

FEATURED ARTICLE

PHILANTHROPY TRENDS IN NFP SENIOR LIVING & CARE

Last month, we hosted the *25th Annual Ziegler LeadingAge National CFO Workshop* in Nashville, Tennessee. One of the breakout sessions was devoted to the topic of fundraising and was entitled, “*Developing a Successful Fundraising Platform.*” Having a disciplined philanthropy approach is critically important for not-for-profit senior living & care organizations. This newsletter aims to delve into the fundraising session, from what we learned, to Baby Boomer traits when it comes to philanthropy, and also resources available to senior living provider organizations.

Understanding the Boomers

During the session, experts from Marts & Lundy shared the results of the most recent *Philanthropy in Aging Services Survey*. One of the clear findings from this industry study was that residents drive the philanthropy in senior living organizations. They are the larger donor base within our sector. Given this, it is obviously important to understand some characteristics of the Baby Boomer generation, the cohort driving significant growth in the older adult population. NonProfit PRO reports that the Baby Boomers represent 51 million donors, with an average gift of \$1,212 and on average, loyal to five charities each. A survey by Qgiv recently found that¹:

- 32% of Baby Boomer donors indicated that it’s very important to them to know the organization that they support is well-respected.
- 43% of Boomers still prefer to send their donations through the mail, therefore a combination of online and direct-mail approaches is important.
- The top reason that Baby Boomer respondents stopped supporting a charity was that they felt their money had not been used wisely.
- The next most common reason Boomers stopped supporting a charity was the they were asked for money too often. The suggestion is to be deliberate about how and when you ask them for support and do not overdo it.

It is clear that senior living provider organizations have a leg-up with their fundraising efforts given their existing relationships with residents. This is a natural audience to devote significant resources to.

Industry Benchmarking Resources

The PASS (Philanthropy in Aging Services Survey) that was previously noted is the second industry-specific report released by Marts & Lundy. It is a unique report for the sector in that the vast majority of other benchmarking reports are not specific to the not-for-profit senior living & care cohort. A review of the full report provides more in-depth findings, but some of the key results are noted below.

- Higher board giving is also associated with higher fundraising revenue.
- Median investment in staff is 2.25 full-time equivalents (FTE) per organization, with focus areas in major gifts and planned gifts, annual giving/events, and administrative functions.
- The median fundraising staff revenue per FTE is \$803,580
- Multi-site organizations are more likely to invest more in fundraising and they also raise higher amounts than single-site organizations.
- Benevolent care, capital needs and employee scholarship/support took the top spots for philanthropic investments in 2023.
- Transformational gifts take time. For 53% of respondents, closing a transformational gift took at least three years (yet fundraising positions have a median tenure of only three years).

Learning from Your Peers

During the CFO Workshop, a provider case study was featured whereby the CFO shared their journey and several lessons learned throughout that can be helpful for others. Many of these elements can be common stumbling blocks for senior living organizations. The case study was told in a way that compared “the old ways” to the newer and more effective model they have today. Some of those key points are summarized on the next page.

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CAPITAL :: INVESTMENTS :: ADVICE

"The Old Ways"	Current Paradigm
Informal donor request; passive approach	Commitment to change
Competing efforts (foundation and development fund)	Formal program with written policies
No Development Director	Consolidated into a sole philanthropic entity
Discontinuation of regular event	Have a clear champion; Development Director position
No new programs or outreach	Communication with donors; get input from staff, board, residents, management
Inconsistent results	Highly visible projects
Lack of awareness among donors	Expanded ways to give
Limited perception of impact	Clear communication and examples of the impact of dollars donated

Regardless of whether your philanthropic efforts are under the umbrella of a formal foundation or within a department of your organization, it is important to be strategic and smart in your investment of resources. It is also additionally important to always measure the ROI of your efforts. We hope that the resources in this newsletter help support providers in this approach to fundraising and assist in 'raising' the bar for the sector as a whole.

If you have additional questions related to the topics in this newsletter, we encourage readers to reach out to the Ziegler representative in the region.

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¹Generational Giving: Baby Boomer Fundraising Trends, Preferences and Patterns. Qgiv.

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF MAY 22, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Legacy at Willow Bend (TX)	Fitch	BB Negative	Affirmed Rating Affirmed IDR*	5/16/23
Westminster Manor (TX)	Fitch	BBB Positive	Affirmed Rating Affirmed IDR* Revised Outlook	5/16/23
Presbyterian Homes Obligated Group (PA)	Fitch	BBB+ Stable	Review – No Action	5/17/23
Atherton Baptist Homes (CA)	Fitch	BBB- Stable	Affirmed Rating Affirmed IDR*	5/18/23
Westhills Village Retirement Community (SD)	S&P	A+ Stable	Affirmed Rating	5/18/23
Maine Life Care Retirement Community dba Piper Shores (ME)	Fitch	A- Positive	Affirmed IDR* Revised Outlook	5/19/23
Naval Continuing Care Retirement Foundation dba Fleet Landing (FL)	Fitch	BBB Stable	Review – No Action	5/22/23
Willow Valley Communities (PA)	Fitch	A Stable	Review – No Action	5/22/23

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* IDR – Issuer Default Rating

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INTEREST RATES/YIELDS

WEEK ENDING MAY 19, 2023


	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.47%	3.36%	3.38%
Senior Living 30-Yr “A”	5.25%	5.10%	4.94%
Senior Living 30-Yr “BBB”	5.60%	5.45%	5.33%
Senior Living Unrated	6.45%	6.30%	6.09%
Senior Living New Campus	7.35%	7.25%	7.01%
SIFMA Muni Swap Index	2.93%	3.04%	2.25%


	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	6.00%	5.90%	2.48%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCING





**EveryAge Obligated Group
(BellaAge Hickory Project)**
 Hickory, North Carolina

 Bank Direct Purchase
 New Community

\$31,960,000
 May, 2023

MARKET REVIEW

MONEY MARKET RATES

	05/19	Last week
Prime Rate	8.25	8.25
Federal Funds (weekly average)	5.07	5.07
90 Day T-Bills	5.23	5.03
30-Day Commercial Paper (taxable)	5.07	5.05
Libor (30-day)	5.14	5.10
SOFR	5.05	5.05
7 Day Tax-Exempt VRDB	2.93	3.04
Daily Rate Average	2.78	2.78

COMPARATIVE YIELDS

TAXABLE REVENUE									
	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.25	5.35	1 Year	3.21	5.41	4.96	4.36	3.66	3.31
5 Year	3.68	5.13	5 Year	2.57	4.87	4.42	3.82	3.22	2.72
7 Year	3.66	5.26	7 Year	2.45	4.85	4.50	3.90	3.20	2.65
10 Year	3.64	5.49	10 Year	2.47	5.02	4.67	4.17	3.32	2.72
30 Year	3.90	6.35	30 Year	3.47	6.27	5.87	5.37	4.52	3.92

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.59	3.53	+0.06
11 Bond Index	3.49	3.43	+0.06
Revenue Bond Index	3.87	3.81	+0.06
30 Year MMD	3.47	3.36	+0.11
Weekly Tax-Exempt Volume (Bil)	4.20	4.20	0.00
30 Day T/E Visible Supply (Bil)	6.98	6.76	+0.22
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	115.8	118.2	-2.40

Source: Bloomberg