

The Future of Senior Living

James Balda | President & CEO





ARGENTUM
EXPANDING SENIOR LIVING

ABOUT ARGENTUM



ADVOCATE



EDUCATE

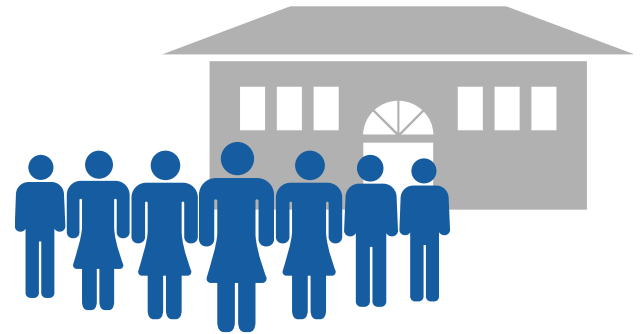


INNOVATE

SENIOR LIVING 2025

Until the 1980s, seniors who could not live safely in their own home or with family had few alternatives to institutional care.

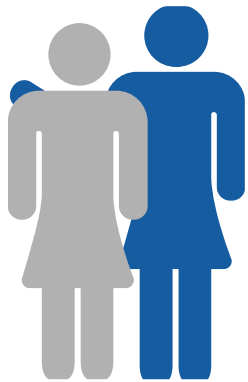
835,200 seniors
live in senior living communities.



They get assistance they need while maintaining privacy, dignity, and respect.

SENIOR LIVING 2025

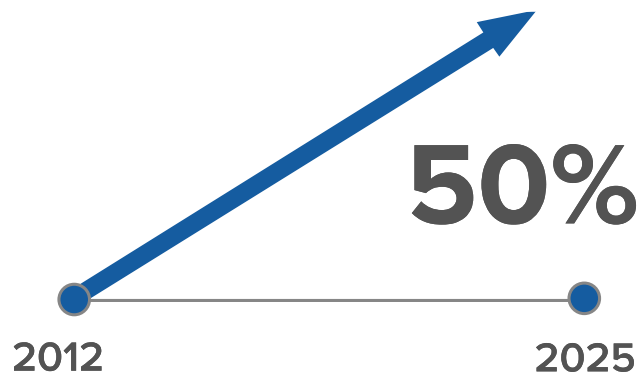
The nation's aging demographic will create unprecedented demand for the services of the senior living industry.



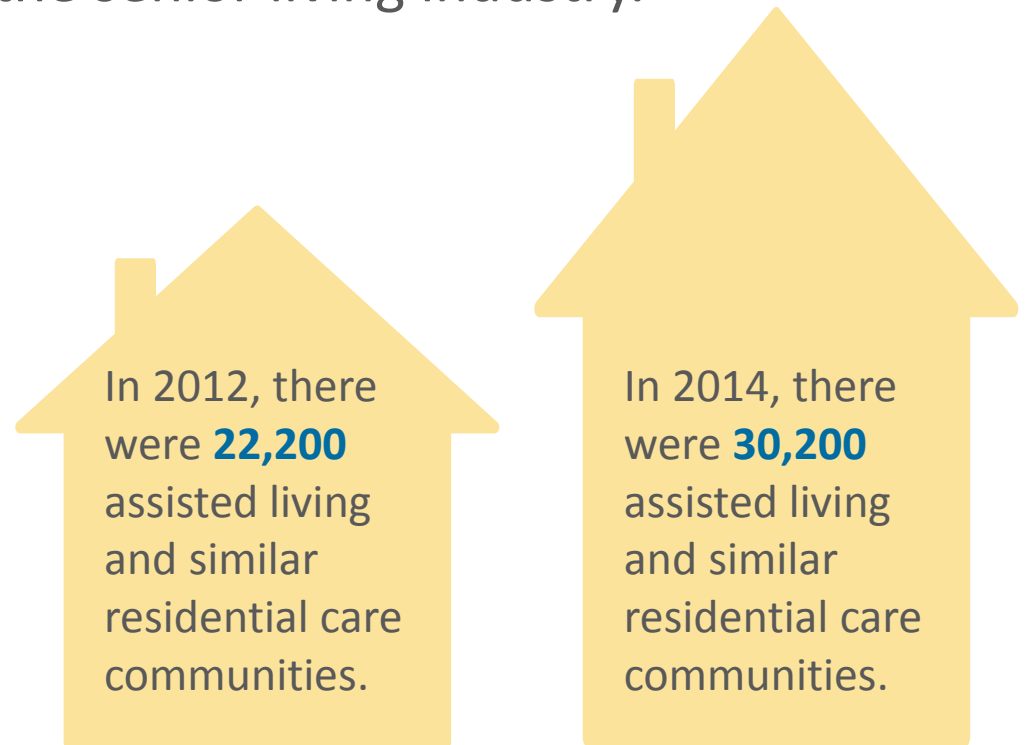
70% of the **65+ population**
requires some form of long-term care.

