

# ARGENTUM QUARTERLY

## WORKFORCE DEVELOPMENT: INVESTING IN SENIOR LIVING'S FUTURE

Maximizing human capital, embracing employee engagement, and offering proven solutions

### GETTING TO 2025: A ROADMAP

Senior living must attract 1.4 million workers

### FINDING AND GROWING A TALENT PIPELINE

Proven solutions for Attracting, hiring and onboarding, and retention

### 2019 FORECAST REPORT

What's ahead on a state and regional level

### STATE OF THE SENIOR LIVING WORKFORCEI

Jobs, Hours, and Wages  
2018 Q3

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## ABOUT ARGENTUM

Argentum is the leading national association exclusively dedicated to supporting companies operating professionally managed, resident-centered senior living communities and the older adults and families they serve. Argentum member companies operate senior living communities offering assisted living, independent living, continuing care, and memory care services to older adults and their families. Argentum's work is driven by its membership. For more information about joining Argentum in its mission to raise the bar of excellence in senior living, please visit [argentum.org/membership](https://argentum.org/membership). Since 1990, Argentum has advocated for choice, independence, dignity, and quality of life for all older adults. Learn more at [argentum.org](https://argentum.org).

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## EDITOR'S MESSAGE

The senior living industry's drive and desire to build a professional, caring workforce are impressive. They're fueled by genuine compassion and stalwart determination to provide the best care for community residents, their families, and loved ones.

It's also fueled by the stark reality that the industry is projected to need more than one million workers in less than a decade – in an environment where the number of job openings surpasses the number of job seekers.

By 2030, all baby boomers will be older than 65 years, expanding the size of America's older population so that one in five residents will be retirement age. Adults age 85 and up, who are largely the residents of senior living, are the fastest growing age group and will reach 8.9 million in 2030. By 2035, older people are projected to outnumber children for the first time in U.S. history. We need to do more to interest young people in considering senior living as a career.

There are many opportunities available for senior living leaders to join state and local career pathing programs. I recently attended an event at our local public high school, kicking off a new Governor's Academy for the Health Sciences in partnership with a prominent private Washington, DC-based university. Virginia Gov. Ralph Northam, a pediatric neurologist and advocate for building an informed healthcare workforce, keynoted the event reiterating that while jobs in cybersecurity and biotechnology are true jobs of the 21st century, it's those jobs in healthcare – including tech-focused jobs – that are projected to grow more than any other occupational group over the next eight years and beyond. Our local high school is thrilled to offer a new core competency outside of the well-established curriculum for STEM (science, technology, engineering, and math) programs. The university is educating and training high school students to populate its health sciences and medical schools. That will launch them on a path to become caregivers and other health sciences workers.

Gov. Northam also noted that of the class of 100 students in this program's inaugural year, 70 percent are female, with more than 15 languages spoken, and more than half of its students are the first in their family to pursue a healthcare career – a harbinger of the workforce of the future.

This issue is designed to give you a better understanding of the senior living workforce landscape and to spur new ways of cultivating and retaining workers for these 21st century jobs that have the timeless mission of caring for special populations.



Sharon Cohen



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EXPANDING SENIOR LIVING

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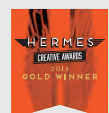
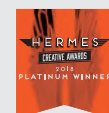
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# DATA-DRIVEN WORKFORCE PLANNING FOR A DATA-DRIVEN INDUSTRY

Our industry thrives on data. Whether we're maximizing occupancy, deriving formulas for converting sales, or generating efficiencies in service delivery, senior living owners and operators excel at measurement and continuous quality improvement. Yet when it comes to our human capital—our largest expense and our greatest differentiator—it seems there are fewer available measures. We hear often about the need for more benchmarks of key measures such as turnover and retention. Of how hard it is to quantify return on investments in training and employee development.

This issue focuses on measurements of our workers today, as well as what we can predict about our future workforce. We start with an update on the much-reported Senior Living Industry 2025 Workforce Projections. We project needing to fill nearly 1.4 million workers between now and 2025, representing 281,000 new jobs and a whopping 1,099,000 replacement jobs for our workers who are retiring or exiting senior living. It's no surprise that finding and keeping workers is a challenge in an overall economy in which the number of job openings exceeds the total number of job seekers—the first time this has ever been recorded.

We follow this sobering report with a range of proven solutions. You'll find an exploration of employee engagement and its crucial role in retention as well as operational measures including occupancy and resident satisfaction. Calculations by Activated Insight using Great Place to Work data in senior living find that a 10 percent increase in worker retention is associated with a 2 percent increase in occupancy, a 10 percent reduction in risk, and a 5.5 percent overall improvement to the bottom line.

We delve into best practices in employment that have led to measurable success. They include Vi's partnerships with local high schools to build recruitment, Agemark Senior Living's use of technology in the interview process, and Trilogy Health System's apprenticeship program that has launched its nursing aides and culinary workers into a lifelong career path.

An article from MatrixCare points to technology and how artificial intelligence will make us work smarter, not necessarily harder. Although we don't expect this will shrink our overall need for workers, it will undoubtedly make senior living operations more efficient and probably less taxing on individual caregivers. It will also ensure better care.

Finally, we highlight additional data on the overall workforce that illuminate our workforce challenges and opportunities. Using the example of nursing assistants, we break down the competencies required and examine how broadening our search personal care aides and other related occupations can dramatically increase the available pool of workers. And we include the continuation of our ongoing series on key workforce trends.

Argentum forges ahead on initiatives based on our growing understanding of workforce data. Our recruitment initiative, Senior Living Works, is raising awareness of senior living careers and building a network of education partners that are leading to credentials recognized by industry. Our focus on turnover and retention is generating new benchmarks for the industry and replicating best practices. We are quantifying core competencies for common occupations, which will support career paths into and upward in senior living. Let the data behind these initiatives speak—and please join us we turn this knowledge into action on behalf of the senior living industry.

*By Brent Weil, Argentum  
VP of Workforce Development*

# GETTING TO 2025: A SENIOR LIVING ROADMAP

Argentum has been advocating for choice, accessibility, independence, and quality of life for seniors since 1990. Since the organization's founding, a lot has changed in the senior care landscape thanks to new technologies, innovative models of care, and an increased emphasis on quality improvement and workforce development, among many other initiatives to cultivate industry excellence.

To assess the progress and prepare for the future, Argentum embarked on a project in 2015 analyzing the landscape of senior living care and forecast a 10-year outlook for the industry. The "Getting to 2025: A Senior Living Roadmap" project ([seniorliving2025.org](http://seniorliving2025.org)) was produced in consultation with hundreds of top senior living executives and other advocates, thought leaders and policy experts, outlining the most significant opportunities and challenges facing the senior living industry through 2025.

Argentum has updated some of the workforce data released in the original 2025 report, reflecting changes over the last few years.

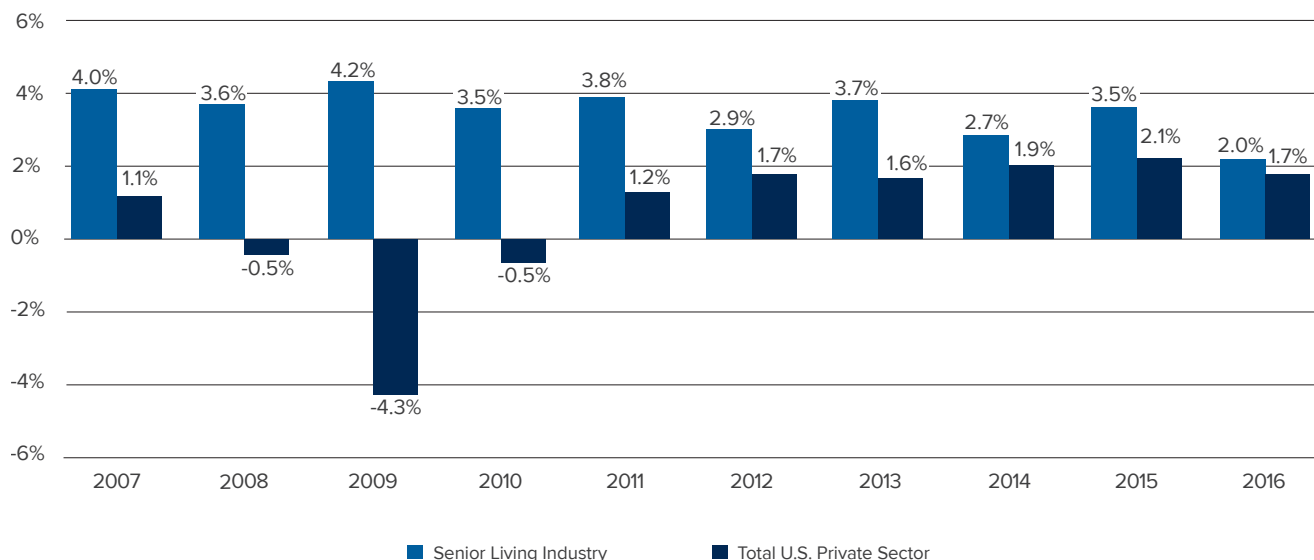
## SENIOR LIVING JOB GROWTH OUTPACES OVERALL ECONOMY

The senior living industry was an engine of job growth for the U.S. economy in recent years. Total employment in the senior living industry jumped 77 percent between 2001 and 2016, an increase of nearly 387,000 jobs. During this same 15-year period, total U.S. employment rose by only 9 percent.

Senior living industry job growth exceeded the overall economy in each of the last 15 years. Senior living employment increased at an average annual rate of 3.9 percent between 2001 and 2016, while total U.S. job growth averaged just 0.6 percent a year during this period.

The senior living industry also continued to post steady employment growth during the Great Recession, even when most other industries were shedding jobs. Between 2007 and 2010, the senior living industry added more than 78,000 jobs, an increase of nearly 12 percent. During the same three-year period, the overall U.S. economy shed more than 7.6 million jobs, which represented a decline of nearly 6 percent.

Senior Living Employment Growth vs. All U.S. Industries\*

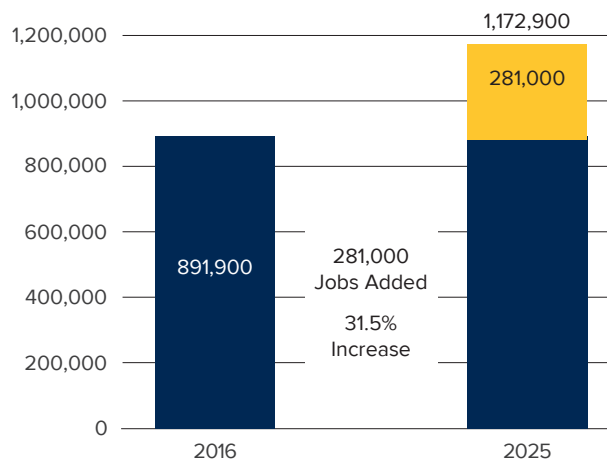


Source: Argentum analysis of data from the Bureau of Labor Statistics \*Senior living data includes continuing care retirement communities (CCRCs) and assisted living communities

## SENIOR LIVING WORKFORCE PROJECTED TO REACH NEARLY 1.2 MILLION BY 2025

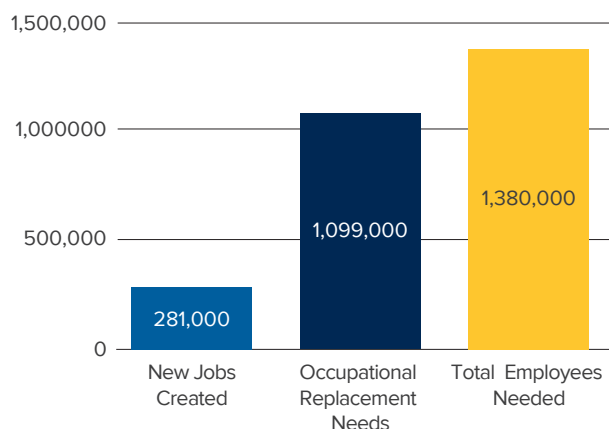
Since “Getting to 2025: A Senior Living Roadmap” was published by Argentum in 2015, the senior living industry has made significant progress toward the target of employing more than 1.1 million people by 2025. Between 2012 (the base year for the original data projections) and 2016, senior living employment rose by roughly 100,000, which was nearly 30 percent of the projected 347,000 jobs that would be added by 2025.

**Senior Living Industry Growth 2016 to 2025**



Source: Bureau of Labor Statistics 2016-2026 projections, interpolated to 2025 by Argentum

**Senior Living Industry Workforce Projections:**



Source: Bureau of Labor Statistics 2016-2026 projections, interpolated to 2025 by Argentum

Due in part to this steady growth, the employment outlook is even more positive for the senior living industry. Total employment in the senior living industry is expected to reach nearly 1.2 million by 2025, according to new projections by the U.S. Department of Labor’s Bureau of Labor Statistics (BLS).

The projected job growth would represent an increase of 281,000 jobs, or 31.5 percent, from its 2016 employment level of 891,900. In addition, the projected senior living industry job growth of 31.5 percent is nearly five times stronger than the expected 6.7 percent increase in total U.S. employment between 2016 and 2025.

In addition to the 281,000 new senior living industry jobs that will be created by 2025, Argentum estimates that there will be an additional 1.1 million job openings that result when employees either exit the labor force or transfer to a different occupation.

In total, the senior living industry will need to fill nearly 1.4 million occupational openings between 2016 and 2025.

### METHODOLOGY OF OCCUPATIONAL REPLACEMENT CALCULATIONS

In addition to the employment opportunities that result when a new job is created, job openings also arise when existing workers separate from their occupations. In fact, the vast majority of job openings result from existing workers leaving their occupations rather than from new jobs being created, according to data from the Bureau of Labor Statistics.

As part of its Employment Projections program, the BLS produces occupational-specific estimates of the annual rates at which workers exit the labor force, due to retirement or other reasons, and workers transfer to different occupations. These rates vary significantly by occupation.

Based on the BLS labor force exit rates and occupational transfer rates, Argentum projected the number of total senior living occupational separations that will occur between 2016 and 2025. These projections of separations were combined with the projections of 2016-2025 employment growth to determine the total number of employees that the senior living industry will need to attract between 2016 and 2025.

Note that these estimates of occupational openings do not include workers who change jobs but remain in the same occupation. For example, a nursing assistant who leaves a job at one community to work as a nursing assistant at another community.

