

# EMPLOYEE COMPENSATION

## ZIEGLER CFO HOTLINE<sup>SM</sup>

In February 2024, a *Ziegler CFO Hotline<sup>SM</sup>* survey gathered feedback related to Employee Compensation. Nearly 250 organizations participated in the survey. Approximately 61% were single-site senior living providers, while the remaining 39% represented multi-site providers. The respondent pool is heavily weighted towards Not-for-Profit Life Plan Community organizations.

### *Wage Increases and Alternative Bonuses*

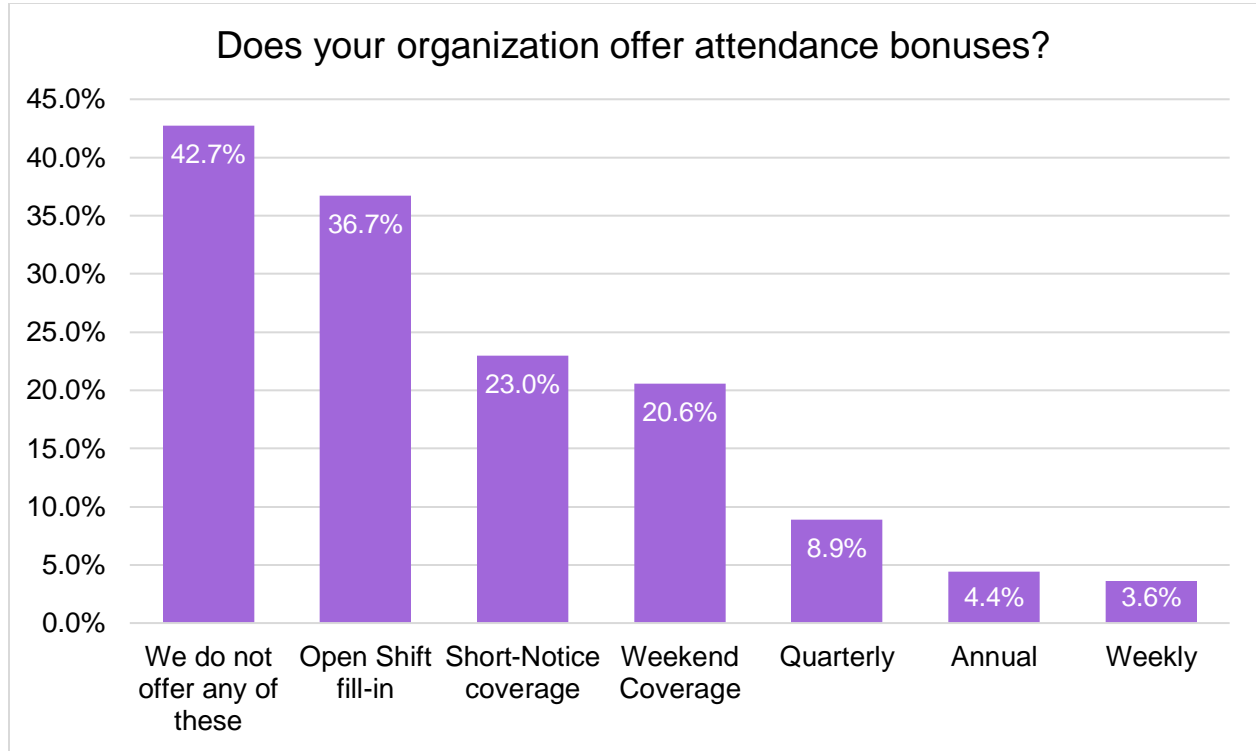
Respondents were asked for the average wage increase given to their employees in 2023, and what increase had been budgeted for fiscal year 2024. There is a slight dip predicted, with an average wage increase of 4.43% in 2023 and only 3.64% in 2024.

	2023 increases	2024 increases
<b>Minimum</b>	0.00%	0.00%
<b>1<sup>st</sup> Quartile</b>	3.00%	3.00%
<b>Median</b>	4.00%	3.50%
<b>3rd Quartile</b>	5.00%	4.00%
<b>Maximum</b>	15.00%	11.50%
<b><i>Average</i></b>	<i>4.43%</i>	<i>3.64%</i>

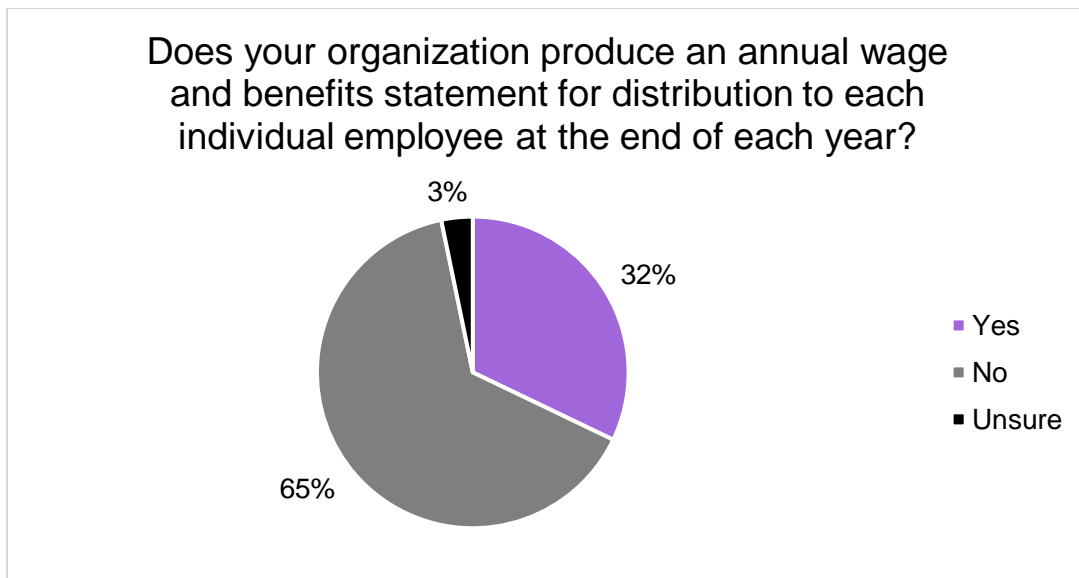
The next question asked what percent of each organization’s overall budget was set aside for employee wages and benefits. There was a wide range, but the average employee budget was nearly 56%. See table below for statistical breakdown.

