



# **The business case for wellness programs in senior living**



A white paper from International Council on Active Aging®



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The International Council on Active Aging is a professional membership association that focuses exclusively on the health and wellness of adults 50 years and older. ICAA was founded in the belief that we can change the way society perceives aging and create a new vision of older adults who are active—to the fullest extent possible—within all areas of life: physical, spiritual, emotional, intellectual, vocational, environmental and social.

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**The market environment**

Over the past two decades, significant change has impacted housing that is attractive for people as they age. The Villages movement, co-housing, and new variations on active lifestyle communities have expanded options and led many (but not all) age-restricted communities to embark on a frenzy of shifting priorities, repositioning and renovations. Today, potential residents can choose to rent or buy, live in cities or suburbs, and establish themselves in properties for all ages or in those aimed at people 55 years and older. Yet the one thing that has stayed the same is the desire of almost 90% of older adults to live in their private homes as they age.

For communities throughout North America, the questions are: How do we

inspire change? What can we offer that will encourage people to move and invest in a home in an age-restricted community? One solution is wellness!

Communities designed for people 55 years and older, under the umbrella of “senior living,” are defined by the mix of real estate and services that are offered. Active adult, independent living (IL), assisted living (AL), memory care and nursing services are found in single, freestanding properties or combined. Life plan continuing care communities (CCRC) offer multiple types of living. Many of these properties are within the US \$372 billion valuation of market-rate, investment-grade properties (25 or more units) estimated by the National Investment Center for Senior Housing & Care.<sup>1</sup>

**Wellness brings value to lives and communities**

Short term	Midterm	Long term
Investment	Return on objectives	Return on investment
<p>Comprehensive wellness program</p> <p>Highly qualified full-time wellness staff</p> <p>Ongoing input from residents, staff, stakeholders</p> <p>Bridge to/from therapies and health care</p> <p>Integration with dining and nutrition services</p>	<p>Residents' quality of life</p> <p>Increased resident satisfaction</p> <p>Competitive advantage</p> <p>Cost recovery</p> <p>Breakdown of silos</p> <p>Reduced caregiver burden</p>	<p>Increased or stabilized occupancy</p> <p>Increased lengths of stay</p> <p>Revenue and cost savings</p> <p>Referrals to/from therapy, health care, adult children, residents, community outreach</p> <p>Reduced health care costs</p> <p>Reduced risks of falls, disability, need for ADL support, cognitive decline</p>

The potential demand for a home in a senior living community is fueled by demographics and lifespans, the same factors that identify the risks these communities face.

The **demographics** of the aging population suggest there are enough people to fill senior living properties and all the other housing options. An estimated 49.2 million people are 65 years and older in the United States, a number that will grow as the boomer population ages. By the year 2060, nearly one in four US residents may be 65 years and older.<sup>2,3</sup> They are joined by an estimated 5.9 million people 65+ in Canada.<sup>4</sup>

The **longevity bonus** means people have the mindset and health (or managed health conditions) to maintain active and vigorous pursuits, employment and social relationships longer than previous generations. More years of life has led to the fast pace of growth in the 80+ population. For senior living communities, that means a need to provide the pursuits that interest residents with longer lifespans.

Longevity with better health and **changing attitudes** are increasing the desire for a full complement of lifestyle options in housing and services. People in their late seventies and eighties are looking for active, intellectually engaging pursuits. This is especially true of the boomers, who are the future residents and currently the adult children of prospective residents.

**Competition** for residents has increased along with the population growth. New developments, especially in independent living, assisted living and memory care, have multiplied since the recession, increasing the supply of age-restricted housing. More competition has made it challenging to fill properties in some regions.

A comprehensive wellness program led by qualified wellness staff can reduce the risks inherent in competition and changing attitudes so communities take advantage of demographics and the longevity bonus. The right type of program rewards the residents and the community.

91% of 40+ adults believe maintaining a healthy lifestyle is extremely or very important (2,585 people, 60% are 55+)⁵

94% believe having a purpose in life is very or somewhat important

**Purpose guides ROI wellness programs**

“Wellness” is the global term used to describe optimal health and quality of life, personalized for each individual. Guided by the seven dimensions of wellness—emotional, environmental, intellectual/cognitive, physical, professional/vocational, social and spiritual—a culture of wellness emphasizes the potential of each person to live as fully as possible.

A wellness culture offers residents a lifestyle that enables properties to realize returns on objectives (resident satisfaction, occupancy) and returns on investment (ROI) including revenue from multiple sources, move-ins and positive health outcomes.