### Top Occupations in the Senior Living Industry Based on 2016 Jobs

OCCUPATION	2016 JOBS	2025 JOBS	NEW JOBS CREATED	REPLACEMENT NEEDS	TOTAL EMPLOYEES NEEDED
<b>Healthcare</b>					
Nursing Assistants	161,800	208,500	46,700	183,000	<b>229,700</b>
Home Health Aides	88,200	124,200	36,000	104,000	<b>140,000</b>
Medical Assistants	9,800	13,800	4,000	10,000	<b>14,000</b>
Health Technologists & Technicians	55,300	71,300	16,000	36,000	<b>52,000</b>
Licensed Practical & Licensed Vocational Nurses	49,100	63,300	14,200	34,000	<b>48,200</b>
Health Diagnosing & Treating Practitioners	38,000	49,000	11,000	17,000	<b>28,000</b>
Registered Nurses	31,800	41,000	9,200	16,000	<b>25,200</b>
<b>Foodservice</b>					
Food Servers, Non-restaurant	51,600	66,500	14,900	75,000	<b>89,900</b>
Cooks, Institution & Cafeteria	37,800	48,700	10,900	53,000	<b>63,900</b>
Waiters & Waitresses	15,500	20,000	4,500	29,000	<b>33,500</b>
Food Preparation Workers	10,700	13,200	2,500	17,000	<b>19,500</b>
Combined Food Preparation & Serving	10,000	12,900	2,900	18,000	<b>20,900</b>
Dishwashers	9,000	11,600	2,600	17,000	<b>16,600</b>
<b>Management</b>	<b>28,300</b>	<b>36,500</b>	<b>8,200</b>	<b>21,000</b>	<b>29,200</b>
<b>Business &amp; Financial Operations</b>	<b>8,400</b>	<b>11,100</b>	<b>2,700</b>	<b>7,000</b>	<b>9,700</b>
<b>Building &amp; Grounds Cleaning &amp; Maintenance Occupations</b>					
Maids & Housekeeping Cleaners	43,100	55,600	12,500	56,000	<b>68,500</b>
<b>Personal Care &amp; Service Occupations</b>					
Personal Care Aides	144,800	203,800	59,000	213,000	<b>272,000</b>
Recreation Workers	20,700	26,700	6,000	34,000	<b>40,000</b>
<b>Office &amp; Administrative Support Occupations</b>					
Receptionists & Information Clerks	16,900	21,800	4,900	21,000	<b>25,900</b>
<b>Installation, Maintenance &amp; Repair Occupations</b>					
Maintenance & Repair Workers, General	18,000	23,200	5,200	17,000	<b>22,200</b>

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

## Senior Living 2025 State Workforce Projections

STATE	2016 JOBS	2025 JOBS	NEW JOBS CREATED	OCCUPATIONAL REPLACEMENT NEEDS*	TOTAL EMPLOYEES NEEDED
Alabama	8,100	10,200	2,100	8,200	10,300
Alaska	1,600	2,000	400	1,600	2,000
Arizona	20,500	30,600	10,100	39,500	49,600
Arkansas	4,000	5,200	1,200	4,700	5,900
California	89,400	123,800	34,400	134,500	168,900
Colorado	15,900	21,800	5,900	23,100	29,000
Connecticut	9,500	11,200	1,700	6,700	8,400
Delaware	3,700	5,000	1,300	5,100	6,400
District of Columbia	1,100	1,300	200	800	1,000
Florida	63,600	85,000	21,400	83,700	105,100
Georgia	17,700	24,000	6,300	24,600	30,900
Hawaii	2,700	3,300	600	2,300	2,900
Idaho	5,300	8,000	2,700	10,600	13,300
Illinois	35,000	41,100	6,400	25,000	31,400
Indiana	18,300	24,200	5,900	23,100	29,000
Iowa	13,300	16,800	3,500	13,700	17,200
Kansas	14,800	17,800	3,000	11,700	14,700
Kentucky	5,600	6,800	1,200	4,700	5,900
Louisiana	6,200	7,500	1,300	5,100	6,400
Maine	5,700	7,000	1,300	5,100	6,400
Maryland	22,500	28,700	6,200	24,200	30,400
Massachusetts	21,000	26,400	5,400	21,100	26,500
Michigan	34,200	41,100	6,900	27,000	33,900
Minnesota	22,000	31,300	9,300	36,400	45,700
Mississippi	4,300	5,500	1,200	4,700	5,900
Missouri	11,900	14,700	2,800	11,000	13,800
Montana	3,400	4,300	900	3,500	4,400
Nebraska	8,500	10,500	2,000	7,800	9,800
Nevada	3,700	6,200	2,500	9,800	12,300
New Hampshire	4,500	5,900	1,400	5,500	6,900
New Jersey	23,200	27,800	4,600	18,000	22,600
New Mexico	3,900	5,000	1,100	4,300	5,400
New York	29,000	36,200	7,200	28,200	35,400
North Carolina	34,200	46,600	12,400	48,500	60,900
North Dakota	2,700	3,300	600	2,300	2,900
Ohio	36,900	46,600	9,700	37,900	47,600
Oklahoma	7,400	9,200	1,800	7,000	8,800
Oregon	23,900	34,600	10,700	41,800	52,500
Pennsylvania	68,000	82,000	14,000	54,800	68,800
Rhode Island	3,200	3,700	500	2,000	2,500
South Carolina	12,900	17,600	4,700	18,400	23,100
South Dakota	3,000	3,700	700	2,700	3,400
Tennessee	13,500	17,500	4,000	15,600	19,600
Texas	49,100	75,300	26,200	102,500	128,700
Utah	6,400	9,700	3,300	12,900	16,200
Vermont	2,400	3,000	600	2,300	2,900
Virginia	30,700	40,900	10,200	39,900	50,100
Washington	30,700	41,800	11,100	43,400	54,500
West Virginia	3,200	3,900	700	2,700	3,400
Wisconsin	30,600	37,800	7,200	28,200	35,400
Wyoming	900	1,100	200	800	1,000

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

\*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.'



# BUILDING AN ENGAGED SENIOR LIVING WORKFORCE

*Employee Retention Leads to Quality Care*

## BUILDING A TALENT PIPELINE IS CRITICAL TO QUALITY CARE

The United States is experiencing a golden period of aging, and the population over 75 years old is the country's fastest growing age demographic. The senior living industry is well-positioned to offer older Americans a choice of residence with professional, caring staff and a consumer-centric model. As the leading national association exclusively dedicated to supporting companies operating professionally managed, resident-centered senior living communities, Argentum has documented the industry's growth and the challenges posed by increasingly tight labor markets. Argentum projects that 1.4 million workers will need to enter senior living through 2025.

In 2018, Argentum launched Senior Living Works (at seniorliving.works), a multi-year project to document best practices, raise awareness of senior living careers, foster connections with education and workforce partners nationwide, and gather data on workforce benchmarks and trends.

The Great Place to Work® Institute Senior Living Skills and Workforce Development Study echoes the challenges and opportunities facing the industry. The study of more than 400 senior living executives found:

- » More than 65 percent of senior living communities plan to increase seniors served by at least 5 percent within five years.
- » More than 90 percent of senior living operators report a shortage of key staff such as direct care workers.

### 5 KEY OPERATIONAL METRICS

The Centers for Medicare & Medicaid Services providers who are on the Fortune magazine best workplace lists have a 6.4 percent higher customer satisfaction score as measured by the Hospital Consumer Assessment of Healthcare providers and Systems (HCAHPS) survey. Employee engagement and the worker shortage influences care and operational metrics, including:

1. Quality of Care
2. Overtime Costs
3. Workplace Injuries
4. Employee Turnover
5. Customer Satisfaction

## EMPLOYEE ENGAGEMENT IS TIED TO BETTER CARE

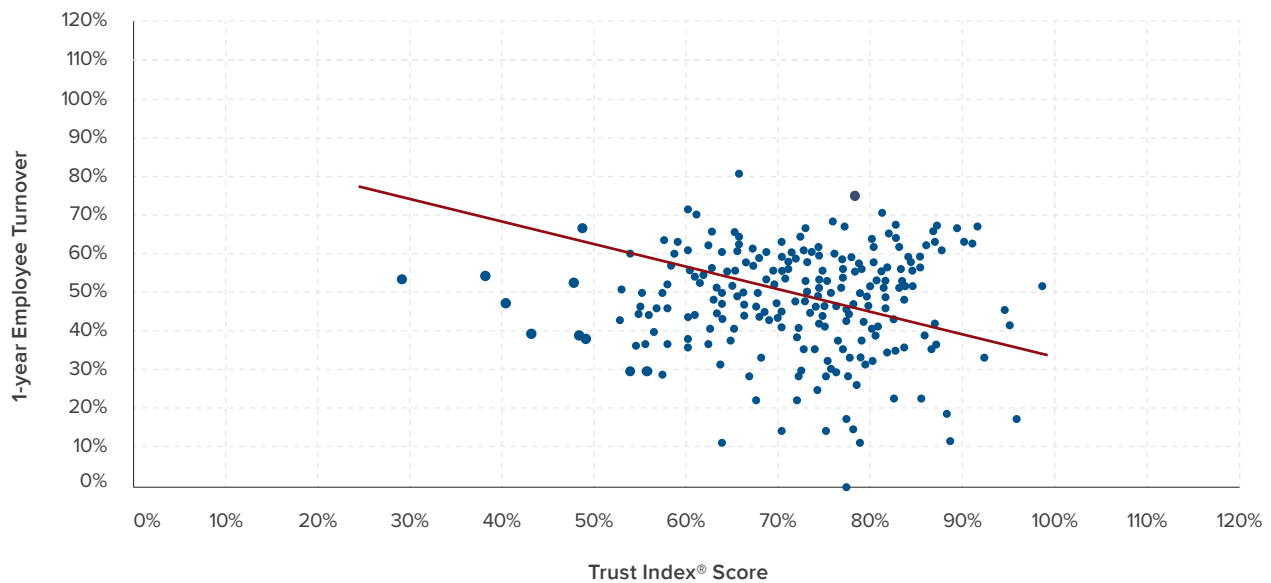
There is a strong correlation between employee engagement, retention, and positive business outcomes. Residents enjoy consistency among staff who work in their communities and care settings. Companies can sustain profitability through workforce development to attract and retain dedicated employees. The research bears this out: In a national sample of over 20,000 employees, senior living communities with higher employee engagement also have lower employee turnover, higher occupancy, and increased resident satisfaction.

### Employee Engagement Correlates with Resident Satisfaction



*The example of one senior living provider illustrates how employee engagement is tied to resident satisfaction. The company measured employee engagement and resident satisfaction in alternate years. Although it is difficult to prove causation, many companies see employee engagement and resident satisfaction move in tandem.*

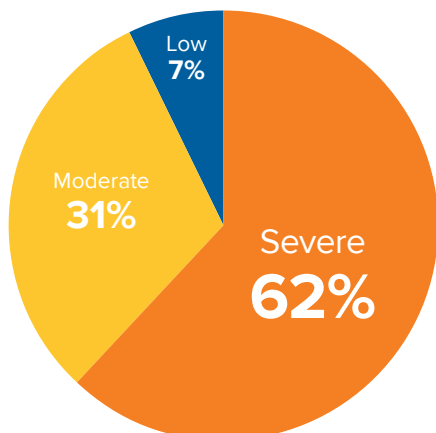
## Employee Trust Linked to Turnover



## EXECUTIVES CONFIRM THEY ARE HAVING DIFFICULTY FILLING KEY ROLES

The 2018 Great Place to Work study of more than 400 executives reveals that more than 90 percent of operators report a moderate to severe shortage of qualified applicants.

### Shortage Severity of Qualified Applicants



## IMPACT OF WORKER SHORTAGES

Data collected from senior living communities show that the inability to fill roles can negatively impact quality of care and community performance for senior living operators. Companies in this study report three key areas of negative impact from the workforce shortage:



### COST OF EMPLOYEE TURNOVER

- » Inconsistency in quality of care
- » Separation, search, and replacement costs
- » Training time and productivity



### OCCUPANCY IMPACT

- » Lower resident engagement to refer friends for move-ins
- » Lower occupancy
- » Higher rate of move-outs



### AVOIDABLE RISKS

- » Litigation
- » Negative health or medication outcomes
- » State fines

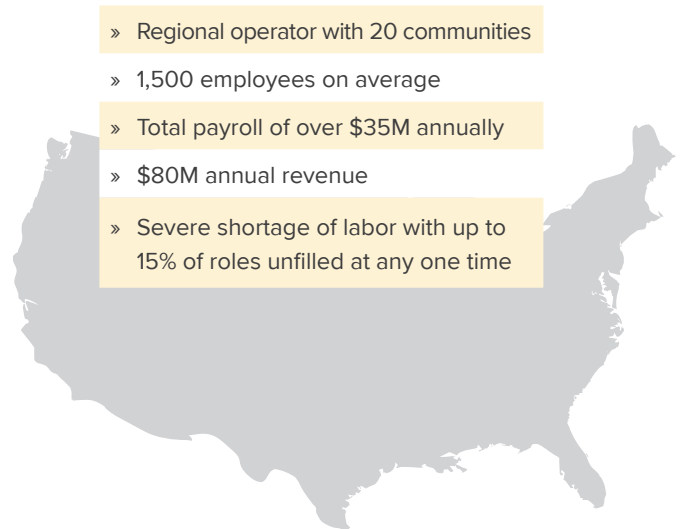
## PROJECTED IMPACT FOR A SAMPLE SENIOR LIVING OPERATOR

To better understand how staffing shortages affect senior living operators, researchers considered a hypothetical company based on the average company in the Great Place to Work database: a 1,500-employee senior living operator with 20 communities and \$80 million in annual operating revenue.

This business would likely care for more than 1,800 seniors, possibly more in lower-acuity care settings. Occupancy is estimated at 90 percent, and monthly fees are estimated to be the average rent level plus typical services such as laundry and medication reminders, as defined by the National Investment Center for Seniors Housing and Care.

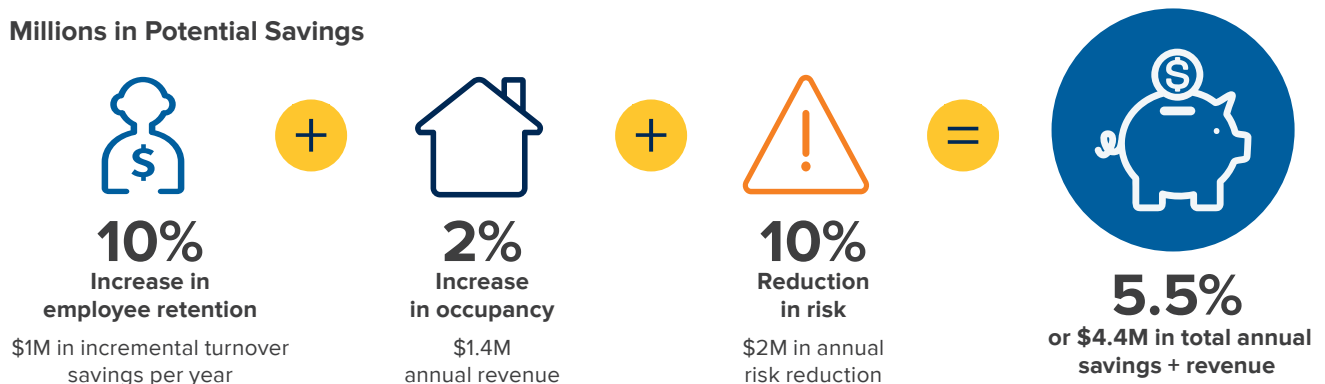
The company has a severe labor shortage with 30 to 50 percent of roles open in any one year, and 5 to 15 percent of roles unfilled for more than a month at a time.

A company of this size that increased employee retention by 10 percent would see a 2 percent rise in occupancy, according to an analysis of data provided by nearly 100



senior living communities. In addition, risk expense would fall by approximately 10 percent, according to data from related industries that was validated by senior living workers' compensation insurance experts.

### Millions in Potential Savings



# FINDING AND GROWING A TALENT PIPELINE

*Proven Solutions for the Senior Living Workforce Lifecycle*

The senior living industry cites the quality of the workforce overwhelmingly as the most significant challenge facing our industry. More than 90 percent of senior living operators report a shortage of workers in critical occupations, and the challenge is expected to increase with the continued growth of the senior population, near-record low unemployment, and high turnover rates in senior living careers.

The trends are discouraging, but at the same time, the industry is innovating. Companies are building new talent pipelines across multiple generations, and they are finding new ways to engage employees and build productive teams. This paper highlights key solutions to workforce challenges, with a focus on the three critical stages of workforce development:

## ATTRACTION



**GOAL: RAISE  
AWARENESS IN HIGH-  
OPPORTUNITY GROUPS**

**Strategy #1**

Promote opportunities to work in senior living in local schools

**Strategy #2**

Cultivate strong referrals, including from often-overlooked populations

**Strategy #3**

Offer information and access that suits more tech-savvy generations

## HIRING & ONBOARDING



**GOAL: FIND GREAT FITS  
AND WELCOME NEW  
HIRES TO THE FAMILY**

**Strategy #1**

Involve others in hiring to nurture pride and camaraderie

**Strategy #2**

Educate hiring managers to reduce no-shows and mismatches

**Strategy #3**

Highlight uniqueness of perks and programs

## RETENTION



**GOAL: STRENGTHEN  
THE 3 C'S (CORE,  
CAREERS, CULTURE)**

**Strategy #1**

Develop the CORE (frontline and midlevel supervisors and managers)

**Strategy #2**

Promote clear and compelling CAREER paths

**Strategy #3**

Measure and strengthen employee engagement to improve CULTURE

## ATTRACTION



Attracting the right candidates into senior living supports recruitment goals, of course, but also is essential to industry goals for service delivery and employee retention. In the United States, it is not yet the norm for children to grow up and say, “I want to work in senior living.” This reflects general misperceptions about the contemporary senior living industry, as well as the wide range and rewarding nature of careers.

