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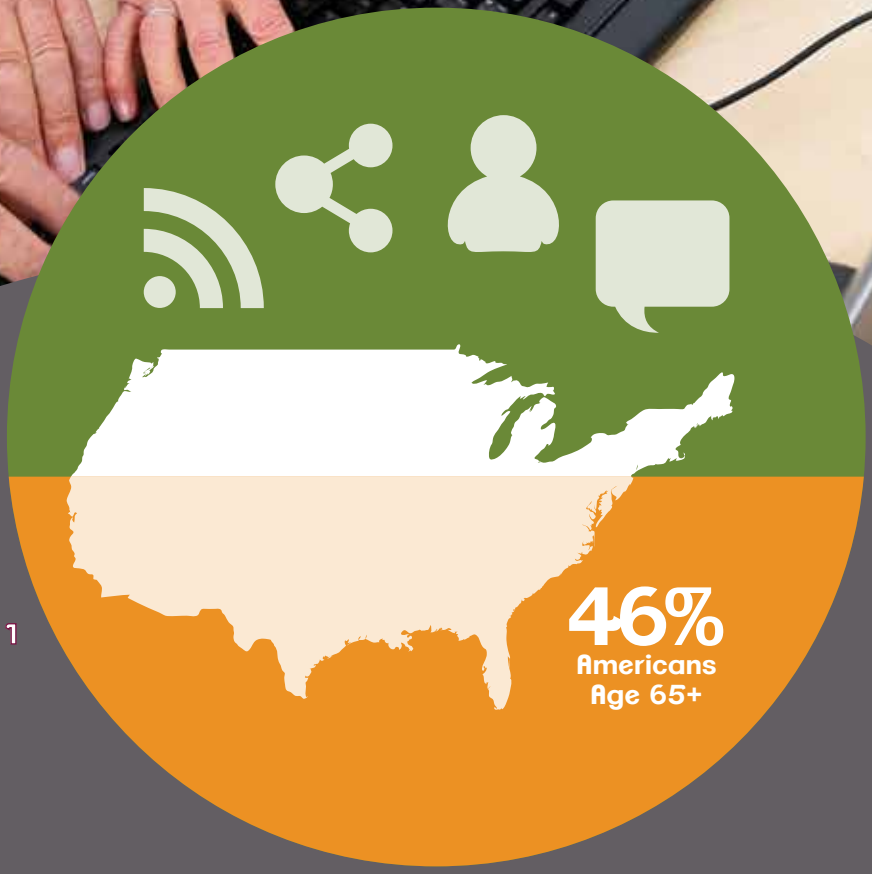
SUPER TRENDS IN SENIOR LIVING

Social Media Use [1]



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Current trends in senior living indicate a dramatic shift toward more modern, active and engaged lives that look very different from what we've come to think of as "aging." Flik Lifestyles experts conducted a broad analysis of the top industry's trends and from them formulated 10 "super" trends that have the most potential to significantly alter the trajectory of senior residential communities and services in the near future.

While these super trends are clearly distinct, they are also extremely interrelated, with the implications of each connecting to the implications of the others. They are driven by a variety of forces including societal and sociological changes, technological advances, and economic circumstance. And while they point the way toward a variety of different possible scenarios for leaders of senior living communities, one thing is evident: The challenges and opportunities to serve the growing senior demographic have never been more varied or greater. And those who capitalize on these trends will be better positioned to thrive in the years to come.

1 Technology

Technology Transforming Senior Living

Advances in technology are changing senior residential communities, both for seniors and for community leadership. Seniors are increasingly savvy technology users – readily accessing laptops, smart phones, mobile devices and tablets, social media and cloud-based apps. They expect wireless connectivity wherever they roam, including most especially their homes. Technology developments are affecting senior living community management, too, with more sophisticated information technology (IT) systems that integrate billing, operations and Customer Relationship Management (CRM). And the increasing use of remote monitoring capabilities can support better health and independence for seniors.

