

Why Aging In Place Matters

By Ryan Frederick

EXECUTIVE SUMMARY

“Aging in place” is becoming THE defining phenomenon both inside and outside of Seniors Housing. Aging in place refers to the desire of seniors to stay in a particular residential setting as long as possible, even as health care needs increase. Aging in place at one’s home, while already a stated preference among the vast majority of older adults, is becoming more common as seniors can afford less and more feasible as cost-effective and innovative solutions emerge. Meanwhile, within Seniors Housing, aging in place is being experienced at all levels of care, though its magnitude and implications are most strongly felt within Independent Living, especially among Entrance Fee Continuing Care Retirement Communities.

Given this dual dynamic, it is critical that key constituents, such as operators, service providers, investors and boards, understand the basis for these trends, digest current and long-term business, financial and legal implications and begin to devise possible solutions.

It is subject to debate as to whether aging in place is a current trend likely to recede during better economic times or a permanent trend that is accelerating. Regardless, there are implications of aging in place that face Seniors Housing communities nationwide.

Business Implications

- Losing appeal to younger, healthier prospects
- Growing reliance on older, frailer prospects
- Increasing average age and acuity of residents
- Higher resident turnover
- Smaller addressable market
- Greater pressures on staff
- Diminishing customer value proposition
- Less effective sales and marketing

Financial Implications

- Lower cash flow from existing operations
- Weakened balance sheet
- Increasing financial risk

Legal Implications

- Increasing legal risks of serving older, frailer residents in low health care settings

Communities that do not create strategies that are aligned with these emerging realities will miss opportunities for growth and be at risk of irreversible decline by holding onto paradigms that are unsustainable. Leaders need to determine the degree to which aging in place is impacting their communities today and in the future, spark organizational urgency around a need for necessary changes, and create a strategy for identifying present and future solutions. With the right team and approach, communities can take advantage of these environmental changes and create exciting opportunities for growth and differentiation.

This white paper unpacks key implications of aging in place, reviews several possible solutions and maps a plan of possible next steps for key stakeholders.

For a copy of the white paper, please contact:

Ryan Frederick at Point Forward Solutions at rfr frederick@pointforwardsol.com or call 410-929-3281