

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER'S RECOMMENDED READING LIST: Q2 2023

Once a quarter, we feature an issue of *Z-News* that is devoted to recommended reading. These lists include newly released research reports, hot-topic white papers or noteworthy articles that have meaningful information for the senior living & care sector. The list of reading materials below range in topics from technology-related thought leadership to philanthropy to workforce, among others. As always, we welcome feedback on potential future publications or articles to include for our readers.

- [Workforce Projections for Senior Care Sectors](#): The new Workforce Projections for Senior Care report, published by Argentum, presents a workforce outlook for the senior care industry with a specific focus on senior living, skilled nursing, home health care, and services for the elderly and persons with disabilities sectors.
- [LeadingAge Informal Snap Poll – Workforce](#): From February 21 to March 13, 2023, LeadingAge fielded a brief and informal poll of members to gain a better understanding of the severity of their workforce challenges.
- [Philanthropy in Aging Services Survey – Spring 2023 Special Report](#): It is an honor to share the second edition of the Philanthropy in Aging Services Study (PASS). This publication comes at a time when our sector is still feeling the lingering impacts of COVID-19, amid rumblings of a recession, and when staffing challenges have left their mark on many aging services organizations. Nevertheless, we see anecdotal evidence — and the latest data in this study supports this conclusion — that fundraising in the aging services sector continues to grow in magnitude and reach.
- [Why Nursing Homes Need a Total Redesign](#): The COVID-19 pandemic, more than any other event in our time, has focused a sharp light on the deficient state of nursing home care in our country. A multitude of interwoven, dynamic factors determine quality, but the physical environment creates the concrete template that materially supports or impedes all other factors affecting quality. You would not build a baseball field in the design of a golf course; and you would not build a home in the design of a hospital. The traditional institutional nursing facility design today does not support either quality of care or quality of life. The “home” is missing in most nursing homes. It is time to fundamentally redesign and reimagine nursing homes.
- [Older Workers Might Save Your Business](#): No matter where you get your news, it's hard to make it through a day without reading an article about the devastating shortage of hourly and front-line workers. What once was called “The Great Resignation” is now looking like “The Great Reshuffle” as more and more young and middle-age workers look for jobs that pay a fair wage and fulfill their image of what work should look like. What is glaringly missing from this picture is the older worker, the 55-90-year old who is “retired” from their mid-life occupation and is looking for another income to supplement their social security, savings, and maybe a pension.
- [The Age of AI has Begun](#): Artificial intelligence is as revolutionary as mobile phones and the Internet. The Blog of Bill Gates.
- [2023-2028 Seniors Growth and Demand Report](#): The growth of the 75+ demographic in the U.S. has been significant and will only continue to grow at increasing rates. The following analysis examines the 5-year growth of the 75+ demographic, as well as the growth of the higher-income demographics which have a higher correlation with seniors housing demand. Current penetration rates across the NIC MAP markets are then applied to the future higher-income demographics to estimate which markets will need the highest amount of new supply to satisfy the growth in demand should current trends persist.
- [The Million Dollar Question – Determining Project Costs](#): Cost estimating has always been a critical component in the planning process for senior living projects, which in the not-for-profit world have often involved bond financing. In today's economy it is that much more important to answer this question early. But at the same time, it's increasingly challenging due to market volatility, worker shortages and lingering supply chain issues.
- [The Age Well Study-Year 5 Report](#): In 2023, Mather Institute completed the Age Well Study, a five-year analysis of the impact of living in a Life Plan Community. Designed in collaboration with Northwestern University, the Age Well Study is the only national longitudinal study evaluating the impact of living in a Life Plan Community on residents' cognitive, physical, and psychosocial health and well-being.

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

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CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF MAY 8, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Miami Jewish Health System (FL)	Fitch	BB+ Negative	Affirmed Rating Affirmed IDR* Revised Outlook	5/5/23
Moravian Manor (PA)	Fitch	BB+ Stable	Affirmed Rating Affirmed IDR*	5/5/23
Riverview Retirement Community (WA)	Fitch	BBB- Stable	Review – No Action	5/5/23

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* IDR – Issuer Default Rating

Any non-Ziegler sources referenced in this Z-News are believed to be reliable but cannot be guaranteed.

INTEREST RATES/YIELDS

WEEK ENDING MAY 5, 2023

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.36%	3.39%	3.38%
Senior Living 30-Yr “A”	5.00%	5.00%	4.93%
Senior Living 30-Yr “BBB”	5.40%	5.40%	5.32%
Senior Living Unrated	6.30%	6.30%	6.07%
Senior Living New Campus	7.25%	7.30%	6.99%
SIFMA Muni Swap Index	3.45%	3.86%	2.16%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.85%	5.86%	2.48%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

MARKET REVIEW

MONEY MARKET RATES

	05/05	Last week
Prime Rate	8.25	8.00
Federal Funds (weekly average)	5.07	4.82
90 Day T-Bills	5.08	4.92
30-Day Commercial Paper (taxable)	4.95	4.83
Libor (30-day)	5.09	5.03
SOFR	5.06	4.81
7 Day Tax-Exempt VRDB	3.45	3.86
Daily Rate Average	3.02	3.85

COMPARATIVE YIELDS

TAXABLE REVENUE									
	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	3.97	5.07	1 Year	2.97	5.17	4.72	4.12	3.42	3.07
5 Year	3.33	4.78	5 Year	2.31	4.61	4.16	3.56	2.96	2.46
7 Year	3.34	4.94	7 Year	2.23	4.63	4.28	3.68	2.98	2.43
10 Year	3.38	5.23	10 Year	2.31	4.86	4.51	4.01	3.16	2.56
30 Year	3.73	6.18	30 Year	3.36	6.16	5.76	5.26	4.41	3.81

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.53	3.53	0.00
11 Bond Index	3.43	3.43	0.00
Revenue Bond Index	3.81	3.81	0.00
30 Year MMD	3.36	3.39	-0.03
Weekly Tax-Exempt Volume (Bil)	4.44	4.23	+0.21
30 Day T/E Visible Supply (Bil)	7.49	5.29	+2.20
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	118.2	117.0	+1.20

Source: Bloomberg