G-4I | 10 | 57.5% | 0% | 157.1% |
| Total | 46 | 48.0% | | |

DIRECT SUPPORT WORKER TENURE AT CURRENT FACILITY:

Table 7 shows the number of years employees reported working at their current facility. As can be seen, across all service levels the employee sample included new workers who had less than two weeks of employment to some with 20-30 years of employment. Even with this wide spread, **the mean length of employment** for this sample of 186 employees, was **4.09 years**, suggesting that those who stay within the industry tend to have a reasonable tenure.

| Table 7. How long have you worked for this organization? | | | | | |
|---|-------|-------|-------|-------|-------------|
| | L2/3O | L2/3S | L4A-F | L4G-I | Grand Total |
| Mean | 7.29 | 4.17 | 3.62 | 2.40 | 4.09 |
| Highest | 21.00 | 31.00 | 13.00 | 12.00 | 31.00 |
| Lowest | .04 | .02 | .04 | .01 | .01 |

D. HOW WAS THE RATE INCREASE UTILIZED? EMPLOYEE WAGES

WAGES PRIOR TO THE FIRST RATE INCREASE

Baseline data on wages were collected through (1) owner reports of the lowest and highest wages paid to workers in December 1998 (the month prior to the rate increase) (state survey and owner interview data), and (2) employee reports of their wages in December 1998.

OWNER REPORTS:

Table 8 contains average lowest and highest hourly wages paid to workers in December 1998, reported by owners through telephone interview and the state mail-in survey.⁴ As can be seen, when averaged across service levels, the **mean lowest wage paid to direct support workers was \$6.38 and the mean highest hourly wage was \$7.97, prior to the rate increase.**

| Service Level | Lowest | | Highest | |
|----------------------|---------------|---------------|---------------|---------------|
| | State | Owner | State | Owner |
| L2/3O | \$6.97 | \$6.97 | \$8.22 | \$7.54 |
| L2/3O | \$6.36 | \$5.91 | \$7.86 | \$7.32 |
| L4A-F | \$6.58 | \$5.96 | \$9.00 | \$9.34 |
| LFG-I | \$6.56 | \$6.19 | \$8.69 | \$8.71 |
| Grand Mean | \$6.55 | \$6.20 | \$8.17 | \$7.77 |
| Mean of means | \$6.38 | | \$7.97 | |

EMPLOYEE REPORTS:

Table 9 contains the mean wage employees reported receiving in December, 1998, just prior to the rate increase.⁵ As can be seen wages reported varied only slightly by service level, yielding a **grand mean of \$7.56/hr** for the entire sample. This amount is between what was reported by owners through owner interviews and through the mail-in state survey.

| | |
|-------------|--------------------------|
| L2/L3O | \$7.59 (n=15) |
| L2/L3S | \$7.83 (n=46) |
| L4A-F | \$6.90 (n=24) |
| L4G-I | \$7.69 (n=21) |
| Mean | \$7.56 (n=106) |

⁴ Because we did not ask owners the actual salaries of all of their employees, we averaged the lowest and highest hourly wage per facility. There are obvious problems with this method of determining the average wage provided to employees.

⁵ These averages are actual averages based on employee reports of wages earned.

Because means can be unduly influenced by outliers, we then computed lowest and highest wages provided to workers in December 1998, by quartiles. Table 10 shows this comparison of wages for the entire sample collected through owner interviews.⁶ Table 11 shows the same breakdown based on data from the mail-in state survey. As can be seen, there is a narrower range in the data from the owner interviews (\$3.13 to \$20.00) and a wider spread in the state survey data (\$2.73 to \$25.00).⁷ In spite of this difference, both data sources yielded similar quartile wages for both lowest and highest wages. The minimum wage (\$5.75) is at the 25th %ile for both data sources, suggesting that ¼ of the direct support workforce were making the minimum wage or less just prior to the first rate increase (we did not have data on the effect of meals and lodging on this finding). The median wage is identical (\$6.00 - \$7.50) across both samples, suggesting that 50% of workers were being paid between \$6.00 and \$7.50/hr or less. Finally, these data also suggest that 25% of the facilities reported paying their workers \$7.25 – \$8.00/hr or more.

