

The COVID Care Economy Collapse

Kristina Khederlarian, PhD and Kelly Heimdahl

Dept. of Business and Management, Azusa Pacific University

901 E. Alosta Ave., Azusa CA 91702

Received: Aug. 22, 2022 Accepted: Sep. 23, 2022 Online published: Dec. 23, 2022

doi:10.5296/hrr.v6i1.20197

URL: <https://doi.org/10.5296/hrr.v6i1.20197>

Abstract

Covid19 has created a care economy collapse. As a result of the pandemic, salary incentive programs have been created to encourage Licensed Vocational Nurses (LVNs) to participate in Covid related programs. Many of these programs pay significantly more than the typical salary for LVNs working in home care. As a result, there has become a storage of available LVNs to work with vulnerable populations that need in-home care. Diving into the reasons for the shortage, this study also points to a secondary cause in a salary analysis within Los Angeles County. Results indicate that the average salary LVN salary in LA County is unsustainable for a single parent home. Research has previously shown that keeping people with disabilities in the home results in better outcomes than institutional placement. We will examine what can be done to address the shortage of at home LVN support before there is forced institutionalization.

Keywords: human resources, salary incentive programs, covid19, nursing

1. Introduction

Covid19 has created a care economy collapse. As a result of the pandemic, the incentive programs that were created for Licensed Vocational Nurses (LVNs) to work in vaccine clinics caused a mass exodus in home care. This study will compare the salaries that nurses are receiving in these vaccine clinics to the average salaries that nurses are receiving for in-home care. Our prediction is that these salaries are significantly higher than those given for work in-home care. We posit that the unintended result of the vaccine incentive programs is a storage of available and willing LVNs to work with vulnerable populations. Previous research has shown that people with disabilities have better outcomes with in-home care, as opposed to placement in facilities (DiGennaro et al, 2014). Research on in-home care has shown that patients have an overall better quality of life with fewer hospitalizations, less rapid deterioration in physical and psychosocial health statuses, and greater patient satisfaction (Zimmer et al, 2011). According to the US Census Bureau, in 2020 there were 40,786,461 noninstitutionalized people living with a disability (US Census Bureau, 2022). The shortage

of available nurses has left families of disabled individuals, who require LVN support, with little options for keeping their family members at home.

Research in nursing has suggested that the shortage of nurses has been an issue for quite some time, and the pandemic simply heightened an already existing problem (Wright, James, 2021). The retention of nurses is a serious issue for the healthcare industry as a whole. Research indicates that up to one-third of nurses entering the field, will leave within their first two years on the job. This is largely credited to injuries while working, the amount of work, the emotional toll and culture towards young nurses (Androus AB, 2021). According to subject matter experts like Rhonda Maneval, EdD, RN, senior associate dean of the College of Health Professions and the Lienhard School of Nursing at Pace University, “The nursing pipeline problem is complex and one issue is the lack of prepared faculty to teach... You can’t produce more nurses unless you have appropriate faculty to teach them, and there’s a lack of appropriate clinical sites where students can get hands-on experience in taking care of patients” (Same-Day Surgery, 2021). In August 2021, the American Nurses Association, wrote a letter to the Department of Health and Human Services (HHS) expressing the need for the Biden administration to take steps to address the nursing shortage in the United States. The letter urged the white house to develop short as well as long term solutions to the challenges that are facing the nursing industry. They asked for the, “Biden administration to convene stakeholders to identify short-and-long term solutions to staffing challenges, work with the Center for Medicare and Medicaid Services to promote payment equity for nurses, educate the nation on the importance of the corona-virus vaccine, sustain a nursing workforce that meets current and staffing demands and provide additional resources including recruitment and retention incentives to attract students to the nursing profession and keep skilled professionals working” (Wright, James, 2021). "The American Nursing Shortage: A Data Study" produced by the University of St. Augustine for Health Science projected that 1.2 million new registered nurses will be needed by 2030 to address the shortage. In addition to the current shortage, a study from 2015 estimated that over one million nurses will be retired by 2030 (Wright, James, 2021).