## INDUSTRY INSIGHTS

While many operators have programs and techniques focused on millennials, Great Place to Work research illustrates that very few operators have strategies targeting other “high opportunity” generations. Great Place to Work Institute data show that *older* and *younger* employees are groups that report high employee scores on their workplaces.

- » Great Place to Work 2018 surveys of senior living employees show that employees who most enjoy working in the sector are individuals born after 1998 (Generation Z) and individuals born before 1945 (Silent/War generations).
- » The most engaged employees in senior living tend to want to refer friends and family to the sector. Yet, since Generation Z and the Silent/War generations account for fewer than 20 percent of current employees in the industry, the issue of attracting new talent to the sector is more difficult. A set of aggressive strategies for attraction is needed.

## STRATEGIES

**Goal: Raise awareness of senior living careers across multiple generations**

### 1. Promote senior living careers in local schools

Industry representatives can build ongoing relationships with local high schools and career and technical education to build a pipeline of qualified and motivated workers. School partnerships can take many forms, including reaching students at career presentations, advising on curriculum in technical training programs, and establishing job shadowing and internship programs.

### 2. Cultivate strong referrals, including from high-opportunity groups

In addition to establishing employee referral programs, consider cultivating more diverse referral partners. These may include technical schools and a variety of job boards, as well as networking through faith-based groups, community organizations, and other sources that cut across generations.

### 3. Offer information and access that suits tech-savvy individuals

More candidates are applying to jobs online, especially on mobile devices. It's important that a company's recruitment and application process matches current technology. Here is a checklist of “must have” items for a company or community to establish and keep active:

- » Mobile-compatible website
- » Facebook page (optional: Instagram and Snapchat)
- » LinkedIn page
- » Twitter account
- » Weekly, biweekly, or monthly content that is “shareable” – with video and news links that are interesting and engaging to view or read

## A CAUTION

Some senior living communities require that jobseekers fill out a paper application. The thinking is that “if they want to work here, they should see it first.” As a result, their recruiters may be missing high opportunity groups (e.g., Generation Z). There are other ways to ensure prospective employees see the community in-depth as part of the hiring process.



## SPOTLIGHT ON VI

Vi is a national operator of luxury continuing care retirement communities with nearly 3,000 employees. Vi continually seeks out candidates desiring meaningful careers in hospitality, caregiving, and administrative and professional roles.

## HOW IT WORKS

### Establishing a Schools Program

- » Vi HR leaders have begun establishing relationships with high school counselors to set up career fairs. Vi's corporate human resources team has created custom recruitment marketing materials and a high school career page highlighting Vi's career tracks and development opportunities.



*Barry, a Vi Dining Manager, started his career at Vi as a server while in high school.*

- » During these presentations, Vi "Ambassadors" provide high school students an overview on job opportunities and potential career progression through targeted development programs. Vi also shares success stories of employees who joined the company in entry-level positions who have progressed into careers with the company.

## Second Careers

- » Vi recently began targeting retirees for second careers at Vi.
- » Vi partners with AARP with a link directly to Vi's "Second Career" site.

## What It Takes

- » Vi supports its HR directors on the resources available in these programs and educates them on how to speak about Vi as an employer of choice (with a reputation as a "best workplace").
- » Vi expanded its website to include sections for high school students and second or "encore" career applicants.
- » Vi offers videos and voice messages from employees who talk about their experiences as high school students working in senior living and how their career progressed into their current stable, well-paid roles.

## How to Adapt and Implement These Best Practices

- » Operators of all sizes can present at local schools.
- » Argentum's seniorliving.works website has materials for community outreach, which can be customized by a provider for more specific messaging and outreach.

*Vi's materials for high school presentations highlight stories of former high schoolers who have made careers at Vi. Ahkira, for example, started as a high school server and is now a staff development coordinator at Vi's Lantana, Fla., community.*





Examples of Marriott's technology engagement approach

## SPOTLIGHT ON MARRIOTT

Marriott is a national operator of hotels and Great Place to Work Certified/Fortune100 Best Companies to Work For, with 177,000 employees worldwide. Each Marriott property has a general manager who is empowered to make local decisions.

### HOW IT WORKS

#### Recruiting Content

The careers team at Marriott has received accolades from the Society for Human Resource Management, *Workforce* magazine, and others for its approach to recruiting, particularly of younger generations. Marriott involves team members to create engaging and informative content attractive to job seekers, such as:

- » “#CaptionThis,” a contest challenging employees to create the best caption to funny on-the-job photos.
- » Twitter and Facebook feeds that encourage Marriott employees to share their on-the-job photos, tagged with #PictureYourselfHere.
- » Facebook postings with “What would you do?” situations to help educate potential candidates about what working at Marriott might be like.

These examples elevate the engagement and online reputation and ranking of Marriott as a great place to work.

#### How to Adapt and Implement These Best Practices

- » Senior living shares much in common with the hospitality sector. Building on its social model, senior living operators can attract similar job candidates as the hotel industry, including housekeeping, maintenance, dining, and drivers.
- » Operators of all sizes can become more mobile and Gen Z/millennial friendly in their attraction and application processes.
- » A single site or smaller operator can optimize its website and create (or improve) a Facebook page. Then, select one to two themes for Facebook posts and make the relevant policy and communication changes for employees to participate.
- » Larger operators may consider centralizing their awareness and engagement campaigns and operationalizing this strategy on multiple social media platforms.



## HIRING & ONBOARDING



The hiring and onboarding stage is often the most well-planned phase of workforce development, but there are many opportunities for improvement. Too often, hiring managers find themselves hiring someone just to fill a spot. Explore strategies for how to

merge hiring and onboarding procedures with your overall workforce development strategy.

## INDUSTRY INSIGHTS

In 2018, Great Place to Work data from across senior living suggest:

- » Senior living employees generally perceive very poorly that “Management hires those who fit in well here.” Relative to other industries, this factor scored lower than other areas for senior living employees.

## STRATEGIES

**Goal: Find great fits efficiently and welcome new hires to the family effectively**

### 1. Involve others in hiring to nurture pride and camaraderie

Organizations should involve more than just HR in the recruitment process. Some senior living organizations involve two or more people as interviewers, sometimes from other departments within the organization. Other industries are experimenting successfully with fun, informative, and engaging recruitment and team-building.

### 2. Educate hiring managers to reduce no-shows and mismatches

Given the high turnover in many communities, hiring managers may feel the urgency to hire a candidate immediately. However, there may be a mismatch in skills, interest, or personality with the rest of the team. Leading operators often use an on-call pool (including in teams such as servers, dishwashers, and housekeepers) and other creative strategies to keep interested candidates engaged and on the payroll.

Another common challenge some operators face is no-shows. In states such as New York and California, background checks can take over two weeks to process, with many new hires taking another job that gets them started immediately. In other instances, new hires “ghost” the hiring manager and do not show up at all for work. By asking candidates questions requiring a verbal confirmation, leading operators find they can double the likelihood of candidates showing up, or at least calling with a cancellation.

### 3. Highlight uniqueness of perks and programs

Onboarding should go beyond initial training and adherence to new-hire checklists. Some companies are using unique perks to entice and engage new hires.

One particularly engaging strategy involves new hires in their own learning planning. By asking candidates which learning opportunities they prefer from a menu of options, managers can build in the opportunities as much as possible for the employee.

## SPOTLIGHT ON ALTERNATIVE INTERVIEWS

With more operators recognizing the importance of finding a “fit” during the interviewing process, many senior living companies have started moving toward different types of interviews, including:

- » **Team interviews:** A panel of 2–3 people interviews each candidate. This approach introduces candidates to many perspectives and people in the role, and more interviewers can weigh in on candidates’ strengths and weaknesses for a more robust interviewing process.
- » **Peer interviews:** Frontline staff are increasingly asked to be a second or third interview for job candidates. As with team interviewing, candidates get a broader, day-to-day perspective of what the role entails, and hiring managers get more feedback on candidates’ likely success.
- » **Job shadowing interviews:** Candidates are invited for 2–4 hour interviews, which include shadowing someone who does the role today. For example, a sous chef candidate may follow a sous chef in the pre-dinner and dinner hour.



## SPOTLIGHT ON AGEMARK SENIOR LIVING

Agemark Senior Living is a family-oriented memory care and assisted living company with over 800 employees in 19 communities across six states. With continued growth of the company and an increasing millennial workforce, Agemark has launched innovative practices to make “time to hire” and “time and likelihood of starting” more efficient and effective.

### HOW IT WORKS

#### Digital Audio and Video Interviewing

- » All job posts are listed with a link or an “Interview Now” button which starts the process.
- » Text responses are automated so that the job applicant answers some questions by text, then is invited to record a voicemail or video.
- » Applicants answer questions via audio or video recordings. Questions can be customized for individual positions. They may start with something general such as, “Please tell us why you want to work with seniors” and go on to become more specific.
- » These recordings go to a dashboard for review by hiring managers at Agemark. Top candidates are then called for in-person interviews.

### Background Checks

In states with long background check processes, such as California, new hires can commonly “disappear” taking other jobs where they can start right away. Agemark has implemented a highly successful approach to combat these new hire no-shows (“ghosting”). While somewhat counterintuitive, the approach has had massive impact.

Agemark asks candidates who receive a job offer to pay for their own background check, then reimburses them after the background check results are returned. (Organizations interested in exploring this should talk to legal counsel in each of their jurisdictions.)

This practice increases candidates’ commitment to a new job and immediately dissuades those who know they may have a struggle passing the background check. This has had a very positive impact on the hiring process.

### How to Adapt and Implement These Best Practices

- » These best practice approaches work for any size operator. Audio and video interviewing does require some upfront setup and coordination. Both require training hiring managers on the system or process changes.



## SPOTLIGHT ON A COMPANY ON THE *FORTUNE* 100 BEST COMPANIES TO WORK FOR LIST

An organization that participates with Great Place to Work Institute has an innovative culture of collaboration. In an effort to reduce turnover, this company has created a “talent show” portion of its hiring process, for a truly “outside-the-box” best practice.

### HOW IT WORKS

#### Creativity in the Hiring Process

- » Hiring managers interview candidates at the same time each week.
- » Before receiving a job offer, candidates are asked to showcase a talent or interest for 4–7 minutes. This could be singing, juggling, etc.
- » Employees at the location are invited to join.
- » One memorable new hire wrote a song about the company, brought his guitar, and sang the song

#### How to Adapt and Implement These Best Practices

- » This approach works for any size operator – and not just for activities or enrichment job roles. It is a good way for people at the company and interviewees to connect on a more personal level.
- » Since the goal for many in-community senior living roles is to hire people who are good at communicating and sharing with others, this approach allows operators to see immediately how candidates interact with others.
- » This approach is particularly helpful in creating a unique culture and introducing employees to new hires (and vice versa). It also helps with the onboarding process, as staff and new staff members may already recognize each other and have something to talk about.
- » For operators who want to try this “out of the box” approach, be sure to coordinate and communicate with hiring managers and the full community staff about the details and purpose of these “talent show” interviews. Many companies find it easier to schedule a slate of interviews at the same time slot and same weekday.



*Creative ways to get to know candidates' personalities and talents prior to hire can support better-functioning teams.*

## RETENTION



Turnover averages well over 40 percent per year in the senior living industry and can be higher depending on the type of community. The Trust Index® is one way to measure employee engagement and its impact on retention.

### INDUSTRY INSIGHTS

Great Place to Work Institute's senior care initiative collected turnover data from national and regional operators. In this first year, the correlation between the Trust Index® employee engagement score and turnover is stark:

- » At a community level, an increase of 10 points on the Trust Index score translates to a decrease in turnover of 4 to 10 percent.
- » The effect is greater in full-time employees but the finding holds true for part-time staff.

At an employee level, the senior living employee data show that two key perceptions are the most correlated to employee engagement:

- » Management actions match its words.
- » Management delivers on promises.

Keeping your word is a critical trait in supervisory, manager, and director leaders at each senior living community.

### STRATEGIES

**Goal: Strengthen the 3 Cs of retention: the core (managers in the communities), career paths, and culture**

#### 1. Develop the core (frontline and mid-level supervisors and managers)

Best-in-class senior living operators offer in-person or online training in management 101. The topics covered include:

- » Management basics (such as servant leadership actions)
- » Behavioral interviewing, including which questions to ask and not to ask
- » Thanking staff and recognizing good work
- » Delivering constructive feedback
- » Writing a performance review and having a nonthreatening two-way conversation about it
- » Conflict mediation between two or more employees
- » Communicating decisions (such as scheduling requests, pay grades, and promotion policies)

In addition, many senior living operators offer leadership programs for emerging leaders. These are frontline or front-line supervisory staff members who show high potential and interest in advancing their careers.

#### 2. Promote clear and compelling career paths

Having a clear career path is an incentive for many employees to stay at an organization. The key is to make it both clear and compelling: show growth in both roles and responsibilities as well as take-home compensation and rewards.

#### 3. Measure and strengthen employee engagement to improve culture

Improvements in workplace culture are best defined by measuring them, and several good instruments for measuring culture exist on the market today. In addition, action plans must be directive yet agile for executive directors to use and make positive impact quickly.

*Engaged employees help ensure the long-term success of an organization.*



## SPOTLIGHT ON SCRIPPS HEALTHCARE

Scripps, a regional health system with 13,000 employees in 27 locations of varying sizes, is a Great Place to Work certified company and Fortune 100 winner. Scripps's CEO created a Leaders100 program to nurture careers and empower employee engagement.

### HOW IT WORKS

#### Developing New Leaders

- » Site managers nominated talented frontline or mid-level managers to be on the Leader100 group.
- » The Leader100 group meets quarterly with the CEO. Members relay feedback and take key messages back to their locations to promote changes with their peers.
- » The CEO gets feedback from the Leader100 group on issues faced on the frontline, which helps the company to make workplace improvements faster.
- » They also get up to five days of additional training per quarter, led by a senior executive. This enables visibility and the development of strategic thinking.
- » The Leader100 group occasionally works on projects together.

#### How to Adapt and Implement These Best Practices

- » This approach is suitable for senior living operators that are growing fast and need to cultivate a strong bench of managers and directors for future communities. It is also applicable to operators who are not growing but need a way to continue developing talented individuals and preparing them for promotions when positions become available.
- » Operators of all sizes can create a "CEO Council" of frontline champions or talented frontline managers with leadership potential. This leadership council ideally has a group project, which gets presented to either the entire community or senior leadership for feedback.
- » At a single site, this may be a 5- to 10-person group that meets with the executive director regularly.
- » At national and regional operators, this may be an annual program identifying one to two emerging leaders from each site, who attend the leadership conference and have breakout groups and trainings for them at the event.



## SPOTLIGHT ON TRILOGY: FAST TRACK APPRENTICESHIP PROGRAM

Trilogy is an innovative regional operator with more than 100 senior living, rehabilitation, and ancillary health locations in the Midwest. An apprenticeship program for employees who want to “fast track” their careers helps Trilogy fill critical and often short-staffed roles.

### HOW IT WORKS

#### Cultivating Career Paths

- » All employees with three or fewer attendance issues are eligible for the program. Employees pay no certification fees but complete courses on their own time. Once employees achieve the next level, they automatically see a pay increase of 25 cents to \$1 per hour.
- » Currently, there are two tracks: Culinary and Nurse Aide (CNA or medical technician, for example).

For more information, visit [trilogyjobs.com/fasttrack](http://trilogyjobs.com/fasttrack)

#### How to Adapt and Implement These Best Practices

- » Single-site operators can develop the program with existing online certification courses.
- » Regional and national operators can tailor their “fast track” apprenticeship programs to the dining, nursing and other programs distinctive to that operator’s brand.



## CONCLUSION

The workforce challenges in senior living are significant, but they are not inevitable. The best practices documented here, both within and outside the industry, serve as models we can use, adapt, and replicate. Some of them represent systemic changes that require reworking our framework for managing people and processes. Others represent tactics that can be tried at a small scale. All have achieved a measure of success in recruitment, development, and retention of employees.