| Table 10. Lowest and Highest Wage Paid <u>before</u> the Rate Increase (December 1998) by Quartiles Owner Interview Data (with Owner Operators) | | | |
|--|-----------------------|------------------------|---------------|
| | Lowest Wage (n=63) | Highest Wage (n=50) | Mean of Means |
| Minimum | \$3.13 | \$3.13 | \$3.13 |
| 25th %ile | \$5.75 | \$6.25 | \$6.00 |
| 50th %ile | \$6.00 | \$7.50 | \$6.75 |
| 75th %ile | \$6.50 | \$8.00 | \$7.25 |
| Maximum | \$20.00 | \$20.00 | \$20.00 |

| Table 11. Lowest and Highest Wage Paid <u>before</u> the Rate Increase (December 1998) by Quartiles State Survey Data (with Owner Operators) | | | |
|---|-------------------------|--------------------------|---------------|
| | Lowest Wage (n=1116) | Highest Wage (n=1095) | Mean of Means |
| Minimum | \$2.73 | \$2.73 | \$2.73 |
| 25th %ile | \$5.75 | \$6.50 | \$6.13 |
| 50th %ile | \$6.00 | \$7.50 | \$6.75 |
| 75th %ile | \$7.00 | \$9.00 | \$8.00 |
| Maximum | \$15.18 | \$25.00 | \$20.09 |

Table 12 compares data reported by employees regarding wages earned prior to the rate increase, to that reported by owners through interviews and the state survey. As can be seen, there appears to be consistency about wages earned across both owner and employee reports.

| Table 12. Comparison of Wages Reported by Owners (owner interview and state survey) and by <u>Employees before</u> the Rate Increase (December 1998) | | | |
|---|------------------------------|----------------------------------|----------------------------|
| | Owner Report State Survey | Owner Report Owner Interviews | Employee Report (n=106) |
| Minimum | \$2.73 | \$3.13 | \$2.35 |
| 25th %ile | \$6.13 | \$6.00 | \$5.75 |
| 50th %ile | \$6.75 | \$6.75 | \$7.00 |
| 75th %ile | \$8.00 | \$7.25 | \$8.00 |
| Maximum | \$20.09 | \$20.00 | \$18.00 |

⁶ Again, these wages are based on facility averages. They are not true means.

⁷ There were three reports of wages higher than \$25.00/hr: \$35.00, \$40.25, \$46.25.

Because owner-operators have dual roles (owner/licensee and direct support worker), the inclusion of this group in the overall statistics may influence the wage data, in both directions. A positive skew may result from owners paying themselves a higher wage because they also execute administrative functions; a negative skew may result from owners not knowing what they paid themselves (frequently the case), leading to an under-reporting of wages. In an effort to control for this, we present Tables 13 and 14, which

| Table 13. Lowest and Highest Wage Reported by Owners in December 1998 Owner Interviews (staff operated facilities only) | | |
|--|-----------------------|------------------------|
| | Lowest Wage (n=45) | Highest Wage (n=39) |
| Minimum | \$3.13 | \$3.13 |
| 25th %ile | \$5.75 | \$6.25 |
| 50th %ile | \$5.75 | \$7.31 |
| 75th %ile | \$6.25 | \$8.00 |
| Maximum | \$8.25 | \$17.00 |

| Table 14. Lowest and Highest Wage Reported by Owners in December 1998 State Survey Data (staff operated facilities only) | | |
|---|------------------------|-------------------------|
| | Lowest Wage (n=860) | Highest Wage (n=843) |
| Minimum | \$3.35 | \$4.00 |
| 25th %ile | \$5.75 | \$6.50 |
| 50th %ile | \$6.00 | \$7.50 |
| 75th %ile | \$6.95 | \$9.00 |
| Maximum | \$15.00 | \$25.00 |

excludes owner-operated facilities.⁸ As can be seen, the exclusion of owner operators from the owner interview data, does not change the minimum lowest or highest wage paid, but it does decrease the maximum lowest wage and the maximum highest wage paid (see Tables 10 and 13). It also lowers the median quartile wage point by about \$.25. This pattern suggests confirmation of the “positive skew” hypothesized, i.e., that owner operators pay themselves a higher wage than owners pay staff at staff operated facilities. The converse is true, however, when examining state survey data (see Tables 11 and 14). In this case, the exclusion of owner-operators caused the minimum lowest and highest wage to go up, with all other quartile points staying about the same.⁹

These findings suggests the need to analyze owner-operated facilities separately from those that are staff-operated.