Although research and information are available on the shortage of nurses since the pandemic, little has been conducted on the impact of incentive programs on vulnerable populations needing in-home care. The aim of this study will be to understand this phenomenon and then develop recommendations on what can be done to address the shortage of in-home LVN support before there is forced institutionalization. Although salary incentive programs clearly offer quality of life improvements to nurses, there appears to be some unintended consequences as well. This research will look at the average salary for LVNs working in vaccine clinics vs the salaries they would receive for in-home care. In order to better understand why so many LVNs are choosing to leave their previous positions for these incentive programs in vaccine clinics, we will analyze the current living expenses and salaries for in-home care in LA county. We expect that the salaries of these nurses are not meeting the living expenses for a single-family home in LA county, which contributes to the shortage. The data on this will provide practical implications for policy makers looking to understand the shortage for in-home care.

2. Method

In this study, we will be looking at the average LVN pay for in-home vs Covid Incentive Programs, in Los Angeles County. We will determine how much more these nurses are being paid to work in the vaccine clinics. This will help us to determine the surface monetary reason for taking these positions, and we expect to see that these incentive programs are paying considerably more money. Although these programs are enticing to nurses who hope to make more money, we do not think that a pay increase is the sole motivating factor in nurses taking these incentive programs. We suspect that in most cases in-home nurses are not being paid enough to make ends meet. To test this, we will examine the cost of living in LA county vs average in-home LVN salary. This will show us if these nurses are getting paid enough to live.

3. Results

The national average for a vaccine nurse is \$96,821 annually. In the state of California, we see this number is a bit higher, with the average salary of \$103,085 a year. That comes out to roughly \$44 per hour. Top cities in California are San Mateo, Daly City and Berkeley. However, in fourth place we see the popular LA city of Santa Monica. In Santa Monica, a vaccine nurse makes \$111,862 annually, which comes out to \$53.78 per hour (Ziprecruiter, 2022).

Comparing these salaries to the average LVN salary, we see that it is significantly higher. The national average for a LVN is \$57,011 annually. In California, we see these salaries follow the same trend of being a bit higher than the national average, at \$60,726 a year. In LA, a LVN makes on average \$64,816 annually, which comes out to about \$31.16 per hour (Ziprecruiter, 2022).