**Key point:** The greatest returns on a wellness program occur when the program is structured around the dimensions of wellness, supported by full-time, qualified staff leaders, and integrated with all the other services and departments in a community.

A ROI wellness lifestyle program offers planned and informal opportunities that are purposeful, reflect the industry best practices and are anchored by the evidence base.<sup>7</sup> Purposeful wellness is achieved when:

- Activities/engagement, fitness, recreation, dining and therapy work together as a single unit.

- Residents are engaged in pursuits that are meaningful for them.
- Social connections are infused throughout the programming.
- Physical activity opportunities are varied and promote functional independence.
- Lifelong learning and cognitive challenges stimulate thinking.
- Health education and group support are integrated into the dimensions.
- Staff members think strategically and across departmental boundaries.
- Outcomes are measured and reported.

Wellness programs directly and indirectly support an organization's key performance indicators. As discovered in a recent survey<sup>8</sup> from the International Council on Active Aging (ICAA):

- 94% of senior living leaders rated lifestyle and wellness offerings as an extremely important (60%) or very important strategy for growing the business.
- 86% consider lifestyle wellness an essential or high priority for their organizations.

After all, once a community's buildings and facilities are in place, it's the amenities and activities that keep residents satisfied.

69% of 40+ adults believe exercise is extremely or very important (1,006 people, 40% are 60+)<sup>6</sup>

54% rate taking on new challenges/hobbies, connecting with others who share their goals (56%) and volunteering (44%) as extremely or very important

Wellness dimensions frame a purposeful program	
Dimension	Examples
Emotional	peer counseling, stress management, humor/laughter, personal histories
Environmental	meditation gardens, walking paths, community design, recycling and re-using, experiencing nature
Intellectual, cognitive	classes with a cognitive component, cultural activities, arts and crafts, journaling, games/puzzles, reading
Physical	exercise, nutrition, sports, sleep, self-care, alcohol/drugs and tobacco cessation, medical self-care
Professional, vocational	paid work, volunteer work, skills classes, mentoring, tutoring, hobbies, caregiving
Social	clubs, volunteering, dancing, visiting friends and family, group and intergenerational activities, travel
Spiritual	group and/or individual faith-based activities, personal meditation/reflection, mindful exercise (yoga, tai chi)

**Wellness...fulfills the organization's mission**

Why does your organization exist? The answer to this question should be found in your vision and mission statements. After all, the mission statement is the foundation from which everything is built, including the services and programs, marketing and advocacy efforts.

An ICAA survey of 472 senior living communities reinforces this point. Respondents confirmed that the words "wellness" or "quality of life" or "well-being" or "lifestyle" are present in the organization's mission statements, regardless of whether they are for-profit or not-for-profit communities.<sup>9</sup>

Purposeful lifestyle wellness programs are a critical delivery system that enable individuals to experience the well-being and quality of life promised by an organization. Participating in social activities,

volunteering, arts programs, health education/lifestyle programs and lifelong learning are associated with higher levels of life satisfaction, health and feelings of well-being. Physical activity promotes functional ability, mental health, cognitive health and social interaction.<sup>10,11,12,13</sup> Clearly, purposeful programming results in many benefits.

For communities with the not-for-profit tax status, outreach to benefit the larger community is a component of the mission, as well as a requirement. The wellness lifestyle function often spearheads outreach efforts, playing an important role in documenting social accountability.

In partnership with dining services, therapy and health care, the wellness program helps organizations deliver on their promises.

**Wellness...enhances resident engagement and satisfaction**

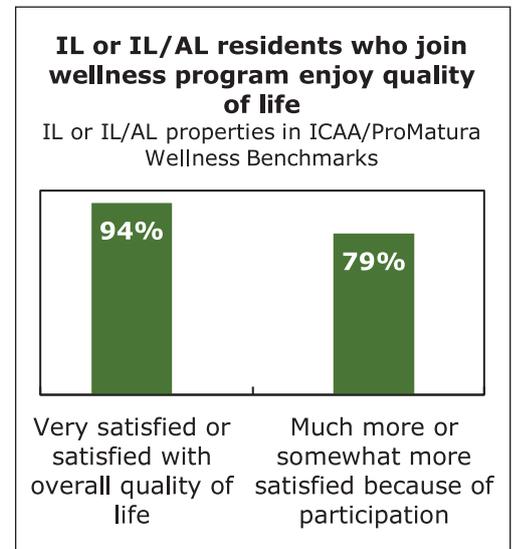
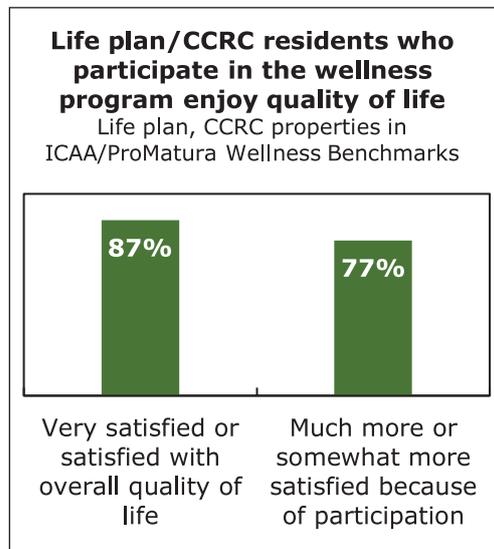
Among the top indicators used in senior living is the measure of resident satisfaction. Resident satisfaction with the services, programs and staff is evidence that the organization has met its mission. Practically, satisfied residents lead to high-value referrals, good relationships with family members and the outside community, and a positive atmosphere.