Industry leaders, at all levels, have the power to effect change. Our growing knowledge base of innovative workforce solutions can help to point the way.

# When Demand Outstrips Supply: Look to Technology to Increase Your Caregiver Leverage

**S**enior Living operators are facing a seemingly insurmountable challenge. Just as the rapidly expanding aging population begins considering senior living, many experienced caregivers are retiring, and a strong economy and tighter immigration controls are shrinking the available pool of candidates to fill their vacancies.

Human resource professionals are focused on better methods for recruiting and training caregivers, while business owners are considering how to increase wages and still maintain profitability. While useful, these solutions are not adequate for addressing the problem. It's a simple case of unbalanced economics: Tomorrow's demand is greater than today's supply.

But before you throw your hands up and declare the situation hopeless, know that there is a way to help your existing caregivers "work smarter"—so they can achieve optimal outcomes despite staffing shortages. John Damgaard, president and CEO of MatrixCare, explains how:

"By employing machine learning to assess the millions of data points that flow within an electronic health record (EHR) system, MatrixCare is developing software that dramatically increases 'caregiver leverage'...that is, the number of residents that a single caregiver can effectively manage without compromising high quality care"

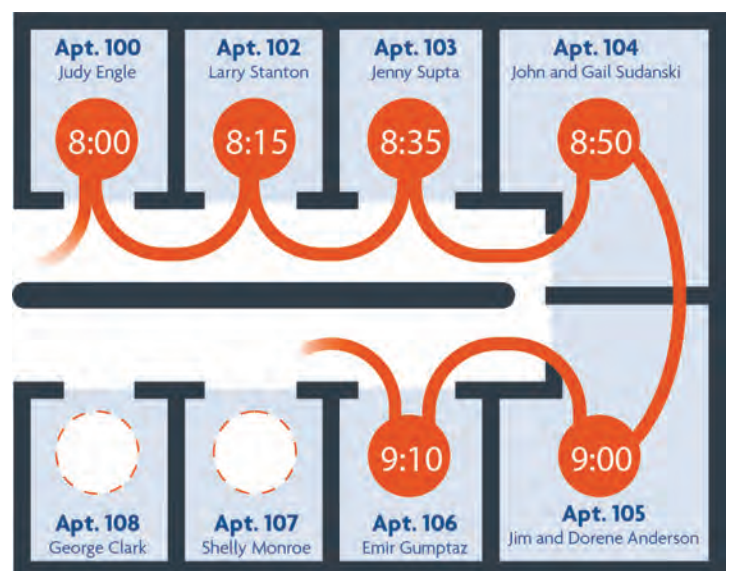
Senior living organizations largely have been insulated from regulatory requirements that dictate a minimum number of caregivers per a certain number of residents, depending on age and acuity. However, many still use rough formulas like these to drive scheduling. Today, for example, the state-of-the-art in staff scheduling leverages acuity-based staffing tools that allow you to predict how many caregivers with a certain level of experience you'll need to deliver care to residents, based on the case mix of that community. These systems use historical data and best practices gathered over decades of care to guide staffing recommendations.

Although this approach is useful, Damgaard stresses that it is still very coarse and doesn't fulfill the promise of what can be achieved with artificial intelligence (AI) and machine learning. He adds, "These tools can exponentially increase the value of technology-assisted scheduling by factoring in hundreds of additional demographic, clinical and social data

points—everything from vital signs and movement derived from telehealth devices, to social interactions, diet/nutrition, isolation and more—to provide a much more comprehensive picture of a resident's overall health and wellness." Here are a couple of notable examples:

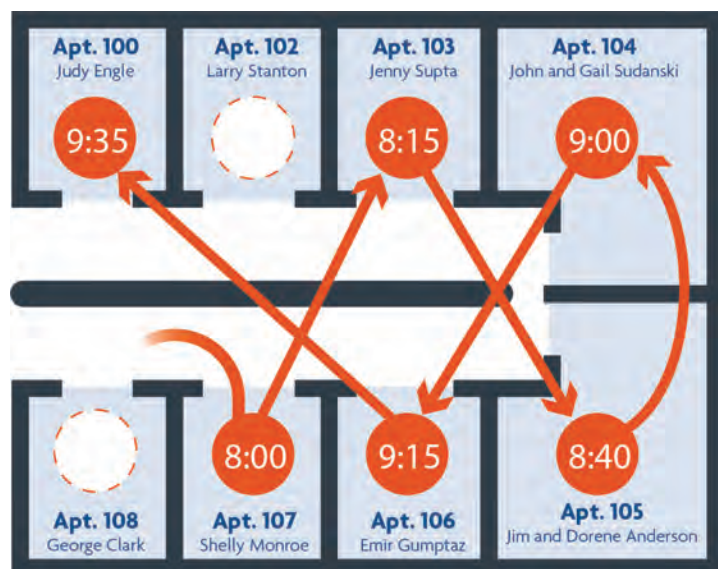
## Strategy 1: Dynamic Ranking of Care Needs

Damgaard says MatrixCare is far more interested in answering this question, "When Caregiver Jones arrives at work in the morning, where is the first place she should be at 9 a.m.?" Most organizations schedule their caregivers according to geography (Caregiver Garcia has the south wing, Caregiver Brown has the east wing) or by function (Caregiver Lee dispenses medications, Caregiver Schmidt helps with dressing). However, neither of these approaches takes into consideration resident need, which in the senior population can shift dramatically day-to-day, hour-to-hour, minute-to-minute. As Damgaard suggests, organizing a caregiver's day based on a dynamic ranking of residents' immediate needs is a much better approach for ensuring that quality outcomes are achieved.



**Typical workflows are based on caregiver routine/proximity vs. real-time need.**

Consider this not-so-unusual scenario: Mrs. Monroe gets up in the early hours to use the bathroom. She stumbles in the dark, falls and breaks a hip. Mrs. Monroe never wears her call pendant, so she can't alert the staff. In many communities, she would simply need to wait for someone to discover her. However, with telehealth monitoring feeding the algorithms for care, the lack of “steps” coming from Mrs. Monroe’s unit can alert staff to the fact that something may be wrong, so she receives medical help quicker.



**Dynamically scheduling care based on resident need helps promote better outcomes for all.**

But what about the resident who is medically stable but still craves caregiver interaction? “That can be factored in, too,” explains Damgaard. “Social dynamics need to be accounted for.... For example, Mrs. Chen might look forward to her daily interactions with staff while Mr. Parker might prefer to be left alone. We can account for that. The algorithms must also include ‘aging criteria’ so that less urgent needs surface to the top if they are unattended for too long. The goal of dynamically ranking the population in a ‘most-need-to-see’ order is to improve outcomes across the entire population while maximizing operational efficiency. It also increases satisfaction in both those who are being cared for as well as caregivers, because each interaction adds value. At any point in time and space, MatrixCare will put you where you can do the most good.”

## Strategy 2: ‘Intelligent EHRs’ Driving Personalized Care Decisions

Taking advantage of the huge increases in the capability of top-tier cloud computing environments to manage big data environments and the maturation of machine-learning toolsets, innovation leaders are beginning to realize the incredible potential of EHRs to vastly improve the efficiency and quality of care.

A range of new capabilities makes use of longitudinal personal health records (PHRs), augmented with Internet-of-Things (IoT)/personal device data and inclusive of social, environmental, financial, behavioral, and genetic factors, Damgaard further explains. These advances can play an important part in creating additional “caregiver leverage.”

On this person-centered foundation, leading innovators like MatrixCare are leveraging the targeted application of deep-machine learning on both structured and unstructured data in the comprehensive PHR to identify early indicators for changes in condition and opportunities for intervention.

“In one example of this targeted application of deep-machine learning, a neural network is trained with millions of free-text progress notes and subsequent incidents of falls to identify key phrases/combinations of phrases that predict fall events with a very high confidence level—90 percent or more,” says Damgaard. “This trained network is then exposed as a Microsoft Azure service that is invoked in real-time as subsequent progress notes are entered, returning a fall risk score each time. Should the risk score exceed the documented threshold or change by a certain magnitude, the intelligent EHR can then use this information to pre-emptively suggest invoking the Johns Hopkins falls management protocols to lower fall risk. In this way, a single, less-experienced caregiver is “coached” to provide care at a level that previously would have required a whole team of more experienced caregivers. This allows the organization to continue to provide high-quality outcomes even as more experienced staff retire or are otherwise unavailable.”

Damgaard describes how, in another situation, a neural network is being trained with millions of anonymized senior living resident profiles and negotiated service plan features analyzed against resulting resident satisfaction and operator margin data. This trained network, exposed as a Microsoft Azure service, will then be able to suggest in real-time the optimal service plan for each specific resident in terms of projected resident satisfaction and operator margin. This innovation has the potential to dramatically improve the efficiency and experience of the service plan negotiation process, often a very emotionally charged and difficult process for families and prospective residents.

## Summary

With these examples, it’s clear that senior living operators that want to succeed despite the imbalance between the demand for and the supply of labor will need to look toward technology as a tool to achieve their goals.

“Innovations like this radically bend the cost curve, while preserving—or even enhancing—care outcomes,” concludes Damgaard. “And because every interaction is meaningful, they also have a material positive impact on resident and caregiver satisfaction.”

# SENIOR LIVING WORKFORCE TRENDS

## WORKFORCE AVAILABILITY OF NURSING ASSISTANTS

The workforce shortage has large impacts on recruitment, wages, and management of assisted living communities. Operators are starting to look critically at job descriptions, required competencies, and expectations for entry-level workers.

With this growing interest in data on the senior living workforce, Argentum has invested in Emsi, a subscription service. Emsi data is a hybrid dataset derived from official government sources such as the U.S. Census Bureau, Bureau of Economic Analysis, and Bureau of Labor Statistics. The authoritative dataset captures more than 99 percent of all workers in the United States. This core offering is then enriched with data from online social profiles, resumes, and job postings to give a complete view of the workforce.

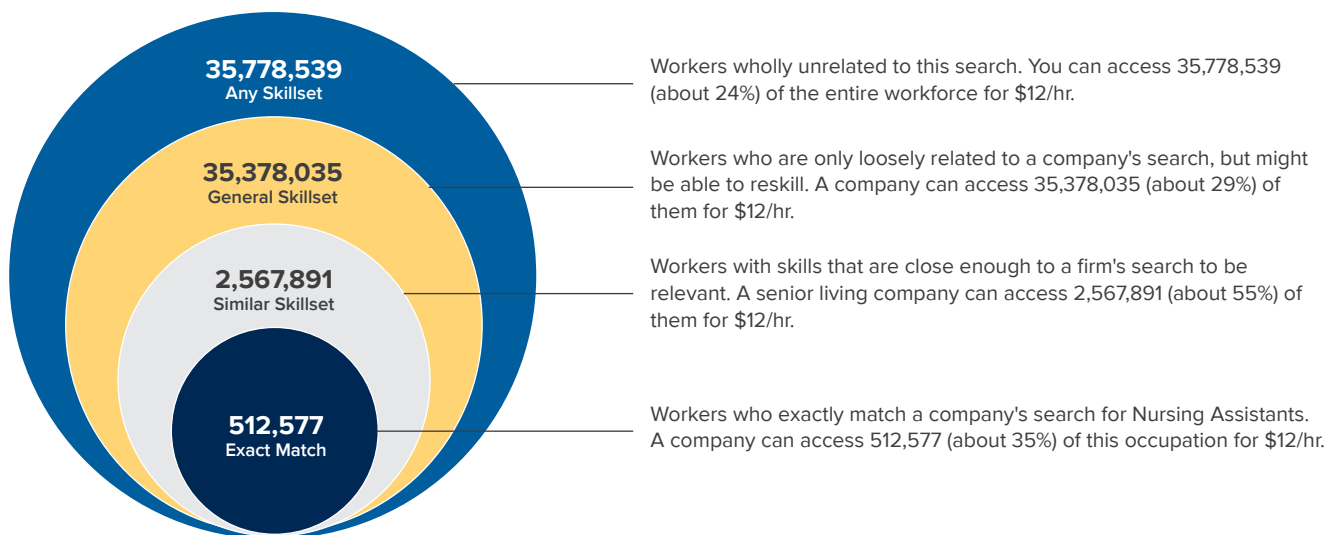
## USING DATA TO UNDERSTAND NURSING ASSISTANTS

The largest position in senior living, and the one that surveys show is among the hardest to fill, is nursing assistants. Across the country, the median wage for nursing assistants is \$13.23 per hour, although in senior living, many companies start entry-level workers at \$12 or less per hour.

The Emsi dataset shows there are 512,577 workers in the United States who exactly match the skill needs of nursing assistants who currently make less than \$12 per hour. The available workforce rises dramatically, however, for companies that look at workers who are a partial match for nursing assistants.

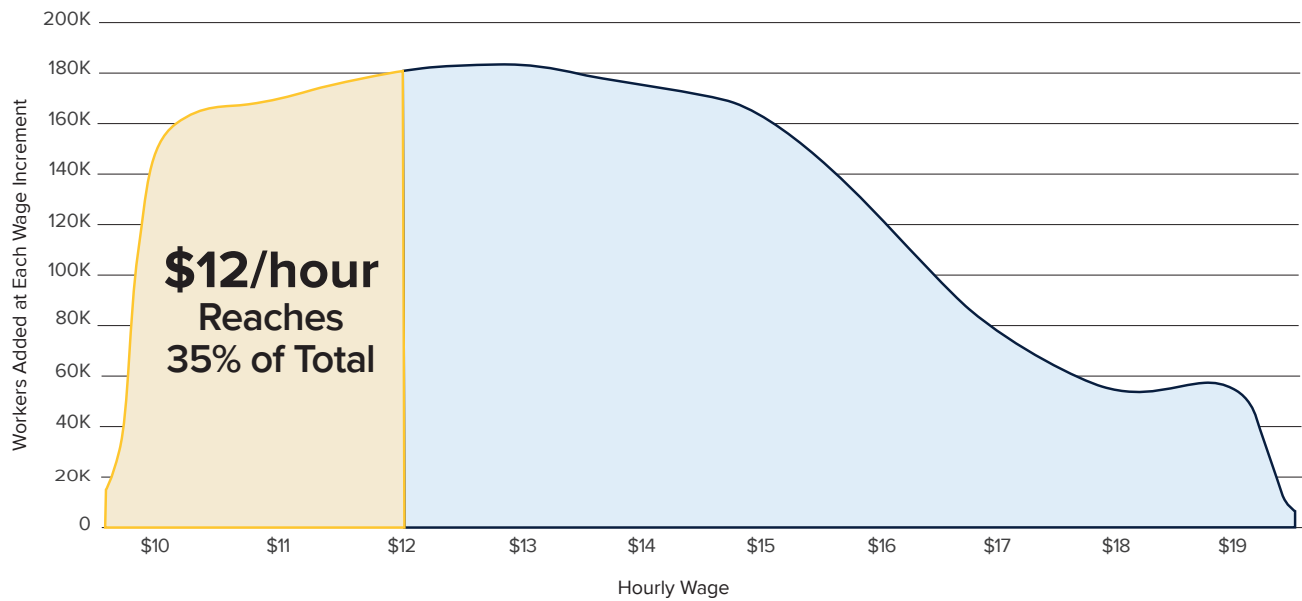
### Workforce Availability for Nursing Assistants at \$12/hour

*Ranges From 512,577 to 35,778,539 Depending on Skills Match*



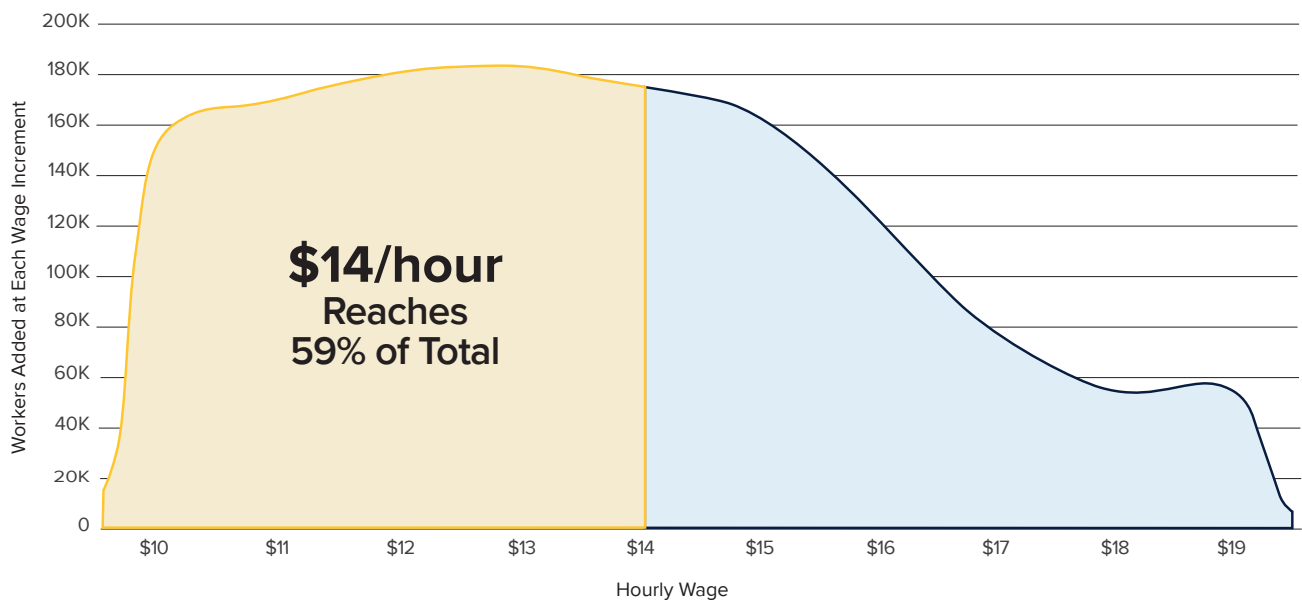


**At \$12/hour the Available Workforce Is 512,577 Nursing Assistants**



At \$12/hour, companies can expect to attract 35 percent of nursing assistants nationally.

