

Using On-Demand Pay to Solve Hiring in Home Health Care

Shift
completed



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Shifting Demographics, New Needs Emerging

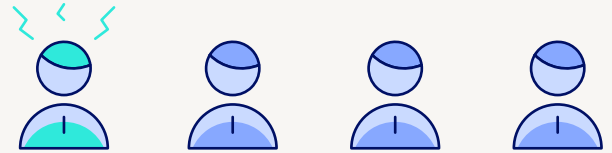
America is getting older. The senior population is projected to grow from roughly 60 million today to 85 million by 2050 – a 47% increase. And as we age, the country will lean upon senior-specific industries like home healthcare and assisted living, which in turn increases the demand for those workers. The Bureau of Labor Statistics says the industry will grow 22% over the next decade and need to fill 645,000 positions per year.

But here's the problem – home healthcare workers are often underpaid and overworked. The median salary for a home health aid is just \$33,530, barely higher than the average fast-food worker.

Retention is an issue, too. While we lauded and supported these essential roles during the pandemic, retention eased. But it spiked back up in 2023, up to 77% from the 65% range in 2020 and 2021, suggesting an "appreciation gap" has formed in the years since.

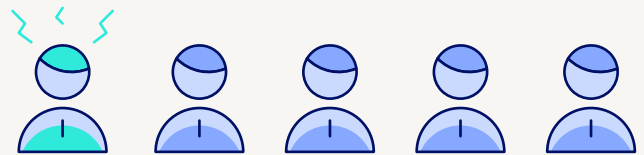
The United States is now hurtling towards a hiring shortage in this vital industry. In this whitepaper, we will take a closer look at the current state of turnover in home health care and examine how businesses are leveraging a solution called on-demand pay to help attract and retain home health care talent.

Combined with the gravity of caring for the elderly and sick, many home health workers report a low quality of life.



1 in 4

home health workers said their own physical health was "fair to poor"



1 in 5

also reported poor mental health, much higher than rates in comparable industries



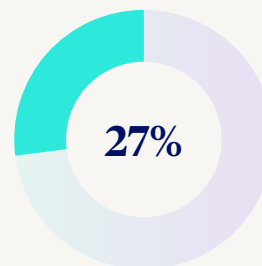
The In-Home Care Industry Faces Growing Turnover

Retention in the home health care industry is difficult. Agencies are grappling with several realities at once: low wages relative to industry, driving requirements for staff, and a workforce that is likely pursuing another job in healthcare. These three challenges, in addition to the general stress of care, makes home health care one of the highest turnover sectors in healthcare, second only to nursing homes.

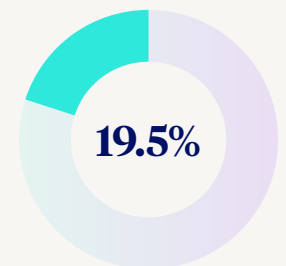
Industry leaders are quick to note that the biggest headwind facing the industry today is staffing. There's simply not enough caregivers to go around, and agencies find themselves negotiating over the same, small pool of applicants.

Additionally, the healthcare industry as a whole is dealing with staffing fallout from the pandemic. Nursing homes were particularly affected, losing approximately 15% of their workforce that won't be backfilled until 2026. With nursing homes and home health care agencies providing similar care, the staffing shortages are expected to impact both sectors.

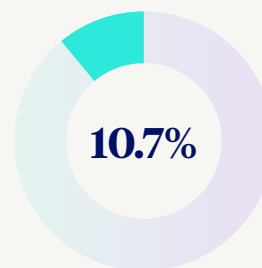
Annual turnover, by industry



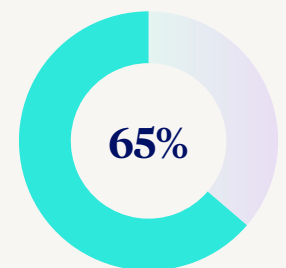
Registered Nurses



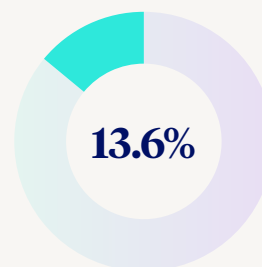
Hospitals, Generally



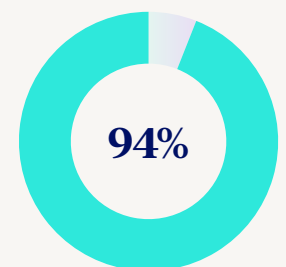
Physician Assistants



Home Health Care



Physical Therapists



Nursing Homes

Using On-Demand Pay to Cut Down Turnover and Improve Retention

For many workers in lower-wage industries, financial stress is simply a fact of daily life. Almost two-thirds of Americans already live paycheck to paycheck, and most workers in home health care earn a median salary less than \$40,000.

In between pay cycles, bills and expenses pile up, leaving workers to overextend their credit cards or incur overage charges on bank accounts if they can't make ends meet. That puts further strain on workers to just *get to work*, let alone be optimally productive when they get there.