Resident satisfaction is related to a number of factors, including a well-developed wellness program. A survey of 1,042 residents discovered that the nonphysical attributes of their communities had a significantly greater impact on their satisfaction than the community’s physical attributes.<sup>15</sup> The highest levels of satisfaction were related to:

- quality of daily life (cultural, musical, arts/crafts, entertainment and social opportunities);

- dining flexibility (quality of food, variety of menu);
- quality of personnel;
- personal control (privacy, sense of safety and security); and
- comfort (ease of making friends, sense that the residence is home).

Residents in independent living as well as assisted living consistently say that their relationships with staff members are a primary influence on their satisfaction. Among ICAA/ProMatura benchmark communities, 71% of independent living residents and 61% of assisted living residents who were very satisfied with the wellness staff are also very satisfied with their quality of life.<sup>14</sup>



(ICAA/ProMatura Wellness Benchmarks, 4,063 resident surveys. “How satisfied are you with your quality of life here at the community?” “To what degree does your participation in your wellness program impact your satisfaction with the overall community?”)<sup>14</sup>

### **Wellness programs for health and happiness**

“The Friendship Village lifestyle program supports all the dimensions of wellness in a single department in our life plan/continuing care community. A lifestyle program that is cutting-edge *is* marketing. Most referrals come from residents who are happy living here. Happy people are great ambassadors for marketing and are looking for opportunities to encourage their future neighbors to share the community they have created.

“The fitness program alone has maintained a 70-75% participation rate over the past nine years. In the development of the fitness program, it was important to us to make the ongoing classes available for no fee to ensure that there were no barriers to participation. Personal training, massage and occasional specialty classes are fee-based. We have been able to cover the cost of one additional full-time fitness employee just from the personal training revenue.

“We are all aging, but because the majority of the resident population is active, they seem to have fewer falls, recover more quickly from an injury, and experience quicker therapy turnarounds and shorter stays in the health center. Fewer residents using the health center means more open beds for nonresident private-pay people from the local community.

“When people feel good and are socially connected they stay engaged with the community, stay sharper and often choose to share their skills to improve the community around them. This autonomous environment encourages ownership over tasks and events in the community. For example, resident engineers often take care of microphones, some residents lead lectures, and musicians are playing for events and church services. When people are well, they are more self-sufficient and don't need to rely on team members as often for help.

“You can point to lifestyle as a big influence on making the choice to move in and experience the quality of life that resident ambassadors convey.”

**Karen Lloyd**

*Director of Lifestyle*

*Friendship Village of Bloomington*

44% of CCRC/life plan residents in benchmark wellness programs strongly agree or agree the wellness program is a primary reason they chose the community<sup>14</sup>

43% of IL or IL/AL residents in benchmark wellness programs strongly agree or agree the wellness program is a primary reason they chose the community

**Wellness...influences occupancy rates**

The number of housing units that are occupied is the critical metric for senior living organizations. Communities with high rates of occupancy have revenue to support operations; empty units add costs for refurbishment, cleaning and marketing to fill them again.

A well-managed and comprehensive wellness program with competent staff helps to keep occupancy high by providing opportunities for improving or maintaining physical, emotional, social and cognitive health.

Residents who feel healthy and happy because of their participation in the program refer the community to others, providing effective word-of-mouth referrals. Savvy marketing and sales staff highlight the wellness lifestyle as a means to retain health and feel at home.

Opening the wellness program to those on the wait list engages them in community life and reinforces the decision to move in; programs available to nonresidents predispose them to move in when they are ready. Often the adult children or other trusted relatives strongly influence the housing decisions for their elders. Younger-older adults place a high value on a residence where there are opportunities for life activities.