CHANGES IN WAGE AFTER THE FIRST RATE INCREASE

The intent of WIC 4681.4 was for licensees to utilize the rate increase given to facilities to enhance direct support worker wages and benefits.

⁸ Note that these are facility averages of reported lowest/highest wages paid to employees.

⁹ As was the case with the owner survey, there were three reports of wages higher than \$25.00/hr: \$35.00, \$40.25, \$46.25.

Table 15 summarizes what employees reported about their wages before and after the rate increase.

- Employees interviewed reported wage increases across the board, from \$.99 to \$2.12/hr.
- Employees in owner-operated facilities reported a mean increase of \$1.60/hr.
- Employees of Level 2/3 staff operated facilities, on average, did not report an increase.¹⁰
- Employees of Level 4 A-F facilities reported an increase of \$2.12/hr.
- Employees of Level 4 G-I facilities reported an increase of \$1.66/hr.

| Table 15. Reported wage increase in 1999 Employee Survey Data (n=186) | | | |
|--|-------------------|-------------------|-------------------|
| | Mean Wage 1998 | Mean Wage 1999 | Change in wage |
| L2/3O | 7.59 | 9.19 | 1.60 |
| L2/3S | 7.83 | 7.82 | -0.01 |
| L4A-F | 6.90 | 9.02 | 2.12 |
| L4G-I | 7.69 | 9.35 | 1.66 |
| Grand Mean <i>with Owner-operated</i> | 7.56 | 8.55 | 0.99 |
| Grand Mean <i>Excluding Owner-operated</i> | 7.55 | 8.41 | 0.86 |

Figure 6 visually depicts the increase in wages which employees reported before and after the rate increase. As can be seen, *with the exception of Levels 2/3 staff operated facilities, increases were reported across every service level.*

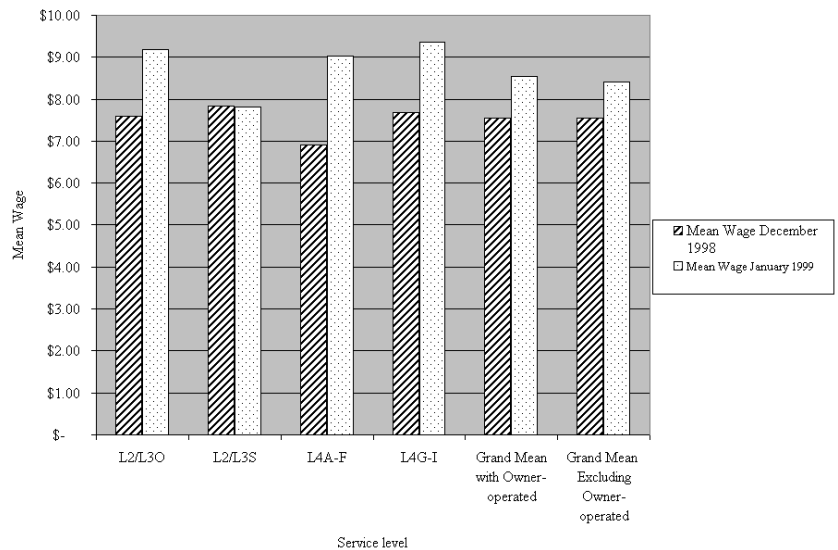


Figure 6. Wages reported by employees before and after the rate increase (n=186)

¹⁰ This may be due to the practice of giving bonuses rather than increasing wages.

PERCEIVED ADEQUACY OF WAGE EARNED

In an effort to determine whether the rate increase was sufficient, employees were asked what they felt was fair compensation for the work they do. Table 16 displays responses given by employees. Almost 13% of the employees surveyed felt the minimum wage

| Table 16. Employee Recommendations for Minimum Wage for Direct Support Work by Service Level | | | | | |
|---|----------------|------------------|------------------|----------------|---------------|
| Service Level | \$9.00-9.99/hr | \$10.00-10.99/hr | \$11.00-11.99/hr | 12.00-14.99/hr | 15.00/hr plus |
| L2/3O | 10.3% | 13.8% | 3.4% | 13.8% | 13.8% |
| L2/3S | 7.1% | 26.8% | 3.6% | 16.1% | 14.3% |
| L4 A-F | 12.5% | 25.0% | 12.5% | 9.4% | 6.3% |
| L4 G-I | 20.0% | 28.9% | 4.4% | 6.7% | 8.9% |
| TOTAL | 12.9% | 25.8% | 5.8% | 12.3% | 11.6% |

