BUILDING ECONOMIC MOBILITY AND INTERGENERATIONAL WEALTH THROUGH AN OWNER-OPERATOR CARE MODEL

CONTEXT BRIEF

The United States is undergoing an unprecedented demographic shift. By 2030, all Baby Boomers will be at least 65, bringing the nation's older adult population to more than 73 million.[i] At the same time, rising rates of neurodegenerative disease and other age-related health conditions will increase demand for help with daily activities, dementia care, and long-term supports.[ii] These trends are straining existing long-term care systems and underscoring the need for innovative workforce and service-delivery models.[iii]

Research consistently shows that most older adults want to remain in their homes and communities as they age.[iv] AARP reports that about 77 percent of adults age 50 and older wish to stay in their homes as long as possible.[v] Aging in place is associated with greater independence, stronger social connections, a higher quality of life, and less reliance on institutional care.[vi]

Supporting community-based care for an aging population, however, requires a strong network of home- and community-based services, including personal care, respite, caregiver support, dementia care, transportation, care coordination, and other nonmedical assistance.

The need is especially urgent for people living with dementia. More than seven million Americans currently have Alzheimer's disease, and that number is expected to grow.[vii] Dementia is a major cause of disability, caregiver burden, hospitalization, and nursing home placement.[viii]

Most people with dementia live in community settings and depend heavily on family caregivers and paid home care workers for daily support and safety.[ix] As prevalence rises, communities will need a larger workforce trained in dementia-capable care, caregiver support, behavioral interventions, and person-centered service delivery.

Unfortunately, workforce shortages threaten the ability of communities to meet these growing needs.

The Growing But Fragile Care Economy

Direct care workers—including home care aides, personal care aides, and nursing assistants—represent one of the fastest-growing occupations in the United States, yet employers continue

to report persistent recruitment and retention challenges.[x] Yet low wages, limited career advancement opportunities, inconsistent work hours, and insufficient training contribute to high turnover and workforce instability.[xi] As a result, many older adults and family caregivers experience difficulty accessing reliable in-home support services when they need them.

Like the rest of the nation, California is entering a period of unprecedented population aging that will dramatically increase demand for home- and community-based services. California's Master Plan for Aging projects that by 2030 some 10.3 million Californians—approximately one-quarter of the state's population—will be age 60 or older.[xii] This population is growing faster than any other age group and is living longer, often with multiple chronic conditions that require ongoing support to remain safely at home.[xiii]

To its credit, California has made a policy commitment to helping older adults age in place rather than relying on institutional care. The Master Plan for Aging envisions a future in which Californians can "live where they choose as they age" and have access to the services necessary to remain in their homes and communities.[xiv] Achieving this vision will require substantial expansion of community-based supports.

The urgency of this challenge is particularly evident in dementia care. The California Department of Aging estimates that nearly five million family caregivers provide unpaid care to older adults and people with disabilities, including approximately 1.7 million individuals caring for someone living with Alzheimer's disease or another form of dementia.[xv] Dementia often requires years of intensive supervision, behavioral support, and assistance with activities of daily living.[xvi]

Understandably, family caregivers frequently report high levels of stress, financial strain, and burnout, creating a growing need for skilled community-based services that can supplement and strengthen family caregiving capacity.[xvii]

Unfortunately, consistent with national trends, the workforce California needs to deliver these services is not keeping pace with demand.

Direct care workers—including home care aides, personal care aides, and nursing assistants—form the backbone of California's long-term services and supports systems. These essential care workers assist with bathing, dressing, medication reminders, meal preparation, mobility support, companionship, and dementia-related supervision.

These workers are often the difference between an older adult remaining at home, living in an assisted living environment, or entering a more costly institutional setting. Yet California faces one of the most severe direct-care workforce shortages in the nation. State estimates project a shortage ranging from 600,000 to 3.2 million direct care workers by 2030 if current workforce trends continue.[xviii]

The workforce challenges are well understood. Direct care occupations are characterized by relatively low wages, inconsistent work schedules, limited career advancement opportunities, and physically and emotionally demanding work.[xix] High turnover remains a persistent problem across home care, residential care, and nursing facility settings.[xx] At the same time, demand for workers continues to increase as the older adult population grows and healthcare systems increasingly shift services from hospitals and institutions into community settings.

California's has made strategic investments in growing its long-term care workforce. Those investments have largely focused on expanding the wage-based employment model.[xxi] This approach has allowed California to expand employment and meet more health care workforce needs but offers few pathways to economic advancement. And the state continues to struggle with workforce retention. A key factor in that challenge is recognition that direct care workers remain concentrated in low- to moderate-wage positions despite years of experience, specialized skills, and deep relationships with clients and families. As a result, the sector has not been able to address its challenges with recruitment, retention, and workforce stability.