Senior living is geared to older adults, which means a percentage of residents will move out because of illness, lack of funds or end of life. Additional reasons include a wish to move to a location with more amenities and services or one where the resident feels more welcome.<sup>16</sup> Turnover has a major impact on operating expense: One estimate is that refurbishing an apartment in assisted living for a new resident costs about \$4,000.<sup>17</sup>

A purpose-driven wellness program that is led by qualified staff may help people retain their health (and wealth) for a longer period of time. The lifestyle a community offers and the welcoming atmosphere are established within a culture of wellness by the staff members who implement it. For all these reasons, a purpose-driven wellness program is an important factor in the decision to move into a community.

“From a dollar and cents standpoint, increasing length of stay in independent living or in assisted living can have a substantial revenue impact. If, for example, 60% of residents in a purposeful wellness program stay 2-3 months longer in their homes, it doesn't take too long to see a significant ROI. The revenue from those added months helps cover the cost of the program.”

**Brian Boekhout**  
VP Wellness Services  
EnerG® by Aegis

### **Wellness for the bottom line**

“The supply-demand fundamentals today are placing downward pressure on occupancy rates since new properties are creating more competition than in the past. Among the possible approaches to increase demand are greater service offerings, including physical and occupational therapies, fitness programs and activities/engagement options.

“Services and programs can improve resident length of stay and quality of life. If wellness results in longer lengths of stay, it is a huge savings for the individual and reduces the turnover rate for the property. Occupied units are a steady source of rent, and replacing a resident who has moved out is costly.

“Operators tend to spend time on the physical amenities, but it is equally important to consider lifestyle/wellness. People move in because of some type of need, but once that is cared for, keeping residents engaged mentally and physically affects the bottom line. It's easier to take care of a resident who is more well. Keeping people active benefits everyone.”

**Beth Burnham Mace**  
Chief Economist  
National Investment Center for Senior Housing & Care (NIC)

**Wellness...increases length of stay**

Occupancy rates are influenced by average length of stay (ALOS), the number of months or years residents stay in their apartments. The average ALOS is a key performance indicator in senior living because it relates to occupancy and cash flow.

Increasing the ALOS in the independent level of living (which does not always define the functional ability or health of the residents) is an advantage because revenue is higher for independent living and decreases when the community has increased costs for assisted living or nursing care.<sup>18,19</sup> This dynamic may be of particular concern to the balance sheet of life plan/continuing care communities, where contracts can shift the financial responsibility for assisted living or nursing care to the community.

Individual communities vary widely in the amount of time residents stay in their initial residence before moving out or transitioning to another level of living. The impact of a longer length of stay likewise varies, but it remains an important indicator.

Take a hypothetical community as an example. If the average monthly revenue for a resident in independent living is \$3,000, and that resident stays for five months longer than average, the community gains \$15,000 that would not have been received if the resident moved out or needed more care. This is how that looks:

$$\begin{aligned} &\text{Monthly revenue per resident X} \\ &\text{LOS longer than average =} \\ &\text{revenue gain per resident} \\ &\$3,000 \times 5 \text{ months} = \$15,000 \end{aligned}$$

If the hypothetical community of 250 residents has an annual turnover rate of 20%, and participation in the wellness program means that one-half of those residents stay for one month longer, then the community gains \$75,000. The example:

$$\begin{aligned} &\text{Number of residents X 20\% turnover =} \\ &50 \text{ residents move out} \end{aligned}$$

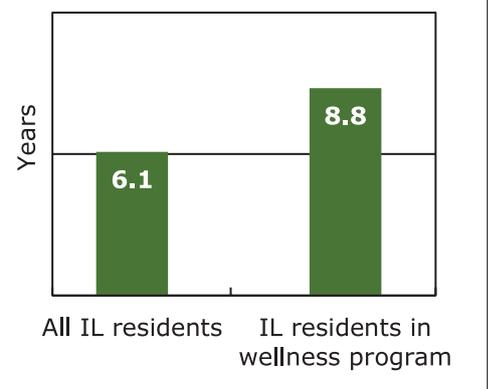
$$\begin{aligned} &\text{One-half of residents participate in wellness} \\ &= 25 \text{ residents} \end{aligned}$$

$$\begin{aligned} &\$3,000 \text{ monthly revenue per resident X 25} \\ &= \$75,000 \text{ total revenue} \end{aligned}$$

The data from communities in the ICAA/ ProMatura Wellness Benchmarks shows that participation in a developed wellness program does relate to a longer length of stay. This effect may be because residents retain their ability to function independently, or because the program is so attractive the community is attracting younger, healthier residents. Both are positive results.