Implications for Senior Living Leaders

Senior communities must deliver reliable network capabilities to their residents and begin to leverage current technologies to raise their own marketing, sales, and services to a new level. Integrated billing and operations systems will become more critical as communities seek to perform more efficiently, while advanced sales and marketing and CRM systems will enable communities to better target and connect with residents, prospects and their families. Additionally, remote monitoring technology opens up new opportunities for communities to differentiate themselves and establish a new revenue source.

[1]Pew Research Center's Internet Project Library Survey, 2013

Senior Living Communities who expect to offer these services in the next five years [2]

Home care services: 88%

Hospice services: 84%

78% Advanced Wellness Programs

80% Education Programs through college partnerships

90% Age 65+

Adults who plan to stay in their homes as long as possible [3]

[2]Survey of Trends in Senior Living, 2012

[3]AARP Aging in Place Study, 2011

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2 Changing Landscape

Inside Out

Just as independent living and assisted living communities wiped away outdated perceptions of nursing homes, so too are current trends changing today's competitive landscape. Alzheimer's Disease and other memory-oriented syndromes are on the rise with projected demand for dedicated memory care and services outpacing supply. Likewise, the Affordable Care Act creates new possibilities for communities to offer short-term rehabilitation services. However, while acute skilled nursing will always be needed, declining reimbursement and aging facilities are forcing a transformation from skilled nursing as a long-term "final home" to an acute care short-stay model.

Implications for Senior Living Leaders

The opportunity to expand services – within and outside of community walls – has never been greater, and capitalizing on this trend may help organizations thrive in the future. Memory care, hospice and home health care are particularly attractive areas of growth. At the same time, communities should adopt a resident-centric approach to care for all residents – including those in assisted living and memory care units. Most significantly, senior living community leaders will need to re-think and re-frame their offerings according to a "café model" with individualized services that transcend the boundaries of traditional senior community and service definitions. Thriving in the future will require a broad range of services offered in the most flexible way possible.

3 Aging Well

We're Aging – and Aging Well

No doubt about it. Today's older adults are taking an active role in staying physically and mentally healthy. They demand wellness programs that go beyond basic exercise classes to focus on holistic and engaging programs with wellness coaches, yoga and tai chi classes, healing gardens, and massage services. They expect wellness centers to incorporate full-scale fitness facilities with aquatic centers. Wellness doesn't stop with the physical. Education and lifelong learning programs are also on the rise with a rapidly increasing number of senior living communities establishing partnerships with universities and colleges to offer both in-person and online classes for residents.

Implications for Senior Living Leaders

Senior living leaders must continue to aggressively pursue a model that highlights wellness services as much as medical care. Additionally, the trend toward both physical and mental activity offers opportunities for communities to deliver both a deep and wide range of offerings and partnerships. Communities are still exploring whether making these services all-inclusive or offering them a-la carte is a more successful approach, but one thing is clear: age may still take its toll on today's and tomorrow's seniors, but seniors and their families will increasingly look for communities and services that will help seniors age well.