should be \$9.00 – 9.99/hr, nearly 26% felt the minimum wage should be \$10.00-10.99/hr, 6% felt the minimum wage should be between \$11.00-11.99/hr, 12% felt the appropriate wage for direct support work should be between \$12.00-14.99/hr, and another 12% felt the wage should be \$15.00 or more. Taking the modal response, it appears that employees feel that the minimum wage for direct support workers should be \$10.00-10.99/hr.

E. HOW WAS THE RATE INCREASE UTILIZED? EMPLOYEE BENEFITS

OWNER REPORTS OF BENEFITS OFFERED

Figure 7 shows owner reports of benefits offered. Approximately 30% - 48% of the owners interviewed reported offering paid sick leave, paid holidays, bonuses, and/or paid vacation as benefits to their direct care workers. The most frequently offered benefit was paid vacation at 48% followed by bonuses at 40%. Twenty-four percent reported offering health insurance. Dental insurance, vision insurance, life insurance, long-term disability insurance, retirement plan, and employee assistance programs were less frequently reported.

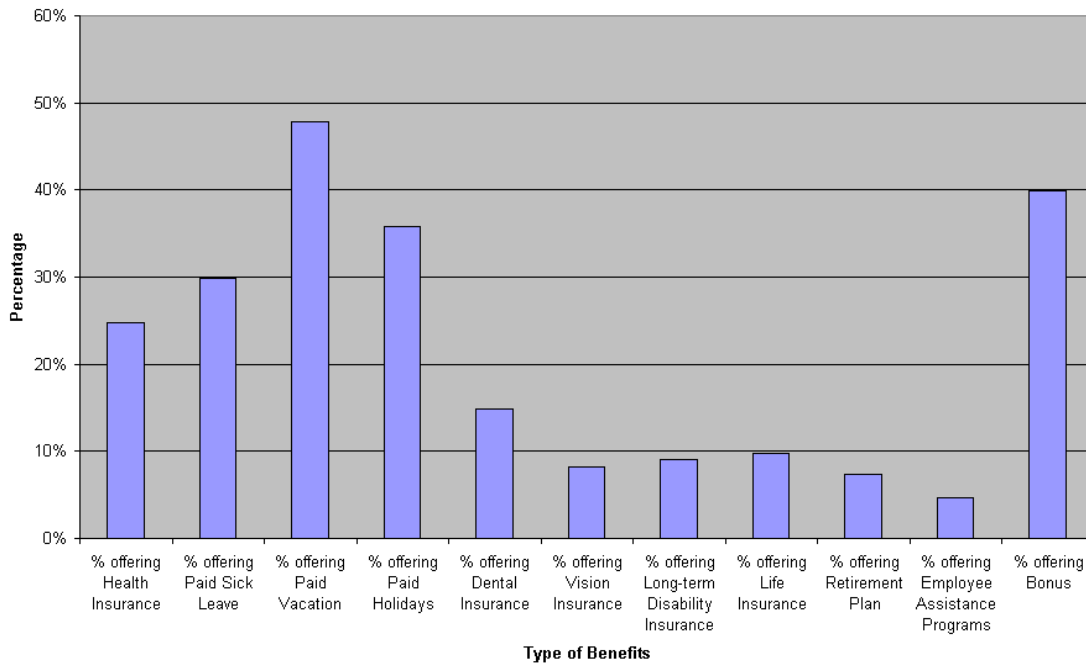


Figure 7. Percent of facilities providing benefits – State survey

The amount of each benefit, its availability to differing types of employees (e.g., full-time, part-time, on-call), and the potential cost to the employer were not available in this survey. However, the pattern noted suggests *a tendency towards the least costly benefits being more frequently offered, possibly suggesting a perceived need or preference for cost containment by owners.*

EMPLOYEE REPORTS OF BENEFITS OFFERED AFTER THE RATE INCREASE

Figure 8 suggests that *benefits are more frequently offered in higher level facilities*, possibly indicating a disparity in the capacity of facilities to leverage resources based on service level. The unique needs of lower level CCF’s to offer benefit packages to the employees requires special study.