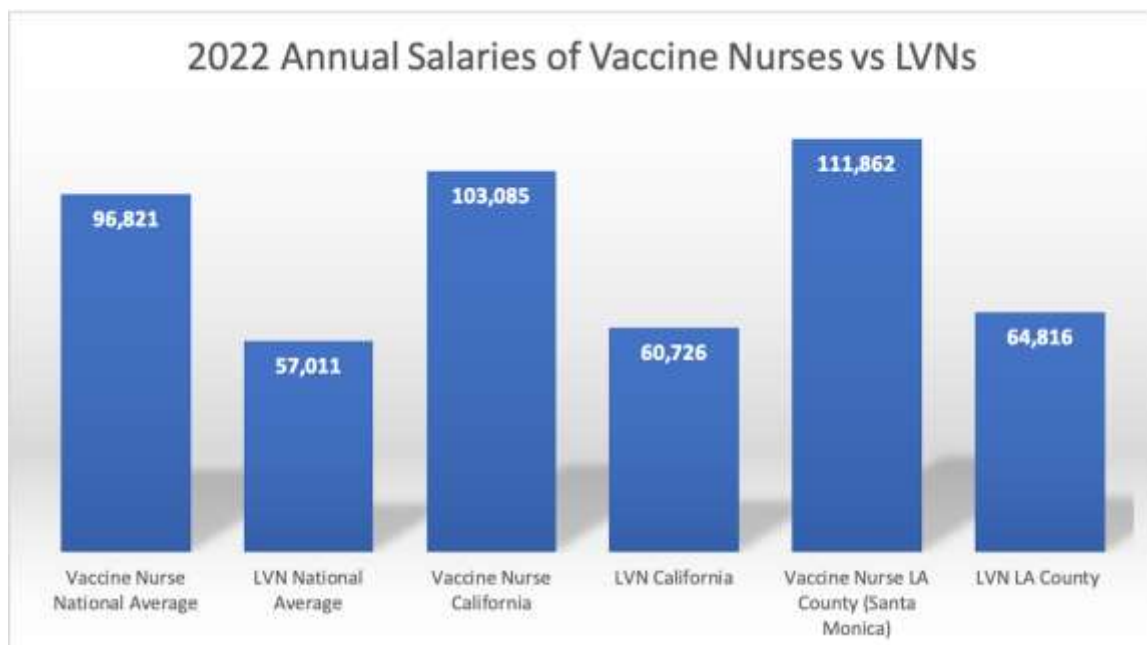


Figure 1. 2022 Annual Salaries of Vaccine Nurses vs LVNs

Caption: Data looking at the Vaccine Nurse and LVN salaries at the United States national average, in the state of California and in Los Angeles County

So, obviously nurses want to make more money. If you could make almost double your salary, of course you would take it. But we suspect that there is more going on here than just the incentive. We had to ask ourselves, are in-home LVNs making enough money to make ends meet? Are they accepting these incentive programs just because of the increase alone or is there a deeper issue? When we examine the living wage needed for a working adult with one child in LA county, we see that an individual would need to make \$44.71 per hour. LVNs make only \$31.16. Therefore, if you are a single parent working in LA county as a LVN you would not be able to support yourself and your child on your current wage and would need to accept the incentive to work in a vaccine clinic, if you wanted to survive (Living Wage, 2022).

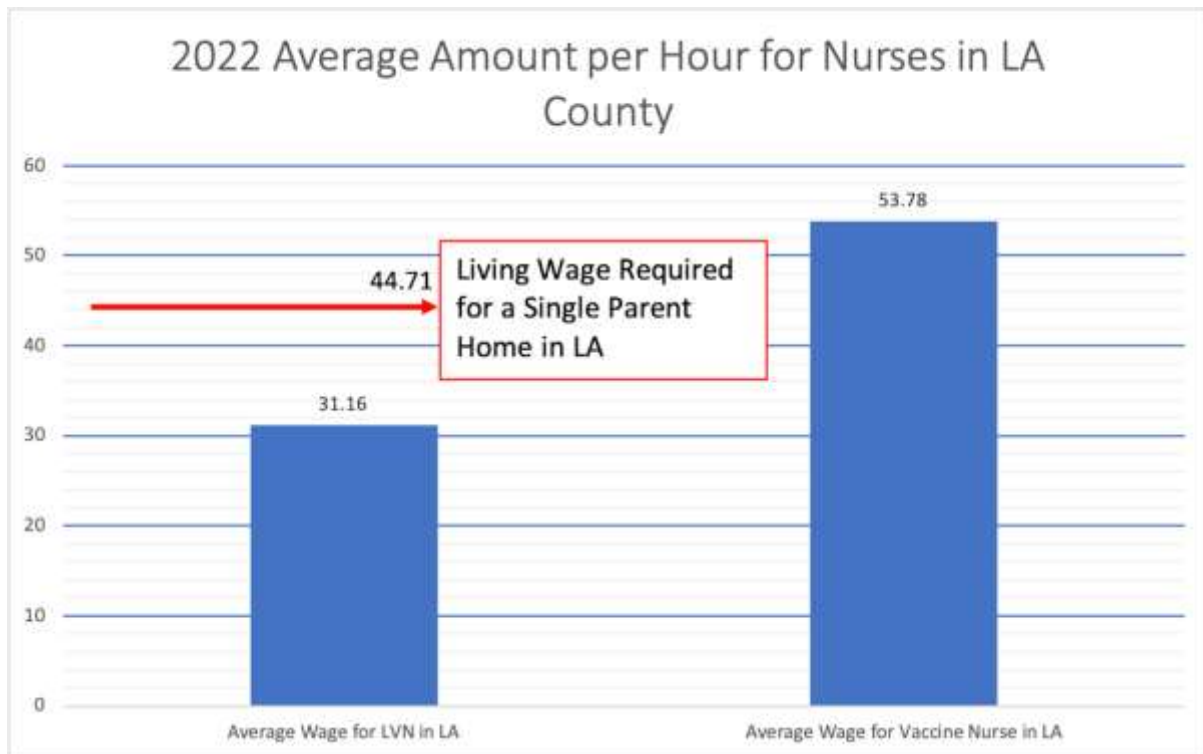


Figure 2. 2022 Average Amount per Hour for Nurses in LA County

Caption: Data comparing the average LVN in LA county to a Vaccine Nurse, and figure calls out that the required living wage for a single parent home is \$44.71 in LA county (which is \$13.55 per hour above what the average LVN earns).