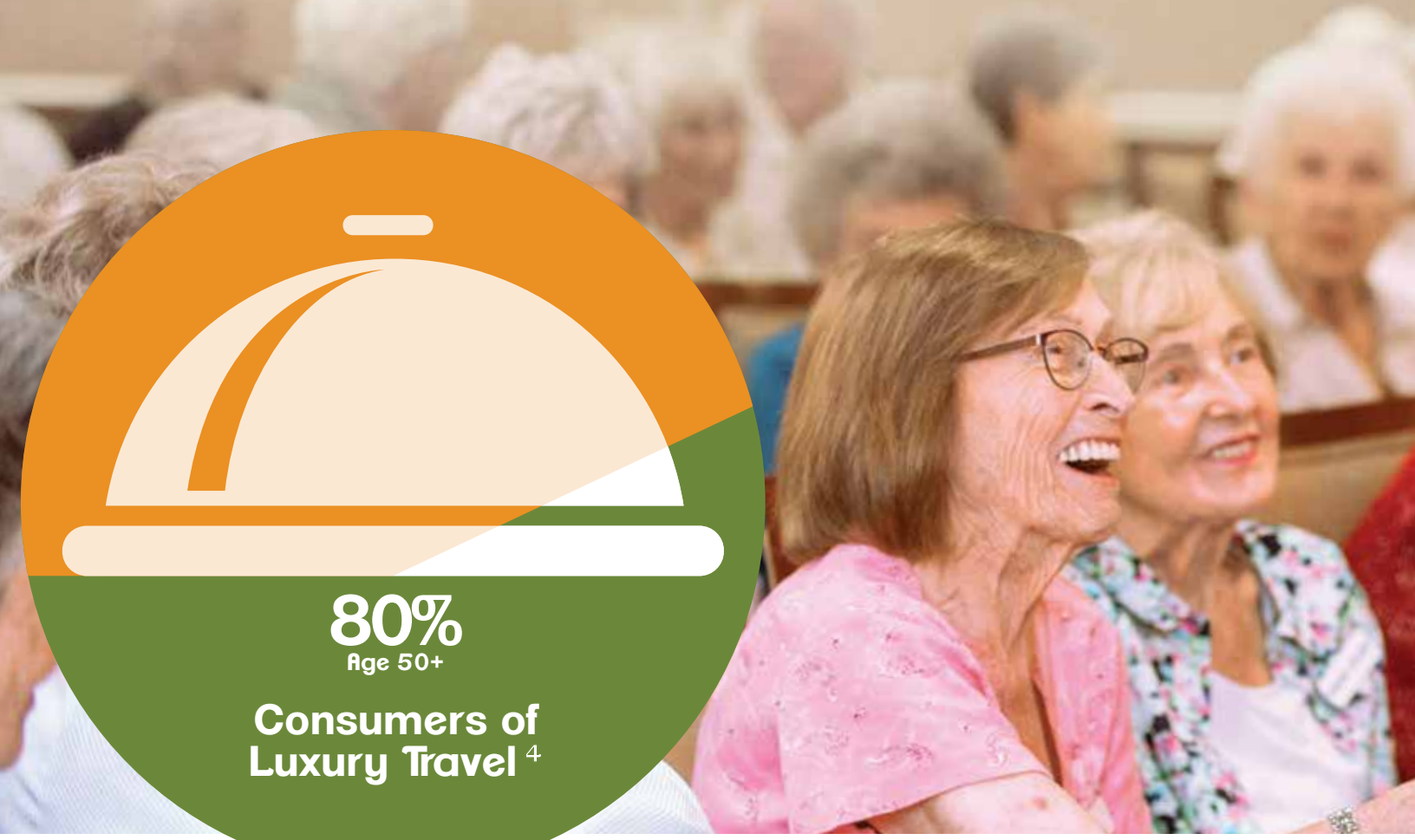
4 Maintaining Independence

Independent, but Connected.

Few seniors want to live a life of dependence. Most prefer to remain in their homes, among familiar surroundings and the ability to maintain habits of a lifetime. This preference to age in place is just as prevalent for adults residing in a senior living community as it is for those seniors living in the house or apartment they have occupied for years. Increasingly, senior communities are providing services to residents (as well as seniors living outside the community) through an extended period of time in which seniors require more support but are not ready to consider themselves as needing "assisted" living services.

Implications for Senior Living Leaders

The aging in place trend suggests that senior communities may dispense with labeling and segregating units by the level of care required by residents. Instead, communities could provide a full spectrum of healthcare services to residents wherever they live. This could be accomplished by CCRC communities that operate on a "lifetime of care" financial model as well as communities that bill for health care on a fee for service basis. Regardless of the community model, senior leaders must carefully consider the pros and cons of removing "independent" and "assisted" from their community maps. For example, how will the change impact the ability of communities to attract active seniors seeking an engaged and inspired life?