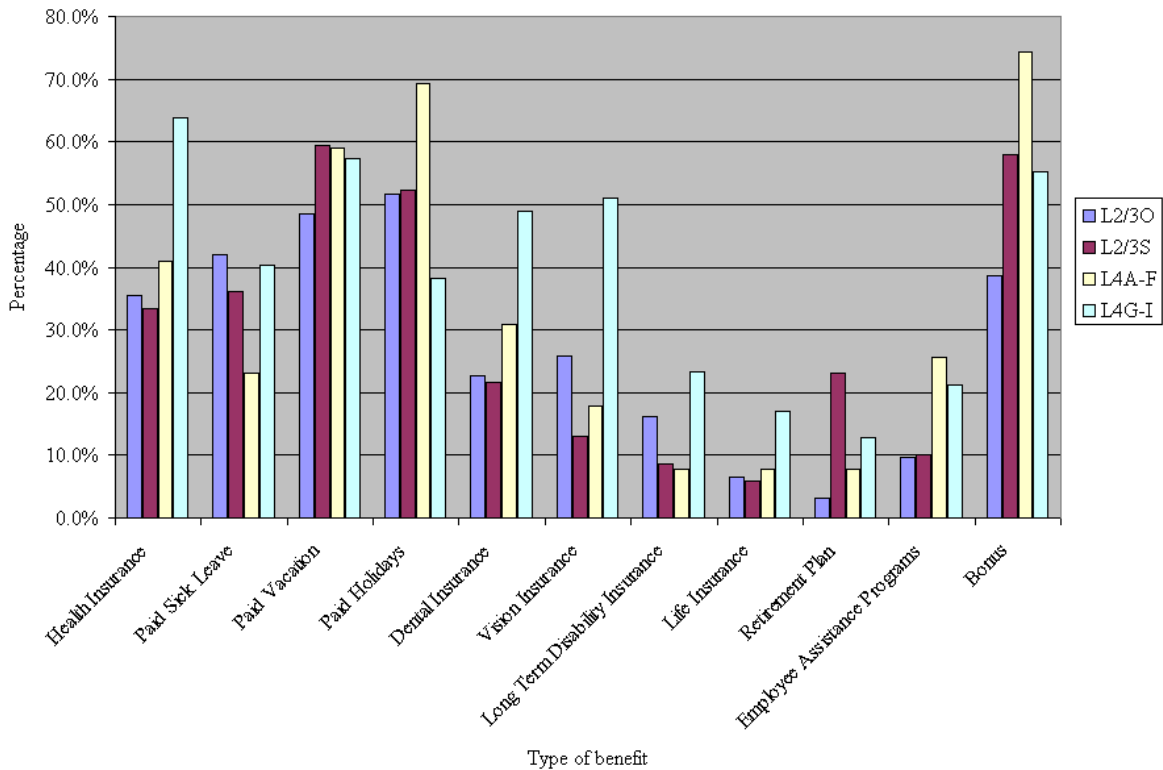


Figure 8. Employee reports of benefits received

A comparison of Figures 7 & 8 reveals that more employees reported receiving benefits than owners reported offering benefits. It is possible that employees were receiving benefits such as health, dental, and vision insurance from a second job or as part of a spouse’s benefits. However, because employees were not asked to identify the source of their benefits in this study, we are not able to confirm this explanation.

Some employees did not know if they had certain benefits:

It is notable that 10-12% of employees stated that they did not know if they had paid vacation or paid sick leave, 6% stated they did not know if they received paid holidays, almost 10% did not know if they received long-term disability.

F. WHAT FACTORS ARE RELATED TO EMPLOYEE JOB SATISFACTION?

EMPLOYEE PERCEPTIONS OF WORKING CONDITIONS

A number of researchers have identified variables within the working environment that are positively related to employee retention in direct support positions. In this study, we first examined employee feelings about their job, then followed with an examination of two major variables related to working conditions: (a) characteristics of the supervision they receive and (b) employee perception of the control they have over their work environment. For these questions, statements were read to employees and they rated their agreement with each statement on a scale of 1 (strongly disagree) to 5 (strongly agree).