**Average length of stay of IL residents increases when participating in wellness program**

Years ived in community, properties in ICAA/ProMatura Wellness Benchmarks



**Wellness...generates revenue**

Revenue and cost savings are best achieved when a comprehensive multidimensional wellness program is staffed, and departments work in partnership with one another. The result can improve cash flow while delivering opportunities that lead to resident satisfaction.

Program costs are generally covered by an allocation from residents' service or association fees. Because a wellness program provides a higher level of service, operators are able to charge a higher rate.

Direct revenue is generated through fees from residents for special services, and non-residents who pay for restricted access to community facilities and programs. Indirectly, wellness staff who refer to therapy help generate therapy's reimbursement revenue, and contribute to move-ins through their leadership of engaging and purposeful activities.

Cost efficiencies accrue when wellness staff develop joint programs and share budgets with other departments, often dining,

marketing and therapy. In-kind partnerships and donations save money that otherwise would be spent.

A healthier population has less need for nursing care. Health center beds that are not used by residents can generate revenue by being available to private-pay patients from the larger community. As communities position themselves to be viable partners for health care organizations and the "home" where patients released from the hospital can recuperate, the wellness program—with its combination of purposeful activities, structured exercise and nutritious dining—partners with nursing care and therapy to attract case managers. It's good for the patients, and good for the community's bottom line.

Wellness staff who detail an accounting of the revenue generated and the savings realized alert decision makers about the financial opportunities available through the program.

**Dollar contributions of wellness****Direct revenue sources**

- Resident fees for personal training or special classes (e.g., fall prevention workshops)
- Nonresident fees for membership to use the fitness/wellness center and access special programs
- Fees for wellness services, such as massage or nonreimbursable therapies

**Indirect revenue**

- Additional months of stay (LOS) because participation in fitness and purposeful wellness activities help residents remain independent
- Move-ins after marketing emphasizes lifestyle and nonresidents experience the wellness program
- Funds raised through special events and campaigns organized by the wellness staff

**Cost recovery**

- Residents and nonresidents pay cost of food, transportation or cultural activities (visits to museums or plays)
- Community organizations (e.g., older adults centers, hospitals) cover cost of wellness staff providing programs
- Donations from residents or community funds cover costs of major purchases
- Grant funding to provide a specific program

**Cost savings**

- Labor hours provided by volunteers who are organized by wellness staff
- Wellness interns who provide dual benefit of extra staff at minimal cost while building a pipeline for staffing throughout the community
- Sponsorships and donations from outside companies for marketing materials and giveaways, T-shirts, water and other items
- In-kind partnerships with local businesses, e.g., pharmacies, universities, shoe stores and travel agencies, that provide information and education for free, saving the cost of speakers or materials

### **Wellness...keeps residents independent, longer**

When asked, most older adults say they want to stay independent, maintain their health and retain their mental abilities.<sup>20,21</sup> The ability to function in daily life is so important for older adults (and health care systems) that the World Health Organization defined “healthy aging” as enhancing the functional abilities that enable well-being in older age.<sup>22</sup>

The ability to walk to the store or visit friends, to move among rooms and climb entryway stairs is important in daily life, as are activities of daily living, such as dressing, bathing, cooking or managing money. Staying independent means being able to perform all the activities one needs to take care of oneself. Yet, functional impairments may make these activities more difficult. Impairments in vision, hearing, mobility, communication, cognition and self-care are common in the aging population, with mobility limitations topping the list: Two-thirds of people 65+ said they had problems walking or climbing, according to the US Census Bureau.<sup>23</sup> Functional limitations are even more frequently found among people who are 85 years and older,<sup>24</sup> the age group often residing in senior living.

Through healthy dining choices, health education and purposeful programming, the wellness staff can help individuals maintain their independence and slow functional declines.

By developing the strength, flexibility and balance needed for mobility and daily movement, targeted exercise has been shown to reduce the risk of moderate or severe functional limitations.<sup>26</sup> Cognitive challenges, whether “brain games,” practicing another language or auditing college courses, keep minds stimulated. Volunteering, environmental activism and starting new hobbies support the physical and cognitive abilities people need to remain independent. The social connections available through all the wellness program activities help people find friends and feel at home, reducing the risk of social isolation.

People who are more independent may have a longer length of stay because they need less assistance. Helping residents stay as independent for as long as possible also enhances the individual's quality of life. A survey found that residents reported higher levels of satisfaction when they were functionally independent, compared to residents who needed help with activities of daily living.<sup>27</sup>

A side benefit is that residents who enjoy life at the community and are satisfied with the services offered tend to be more involved and stay busy, which focuses their attention on their lifestyles rather than on their personal limitations.