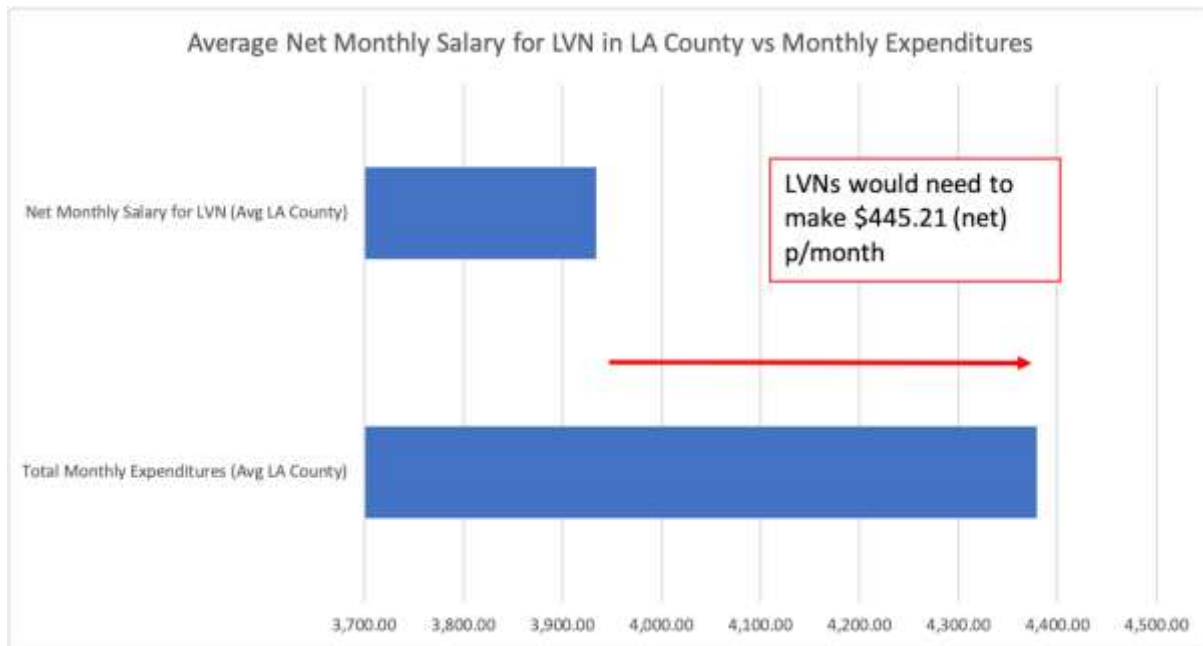


Figure 3. Average Net Monthly Salary for LVN in LA County vs Monthly Expenditures

Caption: Data showing the net salary for an average LVN in LA County vs their average monthly expenditures and calling out that a LVN would need to make approximately \$445.21 (net) more per month to pay for their expenditures.

The average LVN in LA county makes \$5,401 a month (zip recruiter). If we wanted to look at the actual take home after taxes, we would expect the individual to have a net of \$3,934 a month. The average rent in LA is \$2,781 (payscale.com). This is more than half of what a LVN would earn and then we have to consider the average energy bill is \$182.39 and phone bill is \$200.70. Most people will also have a car payment of about \$567 (simplyinsurance.com) and not to mention a food. On average, LA county residents spend 13.1% of their income on food, so an LVN in LA would have a food expenditure of \$648.12 per month. Total these expenditures (rent, utilities, phone, car, and food), we are at \$4,379.21 a month, which is \$445.21 over what an average LVN salary is. This rough estimate does not even include the cost of the gas needed to get to their job, which is currently at \$5.56 a gallon (Payscale, 2022).