SENIOR LIVING 2025

The nation's aging demographic will create unprecedented demand for the services of the senior living industry.



There will be approximately **1.1 million daily residents at residential care communities in 2025**, an increase of 50 percent from 2012.



OUR CRITICAL IMPERATIVES



WORKFORCE DEVELOPMENT

Growing a workforce of trained professionals to serve seniors.



CONSUMER CHOICE

Promoting strategies for financing long term care services and supports.



QUALITY IMPROVEMENT

Nurturing environments that enhance the quality of life for senior living residents.



MEMORY CARE

Enhancing awareness and best practices for the care of residents with dementia.



OPERATIONAL EXCELLENCE

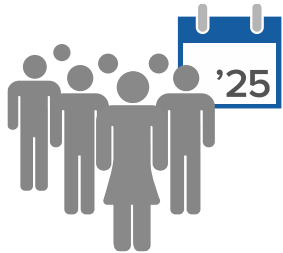
Improving the senior living business through innovation and technology.

SENIOR LIVING 2025



WORKFORCE DEVELOPMENT AN INDUSTRY OF CHOICE

Growing a workforce of trained professionals to serve America's seniors.



Adding **347,000 new jobs** by 2025, senior living employment will exceed **1.1 million**.

The industry will need to recruit **1.2 million** new employees by **2025**.



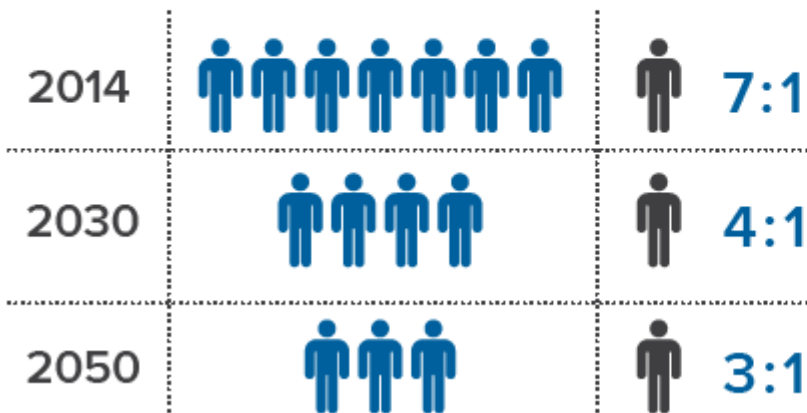
The senior living industry outpaced average U.S. job growth by **3.7%**.



3.7%

Growing A Workforce Of Trained Professionals To Serve America's Older Adults

The **RATIO OF CAREGIVERS** (45-65 years old) to those over 80 will shrink.



The **SENIOR LIVING INDUSTRY** is an engine of growth for the overall economy.

Senior Living employment **INCREASED** at an annual rate of **4.1%** between 2001 and 2014, while **TOTAL U.S. JOB GROWTH** averaged just **0.4%** a year during this period.