**At \$14/hour the Available Workforce Is 874,873 Nursing Assistants**



Wage rates have been rising in senior living, reflecting a tight labor market and competition across the healthcare sector. By raising wages to \$14, a senior living operator could tap into a national pool of 874,873 workers, or 59 percent of nursing assistants.

Another option is to broaden the search to workers with similar skills. Some senior living operators, for example, have expanded their recruitment to include personal care aides, which they then target for training to become certified nursing assistants. There is a far larger workforce of PCAs and other related workers, even at the lower rate of \$12 per hour.

A range of occupations make up this larger pool of workers with similar skill sets. Personal care aides and home health aides both outnumber nursing assistants available at \$12 per hour or less.

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## CONCLUSION

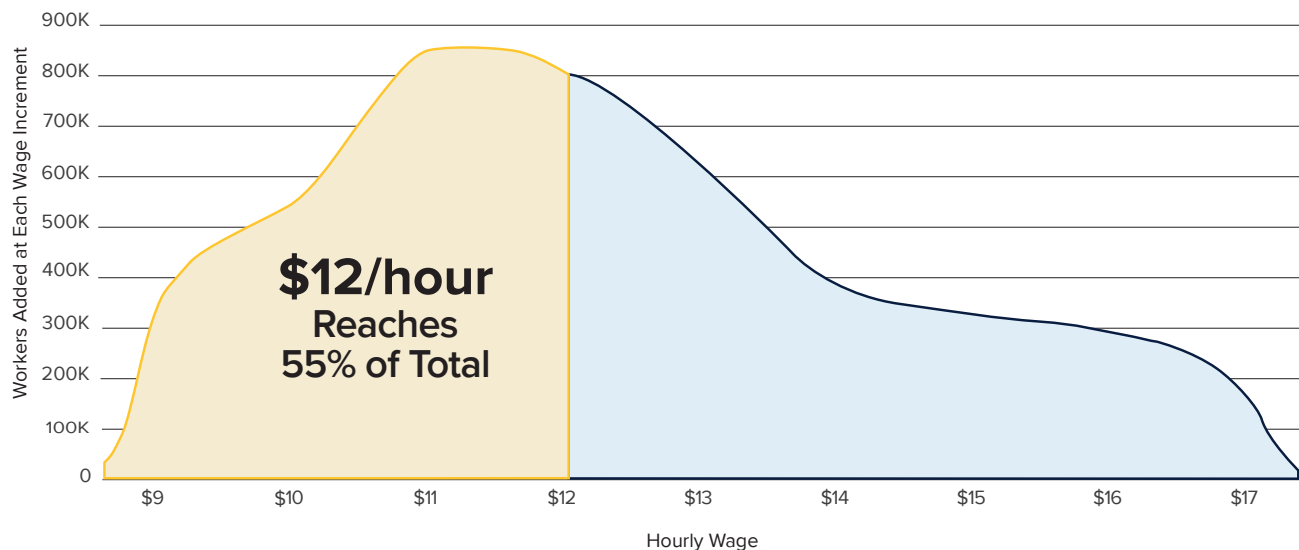
Understanding the workforce can open key insights into wages, worker location, recruitment sources, time to fill positions, and other critical factors in managing human capital. As this example demonstrates, there may be multiple means to address workforce challenges. The Emsi tool allows further drilldown to states, metro areas, and even zip codes and can provide invaluable intelligence of the labor market.

Argentum will continue to provide snapshots on workforce analytics. For more information on Emsi and Argentum's custom reports, please contact [bweil@argentum.org](mailto:bweil@argentum.org).

### Similar Occupations Can Broaden the Pool of Workers

Occupation	Workers Making ≤ \$12/hour
Personal Care Aides	1,453,664
Home Health Aides	536,148
Nursing Assistants	512,577
Psychiatric Aides	25,252
Physical Therapist Aides	22,627
Phlebotomists	15,479
Occupational Therapy Aides	2,576

### At \$12/hour the Available Workforce Is 2,567,891 Nursing Assistants and Similar Workers



## HERITAGE SENIOR LIVING ESTABLISHES \$100,000 SCHOLARSHIP FUND

Heritage Senior Living in November announced the establishment of Milo's Fund, a \$100,000 scholarship program created to assist certified nursing assistants at Heritage communities throughout Wisconsin to become licensed practical nurses.

"It's of great value to our residents, their families, and our organization to have licensed practical nurses on staff as we expand the care and services we offer at Heritage," said COO Pierre Verger. "Our nursing staff are crucial caregivers, information resources, and support for our residents and their families, and if we can help our employees further their education and careers, it's a win for everyone."

The first recipients of the Milo's Fund Scholarship are three nurses: Sarah Lebeau from Lincoln Village Senior Living in Port Washington, Tanisha Williams Hayes from Heritage Court in Waukesha, and Laura Gauer from Heritage Lake Country in Hartland.

The program, named after Heritage founder and president Milo Pinkerton, will cover the cost of the licensed practical nurses program at Milwaukee Area Technical College. Up to two certified nursing assistants at each of Heritage's 16 communities across Wisconsin will be offered scholarships of up to \$7,500 each.

"We have always offered beautiful senior resident options with fine amenities and cuisine, social activities, and a dedicated, caring staff," Pinkerton said. "I felt it was important to give back and further invest in our employees who are our most valuable assets. I am honored to establish a fund that will reward our caregivers and provide a career path for them to further their education and improve their lives through these scholarships."



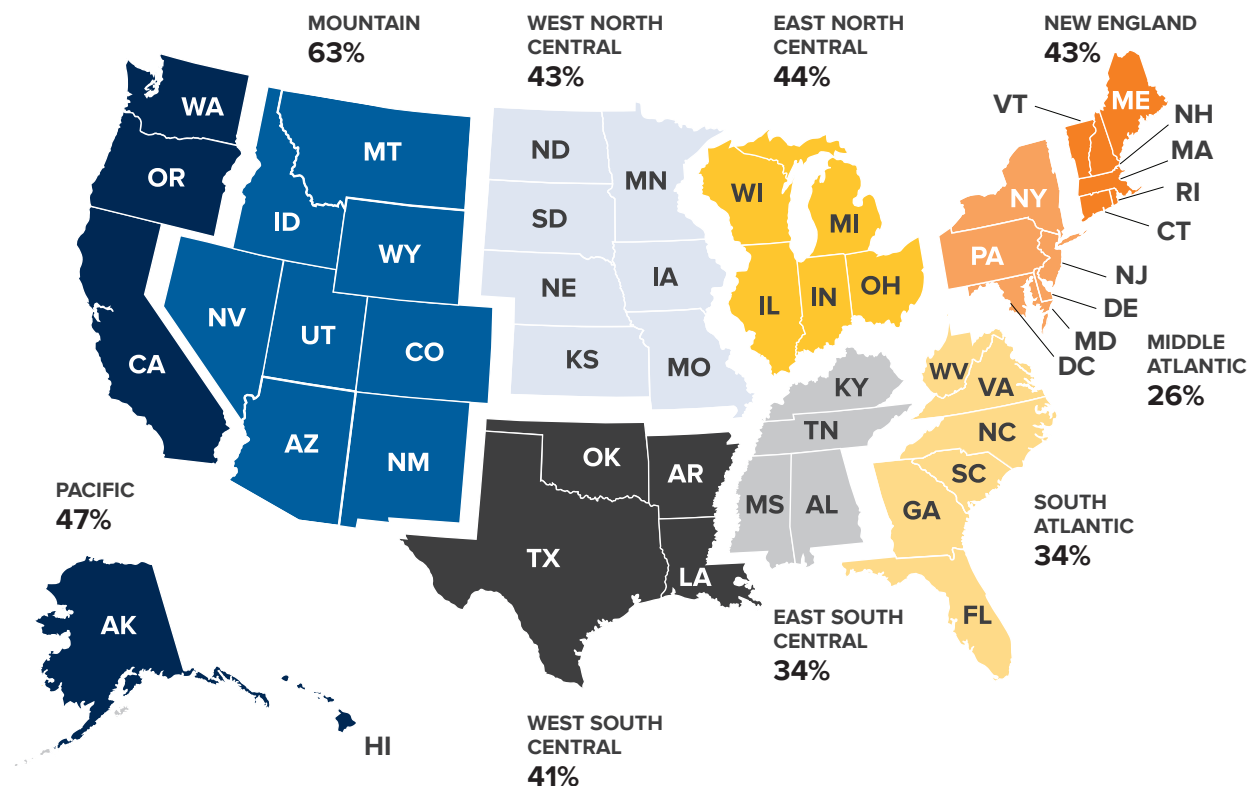
*Heritage Senior Living photo*

# 2019 FORECAST REPORT

The senior living industry continues to fuel the nation's economy as one of its steadiest job creators.

Between 1990 and 2017, senior living employment increased at an average annual rate of 3.9 percent. This was more than three times stronger than the 1.2 percent average annual increase

in total private sector employment. Job growth in senior living communities was broad-based across the country in recent years. The industry added jobs in all but two jurisdictions (West Virginia and the District of Columbia) during the last 10 years. Most states also saw their senior living industries expand at rates well above the overall private sector.



■ Senior living communities in the **Pacific** region added jobs at a solid 47 percent rate during the last 10 years. Growth was led by a 69 percent increase in Hawaii, while Alaska (60 percent), California (53 percent) and Oregon (46 percent) also outpaced the national average. Only Washington (30 percent) registered senior living job growth below the national average.

■ The **Mountain** region's senior living industry registered the strongest growth among the nine U.S. regions, with communities expanding payrolls by 63 percent between 2007 and 2017. All eight states in the region posted senior living job growth above the national average of 3.9 percent. Utah's 92 percent jump in senior living jobs was the largest state-level increase during the last 10 years.

■ The senior living industry in the **West North Central** region added jobs at a 43 percent rate during the last 10 years. The region was led by a 74 percent increase in Minnesota's senior living industry, at the state level. North Dakota (47 percent) and Kansas (44 percent) also expanded their senior living workforces.

■ Senior living communities in the **West South Central** region boosted staffing levels by 41 percent during the last 10 years. Within the region, Arkansas set the pace with a 74 percent increase in senior living jobs, which tied for third for state job growth. Texas (46 percent) also outpaced the national average in terms of senior living job growth.

■ In the **East North Central** region, the senior living industry expanded payrolls by 44 percent between 2007 and 2017. This was well above the modest 3 percent increase in private sector employment during the same period.

■ In the **East South Central** region, senior living industry employment rose by 34 percent between 2007 and 2017. Kentucky (56 percent) was the only state in the region to post senior living job growth above the national average during the last 10 years.

■ The senior living industry in **New England** saw its workforce increase by 43 percent, Massachusetts led the way with a solid 57 percent increase in senior living jobs, followed by above-average gains in New Hampshire (45 percent) and Vermont (41 percent).

■ Senior living employment in the **Middle Atlantic** region increased 26 percent during the last 10 years, which ranked last among the nine U.S. regions. New Jersey (30 percent), New York (27 percent) and Pennsylvania (24 percent) all registered growth below the national average.

■ The **South Atlantic** region saw its senior living workforce grow by 34 percent during the last 10 years. Within the region, Georgia led the way with a 64 percent increase in senior living jobs, followed by a 54 percent gain in Florida.

## Senior Living Industry Employment Trends

	Senior Living Industry		Total Private Sector	
	# of Jobs in 2016	% Change 2006-2016	# of Jobs in 2016	% Change 2006-2016
Connecticut	9,800	38%	1,448,300	0%
Maine	5,800	12%	522,600	2%
Massachusetts	21,700	57%	3,155,600	10%
New Hampshire	4,500	45%	585,100	6%
Rhode Island	3,400	36%	433,500	1%
Vermont	2,400	41%	258,400	2%
<b>New England</b>	<b>47,600</b>	<b>43%</b>	<b>6,403,500</b>	<b>6%</b>
New Jersey	23,600	30%	3,512,600	1%
New York	30,000	27%	8,067,400	12%
Pennsylvania	68,900	24%	5,242,500	4%
<b>Middle Atlantic</b>	<b>122,500</b>	<b>26%</b>	<b>16,822,500</b>	<b>7%</b>
Delaware	3,700	19%	389,600	3%
District of Columbia	1,000	-60%	549,900	19%
Florida	66,200	54%	7,460,200	9%
Georgia	18,400	64%	3,764,800	8%
Maryland	22,700	28%	2,217,100	4%
North Carolina	35,000	8%	3,682,000	7%
South Carolina	13,300	23%	1,725,000	8%
Virginia	31,900	42%	3,234,100	5%
West Virginia	3,100	0%	591,100	-4%
<b>South Atlantic</b>	<b>195,300</b>	<b>34%</b>	<b>23,613,800</b>	<b>7%</b>
Illinois	34,700	47%	5,231,400	2%
Indiana	18,800	55%	2,678,400	5%
Michigan	35,500	51%	3,767,300	4%
Ohio	37,100	22%	4,743,700	2%
Wisconsin	31,800	55%	2,537,200	3%
<b>East North Central</b>	<b>157,900</b>	<b>44%</b>	<b>18,958,000</b>	<b>3%</b>
Alabama	8,100	31%	1,630,300	-1%
Kentucky	6,100	56%	1,604,600	4%
Mississippi	4,200	14%	909,400	0%
Tennessee	13,700	34%	2,579,900	8%
<b>East South Central</b>	<b>32,100</b>	<b>34%</b>	<b>6,724,200</b>	<b>4%</b>

	Senior Living Industry		Total Private Sector	
	# of Jobs in 2016	% Change 2006-2016	# of Jobs in 2016	% Change 2006-2016
Iowa	13,800	23%	1,312,000	3%
Kansas	15,300	44%	1,147,000	2%
Minnesota	23,300	74%	2,506,200	6%
Missouri	12,900	37%	2,433,900	3%
Nebraska	8,600	25%	844,900	6%
North Dakota	2,800	47%	348,000	23%
South Dakota	3,200	39%	355,100	7%
<b>West North Central</b>	<b>79,900</b>	<b>43%</b>	<b>8,947,500</b>	<b>5%</b>
Arkansas	4,000	74%	1,027,900	3%
Louisiana	6,600	20%	1,643,800	5%
Oklahoma	7,400	16%	1,312,000	4%
Texas	49,800	46%	10,286,100	19%
<b>West South Central</b>	<b>67,800</b>	<b>41%</b>	<b>14,269,800</b>	<b>14%</b>
Arizona	21,000	48%	2,359,300	4%
Colorado	16,600	78%	2,221,700	5%
Idaho	5,700	50%	593,300	10%
Montana	3,700	68%	381,000	9%
Nevada	3,900	70%	1,179,600	1%
New Mexico	4,000	67%	644,000	1%
Utah	6,900	92%	1,224,700	19%
Wyoming	900	50%	211,200	-1%
<b>Mountain</b>	<b>62,700</b>	<b>63%</b>	<b>8,814,800</b>	<b>8%</b>
Alaska	1,600	60%	247,900	5%
California	92,600	53%	14,259,100	10%
Hawaii	2,700	69%	527,000	5%
Oregon	24,800	46%	1,563,700	8%
Washington	30,500	30%	2,739,200	13%
<b>Pacific</b>	<b>152,200</b>	<b>47%</b>	<b>19,336,900</b>	<b>10%</b>
<b>United States</b>	<b>921,100</b>	<b>39%</b>	<b>124,303,000</b>	<b>7%</b>

Source: Argentum analysis of data from the Bureau of Labor Statistics

## UNFILLED JOB OPENINGS NEAR RECORD HIGHS

The national economy continues to add jobs at a steady pace, and 2018 is on track to represent the eighth consecutive year of employment growth. According to data from the Bureau of Labor Statistics, the economy filled an average of 5.6 million positions each month during the first half of 2018, which is the strongest six-month period of hiring since this data series began in 2000.