5 Toward a Service Model

Hospitality in Senior Living

Adults who can afford to join an upscale senior living community are often well acquainted with hospitality. As our research on the Silent Generation demonstrated, current and prospective residents expect a level of attentiveness from staff members who bring a service-oriented attitude to every interaction. Many are well traveled and accustomed to hotels and resorts that cater to their needs. They often seek concierge-style services including room service, car service, personal shoppers and one-on-one educational and cultural experiences. In addition, they often seek to express personal values through decisions on the materials and affiliations they choose.

Implications for Senior Living Leaders

Communities seeking to attract these seniors must provide a Ritz Carlton level of hospitality along with compassion, respect and dignity. This requires a deep level of staff training and development including customer service-based incentives and ongoing reinforcement of a hospitality and service mentality. Customized service also extends to on-demand options for residents including in-room dining, call ahead transportation, and concierge service. Community leaders should also explore amenities and features that will attract and retain residents such as luxury interiors, walking trails, first-class health and wellness facilities, along with the option for all-inclusive, maintenance-free living. Eco-friendly construction, locally grown organic food, energy efficient appliances, and established recycling programs may provide additional reasons to choose one community over another.

[4]Pew Internet and American Life Project

6 Labor Shortages

Where Will We Find the Next Generation of Caregivers?

Perhaps the most challenging trend facing senior communities today is the shortage of qualified labor. That shortage will only become more acute as the senior population continues to grow and the demand for senior care rises. However, senior jobs are typically associated with low pay, high stress, and the likelihood of injury; it's no wonder caregivers and support staff often do not stay in senior communities very long.

Implications for Senior Living Leaders

At a macro level, strategic leadership is needed to stabilize and position the industry for long-term success. Closer to home, senior communities have an opportunity to address the issues that often make senior jobs so difficult. These can include:

- Enhancing operational efficiency so that employees feel supported in their jobs and surrounded by others who are invested in improved performance.
- Adopting a culture of service including a commitment to ongoing training and development.
- Improving compensation through higher wages, comprehensive benefits and bonuses that recognize employees for the value they bring.

In addition, communities must focus on identifying the next generation of senior leaders and board members, many of whom are nearing retirement age themselves.

[5]Job Satisfaction of Hotel-style Room Service Employees, Lisa Sheehan-Smith, EdD, RD, LDN, Assistant Professor, Department of Human Sciences, Middle Tennessee State University

7 Economic Realities

How the Economy has Changed Senior Living

The early years of the 21st century brought deep financial challenges and the effects continue to echo for today's senior communities – at both the individual and community levels. Seniors were impacted negatively by the economic downturn of 2008-2011 and, as a result, many delayed moving to a senior community while waiting for housing prices and their own financial portfolios to rebound. In turn, decreased occupancy levels meant that many communities – particularly non-profits – delayed improvement projects while plans for new communities were put on hold until the economy sufficiently recovered. Over the last five years, the for-profit sector out-developed the non-profit sector nearly ten to one in the development of new independent, assisted living, and memory care facilities.

Implications for Senior Living Leaders

With the economic outlook steadily improving, communities must return to investing in construction and renovation programs that will help them maintain their competitive edge. Like most American businesses, senior communities have found ways to operate more efficiently and explore alternate sources of revenue. Communities are outsourcing services to partners who can provide quality solutions at a lower price point than the community can provide on its own. In addition, some communities are capitalizing on the trend to expand personal care, home health, and hospice services to seniors in the broader community, while others are creating a-la-carte services that can be provided to residents for additional fees.

8 Multigenerational Housing

Multiple Generations Under One Roof – or in One Neighborhood

The trend toward multigenerational housing, in which grandparents move near or in with their children and grandchildren or vice versa, is significant. Developers are responding with multigenerational housing in which planned mixed-use communities include senior apartments next to age-unrestricted multifamily housing. Amenities like fitness centers, theaters and shopping are open to all and residents may transition to older-adult housing without feeling like they are leaving home and family.