• Source: AARP Public Policy Institute

Source: Argentum analysis of Bureau of Labor Statistics data

SENIOR LIVING 2025

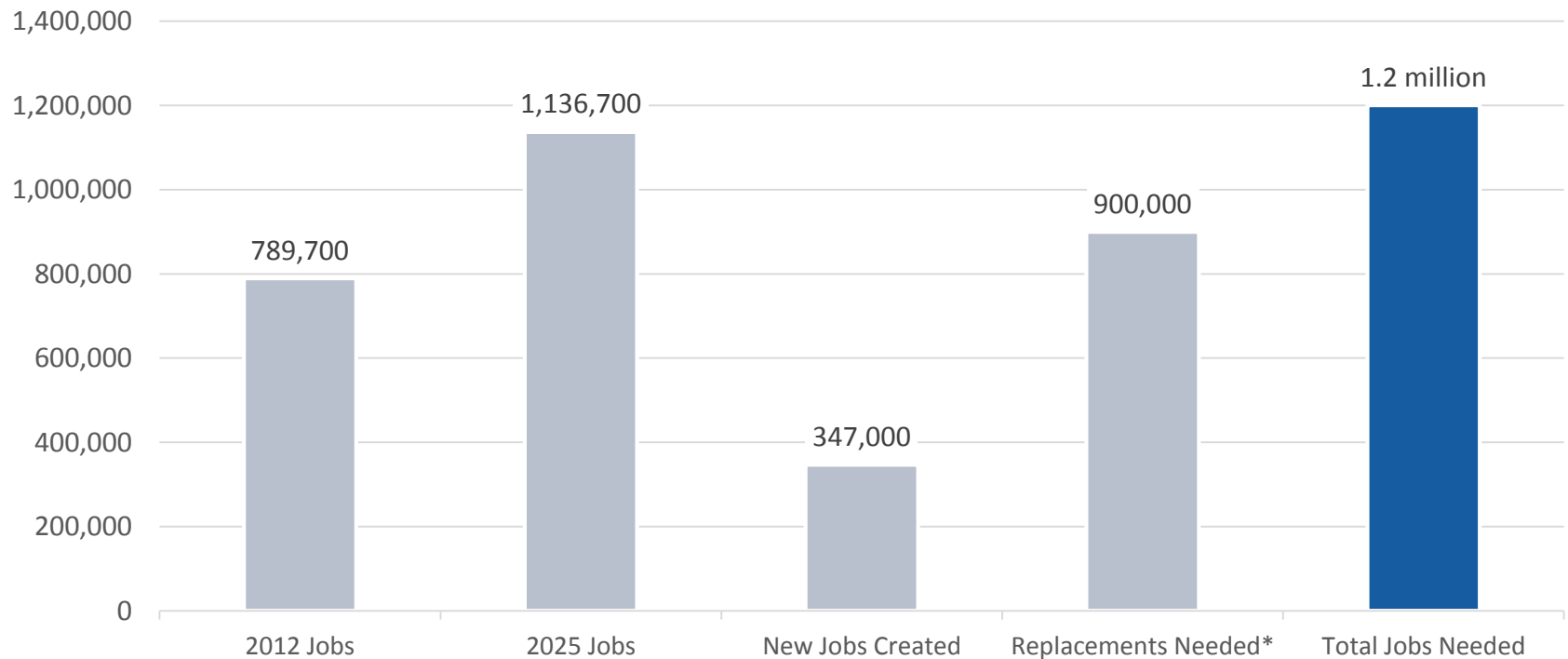
OCCUPATION	2012 JOBS	2025 JOBS	NEW JOBS CREATED	REPLACEMENT NEEDS	TOTAL EMPLOYEES NEEDED
Healthcare Occupations					
Nursing Assistants	167,600	259,100	91,500	187,000	278,500
Home Health Aides	116,400	170,100	53,700	130,000	183,700
Health Technologists & Technicians	49,200	67,800	18,600	24,000	42,600
Licensed Practical & Licensed Vocational Nurses	44,900	61,900	17,000	22,000	39,000
Health Diagnosing & Treating Practitioners	37,100	51,200	14,100	15,000	29,100
Registered Nurses	30,700	42,300	11,600	14,000	25,600
Foodservice Occupations					
Food Servers, Non-restaurant	42,600	65,900	23,300	73,000	96,300
Cooks, Institution & Cafeteria	33,200	45,800	12,600	48,000	60,600
Waiters & Waitresses	14,200	19,600	5,400	26,000	31,400
Food Preparation Workers	11,600	14,300	2,700	20,000	22,700
Dishwashers	10,400	14,000	3,600	17,000	20,600
Management Occupations	25,100	34,500	9,400	17,000	26,400
Business & Financial Operations Occupations	6,800	10,000	3,200	5,000	8,200
Building & Grounds Cleaning & Maintenance Occupations					
Maids & Housekeeping Cleaners	41,700	57,500	15,800	55,000	70,800
Personal Care & Service Occupations					
Personal Care Aides	61,500	89,900	28,400	85,000	113,400
Recreation Workers	16,700	24,000	7,300	24,000	31,300
Office & Administrative Support Occupations					
Receptionists & Information Clerks	13,600	16,400	2,800	16,000	18,800
Installation, Maintenance & Repair Occupations					
Maintenance & Repair Workers, General	16,100	22,200	6,100	12,000	18,100