At the same time, unfilled job openings also continue to rise, which indicates that economic growth is being constrained somewhat by a shortage of labor. On average during the first half of 2018, there were 6.5 million job openings at the end of each month, which is also a record high. In other words, the average number of job openings exceeded monthly hires by more than 16 percent during the first half of 2018.

The gap between hiring and job openings is even more extreme in the health care sector. According to the Bureau of Labor Statistics, the health care and social assistance\*\*\* sector filled an average of 596,000 positions each month during the first half of 2018. This represented the strongest level of hiring on record.

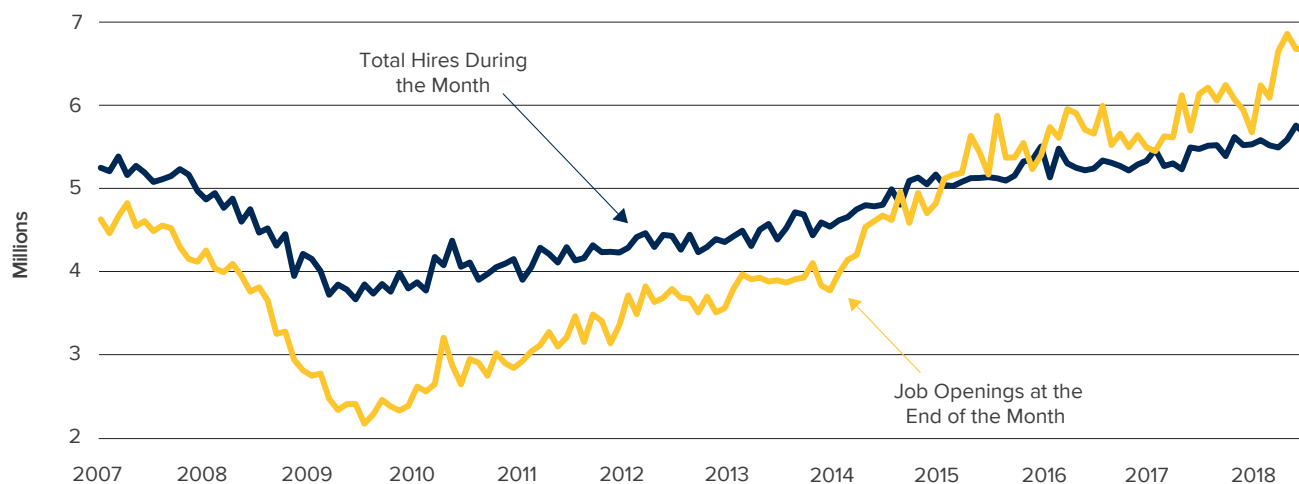
However, job openings in the health care sector also continued to trend sharply higher in recent months. During the first half of 2018, there were an average of more than 1.1 million unfilled job openings at the end of each month. In addition to being a record high, this means there were roughly 90 percent more unfilled job openings than hires each month during the first half of the year. This suggests that labor challenges for the health care sector are even more significant than they are for the overall economy.

To help ease their labor challenges, 91 percent of these decision makers plan to devote more resources to recruiting and retaining employees in 2019. This includes making additional efforts to reach out to potential employees in a shallow labor pool. Forty-four percent said they are getting fewer applicants for job openings than they did two years ago, while only 16 percent said there are more people applying for jobs.

As a result of the shrinking pool of applicants, leadership is reporting that job openings are remaining unfilled longer. Sixty-nine percent of survey respondents said it takes longer to fill job openings than it did two years ago, while only 4 percent said they are filling positions faster.

### Record Number of Job Openings Indicates Tight Labor Market

Monthly Hires\* and Job Openings\*\* in the U.S. Economy



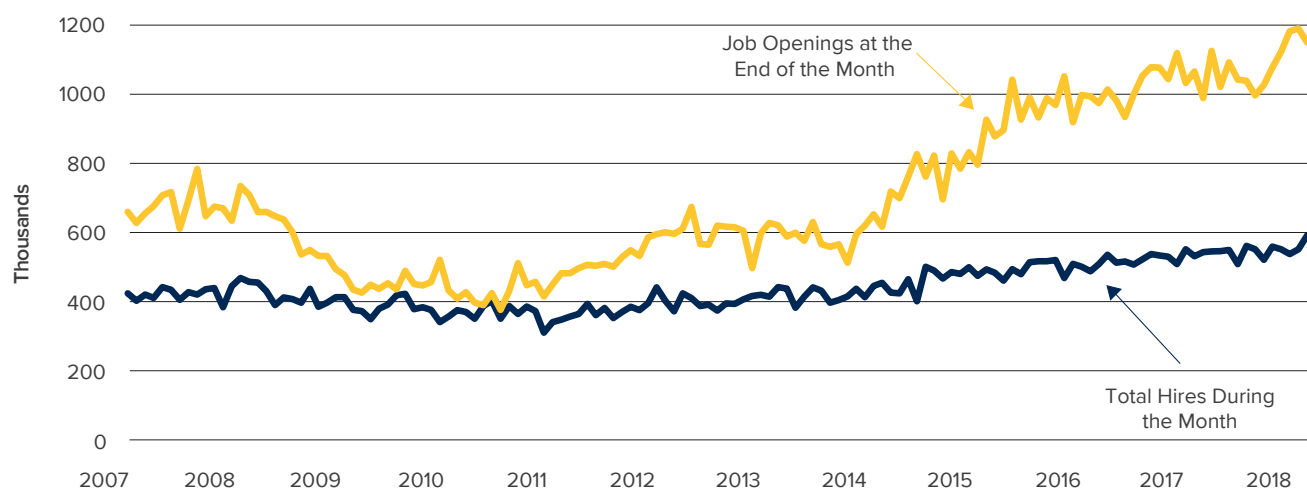
Source: Bureau of Labor Statistics; figures are seasonally adjusted

\*The hires figures represent the total number of additions to the payroll during the month. Net job growth – which for the economy is generally in the +250,000 to -250,000 range during a typical month – is the difference between total hires and total separations during the month.

\*\*Job openings represent vacancies on the last business day of the month.

## Job Openings Exceed 1.1 Million in Health Care Sector

Monthly Hires\* and Job Openings\*\* in the Health Care and Social Assistance Sector



Source: Bureau of Labor Statistics; figures are seasonally adjusted

\*The hires figures represent the total number of additions to the payroll during the month. Net job growth – which for the health care and social assistance sector is generally in the +50,000 to -50,000 range during a typical month – is the difference between total hires and total separations during the month.

\*\*Job openings represent vacancies on the last business day of the month.

\*\*\*Note that the figures presented are for the broadly defined Health Care and Social Assistance sector (NAICS 62), because the Bureau of Labor Statistics does not report data for the senior living industry alone. The senior living industry accounts for approximately 5 percent of all jobs in the health care and social assistance sector.

## Healthcare Positions Are Most Difficult Job Openings to Fill

Percent of Executive Directors Who Say They are Having Difficulties Filling Open Positions in the Following Areas\*

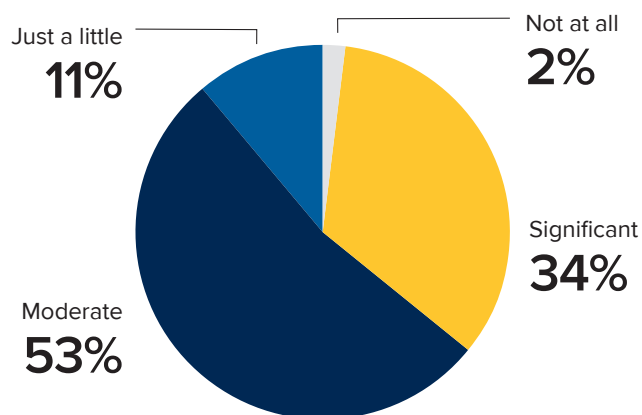
Healthcare positions	89%
Foodservice positions	67%
Administrative positions	41%
Cleaning and maintenance positions	39%

Source: Argentum survey of executive directors, August 2018

\*Based on respondents who say they have job openings that are difficult to fill.

### Workforce Challenges Are Impacting Growth

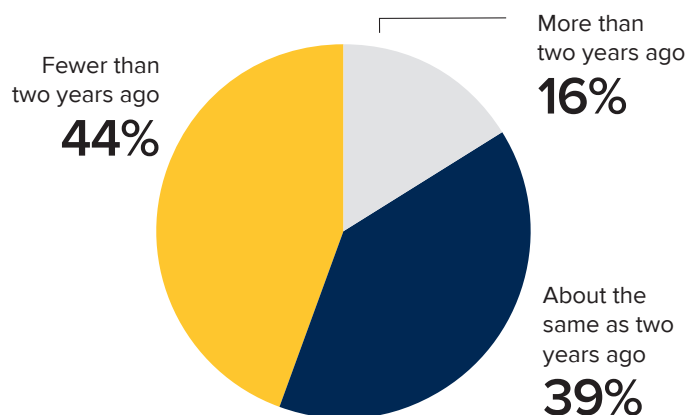
Leaders Who Say These Difficult-to-Fill Job Openings are Impacting Their Company's Ability to Grow and Be Successful\*



Source: Argentum survey of senior living leaders, August 2018  
\*Based on respondents who say they have job openings that are difficult to fill.

### Fewer People Are Applying for Jobs

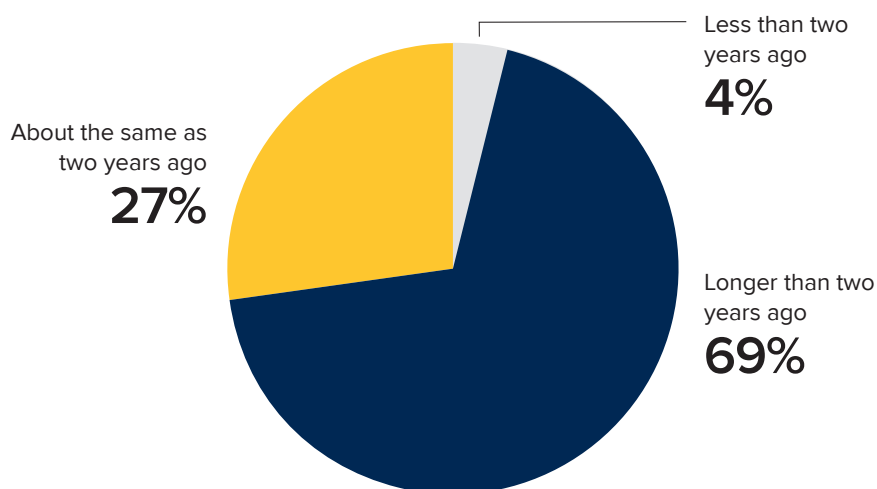
Trends in the Number of Applicants for Job Openings at Senior Living Communities, Compared to Two Years Ago



Source: Argentum survey of executive directors, August 2018

### Jobs Are Taking Longer to Fill

Trends in the Length of Time it Takes to Fill Job Openings at Senior Living Communities, Compared to Two Years Ago



Source: Argentum survey of senior living leaders, August 2018



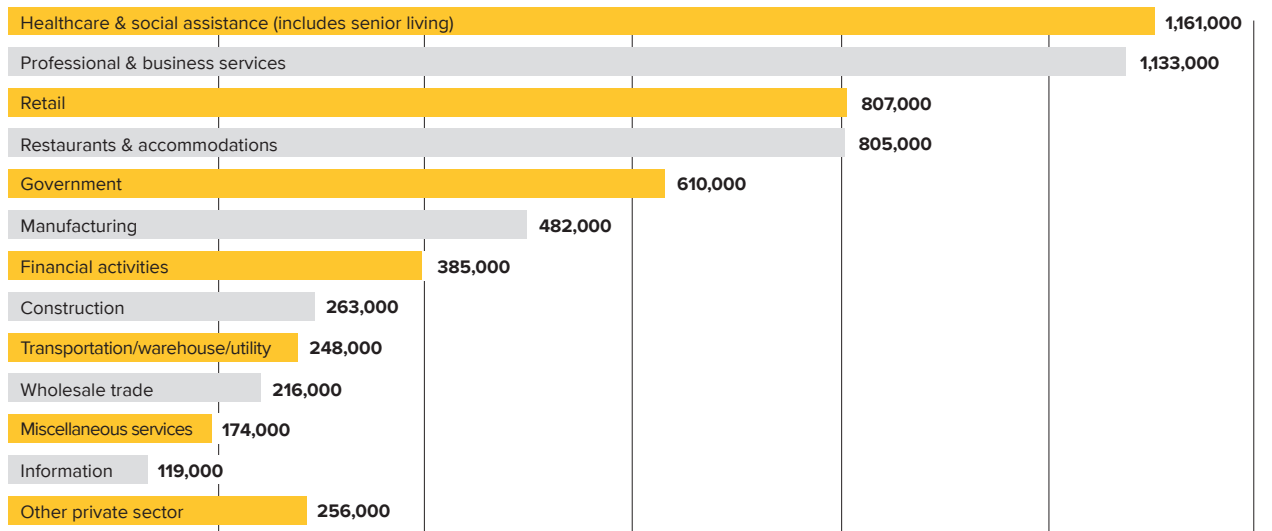
## INDUSTRY JOB OPENINGS

Looking at the current job openings by industry, the sectors that compete with the senior living industry for employees are prominently featured. The health care industry tops the list with nearly 1.2 million job openings in June 2018, followed closely by the professional and business services sector.

Retailers reported more than 800,000 unfilled job openings at the end of June, as did employers in the restaurants and accommodations sector. In total, nearly half of the job openings in the economy are posted by employers who often compete with senior living communities for workers.

### Industry Job Openings

Number of Job Openings\* by Major Industry - June 2018



## EMPLOYEE TURNOVER RISES AS PEOPLE ARE MORE LIKELY TO CHANGE JOBS

The overall turnover rate in the health care and social assistance\* sector was 33.2 percent in 2017, according to data from the Bureau of Labor Statistics' Job Openings and Labor Turnover (JOLTS) program. This was up from a turnover rate of 31.8 percent in 2016, and represented the sixth consecutive year of rising turnover in the industry.

As a result of the recent growth, turnover in the health care sector is now back on par with the historical average during non-recession years. Between 2002 and 2006, the turnover rate in the health care sector averaged 33.0 percent. In addition, the sector's turnover rate remains about 10 percentage points below that of the overall economy, which is the typical differential in all economic environments.

