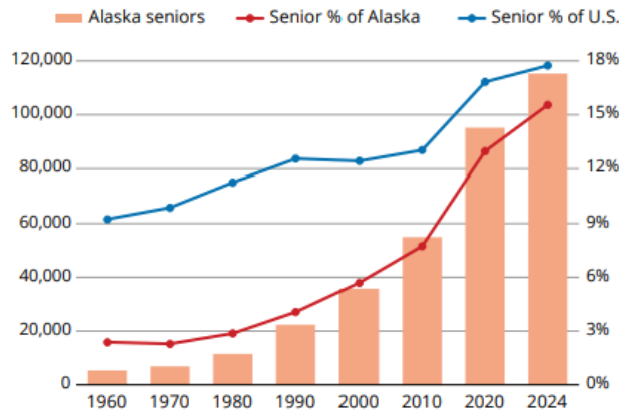


## Raising Home Care Standards in Alaska

Alaska can meet the care needs of elderly residents and people with disabilities while bolstering the economy through the creation of high-quality caregiving jobs, by strengthening our state’s system of home and community-based long-term services and supports.

### *Growing demand for in-home care services*

**Figure 1: Seniors as share of Alaska and in the U.S.**



Source: Alaska Department of Labor and Workforce Development. [Alaska Economic Trend](#), March 2025.

Over the last decade, Alaska has had one of the fastest-growing senior populations per capita in the United States.<sup>1</sup> This trend is expected to continue over the next decade, with the number of Alaskans over age 65 projected to reach 135,000 by the mid 2030s.<sup>2</sup>

Alaskans are also living longer. The population over age 75 is expected to nearly double, from its current size of around 40,000 to 77,000 in 2040.<sup>3</sup> With aging comes a higher likelihood of disability, with Alaskans reporting higher instances of disability than the rest of the country.<sup>4</sup> Alzheimer's and other dementias are also on the rise in the Alaska,<sup>5</sup> directly impacting about 9% of the population over age 65.<sup>6</sup>

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<sup>1</sup> Alaska Department of Health. Alaska State Plan for Senior Services FY2024-27. [https://health.alaska.gov/acoa/Documents/AK\\_State\\_Plan\\_for\\_Senior\\_Services\\_FFY\\_2024\\_FFY\\_2027.pdf](https://health.alaska.gov/acoa/Documents/AK_State_Plan_for_Senior_Services_FFY_2024_FFY_2027.pdf)

<sup>2</sup> Alaska Department of Labor and Workforce Development. Alaska Economic Trend, March 2025. <https://live.laborstats.alaska.gov/trends-magazine/2025/March/seniors-are-a-growing-slice-of-alaska>

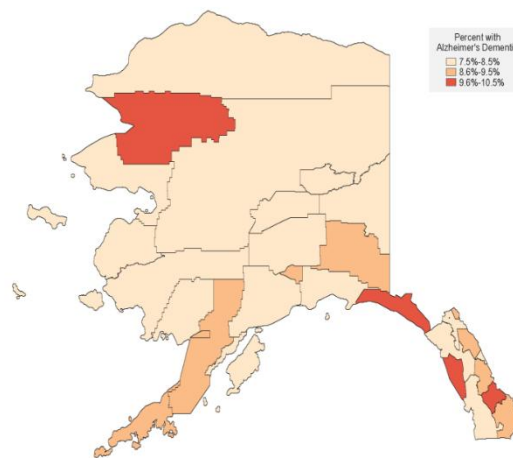
<sup>3</sup> *ibid.*

<sup>4</sup> *ibid.*

<sup>5</sup> Alzheimer's Association. Alaska State overview. <https://www.alz.org/professionals/public-health/state-overview/alaska>

<sup>6</sup> Alzheimer's Association. Alaska state fact sheet 2024. <https://www.alz.org/getmedia/7ee694e4-e75a-4937-a929-48e99def54ea/alaska-alzheimers-facts-figures.pdf>

**Figure 2: Population over age 65 with dementia by location**



Source: Alzheimer's Association. [County Level Alzheimer's prevalence. 2023.](#)

These trends indicate growing demand for in-home long-term services and supports (LTSS) provided by direct care workers who are trained to meet the increasingly complex care needs of Alaska's population over age 65.