Barriers to Workforce Stability

Under traditional salaried or hourly employment models, workers do not build equity, ownership, or transferable business assets. Earnings stop when work stops, and opportunities to generate wealth are constrained by employer compensation structures. While wages may increase incrementally over time, pathways to significant economic mobility remain limited, particularly for workers from historically underserved communities who may face barriers to entrepreneurship and asset accumulation. In contrast to wage and salary employer models, an owner-operator model creates a fundamentally different economic proposition. Under this model, caregivers can become business owners who build enterprises that generate revenue, create jobs, and develop long-term economic value. Through ownership, individuals gain the opportunity to benefit from the growth of their business, retain a greater share of the value they create, and develop assets that may appreciate over time. Owner-operator models also increase competition and resiliency in the health care marketplace and support opportunities for smaller operators to tailor their services to the needs of local demographics, and geographies.

For many caregivers—particularly women, immigrants, and individuals from communities that have historically faced barriers to business ownership—the opportunity to own and grow a care business can serve as a pathway toward economic security and long-term financial resilience.[xxii] And business ownership creates the possibility of building wealth that can be leveraged to generate lifelong revenue, and assets that can be transferred to future generations.

The care economy presents a particularly compelling opportunity for entrepreneurship because demand for services is expected to grow steadily for decades. California's aging population, increasing prevalence of neurodegenerative diseases, and policy emphasis on aging in place are creating expanding markets for home- and community-based services.

Entrepreneurial caregivers who develop specialized expertise in home and community-based care, caregiver support, respite services, care navigation, and culturally responsive services may be well-positioned to build sustainable businesses that respond directly to community needs.

Importantly, entrepreneurship is not a replacement for quality employment opportunities. Not every worker should be expected to become an entrepreneur. Creating structured pathways for those who have interest, aptitude, and ambition to build businesses can significantly expand workforce capacity while creating opportunities for economic mobility.

Understanding the Owner-Operator Skills Mix

Prospective owner-operators in home- and community-based care require more than caregiving skills. They need access to business planning assistance, financial literacy education, startup capital, mentorship, technology tools, legal guidance, marketing support, and ongoing coaching. Investments in business incubation and technical assistance can help reduce the risks associated with entrepreneurship and increase the likelihood of long-term success.

By combining workforce development with entrepreneurship development, communities can pursue a dual-impact strategy: expanding the supply of high-quality community-based care while creating pathways for wealth creation and economic advancement.

The owner-operator model becomes more than a workforce intervention—it becomes a strategy for strengthening families, building community wealth, and creating intergenerational economic opportunity within California's growing care economy.

A successful workforce strategy must recognize that caregiving is not simply a labor shortage problem; it is a workforce development and economic opportunity challenge.

Evidence from California and across the country suggests that workers are more likely to enter and remain in caregiving careers when several workforce elements are present:[xxiii]

Career Mobility and Entrepreneurship Workers are more likely to remain in the sector when they can see opportunities for advancement, increased earnings, leadership roles, and business ownership. Traditional caregiving jobs often offer limited pathways for economic mobility. In contrast, owner-operator models create opportunities for caregivers to become entrepreneurs, build assets, and exercise greater control over their income and future.

Specialized Skills and Credentials Demand is growing for workers with expertise in home care, such as caregiver coaching, behavioral health support, care transitions, and culturally responsive services. Specialized training increases workforce value while improving service quality and outcomes for families and can lower the overall costs of care.

Ongoing Coaching and Professional Support Research consistently demonstrates that workers benefit from mentorship, peer learning, internships, supervision, and other professional development opportunities. Building communities of practice around home care can improve supply, retention and quality.

Flexible Work Arrangements Many individuals interested in caregiving—including family caregivers, immigrants, older workers, and individuals seeking second careers—value flexibility and autonomy. Owner-operator business models can provide greater flexibility than traditional agency employment structures; however, business ownership does come with direct responsibility for making payroll and sustaining financial viability.

Economic Sustainability Workers remain in the field when compensation supports financial stability. Business development assistance, access to capital, shared administrative services, and technical assistance can help owner-operators build financially sustainable enterprises capable of generating higher earnings than traditional wage-based employment. Owner-

operator models also can support the resiliency of the home-care field, as more operators reflect a more robust set of options for families as well as payers.

Purpose and Community Impact Caregiving remains one of the most mission-driven sectors of the economy. Workers frequently report that helping older adults remain independent and supporting families through difficult circumstances are primary motivators for entering the field. Workforce strategies that reinforce purpose, community connection, and professional identity are more likely to succeed.

Given these realities, California – as well as other states – has an opportunity to develop a workforce strategy that simultaneously addresses care shortages, home care needs, and economic mobility. By supporting the creation and growth of owner-operator in-home supportive service businesses, residential care homes, or related community care strategies, California can expand service capacity, create entrepreneurship opportunities, strengthen culturally responsive care, and build a more sustainable health care workforce. Such an approach aligns directly with California's Master Plan for Aging and its goals of strengthening caregiving, supporting aging in place, and building a future-ready care economy capable of meeting the needs of the state's rapidly growing older adult population.

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