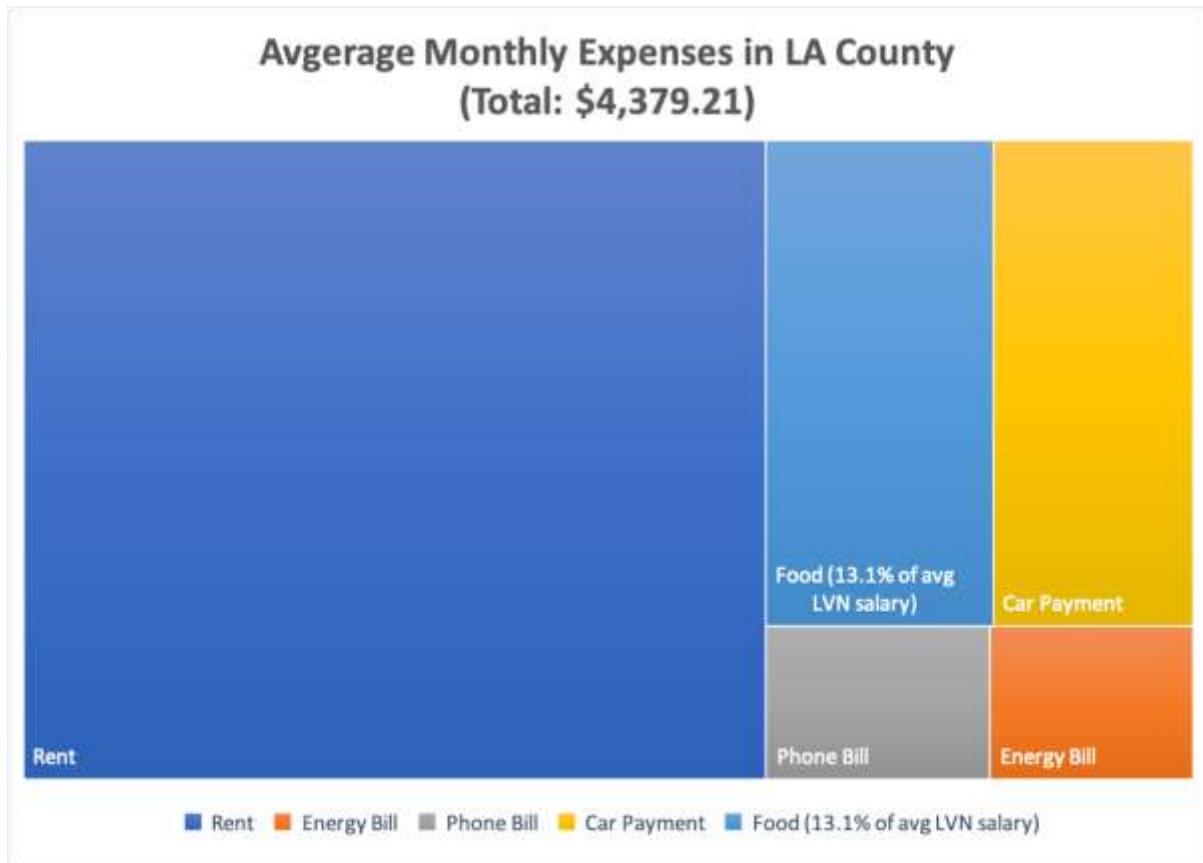


Figure 4. Average Monthly Expenses in LA County (Total \$4,379.21)

Caption: This data shows the average rent price, energy bill, phone bill, new car payment and food cost (13.1% of the average LVN salary on food).

After examining these numbers, it is not a surprise that LVNs are taking the incentive programs and choosing to leave in-home care positions. LVNs want more money, because they can barely make ends meet with their current salary.

4. Discussion

Results from this study show that LVNs in LA county can make almost double their salaries by moving to vaccine clinics. In addition, the average salary for in-home LVN support is simply not in alignment with the cost of living in LA county. The COVID Care Economy collapse has been seen and felt by families needing in-home care for their loved ones, a lot of whom have been unable to attend school or day programs because of the pandemic. There simply isn't a sufficient supply of nurses. In this paper, we have attempted to unearth a systemic cause for this issue that was just exasperated by the pandemic. COVID-19 vaccine incentive programs created an unintended consequence in that LVNs chose to leave many of their in-home care positions to make more money, and vulnerable populations requiring in-home care have been left to suffer the consequences.