#### *Workforce shortage and unmet needs*

Despite growing demand, there continues to be an acute shortage of caregivers in Alaska.<sup>7</sup> Although the Alaska Department of Labor and Workforce Development predicts home care to be one of the fastest growing and most in demand occupations in the state,<sup>8</sup> the potential provider workforce demographic, those age 18 to 64, is in decline: In 2018 there were 15.9 potential caregivers aged 40 to 64 for every senior over 80. By 2030, this will decrease to just 7 potential caregivers for each senior over age 80, below the national ratio of 8.6.<sup>9</sup>

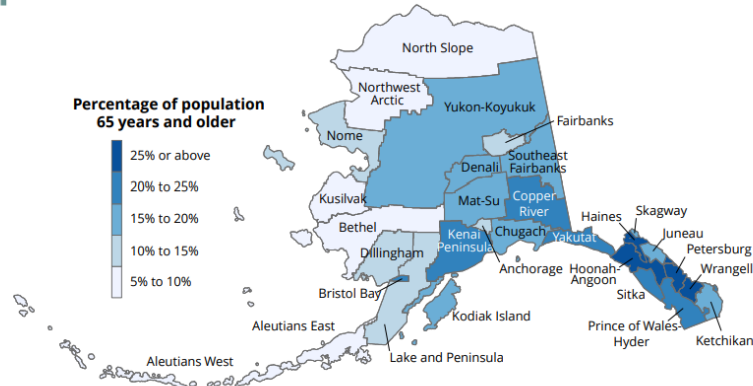
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<sup>7</sup> *ibid.*

<sup>8</sup> "Workforce Development." *Alaska Mental Health Trust*, Accessed February 19, 2021. <https://alaskamentalhealthtrust.org/alaska-mental-health-trust-authority/what-we-do/workforce-development/>

<sup>9</sup> The Alaska State Plan for Senior Services FFY 2020-2023," Alaska Commission on Aging, 2023, 170.

**Figure 2: Population over age 65 by location**



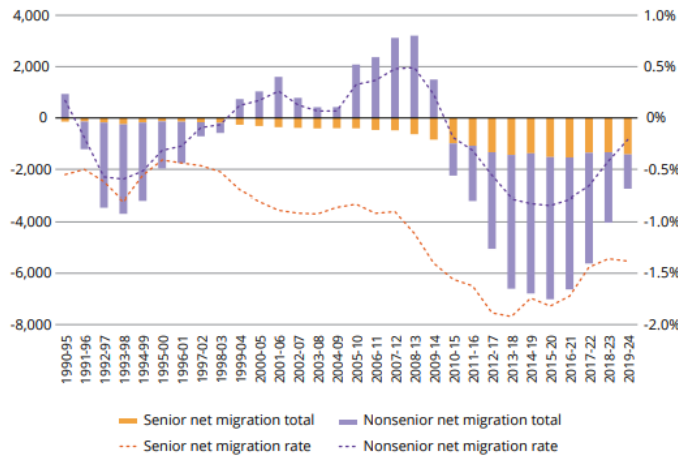
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Source: Alaska Department of Labor and Workforce Development. [Alaska Economic Trend](#), March 2025

This situation is particularly stark in rural and remote areas of Alaska where in-home care is the only option available, and the potential workforce is even more limited. Alaskans living in these areas face additional challenges to accessing care, including limited connectivity, long distances to travel to access services for those living both on and off the road system, limited access to public transportation, and fewer providers.

In the face of such barriers, many Alaskans are forced to move thousands of miles away, leaving behind culture, family, and community. These Alaskans are being denied the option to maintain dignity and independence in their lifelong homes and communities.