This is where on-demand pay can make outsize impact. Precisely what it sounds like, on-demand pay services allow workers to draw wages they have already earned before payday, enabling them to pay for necessities like gas and groceries.

And when employees have access to a service like on-demand pay through their employer, they stay longer, pick up extra shifts, and generally feel better about their finances. Some employers reported that usage of on-demand pay resulted in 42% lower voluntary turnover.

72%

of healthcare employees say two-week pay period model is outdated

76%

of healthcare employees would pick up extra shifts if on-demand pay was offered

57%

of employees would stay longer with an employer because of on-demand pay



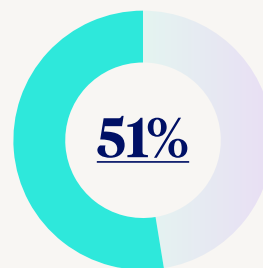
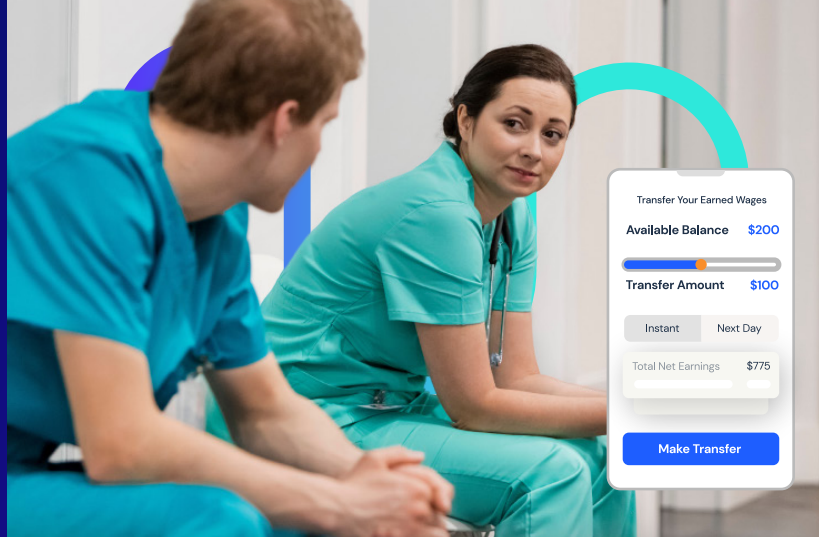
A Benefit Employees Know by Name

Did you know that more than half (51%) of employees think that on-demand pay is a better benefit than additional paid time off?

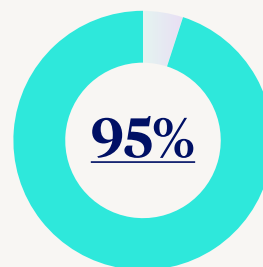
On-demand pay has become such an integral part of an employee's benefits package that it's now expected in industries with hourly-wage or LMI workers. In a survey from Visa, 95% of workers said they would be interested in working for employers that offered it – and 79% would switch jobs to get access to it. This dominant majority is making their voice heard about the impact on-demand pay has in their daily lives.

Data from internal Tapcheck surveys showed that healthcare employees are reaching for their on-demand pay benefit to cover the costs of groceries (78%), gas (70%) and financial emergencies (70%). Conversely, only one in five healthcare workers are taking the benefit "just for fun." This shows that workers are mostly using on-demand pay for necessities and generally do not use it unless they need it.

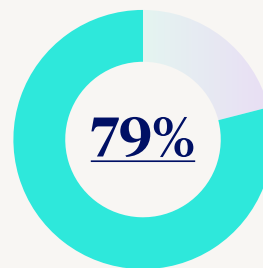
In an economy with nearly two-thirds of workers living paycheck-to-paycheck, on-demand pay has become a lifeline – and one that home health employers are racing to add.



of employees think that on-demand pay is a better benefit than additional paid time off



of workers said they would be interested in working for employers that offered on-demand pay



of workers would switch jobs to get access to on-demand pay

Adding On-Demand Pay for your Home Health Staff

Home health care is growing. And as the industry prepares to add millions of jobs over the next several years, the intensity of hiring talented staff will only continue to grow, too. Employers are all looking for ways to stay on the leading edge when it comes to hiring, retention, and employee experience. This increasingly means including on-demand pay in the benefits package.

Adding on-demand pay to your business is easy and will not interfere with any existing payroll systems. Below is a checklist of a few key considerations when deciding upon an on-demand pay partner.



Integrations

Make sure the EWA partner can integrate to your payroll and timekeeping software.



Implementation

A good EWA partner will help you add this benefit to your systems from start to finish.



App Experience

A benefit is only as good as the usage it gets. Ensure the EWA partner provides an intuitive app experience for your employees and offers top-tier customer help.



On-going support

It's payroll, so it needs to be precise and on-time, all the time. Your EWA provider should make it easy for you to make correction and answer questions without adding any overhead cost or effort.





Tapcheck



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About Us

Tapcheck is the #1 EWA provider for businesses and their employees, bringing the highest precision integration and top-tier customer support to the industry. Tapcheck remains the most accurate, most trusted, and the most committed to financial wellness and empowerment of employees nationwide.

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