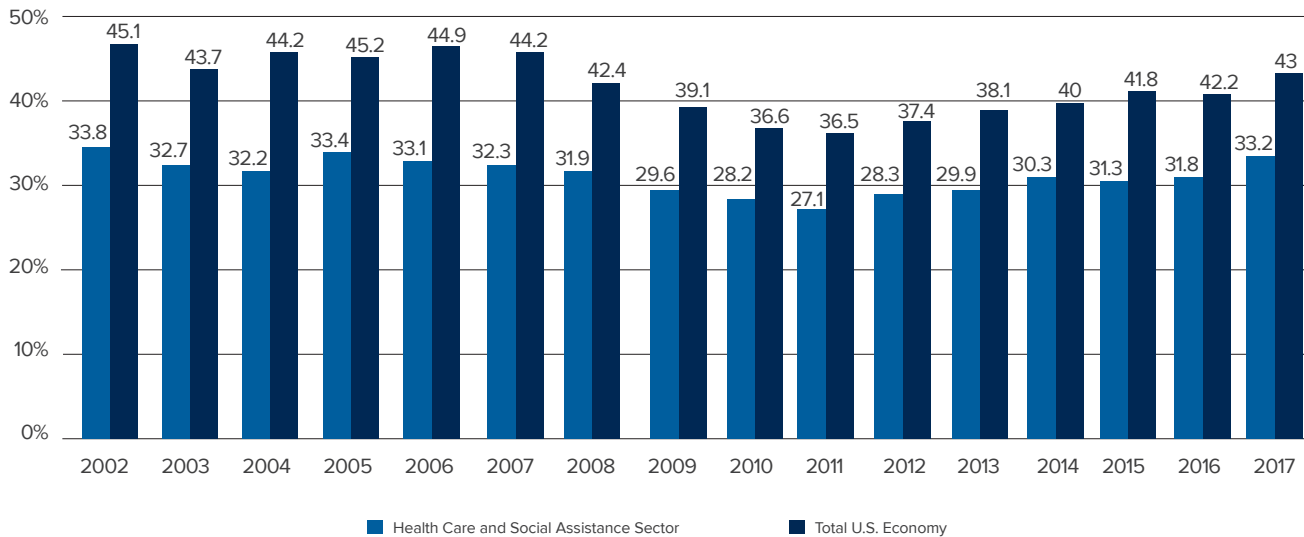
The JOLTS program breaks turnover into three components, with the sum of the parts representing the overall turnover rate. The quits rate in the health care and social assistance sector was 22.7 percent in 2017, up from 21.7 percent in 2016 and the highest level since 2001 (24.4 percent). This suggests that employees are increasingly confident in the labor market and are more willing to switch jobs. It is also an indication of a rising wage environment, as employers often have to increase salaries to attract these available workers.

The health care sector's layoffs-and-discharges rate was 8.0 percent, while other separations – which include retirements, transfers, deaths, and separations due to disability – comprised 2.5 percent of the sector's turnover rate in 2017.

*Note that the turnover figures presented are for the broadly-defined Health Care and Social Assistance sector (NAICS 62), because the Bureau of Labor Statistics does not report data for the senior living industry alone. The senior living industry accounts for approximately 5 percent of all jobs in the health care and social assistance sector.*

## Turnover Rate in the Health Care Sector Returns to Historical Averages

Annual Employee Turnover Rates: Health Care and Social Assistance Sector vs. Total U.S. Economy



## LONG-TERM DEMOGRAPHIC TRENDS EXACERBATE LABOR CHALLENGES

Today's recruitment and retention challenges are impacted by long-term structural trends in the workforce. The most significant of these factors is a downward trend in the proportion of the working-age population who participate in the labor force.

After peaking at a level of 67.1 percent in 2000, the overall U.S. labor force participation rate trended steadily lower before settling at 62.7 percent in 2015. The current participation rate remains more than four percentage points below the levels reached at its peak.

Workforce engagement varied significantly by age group in recent years. Each age group below the age of 55 experienced a decline in labor force participation in recent years. The prime working age population (those between the ages of 25 and 54) makes up about two-thirds of the total labor force.

In contrast, the proportion of older adults in the workforce rose in recent years, and this trend is expected to continue. According to the Bureau of Labor Statistics, the labor force participation rate of 65 to 74 year olds is expected to exceed 30 percent by 2026. Participation among adults age 75 and older will top 10 percent which could be attributed to living longer and healthier. Both will be record highs.

Looking forward, older adults are expected to be the fastest-growing component of the U.S. labor force over the next decade. The Bureau of Labor Statistics (BLS) predicts that an additional 5.3 million adults age 65 or older will enter the labor force between 2016 and 2026. This trend will be driven both by population growth of this age group as well as an increase in their labor force participation rate.

In contrast, younger workers are expected to represent a smaller proportion of the labor force in the years ahead. BLS predicts that the number of teenagers in the labor force will decline by 600,000 between 2016 and 2026, while their counterparts in the 20-to-24-year-old age group will fall by 700,000.

## More Older Adults Are Expected to Join the Labor Force

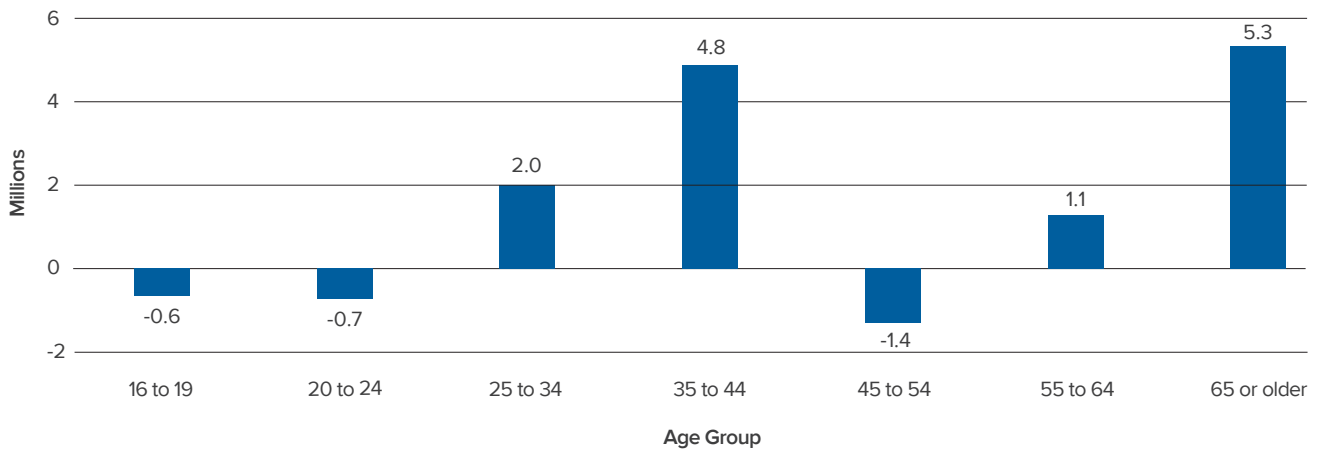
Labor Force Participation Rates by Age Group

	1996	2006	2016	2026*
<b>Total - 16 years and older</b>	<b>66.8%</b>	<b>66.2%</b>	<b>62.8%</b>	<b>61.0%</b>
<b>Age Group</b>				
16 to 19 years	52.3%	43.7%	35.2%	31.7%
20 to 24 years	76.8%	74.6%	70.5%	68.8%
25 to 34 years	84.1%	83.0%	81.6%	81.8%
35 to 44 years	84.8%	83.8%	82.4%	82.3%
45 to 54 years	82.1%	81.9%	80.0%	80.7%
55 to 64 years	57.9%	63.7%	64.1%	66.6%
65 to 74 years	17.5%	23.6%	26.8%	30.2%
75 years and older	4.7%	6.4%	8.4%	10.8%

Source: Bureau of Labor Statistics; \*historical and projected

## More than 5 Million Additional Adults Age 65 and Older Will Join the Labor Force by 2026

Projected change in the U.S. labor force (in millions): 2016 to 2026



Source: Bureau of Labor Statistics

\*Year-to-date growth through June

## OUTLOOK FOR 2019

The senior living industry workforce is expected to expand in 2019, albeit at a somewhat slower pace compared to recent years. Growth will be driven by the continued demand for the services that senior living communities provide, as the nation's aging population steadily rises.

As is the case for many other industries, a potential constraint on senior living workforce growth in 2019 will be the tight labor market. The economy is projected to expand at a moderate pace in 2019, and the unemployment rate will likely remain below 4 percent for much of the year.

Like the economy, workforce challenges will vary significantly by region of the country. As of mid-2018, nine states had jobless rates below 3 percent. Look for this number to rise in 2019, as job growth in many states continues to outpace the number of new entrants into the labor force.

This will lead to intensifying competition for a shrinking pool of available employees, particularly for employers in the healthcare and hospitality sectors, which are growing at rates stronger than the overall economy.

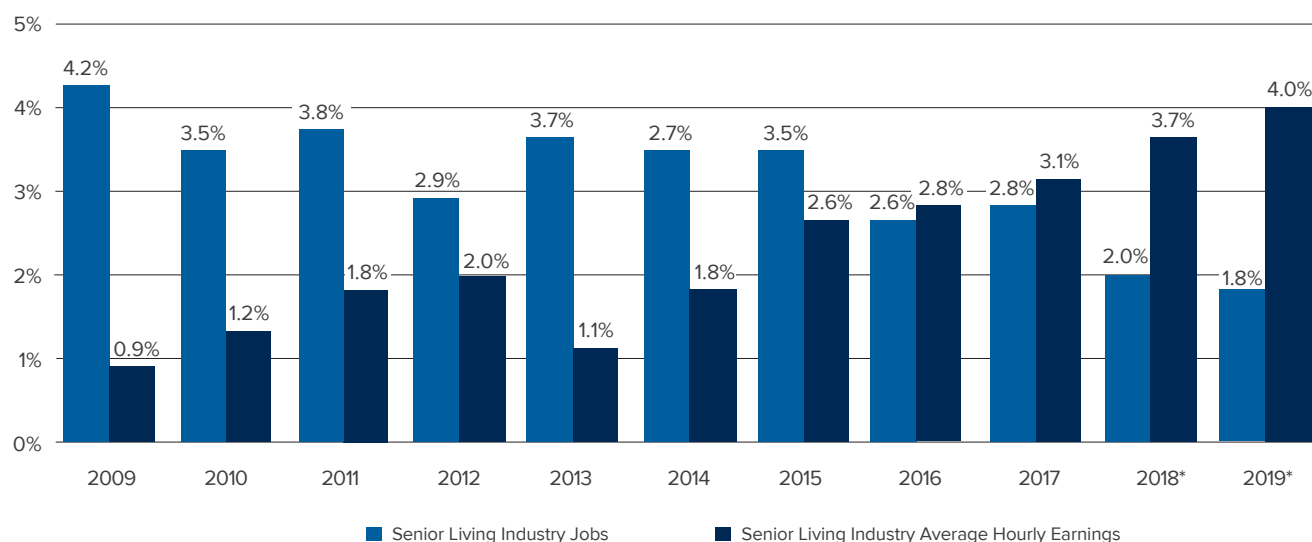
### Labor Force Participation Rate by Region, (lowest to highest)

A relatively high workforce participation rate is an indication of a tight labor market, as there are fewer people sitting on the sidelines of the labor force.

East South Central	58.8%
Middle Atlantic	61.4%
South Atlantic	61.8%
Pacific	62.3%
West South Central	62.7%
Mountain	64.0%
East North Central	64.1%
New England	66.5%
West North Central	67.4%

## Senior Living Wage Gains Expected to Accelerate in 2019, as Job Growth Slows

Senior Living Jobs and Average Hourly Earnings



Source: Bureau of Labor Statistics, \*Argentum projections

\*projected

### **Key Outlook 2019 Takeaways**

- » Senior living workforce is expected to expand, but more slowly
- » Industry will face potential constraint driven by tight labor market
- » Labor challenges vary by region of country
- » Competition for workers among industries will intensify
- » Growing economy and tight labor market will put upward pressure on wages, labor costs

Looking ahead to 2019, the senior living industry workforce is projected to expand at a 1.8 percent rate. Although growth is expected to be stronger than the overall economy, it would be well below the industry's average annual job growth of 3.2 percent registered during the last 10 years.

The growing economy and tight labor market are also expected to put upward pressure on wages in the months ahead. The number of unfilled job openings in the economy will likely continue to reach new record highs in 2019, which means employers in the fastest-growing industries will often have to increase wage rates to attract the best talent.

As a result, senior living communities likely will continue to see their labor costs rise in the coming months. The average hourly wage paid to senior living employees is projected to increase 4 percent in 2019, up from a 3.7 percent gain in 2018. This would represent the industry's sixth consecutive year of accelerating wage growth, and the projected 2019 increase would be nearly four times stronger than the 1.1 percent gain posted in 2013.

## **CONCLUSION**

The future is bright for senior living. The industry is an engine of job growth in an expanding economy with no signs of a significant slowdown ahead. Consumers, as well as senior living decision makers, are optimistic about the economy and business growth. The median net worth of households headed by adults age 75 and older was the highest level on record, offering this age cohort more options in their care as they age.

The challenges for the growing industry lie in the tight labor market in many parts of the country. The industry has added jobs in all but two jurisdictions during the last decade – the Mountain region's senior living industry registered the strongest growth among the nine U.S. regions with communities expanding payrolls 63 percent. But nine out of 10 senior living leaders say they currently have job openings that are difficult to fill. Additionally, today's recruitment and retention challenges are impacted by long-term structural trends in the workforce. Most significantly is a downward trend in working age adults who participate in the labor force.

Argentum, with the guidance of its members, will continue to focus on solving these issues through key initiatives to encourage innovation and information sharing to continually elevate the industry and its ability to care for the nation's seniors.

# Three workforce challenges ▶

## Challenge #1 Deliver better outcomes, more efficiently.

Industry-Leading Software — MatrixCare's intuitive, easy-to-learn, purpose-built software helps inform fast, accurate decision-making, so your caregivers can deliver better outcomes in less time.

## Challenge #2 Seamlessly share information between systems.

Flexible Solutions — MatrixCare integrates with best-in-class labor management and time/attendance systems to meet your organization's unique needs.

## Challenge #3 Continually ensure an effective workforce.

Easy On-Ramp — MatrixCare has programs to assess, train and certify employees—equipping the next generation of caregivers while supporting those already in the field.

One partner is ready to help you tackle the workforce challenges of today...and position you for success tomorrow.