The major policy implication that this research uncovers is the need for salary adjustments for care professionals working with vulnerable populations. Previous research has suggested that

keeping people with disabilities in their homes leads to better outcomes. In order to avoid forced institutionalization, availability to in-home nursing needs to be supported by policy makers. In the absence of legislation, we can expect to see this profession continue to decline as people make the decision to leave the field or not enroll in LVN programs to begin with.

In addition to the changes in salary requirements, this research exposes the unintended consequences that salary incentive programs have created as a result of the COVID-19 pandemic. Attempting to control the spread of the virus, one of the most vulnerable populations requiring care was looked over. When incentivizing employees to switch their service locations, it is important for policy makers to ensure that vulnerable populations are still receiving access to the care they need. In-home care of this nature, has been left to families to arrange on their own, and with the shortage of LVNs who have left in-home care to accept incentive programs, many families with no choice but to place their loved ones in facilities because they simply were not able to have access to at home care.

References

Cost of living in Los Angeles, California. PayScale. (n.d.). Retrieved August 14, 2022, from <https://www.payscale.com/cost-of-living-calculator/California-Los-Angeles>

Covid-19 pandemic exacerbated perioperative nursing shortage. Relias Media | Online Continuing Medical Education | Relias Media - Continuing Medical Education Publishing. (2021, July 1). Retrieved August 14, 2022, from <https://www.reliasmedia.com/articles/148150-covid-19-pandemic-exacerbated-perioperative-nursing-shortage>

DiGennaro Reed, F. D., Strouse, M. C., Jenkins, S. R. *et al.* (2014, June 11). *Barriers to Independent Living for Individuals with Disabilities and Seniors*. *Behav Analysis Practice*, 7(2), 70-7. <https://doi.org/10.1007/s40617-014-0011-6>

Living wage calculator for Los Angeles County, California. Living Wage Calculator. (2022, May 10). Retrieved August 4, 2022, from <https://livingwage.mit.edu/>

Vaccine nurse annual salary. Vaccine Nurse Salary in California. (2022, July 28). Retrieved August 5, 2022, from <https://www.ziprecruiter.com/Salaries/Vaccine-Nurse-Salary--in-California>

Zimmer, J. G., Groth-Juncker, A., & McCusker, J. (2011, August 29). *A randomized controlled study of a Home Health Care Team*. *American journal of public health*. <https://doi.org/10.2105/AJPH.75.2.134>

Wright Jr., J. (2021, December 22). *Covid-19 accentuates nationwide nursing shortage*. *The Washington Informer*. Retrieved August 10, 2022, from <https://www.washingtoninformer.com/covid-19-accentuates-nationwide-nursing-shortage/>

Bureau, U. S. C. (2022, May). *Selected Social Characteristics in the United States*. Explore census data. Retrieved August 1, 2022, from <https://data.census.gov/cedsci/table?q=DP02%3A+SELECTED+SOCIAL+CHARACTERIS>

TICS+IN+THE+UNITED+STATES&hidePreview=true&table=DP02&tid=ACSDP1Y2018.
DP02&lastDisplayedRow=169&g=0400000US53%2C01%2C02%2C04%2C05%2C06%2C0
8%2C09%2C10%2C11%2C12%2C13%2C15%2C16%2C17%2C18%2C20%2C19%2C21%
2C22%2C23%2C24%2C25%2C26%2C27%2C28%2C29%2C30%2C31%2C32%2C33%2C
34%2C35%2C36%2C37%2C38%2C39%2C40%2C41%2C42%2C44%2C45%2C46%2C47
%2C48%2C49%2C50%2C51%2C54%2C55%2C56&tp=true

LVN salary in California. (2022, June 28). Retrieved August 5, 2022, from <https://www.salary.com/research/salary/listing/lvn-salary/ca>

Bucceri, A. A. (2022, August 5). *Why new nurses are leaving the profession*. Why New Nurses are Leaving the Profession. Retrieved August 14, 2022, from <https://www.registerednursing.org/articles/why-new-nurses-leaving-profession/>

Copyright Disclaimer

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).