Overall across all service levels, employees: 1) seemed to like their work; 2) felt they were doing work which had value and that they were making a difference in the lives of people they serve; and 3) felt prepared for the work they do. See Table 17. On the whole, these data suggest that employees in this sample were generally feeling very positive about their work, contrary to the numerous reports about high turnover and an unstable, dissatisfied, workforce. *The relatively long tenure of many of our subjects may be related to this level of satisfaction with their work, suggesting that there are variables beyond wage and benefits which affect staff retention.*

| Table 17. Summary of employees feelings about their CCF job | |
|--|---|
| ITEMS IN RANK ORDER WITH RATINGS 3.5 OR GREATER | Rating |
| | Scale: 1=Strongly Disagree (SD) 2=Disagree (D) 3=Neutral (N) 4=Agree (A) 5=Strongly Agree (SA) |
| <i>Like their work...</i> | |
| I usually feel really good at the end of my workday | 4.1 |
| I would suggest a job like this to a friend | 4.0 |
| When I wake up I look forward to going to work | 3.8 |
| If I were starting over I would take another job like this | 3.8 |
| <i>Doing valuable work/ making a difference...</i> | |
| I feel I make a difference in people's lives through my work | 4.3 |
| I have accomplished many worthwhile things in this job | 4.2 |
| I want to do more for my consumers | 4.0 |
| I worry about my consumers when I go home | 3.6 |
| <i>Feel prepared for this type of work...</i> | |
| I'm relaxed when I work with the people I take care of | 4.2 |
| I feel this job is right for me | 4.2 |
| I understand how the people I take care of feel about things | 4.1 |
| When my consumers have problems, I know what to do | 4.1 |

CHARACTERISTICS OF SUPERVISION RECEIVED

To evaluate the employee's perception of the quantity and quality of supervision they received, we asked them to rate 17 statements on a 5-point scale from 1 (strongly disagree) to 5 (strongly agree).

In analyzing the data collected on these 17 statements, we conducted a factor analysis to identify underlying constructs to organize the findings. We found there were *three major factors* within employee perceptions of their supervisors and the supervision they receive: (a) *positive supervisor behavior* (b) *negative supervisor behavior*, and (c) *supervisor's push for high productivity*. The first factor had the highest loadings and is reported below.

| Table 18. Employee ratings of <i>Positive Supervisor</i> characteristics (n=186) | |
|---|--|
| ITEMS IN RANK ORDER WITH RATINGS 3.5 OR GREATER | Rating Scale: 1=SD, 2=D, 3=N 4=A, 5=SA |
| My Supervisor is friendly and approachable | 4.25 |
| My Supervisor can be contacted if there is a problem | 4.23 |
| My Supervisor is willing to make necessary changes | 4.14 |
| My Supervisor treats me like an equal | 4.06 |
| My Supervisor warns me about impeding changes | 3.99 |
| My Supervisor looks out for me | 3.97 |
| My Supervisor takes my suggestions | 3.97 |
| My Supervisor does little nice things | 3.86 |
| My Supervisor lets me take it easy sometimes | 3.57 |

As can be seen in Table 18, employees interviewed for this study tended to see their **supervisors as positive and supportive of their work**. It is significant that employees gave the highest ratings *to the friendliness and approachability of supervisors, and their availability when employees needed them*. These are variables which have been found to be important in studies of staff turnover. Moreover, there seemed to be agreement that their supervisors treated them as equals, looked out for them, and were responsive to recommendations they made for changes.

EMPLOYEE CONTROL OVER WORK ENVIRONMENT

We then examined whether employee perceptions of control over their work environment were related to their job satisfaction. Surveyed employees across service levels reported moderate agreement, with statements about the level of control they had over their work environment. See Table 19. It is notable that while these ratings were not as strong as those made about supervisor characteristics, it appears that this factor may also be related to job satisfaction and tenure.

| Table 19. Summary of employee perceptions of the control they have over work environment (n=180) | |
|---|--|
| ITEMS IN RANK ORDER WITH RATINGS 3.5 OR GREATER | Rating Scale: 1=SD, 2=D, 3=N 4=A, 5=SA |
| Employee decides when things will get done | 3.5 |
| Employee decides how to arrange work area | 3.7 |
| Employee decides how to get work done in a good way | 3.6 |
| Employee can tell when he/she has done a good job | 4.1 |
| Employee has a lot of say over the way job is done | 3.7 |