Top
Occupations
in the Senior
Living
Based on
2012 to
2025
Projections

- Source: Argentum projections, based on data from the Bureau of Labor Statistics

SENIOR LIVING 2025

NATIONAL WORKFORCE PROJECTIONS



*In addition to the new jobs created as a result of continued growth in senior living communities, the industry will need to fill job openings that result when employees permanently leave their occupations, either through exiting the labor force or transferring to a different occupation. These are referred to as 'replacement needs.'



WORKFORCE DEVELOPMENT

Opportunities

- Ensure meaningful public policy and legislation
- Expand job creation and invest in training and development
- Research on drivers of employee engagement
- Partner with academic institutions
- Develop and track baseline metrics
- Develop professional credentials



QUALITY IMPROVEMENT AN INDUSTRY OF SERVICE

Nurturing environments that enhance the quality of life for senior living residents

10 YEARS OF RISING ACUITY IN ASSISTED LIVING

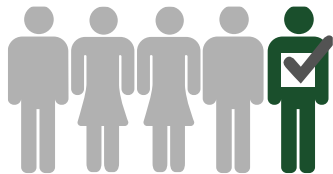
Average Age in 2001	80
Average Age in 2010	87
Average Length of Stay 2001	36 Months
Average Length of Stay 2010	22 Months

2001	30%	28%	13%	15%
2010	45%	34%	17%	23%
	Using a Walker	With Heart Disease	With Diabetes	Using a Wheelchair



QUALITY IMPROVEMENT

75% of senior living residents currently are diagnosed with at least two **chronic conditions**.¹



1 in 5

Americans will be **eligible for Medicare in 2030**, causing significant strains on the program.²

30%

of states **made changes** to assisted living regulations in 2012-2013.³



1. Centers for Disease Control 2. Centers for Medicare & Medicaid Services, Kaiser Family Foundation

3. "Best Practices in Managing Acuity Creep in Assisted Living" presented to a 2015 American Health Lawyers Association meeting



QUALITY IMPROVEMENT

Opportunities

- Support licensing and enforcement
- Partner for state regulatory review
- Participate in the healthcare continuum
- Encourage innovation
- Develop community standards
- Measure and share quality indicators



OPERATIONAL EXCELLENCE AN INDUSTRY OF INNOVATION

Improving the senior living business through innovation and technology.



Total wages within assisted living communities rose an average annual rate of **4.8%** between 2001 and 2013 compared to all industries, which rose an average of **2.6%**.¹

17.4% of residential care communities used **electronic health records** for purposes **other than** billing or accounting.²



The senior living industry's three main expenses are **labor**, **food** and **utilities**.³

1. Bureau of Labor Statistics, Social Security Administration

2. October 2015 Health Affairs 3. 2015 "State of Senior Living"



OPERATIONAL EXCELLENCE

Of top performing communities in the area of quality of management, **95%** of residents, families, and staff would recommend their community.