3 in 4 US adults 65+ have multiple chronic conditions<sup>28</sup>

80% of 40+ adults believe managing a chronic condition is extremely or very important (1,006 adults, 40% are 60+)<sup>6</sup>

29 million falls were recorded for older people, causing 7 million injuries (US, 2014)<sup>29</sup>

**Wellness...emphasizes prevention to reduce costs of health care**

As a person ages, the risk of experiencing a chronic health condition or functional limitation also increases, and may have been the reason a resident moved in (depending on the type of community). Besides the negative consequences of these illnesses, including hypertension, arthritis, heart disease and diabetes, chronic illness leads to frailty and disability.<sup>30</sup>

There are also financial consequences. People who have two or more chronic conditions account for the majority of clinician visits, prescriptions, home health visits and inpatient stays. The result is that 71 cents of every dollar of health care spending is used to treat people with multiple chronic conditions (US 2010 dollars).<sup>31</sup>

A comprehensive program of dining, physical activity, health education, and social support are the tools that wellness delivers so residents can effectively manage their health, and potentially delay further decline. Lack of exercise is a major cause of chronic diseases,<sup>32</sup> but contemporary fitness programs led by qualified staff make activity effective and fun, while social connections and health education provide motivation. Nutritious food choices are needed to help manage many chronic illness. Taking advantage of the choices presented through a wellness culture is good for health, and for wealth.

For individuals, the cost of maintaining their health care can add up. Older adults enrolled in Original Medicare spent an average of \$5,680 in out-of-pocket health care costs in 2013, an amount that increased to an average \$10,963 for individuals 85 years of age and older.<sup>33</sup> Potentially saving those dollars is a strong argument for moving into a senior living community that makes physical activity, nutritious meals and preventive care a priority.

Reducing fall-related injuries is often an objective in senior living because falls can result in hip fractures, hospitalization and costly medical care. In fact, fall injuries are among the 20 most expensive medical conditions, according to the US Centers for Disease Control and Prevention.<sup>34</sup> One analysis estimated the cost of a fall-related injury is \$9,389, with out-of-pocket costs for the faller of \$1,363 (2007-2009 data).<sup>35</sup> Besides the negative health consequences of a fall, it hurts the pocketbook.

To reduce the risk of falls, wellness staff produce fall prevention programs, often in tandem with therapists. Along with home modification and physician review of medications and impairments, physical activity helps reduce the risk of falling by strengthening the lower body and improving gait, balance and reaction time.

Wellness staff members help residents maintain their health in a less obvious way. Because staff travel throughout buildings and attend many activities, they are an additional set of eyes to spot residents who seem to need a referral or suddenly retreat from daily activities. Early intervention suggests better outcomes for the resident, and for the community.

Medical expenditures for people 65+ are highest in the final years of their life.<sup>36</sup> Since residents may live those final years at the community, and may be living longer with a chronic illness, managing their health by regular participation in the wellness activities is a way to manage their out-of-pocket health care costs while potentially remaining in a more independent level of living for a longer period of time. For the community, dollars are saved when fewer health care costs are absorbed due to contractual obligations.

### Wellness for health

- For 25 years, researchers followed over 5,000 people from the age of 65. For everyone in the study, the average number of disabled years (difficulty eating, bathing, toileting, dressing, getting out of bed or a chair, or walking around the home) was about 4.5 years for women (out of an average 15.4 years of life) and 2.9 years for men (out of an average 12.4 years of life). However, older adults with the healthiest lifestyles spent about 1.7 fewer years disabled at the end of their lives, compared to their unhealthiest counterparts. Walking a distance of 25 blocks or more and eating a better-quality diet was associated with fewer years of disability; obesity increased the risk of disability.<sup>25</sup>
- An instructor-led physical activity program delayed major mobility disability (an inability to walk one-quarter mile without another person or a walker) by 25% among people who participated compared to those who did not, according to findings from the LIFE study. Over 3.5 years, exercisers were less likely to have a mobility disability, recovered more quickly if they did, and were less likely to experience another episode of mobility disability. (1,635 people, 70-89 years of age)<sup>37</sup>
- A multidimensional exercise programs may be effective for fall prevention among more functionally able older adults if performed regularly over a long period of time. For more fragile older adults, home modifications may be effective for fall prevention. (184 randomly controlled studies)<sup>38</sup>
- A progressive, tailored physical activity program improves balance and joint mobility, helps prevent weak bones and muscle loss, and delays the onset of cognitive decline.<sup>39</sup>
- To maintain cognitive health, being physically active, managing cardiovascular disease, reviewing health conditions and medication, being socially and intellectually engaged and seeking opportunity to learn are recommended actions.<sup>40</sup>
- Over an average four years, participation in stimulating activities reduced the risk of new-onset mild cognitive impairment by 30% with computer use, 28% with craft activities, 23% with social activities and 22% with playing games. People who engaged in these activities at least once or twice a week had less cognitive decline compared to those who performed them two to three times or less. (1,929 people, 70 years and older).<sup>41</sup>
- A review of 73 research papers found that formal volunteering by older adults was consistently associated with reduced symptoms of depression, fewer functional limitations, better self-reported health, and lower mortality.<sup>42</sup>
- Individuals who are lonely are more likely to report having doctor visits, problems with tasks of daily living and depressive symptoms.<sup>43</sup> People who are socially isolated are more likely to use skilled nursing care.<sup>44</sup>