SUMMARY OF EMPLOYEE JOB SATISFACTION, PERCEPTIONS OF WORKING CONDITIONS AND SUPERVISION—A SNAPSHOT

In summary, employees participating in this study reported high levels of satisfaction with their work. While we were not able to establish a causal effect, this satisfaction seems to be associated with employee reports of personal control over the conduct of their work, feelings that their supervisors are available to them when needed, and that their supervisors respect their abilities. All of these variables have been found in the literature as important “non-wage/benefits” variables correlated with staff retention.

IV. Discussion and Recommendations

This report is the first report of three in a 3-year longitudinal study of the impact of Welfare and Institutions Code 4681.4, which establishes two rate increases for California’s 4,451 Community Care Facilities. This rate increase is intended to provide funding to address the wage and benefit concerns of direct support providers working in CCF’s statewide.

| Table 20. Comparison of Results from this Study to Other Published Studies | | | | | | | | |
|--|---|-----------|-------|---|-----------------|--------------|---------------|--------------|
| Study | N | Tenure | Age | Ethnicity | Gender % female | Education | Turnover Rate | Average wage |
| Kansas Study Fullagar et. al. (1996) | 161 | 3.27 yrs. | 34.68 | Not reported | 81% | 14 yrs | 61% | \$7.30 |
| Minnesota Study Larson et al. (1999) | 110 | 1.6 yrs | 32 | Not reported | 78% | Not reported | 44% | \$7.07 |
| California (2000) | 1,423 mail-in surveys 84 owner interviews 186 employee interviews | 4.09 yrs | 39 | 60% Non-White: 23% African American 18% Hispanic 17% Asian/PI 2% Native American 40% White | 66% | 13 years | 24%-48% | \$8.41 |

The first year of this study was used to establish a baseline against which to measure the impact of the legislation on improving wages and benefits for direct support workers in CCF’s. As can be seen in Table 20 above, this study was both similar to and different from the direct support worker studies by Fullagar et al. (1996) and Larson et al. (1999) in study design. Similar to Larson’s study, we conducted a mail-in survey of the entire population of CCF’s in California. Similar to Fullagar’s study, we also conducted owner and employee telephone interviews.

When compared to these studies, it appears that California’s direct support workforce is somewhat different than those described in other studies. California’s workforce is slightly older, has slightly less education, and is comprised of people of color. The tenure of employees participating in this study was longer than those reported in these other studies. Moreover, the turnover rate for direct support workers in California is similar to Larson’s study, but lower than Fullagar’s study. Interestingly, the mean salary of employees for this study is higher than that reported in the other two studies. Two factors are important here in interpreting this finding. First, the comparable studies are 1-3 years older than this study; hence the difference may be due to cost of living increases. Second, at the time of this study, California had just implemented the first of two rate increases for CCF’s which was intended to increase worker wages and benefits. Wages reported may be reflective of the success of this first rate increase to improve the wages

of direct support workers. As with all comparisons, the potential use of differing methodology to collect the targeted data may account for differences noted. However, many of the interview items for this study were modeled on Fullagar's and some of Larsen's protocols.

This study also collected data on employee perceptions of their jobs, their level of control in executing tasks related to job performance, and the quality of supervision they received. While turnover is definitely a problem in this state, for those employees who participated in this study, there were strong expressions of job satisfaction, which were present simultaneously with feelings that (1) they had some control over their work environment, (2) their supervisors were available to them when they needed them, and (3) they were respected by their supervisors. These are all factors identified by researchers as important non-wage variables which should be addressed concomitantly with efforts to increase staff retention among direct support workers.

A significant limitation of this year's study was the small number of owner interviews available for analysis, with, in some cases, extremely small cell sizes for individual service levels. The differences noted in findings between the mail-in survey and the telephone interviews suggest that the social desirability present in this type of research is more likely a factor in the mail-in survey. Hence, a concerted effort to increase the size of the interview sample and to collect longitudinal data on facilities already participating in the study will be made to provide information on how the second rate increase under WIC 4681.4 was utilized and to provide the legislature with more substantive data on turnover rates and its relationship to wages, benefits, and other working conditions which will inform future policy.