Implications for Senior Living Leaders

Senior living leaders are capitalizing on this trend by updating their facilities to be more family friendly and attractive to visiting grandchildren. Such updates aquatic centers, club-like entertainment, game rooms and other resort-like amenities. Smart community executives are also recognizing that this trend indicates the active and important role that adult children and other family members play in the decision of parents to move to a senior community. In response, they are expanding their marketing and sales programs to engage directly with these important decision influencers (and in some cases decision makers).

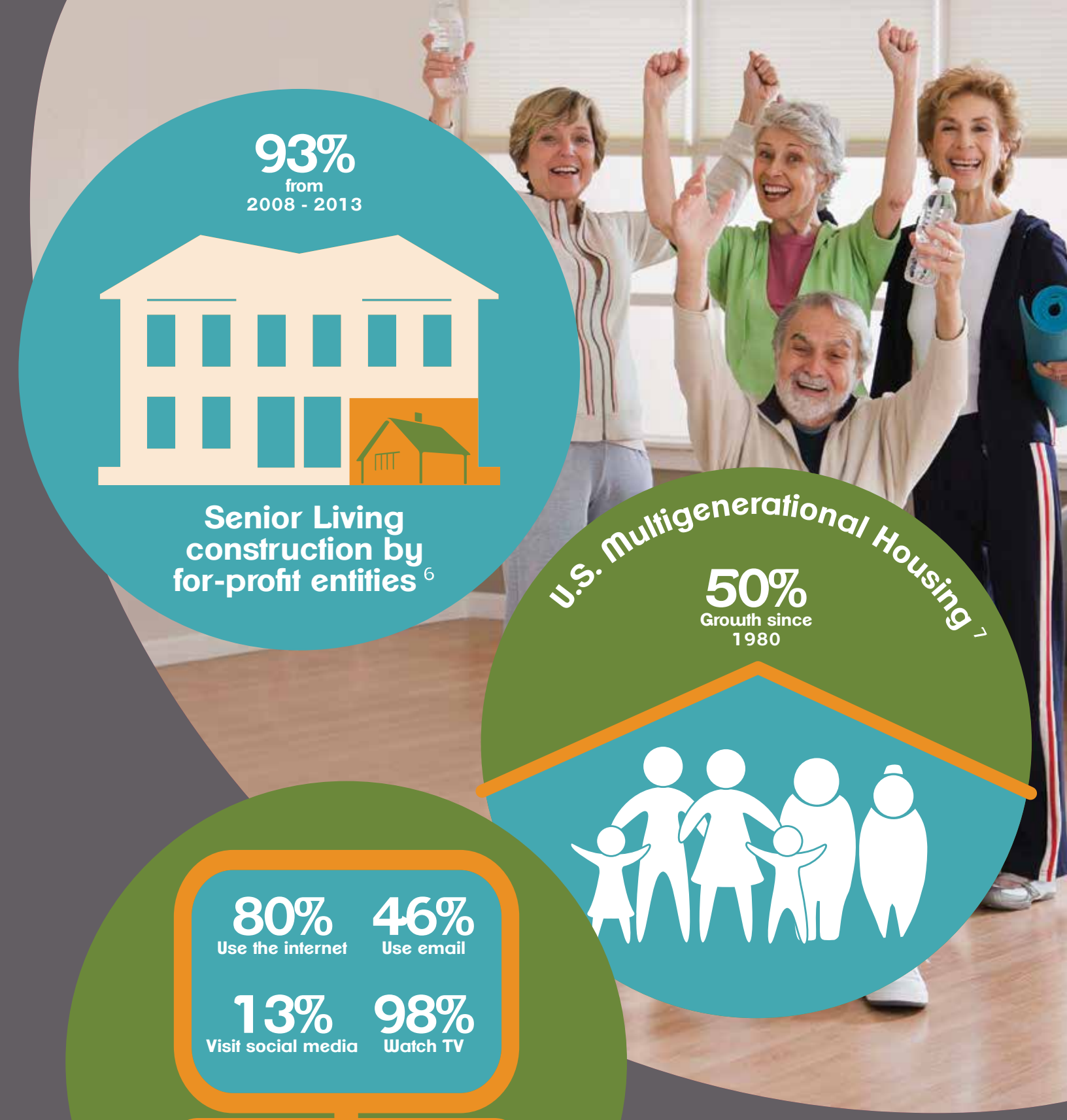
9 Marketing and Sales

The Boomers Are Coming – Are You Ready?