OPERATIONAL EXCELLENCE

Opportunities

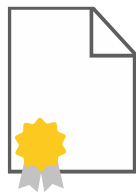
- Develop benchmarks and share metrics
- Identify and enhance the use of technology
- Innovate by cultivating leaders
- Implement electronic health records
- Identify and share best practices



CONSUMER CHOICE AN INDUSTRY OF INDEPENDENCE

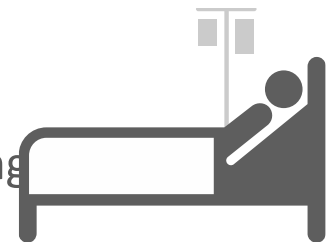
Promoting strategies for financing long term care services and supports

Between 2015 and 2055, the number of older Americans with several long term services and support needs will increase **140%**, reaching **15.1 million**.¹



Less than **8%** of Americans have purchased long term care insurance through the private market.²

A 65-year-old today will incur **\$138,100** in the future lifetime expenses for severe long term needs.¹

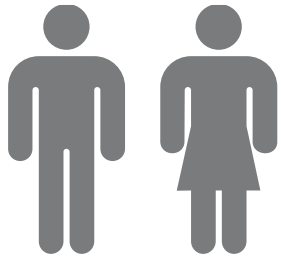


1. 2015 Urban Institute Study

2. Robert Wood Johnson Foundation, Congressional Budget Office



CONSUMER CHOICE



In 2014, the median income of an older adult was

\$31,169 FOR MALES

\$17,375 FOR FEMALES

More than **4.2 MILLION** older adults, or **9.5%**, are below the poverty line.¹

In 2014, individuals 65 and older had **MEDIAN FINANCIAL ASSETS** of **\$76,000** and **MEDIAN HOME EQUITY** of **\$80,000**.²

1. U.S. Administration on Aging

2. Kaiser Family Foundation, 2015



CONSUMER CHOICE

Average life expectancy reached the high of **78.8** years in 2014.



Aging baby boomers will lift the number of households aged 65 and over by 2025. **42%**



Health insurance does not cover LTSS and Medicare does not cover most of these expenses.



CONSUMER CHOICE

Opportunities

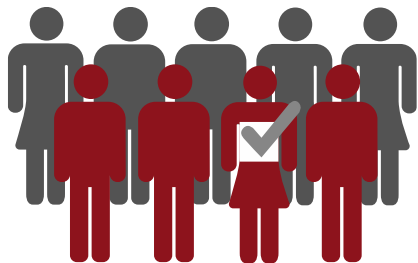
- Support public education
- Promote tax incentives and financing options
- Champion long-term care insurance
- Encourage state-based savings initiatives
- Support public policy options to provide widespread affordable senior housing
- Create innovative financing models
- Work to eliminate financial elder abuse



MEMORY CARE AN INDUSTRY OF DIGNITY AND RESPECT

Enhancing quality of life for senior living residents with Alzheimer's disease and related dementias from care to cure.

Today **5.1 million** Americans are living with Alzheimer's including an estimated **200,000** under the age of **65**.¹



1 in 9 older Americans are living with the disease.²



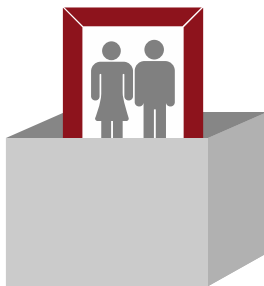
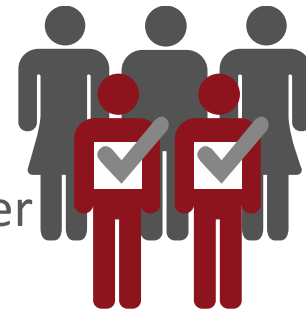
Every 67 seconds someone in the United States develops Alzheimer's disease.²

1. Alzheimer's Association
2. Centers for Disease Control



MEMORY CARE

More than **40%** of assisted living residents have Alzheimer's disease or other dementias.



Senior living industry best practices for dementia care include building design, memory boxes, Snoezelen rooms, enhanced dining experience and custom activities.



MEMORY CARE

Opportunities

- Boost public understanding
- Promote disease management
- Encourage participation in scientific studies
- Support and expand dementia friendly communities
- Develop and and share best practices

CONCLUSION

- The next 10 years for the senior living industry is full of promise and opportunity.
- Industry must embrace change and forge new alliances.
- Through this extensive six-month listening tour, Argentum has crafted a look at key issues facing the industry over the next 10 years: Workforce Development, Quality Improvement, Operational Excellence, Consumer Choice, and Memory Care.



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jbalda@argentum.org



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