**Wellness...reduces the labor for direct-care workers**

Recruiting and retaining staff is an ongoing challenge, especially for communities with assisted living and nursing services. There is a shortage of caregivers, personal aides and nurses to perform the work, which makes it one of the top concerns for providers.<sup>45,46</sup> Thousands of dollars and hours of effort are expended in advertising for needed staff members, then onboarding and training them.

Effective wellness programs enable residents to maintain their functional abilities, as much as possible, which can relieve the workload for nursing and care staff. For example, in assisted living, residents most often need help with bathing and dressing.<sup>47</sup> The skills needed to accomplish these tasks include steady balance, muscular strength, an ability to stand, sit and turn in a controlled manner, and an ability to safely lift feet.<sup>48</sup>

All of these abilities can be improved with an appropriate program of strength, flexibility and balance training. Additionally,

cognitive challenges and social connections developed through the wellness program are likely to help people maintain cognitive and emotional function, which could also help residents with daily activities.

A side benefit is that when residents participate in wellness activities, caregivers are free to spend more time with other people in their care.

Whereas turnover among caregivers and nursing staff is high, turnover among wellness staff is low. An ICAA survey of 580 professionals found that they have worked in their current positions for a median of six years, and 59% said they were not planning to look for a job over the next 12 months.<sup>49</sup> Investing in wellness staff makes good business sense.

The pressure on budgets may be reduced, too. Compare the cost of staffing the assisted living or nursing units to the cost of fully staffing the wellness department. Then, place the cost of non-labor care supplies against those needed by a well-equipped wellness program. How does that balance out?

58% of senior living and care communities provide a wellness program for employees (357 respondents in ICAA communities)<sup>8</sup>

**Wellness...performs double duty for employee wellness**

Communities are implementing employee wellness programs to provide a benefit and to control health care costs. Tobacco cessation may be offered along with access to the fitness center, brown bag lunches on health-related topics and competitions for weight loss or steps. The responsibility for developing and delivering the program, in whole or in part, can be found within the wellness staff.<sup>49</sup>

The results of these programs have been mixed, with some studies finding cost savings, reduced absenteeism and increased productivity, while others find none of these benefits. Among the senior living communities reporting in an ICAA survey, the most frequent benefit is an improvement in morale, with fewer reporting savings in health care or reductions in absenteeism.<sup>8</sup>

Since recruiting and retaining employees is an ongoing challenge, an employee wellness program that leads to a happier workplace is a benefit that may reduce turnover.

Although not part of the formal employee wellness programs, wellness staff set up opportunities for residents and staff members to join the same teams for a goal or competition, or work together on a campaign. Anecdotally, these interactions have forged bonds between staff and residents, and benefitted both groups. An argument can be made that these joint programs are informal components of employee wellness.

52% of people retired from workforce believe an independent living senior community would be very attractive if it met their needs (1,025 men and women)<sup>50</sup>

58% of people retired from workforce said that a continuing care community would be very or somewhat attractive if it met their needs

**Wellness...elevates competitive positioning**

When older adults or their families tour a community, what do they see? Residents happy, chatting with others and on the way to a purposeful activity? Or do they see empty hallways and staring faces?

New properties arrive on the market with plenty of amenities and contemporary designs. Older communities are renovating and adding new facilities. When many communities have multiple dining venues, fresh paint and modern apartments, these amenities become less of a competitive advantage and more of an expectation. What else can a community offer to set itself apart?

A comprehensive wellness program, fully staffed with qualified professionals, show-

cases the lifestyle and health promotion opportunities that deliver on the marketing promises.

A full-time program of lifelong learning, cultural events and physical activities is appealing, and makes a difference when set side-by-side with a competitor. Outcomes of satisfaction, fitness improvements and college credits have more impact than a schedule of bingo and movie nights. Entertainment is fun, but purposeful activities bring results.