# One powerful solution.



“ *Point of care happened to be one of the first modules that we decided to implement. ...We had every incidental staff member who only came once a month trained within four days. I've never seen anything like it. It was phenomenal. ... It turned us into an employer of choice.* ”

Pamela Patterson  
Chief Nursing Officer, Cantata Adult Life Services



“ *I can't tell you how incredibly easy it is for us. The ease of not having more than one system, to have to click in and click out – people hate that, logging back into something versus staying in the same system. Everyone will tell you that having it robust or working within the MatrixCare, you know, family, it's fabulous, we love it.* ”

Marjorie Bailey  
Chief Financial Officer, Elder Care Alliance



“ *MatrixCare helps us attract better staff, helps us partner better with our external health care partners, and MatrixCare helps us take better care of our patients and provide better clinical care. With the MatrixCare team as part of our team, we find a partner who is walking alongside us and will guide us through that process. That, to us, is invaluable.* ”

Frank Caruso  
Senior Director of Post-Acute Services, Bridgemark Healthcare

To learn more, visit [MatrixCare.com/workforce](https://MatrixCare.com/workforce)

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# STATE OF THE SENIOR LIVING WORKFORCE

Trends in Jobs, Hours, and Wages  
July 1 - September 30, 2018

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## PART 1: JOBS

### SENIOR LIVING EMPLOYMENT CONTINUES TO RISE

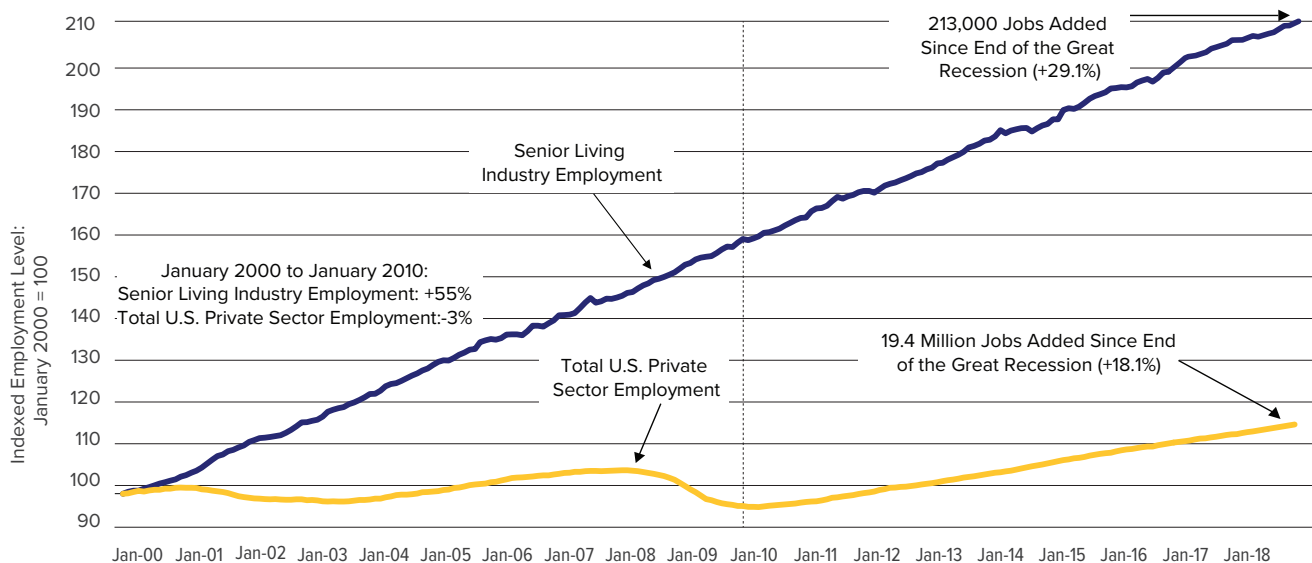
The senior living industry has been among the top sectors for job creation during the current economic expansion, according to data from the Bureau of Labor Statistics. From the beginning of the employment recovery in March 2010 through September 2018, the senior living industry added 213,000 jobs. This<sup>2</sup> represented an increase of more than 29 percent.

In comparison, the overall private sector has added a net 19.9 million jobs during the current expansion, which represented a gain of more than 18 percent. Employment trends in the related industries were mixed during the recovery from the Great Recession.

The home health care industry posted the strongest growth, with payrolls expanding 39 percent, or 410,000 jobs. Employment in the restaurants and accommodations sector increased 27 percent with 3 million jobs since the end of the

### Senior Living Industry Shows Steady Job Growth

Employment Trends from January 2000 to September 2018

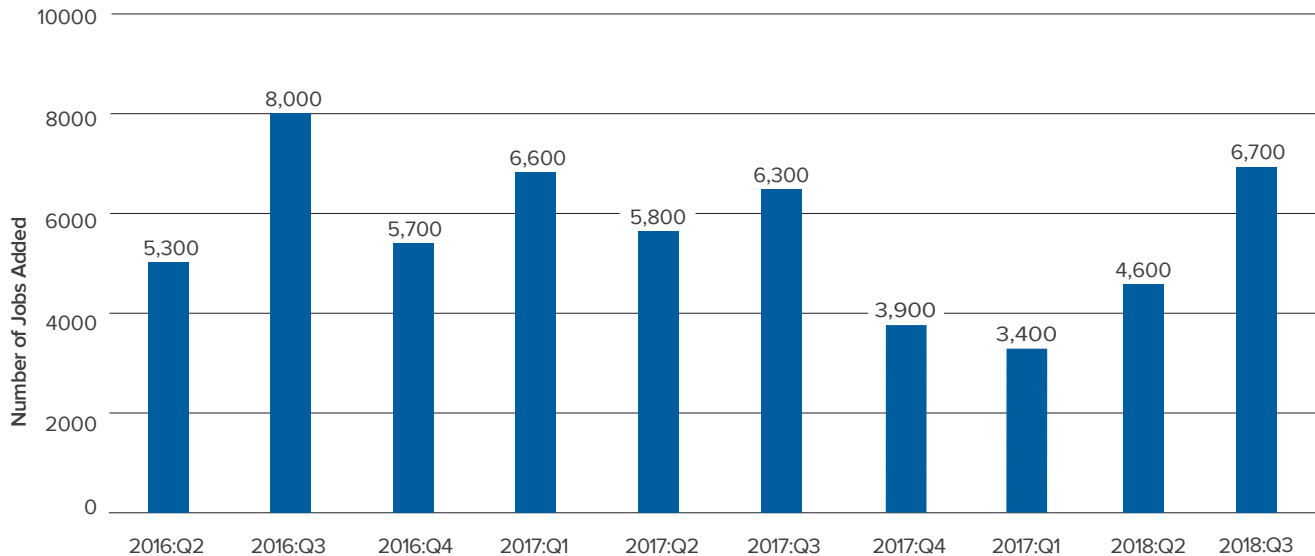


Source: Argentum analysis of data from the Bureau of Labor Statistics; figures are seasonally adjusted

### ARGENTUM AND ONSHIFT PARTNERSHIP

The Argentum and OnShift partnership began in 2016 to support the development of data-driven research, innovative resources, and best practices to give senior living providers new tools and insights to improve workforce strategies. These quarterly workforce reports are a product of that relationship. Argentum is the leading national association exclusively dedicated to supporting companies operating professionally managed, resident-centered senior living communities and the older adults and families they serve. Learn more at [argentum.org](http://argentum.org). OnShift delivers cloud-based human capital management software and proactive services to solve everyday workforce challenges in healthcare. OnShift's suite of products for hiring, scheduling and workforce analysis drives quality care, lower costs and higher performance by empowering providers to staff consistently and efficiently. Visit [onshift.com](http://onshift.com).

### Total Senior Living Industry Employment Growth



Source: Argentum analysis of data from the Bureau of Labor Statistics; figures are seasonally adjusted

recession, while retail employment rose 10 percent or 1.5 million jobs. Hospitals expanded payrolls by 11 percent with 529,000 jobs during the employment recovery. In contrast, employment in the skilled nursing sector fell 2 percent during the current economic expansion, or 39,000 jobs.

### THIRD QUARTER JOB GROWTH STRONGEST IN TWO YEARS

Senior living industry job growth accelerated in the third quarter of 2018, according to preliminary figures from the Bureau of Labor Statistics (BLS). Senior living communities added a net 6,700 jobs in the third quarter on a seasonally adjusted basis, up substantially from a gain of 4,400 jobs in the second quarter. The healthy third quarter performance represented the largest quarterly increase in senior living jobs since a gain of 8,000 jobs in the third quarter of 2016.

Senior living job growth also ticked above the private sector in the third quarter. Employment in the senior living industry increased 2 percent between the third quarters of 2017 and 2018, while total private sector payrolls expanded 1.9 percent. Within the senior living industry, assisted living communities registered the strongest growth in recent quarters. Assisted living added jobs at a 2.3 percent rate between the third quarters of 2017 and 2018, while continuing care retirement communities posted job growth of 1.7 percent. The 1.7 percent increase in CCRC employment was the sector's slowest growth in nearly four years.

### MIXED EMPLOYMENT TRENDS IN RELATED INDUSTRIES

The home health care sector continues to register the strongest job growth among the related industries. Employment

in the home health care sector rose 3 percent between the third quarters of 2017 and 2018, which marked the 16th consecutive quarter with job growth of at least 3 percent. This sector also continues to easily outpace the overall private sector, which added jobs at a 1.9 percent rate during the last four quarters.

Hospitals also continue to add jobs at a steady pace. Employment at hospitals rose 1.9 percent between the third quarters of 2017 and 2018, which represented the second consecutive quarter in which the industry's employment growth matched the overall private sector.

In contrast to the gains in the home health care and hospital sectors, skilled nursing continues to contract payrolls. Between the third quarters of 2017 and 2018, employment in the skilled nursing industry declined by 1 percent. This represented the 11th consecutive quarter in which the skilled nursing sector shed jobs, with the sector employing over 60,000 fewer people than it did at its peak in 2011.

Among the non-healthcare sectors, the restaurants and accommodations industry continues to add jobs at a moderate pace. This industry added jobs at a 1.8 percent

rate between the third quarters of 2017 and 2018, which was down from the sector's consistent gains of 3 percent or more during most of the current economic expansion.

Job growth in the retail sector remained muted in recent quarters. Retailers added jobs at a modest 0.4 percent rate between the third quarters of 2017 and 2018, which represented the ninth consecutive quarter with employment growth below 1 percent.

## PART 2: HOURS

### AVERAGE HOURS OF SENIOR LIVING EMPLOYEES INCREASES

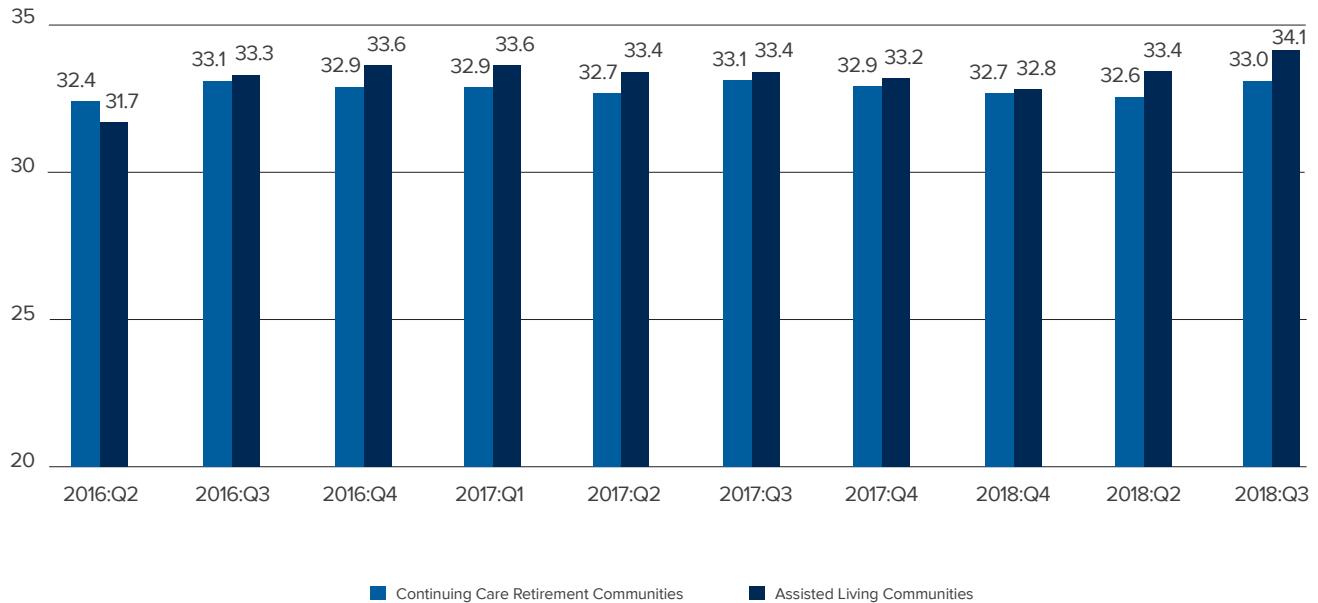
The average workweek of senior living employment trended higher in the third quarter. Senior living employees worked an average of 33.5 hours per week during the third quarter of 2018, up 0.8 percent from an average workweek of 33.3 hours during the third quarter of 2017. The gain mirrored the average workweek of all private sector employees, which also rose 0.8 percent between the third quarters of 2017 and 2018.

#### Trends in Average Weekly Hours

	Average Weekly Hours Q3 2018	Q3 2017 to Q3 2018	2016 to 2017	2015 to 2016
Senior Living Industry	33.5	0.8%	1.8%	2.8%
Continuing Care Retirement Communities	33.0	-0.2%	0.9%	1.6%
Assisted Living Communities	34.1	1.9%	3.1%	4.5%
<b>Total U.S. Private Sector</b>	<b>34.8</b>	<b>0.8%</b>	<b>0.0%</b>	<b>-0.3%</b>

*Argentum analysis of data from the Bureau of Labor Statistics; figures are not seasonally adjusted*

### Average Weekly Hours of Senior Living Employees



Source: Argentum analysis of data from the Bureau of Labor Statistics; figures are not seasonally adjusted

Within the senior living industry, the workweek of assisted living employees rose sharply in the third quarter. Assisted living employees worked an average of 34.1 hours during the third quarter of 2018, up 1.9 percent from their average workweek of 33.4 hours during the third quarter of 2017.

In contrast, employees at continuing care retirement communities had a modest decline in their hours worked in recent quarters. The average workweek of employees at continuing care retirement communities edged down 0.2 percent between the third quarters of 2017 and 2018, which represented the third consecutive quarter of declines.

## PART 3: WAGES

### SENIOR LIVING WAGE GROWTH ABOVE PRIVATE SECTOR

Although wage growth in the senior living industry continues to outpace the overall private sector, the gap shrunk in recent quarters. Average hourly earnings of senior living employees rose 3.4 percent between the third quarters of 2017 and 2018, which was only slightly above the 3.1 percent wage gain for all private sector employees. This represented the smallest gap between senior living and private sector wage growth in six quarters.

Within the senior living industry, wage growth was strongest at assisted living communities in recent quarters. Average hourly earnings of assisted living employees increased 3.7 percent between the third quarters of 2017 and 2018, which represented their strongest four-quarter wage growth in a year.

Wage growth at CCRCs slowed for the second consecutive quarter. Average hourly earnings of employees at CCRCs rose 3.3 percent between the third quarters of 2017 and 2018, which was down from 4.2 percent and 3.5 percent gains in the first and second quarters, respectively.

### WAGE GROWTH STRONGEST IN NON-HEALTHCARE SECTORS

Among the five related industries, wage growth was strongest in the two non-healthcare sectors in recent quarters. Retail employees saw their wages accelerate sharply in recent quarters. Between the third quarters of 2017 and 2018, average hourly earnings of employees in the retail sector increased 3.6 percent. This was more than double the retail sector's wage increase in 2017.

Similarly, average hourly earnings of employees in the restaurants and accommodations sector increased at a healthy 3.6 percent rate between the third quarters of 2017 and 2018. This represented the 11th consecutive quarter with wage growth above 3 percent in this sector. In contrast, wage growth in the home health care sector remained modest in recent quarters, despite the strong employment gains. Average hourly earnings of employees in the home health care sector rose just 0.3 percent between the third quarters of 2017 and 2018.

In the skilled nursing sector, average hourly earnings increased 2.1 percent between the third quarters of 2017 and 2018. Although this remained a full percentage point below the overall private sector, it represented the strongest average wage gain for skilled nursing employees in a year.

Hospital employees saw the strongest wage growth among the related healthcare sectors in recent quarters. Average hourly earnings of hospital employees increased 2.7 percent between the third quarters of 2017 and 2018, which represented the largest increase in a year.

### Trends in Average Hourly Earnings Across Related Industries\*

	Average Hourly Earnings Q3 2018	Q3 2017 to Q3 2018	2016 to 2017	2015 to 2016
Senior Living Industry	\$17.35	3.4%	3.1%	2.8%
Continuing Care Retirement Communities	\$18.28	3.3%	2.8%	2.2%
Assisted Living Communities	\$16.31	3.7%	3.7%	3.9%
Skilled Nursing	\$19.08	2.1%	2.9%	3.4%
Hospitals	\$32.66	2.7%	2.2%	1.6%
Home Health Care	\$19.50	0.3%	-0.1%	4.3%
Retail Trade	\$18.94	3.6%	1.7%	2.1%
Restaurants and Accommodations	\$15.03	3.6%	3.9%	4.0%
<b>Total U.S. Private Sector</b>	<b>\$27.14</b>	<b>3.1%</b>	<b>2.7%</b>	<b>2.5%</b>

Source: Argentum analysis of data from the Bureau of Labor Statistics; figures are not seasonally adjusted  
 \*BLS data includes both salaried and hourly workers in its average hourly earnings data



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