As the Silent Generation began to change the paradigm of senior living, many communities took notice and evolved to meet the needs of these prospective residents. They began to improve their offerings and create an environment that welcomed and supported the Silent Generation. However, many communities were slow to adopt the massive changes that were necessary to attract members of the Silent Generation seeking a lifestyle of choice. The next generation of senior residents – the Baby Boomers – will be even more demanding in their expectations of choice, interior design, health and wellness programs, dining and amenities.

Implications for Senior Living Leaders

The senior living industry as a whole has treated sales and marketing as if they are essentially the same process – and this approach is no longer accurate or tenable. Communities must clearly, accurately and compellingly tell the story of the rich benefits of a maintenance free, lifestyle of choice. Moreover today's and tomorrow's seniors are media-savvy and media-connected; to reach them, it will be essential to go far beyond the industry's existing communications vehicles. Communities will need to embrace broadcast media that can better convey the senior living lifestyle as well as geo-targeted internet marketing to reach prospects with powerful, individualized messages.



93%
from
2008 - 2013

Senior Living construction by for-profit entities [6]

U.S. Multigenerational Housing [7]

50%
Growth since
1980

80% Use the internet

46% Use email

13% Visit social media

98% Watch TV

Seniors and the internet [8]

[7]Source: National Investment Center for the Seniors Housing and Care Industry

[7]Pew Research Center Analysis of the U.S. Decennial Census data, 1940-2000 and 2006, 2007, 2008 American Community Surveys

[8]Source: 2010 Generations Online, Pew Internet and American Life Project

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10 Memory Care

The Need for Memory Care is Growing

Alzheimer's and dementia, the two most common forms of memory loss among seniors, are growing. While the two diseases are pathologically different, both deprive seniors of their independence. Without memory care services, the diseases can rapidly deplete the energy and patience of spouses and children. Although significant progress has been made in diagnosis and treatment, it is clear that the combination of our growing senior population with the rise in both Alzheimer's and dementia indicate that advanced memory care will have to be part of the model for senior communities going forward. Recent research by the Compass Group, parent company of Flik Lifestyles, and Alzheimer's Disease International confirm that nutrition can influence both the risk of developing dementia and improve the ability to live well with dementia.

Implications for Senior Living Leaders

The "Silver Tsunami" of seniors will require senior communities to enhance their existing offerings with specific services geared toward support and improvement of seniors with Alzheimer's and dementia. These include smaller, specially-designed residential buildings that are easier to navigate and that feel less like facilities, more like homes. Single story buildings with open floor plans and no dead-end hallways are preferable, as are outdoor courtyards that enable gardening and outdoor exposure without risk of getting lost. These models do require a higher staffing ratio and activities that encourage long-term memories and mental stimulation. In addition, a nutrition program that caters to individuals with dementia will help improve quality of life and physical health for those with the disease.

[9]Dementia and Nutrition: A Review of Available Research, 2014

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About Flik Lifestyles Living

Flik Lifestyles, a member of Compass Group®, is the nation's only company exclusively dedicated to providing food, nutrition and hospitality services to the senior living industry. Flik Lifestyles has over 150 registered dietitians, 200 executive chefs, 400 hospitality associates and 7,000 professional foodservice team members. Actively committed to fostering ways to enjoy great-tasting, healthy food through socially responsible practices and superior customer service, the Atlanta-based company serves more than 450 senior living clients in 41 states, including some of the largest and most prominent senior living communities in the United States. Visit www.Flik Lifestylesseniorliving.com for more information.

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