The boomer generation is not yet ready to seek out independent or assisted living with services (as opposed to an active adult community). But since adults consistently say they want to stay near family and friends, communities with a full slate of wellness are positioned to compete against other housing and service options.

**Marketing plus wellness equal impact**

“Having a comprehensive wellness philosophy and programs makes a big impact on both prospects looking for senior housing and their families.

“Offering a variety of engaging programs that are tailored to the interests of the residents and keep them connected to the greater area is critical to attracting residents who want to continue to do new things and achieve goals versus the stereotypical ‘retirement home’ perception many have.

“Marketing events crafted around in-house programs and wellness initiatives are the best marketing tools a community has.”

**Kristin Kutac Ward**  
*President & CEO*  
*Solutions Advisors*

### **Wellness...powers marketing efforts**

The industry terms of “independent living” or “assisted living” may not have much meaning for older adults and family members. Prospective residents want to know about costs and service quality, of course, and they want to know what their life will be like if they move in. Expectations are higher than in earlier decades, and people want more than card games to fill the day.<sup>51</sup>

A vibrant wellness program is a marketing advantage that informs the decision to rent or buy in an age-qualified community. On community web pages, Facebook pages and newspaper profiles, images of people involved in life tell a wonderful story to prospective residents, as well as to the adult children and other family members who advise them.

Those adult children likely want to see residents who are engaged in amenity spaces that are fully equipped and contemporary. A community that hosts a diversity of purposeful activities along with the expected dining and maintenance services, is likely to attract attention.

Regardless of whether wellness activities take place in a dedicated wellness center or in the garden, wellness creates a positive and energetic atmosphere that attracts potential residents (and their children) and is a powerful tool for marketing.

### **Wellness makes business sense**

A fully staffed wellness program has the advantage of building and diversifying over time as creativity blends with the current needs and aspirations of residents—and future residents. Unlike other operating expenses, such as food or cleaning supplies or constant staff recruiting, an investment in wellness programs and staffing stands the test of time.

And, there is the opportunity cost. What will the community lose if it does not invest in a comprehensive, staffed wellness program within a company-wide wellness culture?

With the right staff and support from senior leadership, wellness programs help current residents feel valued and happy. They promote a culture that recognizes that older adults can do many things, and want to. Most aging adults say they want to remain independent for as long as possible, and the wellness program and staff, partnering with other staff and services, helps them live that independence.

The wellness program meets both mission and operational objectives.

**Lifestyle sells the community**

“When you move into an active adult community, you buy four walls and a roof. That’s your home. But at Vesta, we believe the real driver behind your choice of places to live is ‘lifestyle.’ Lifestyle is determined and enhanced by the amenities—pools, crafts rooms, walking trails, fitness center, dining options. All the facilities that add to the lifestyle choices are important.

“However, the programming, services, classes and passionate staff who serve are equally as important to encourage participation and enjoyment. We provide the fun and recreation within the community, but it’s much more than that. We also look at the trends in active adult living and organize purposeful activities, such as theater groups, spa workshops, culinary classes, and craft and hobby options.

“The resident boards are encouraged to re-invest in their amenities, programs and staffing, which allows the community to maintain and improve upon their amenities, thereby enhancing resident satisfaction of their lifestyles, as well as to uphold the property values.

“These 55 and better residents have worked hard all their lives, and now they want to play. This is especially true of the boomers, who retire to finally ‘start living.’ That’s why we feel people choose to live in a community with multiple lifestyle amenity options and superior professional and diverse management—that’s our strength and what we consider our competitive advantage!”

**Ginger Anzalone**

*Vice President, Amenities Division*

*President - West/Central Region, Florida Vesta Property Services*

**Key resources**

**Active Aging in North America, Opportunities for growth**  
Fourth Edition, 2017

[www.icaa.cc](http://www.icaa.cc), Research, Reports

**ICAA/ProMatura Wellness Benchmarks: The National Benchmarks Report**

[www.icaa.cc](http://www.icaa.cc), Benchmarks

**Framing the return on investment (ROI) in wellness staff**

[www.icaa.cc](http://www.icaa.cc), Research, White papers

**Key elements for developing a wellness program for older adults**

[www.icaa.cc](http://www.icaa.cc), Research, White papers

Note: The term “senior living” is used in government documents as well as by real estate, banking, investment and research organizations to describe housing. Because “seniors” terminology is embedded in these organizations, it is used here. ICAA prefers to avoid this term because it is ill-defined and can carry a negative connotation. ICAA recommends that in general, specific ages, for example, 55 and older, be used for more clarity

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