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**Date:** June 14, 2022

**To:** Honorable Mayor Garcia and Members of the City Council

**From:** Councilwoman Suely Saro, Sixth District  
Councilwoman Cindy Allen, Second District

**Subject:** Request for Economic Impact Report for Healthcare Minimum Wage Increase

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**RECOMMENDATION:**

Direct the City Manager to work with Economic Development to request an Economic Impact Report and report to Council in 60 days regarding the feasibility of and potential benefits and risks of implementing a citywide private healthcare minimum wage increase in Long Beach.

**BACKGROUND:**

A conversation about raising the minimum wage for private healthcare workers is happening throughout California and petitions are being submitted in support of the increase. An appointment was scheduled on June 6 with the Office of the City Clerk to submit the petition sections to increase the minimum wage of private healthcare workers from \$15 per hour to \$25 per hour. Supporters of the minimum wage increase state that the COVID-19 pandemic has highlighted the vital importance of low-wage healthcare workers, who work alongside higher-paid doctors and nurses, and are also risking their lives but are undervalued. Since the pandemic, large number of American healthcare workers have left the healthcare sector. The healthcare sector has lost nearly half a million workers since February 2020<sup>1</sup>, and new data suggest that during the pandemic 18% of healthcare workers have quit and 12% have been laid off<sup>2</sup>.

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<sup>1</sup> <https://www.bls.gov/news.release/pdf/empsit.pdf>

<sup>2</sup> <https://morningconsult.com/2021/10/04/health-care-workers-series-part-2-workforce/>

Increasing healthcare minimum wage to reflect the value of healthcare workers may address employment rates by retaining current healthcare workers and attracting new healthcare workers. An economic impact report is requested to study feasibility of and potential benefits and risks of implementing a citywide private healthcare minimum wage increase.

The COVID-19 pandemic has inspired an outpour of public appreciation for the country's frontline heroes and healthcare workers<sup>3</sup> <sup>4</sup>. Doctors and nurses represent less than 20% of all essential health workers. Essential workers who work alongside doctors and nurses are risking their lives during the pandemic but with less prestige and recognition<sup>5</sup>, very low pay, and less access to the protective equipment that could save their lives<sup>6</sup>. These health workers include nursing assistants, phlebotomists, home health aides, housekeepers, medical assistants, cooks, and more. Most of these workers are women and are disproportionately people of color<sup>7</sup>.

More broadly, the pandemic has highlighted the vital importance of many workers in so-called "low-status", "low-skills" or "low prestige" jobs in our food supply chains, transport networks and elsewhere. These workers are disproportionately Black or Hispanic. Many are immigrants, sometimes undocumented. Their jobs lack many of the benefits and protections of "high prestige" positions. Very often the workers themselves feel ignored or disrespected<sup>8</sup>.

The underpaid but essential healthcare workforce in America comprises nearly 7 million people in low-paid health jobs in these three categories:

- **Healthcare support workers** assist healthcare providers such as doctors and nurses in providing patient care. Roles include orderlies, medical assistants, phlebotomists, and pharmacy aides.
- **Direct care workers** such as home health workers, nursing assistants, and personal care aides provide care to individuals with physical, cognitive, or other needs.
- **Healthcare service workers** include housekeepers, janitors, and food preparation and serving workers employed in healthcare settings such as hospitals and nursing homes.

More people are employed in healthcare support, service, and direct care jobs than in all healthcare practitioner and technician jobs (doctors, nurses, EMTs, lab technicians, etc.)<sup>9</sup>. More people work in hospitals as housekeepers and janitors than as physicians

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<sup>3</sup> <https://www.today.com/style/dove-s-courage-beautiful-ad-honors-medical-workers-during-coronavirus-t178272>

<sup>4</sup> <https://www.newsweek.com/watch-new-york-firefighters-surprise-medical-workers-big-thank-you-coronavirus-help-1496076>

<sup>5</sup> <https://www.brookings.edu/blog/up-front/2020/05/28/many-essential-workers-are-in-low-prestige-jobs-time-to-change-our-attitudes-and-policies/>

<sup>6</sup> <https://www.kff.org/coronavirus-covid-19/issue-brief/covid-19-and-workers-at-risk-examining-the-long-term-care-workforce/>

<sup>7</sup> <https://www.brookings.edu/research/essential-but-undervalued-millions-of-health-care-workers-arent-getting-the-pay-or-respect-they-deserve-in-the-covid-19-pandemic/>

<sup>8</sup> <https://www.brookings.edu/blog/up-front/2020/05/28/many-essential-workers-are-in-low-prestige-jobs-time-to-change-our-attitudes-and-policies/>

<sup>9</sup> [https://www.bls.gov/oes/current/naics2\\_62.htm](https://www.bls.gov/oes/current/naics2_62.htm)

and surgeons<sup>10</sup>. The size of this low-wage health workforce exceeds the size of most other occupational groups of essential workers and employs more people than the entire transportation and warehousing industry and more than twice as many people as the grocery industry<sup>11</sup>.

The pandemic has highlighted the importance of low-wage positions in the healthcare sector. The economic impact report will explore the potential benefits and risks of implementing a citywide private healthcare minimum wage increase to \$25 for healthcare support workers, direct care workers, and healthcare service workers.

**FISCAL IMPACT:**

No Financial Management review was able to be conducted due to the urgency and time sensitivity of this item.

**SUGGESTED ACTION:**

Approve

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<sup>10</sup> [https://www.bls.gov/oes/current/naics3\\_622000.htm](https://www.bls.gov/oes/current/naics3_622000.htm)

<sup>11</sup> [https://www.bls.gov/oes/current/naics2\\_48-49.htm](https://www.bls.gov/oes/current/naics2_48-49.htm)