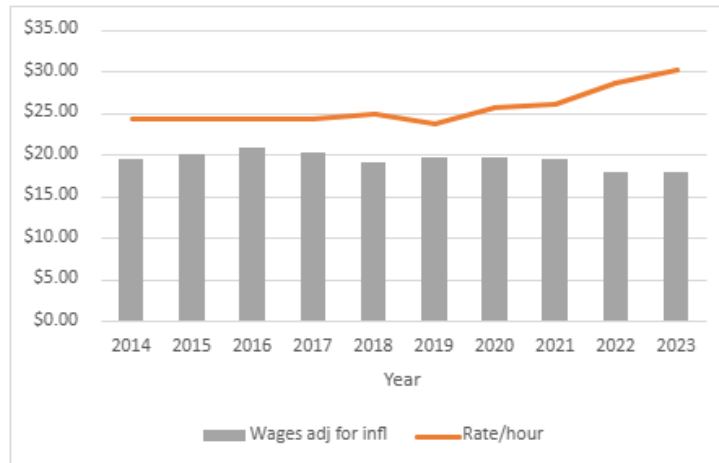
**Figure 4: Share of seniors leaving the state over time**



Source: Alaska Department of Labor and Workforce Development. [Alaska Economic Trend](#), March 2025.

Meanwhile, low wages and lack of benefits force many caregivers out of the profession and make recruitment and retention increasingly more difficult for agencies providing in-home care services. Real wages for PCAs in Alaska have shown a net decline from 2014 to 2023. Funding increases to raise Medicaid rates for home and community-based services passed by the state legislature in 2022 and 2023 have not resulted in pay increases for direct care workers providing personal care services.

**Figure 5: Real wages vs. Hourly Medicaid rate for personal care services 2014 - 2023**



Source: Own elaboration using data from PHI. "Workforce Data Center." Last modified September 2024. <https://phinational.org/policy-research/workforce-data-center/> and Alaska Department of Health Division of Senior and Disability Services [Chart of personal care and CFC Rates](#).

### *Broader Economic Impact*

The workforce crisis forces the burden of care onto unpaid friends and family members, costing the state more than a billion dollars in economic productivity per year. An estimated 94,000 Alaskans provide care to a family member or friend, totaling approximately 88 million hours of free care per year, at an economic value of \$1.68 billion per year.<sup>10</sup> Nationally, 11% of caregivers lost their jobs due to caregiving, and 52% had to reduce work hours by an average of seven hours per week.

On the other hand, investing in and strengthening the HCBS has a positive economic impact statewide, and saves the state from spending on expensive nursing home care.

- Studies show that paying caregivers a living wage reduces reliance on public assistance programs.<sup>11</sup>
- Not only would compensation for care work create more jobs as people enter the field, but it would also boost local economies. The economic footprint of every additional dollar spent on compensation for caregivers has a 1.6-2.1 multiplier as caregivers spend dollars in their communities.<sup>12</sup>
- Allowing family members to provide care will keep people in their own homes and communities and out of costly institutions. "HCBS services cost on average 59% less than services received through Intermediate Care Facilities for individuals with intellectual disabilities and can cost 45% to 90% less than nursing home care."<sup>13</sup>

<sup>10</sup> <https://www.aarp.org/content/dam/aarp/ppi/2023/3/valuing-state-estimates.doi.10.26419-2Fppi.00082.009.pdf>

<sup>11</sup> Weller, Christian, Beth Almeida, Mark Cohen, and Robyn Stone. "Making Care Work Pay: How Paying at Least a Living Wage to Direct Care Workers Could Benefit Care, Workers, and Communities." Leading Age LTSS Center, September 2020. <https://leadingage.org/wp-content/uploads/drupal/Making%20Care%20Work%20Pay%20Report.pdf>.

<sup>12</sup> Ibid.

<sup>13</sup> Alaska Department of Health and Social Services Division of Senior and Disabilities Services, Presentation to the Alaska Legislature, March 8, 2019.