	% of Overall Budget
<b>Minimum</b>	15.00%
<b>1<sup>st</sup> Quartile</b>	50.00%
<b>Median</b>	56.00%
<b>3rd Quartile</b>	64.00%
<b>Maximum</b>	87.00%
<b><i>Average</i></b>	<i>55.74%</i>

When asked whether they offered attendance bonuses, many organizations (43%) answered that they did not. Of the ones who do offer attendance bonuses, open shift fill-in bonuses were most common (37%) and weekly attendance bonuses were the least common (4%). See the full breakdown below, and please note respondents were asked to check all bonus choices that apply.

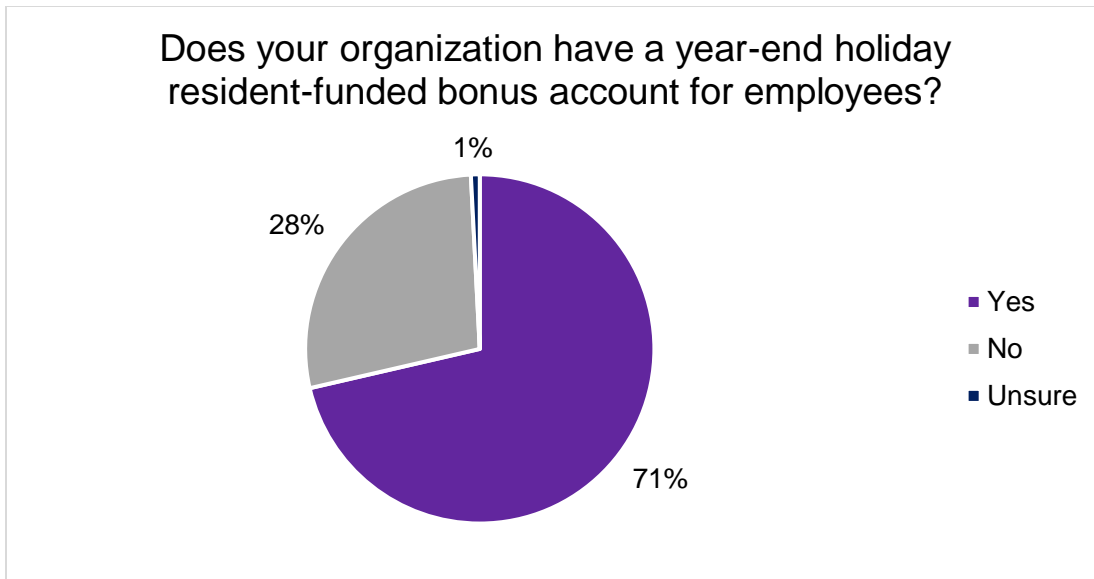


The majority (65%) of organizations do not distribute an annual wage/benefits statement for individual employees.

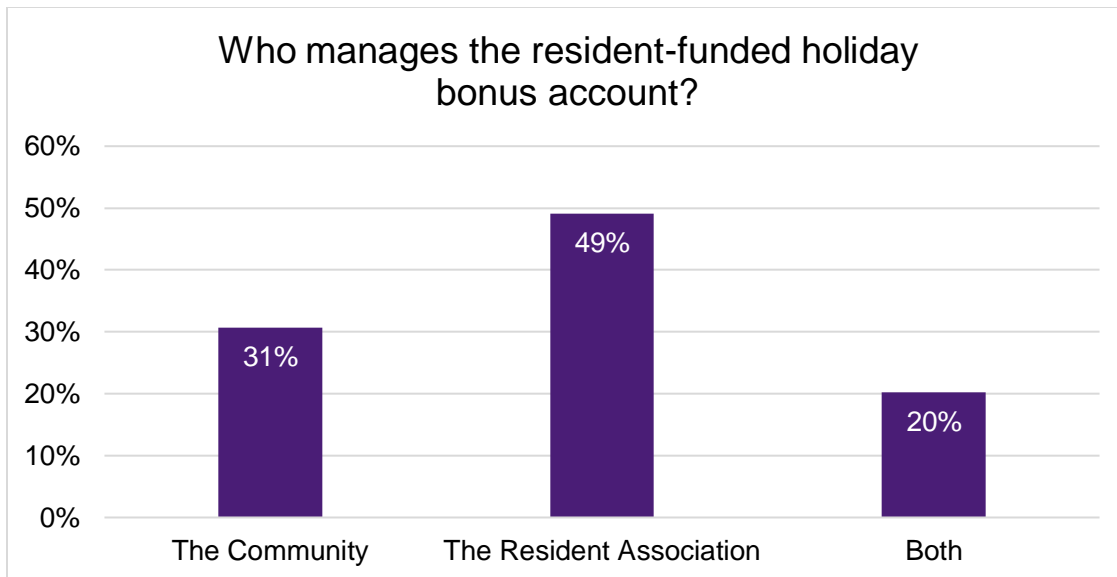


### ***Resident-Funded Holiday Bonus Accounts***

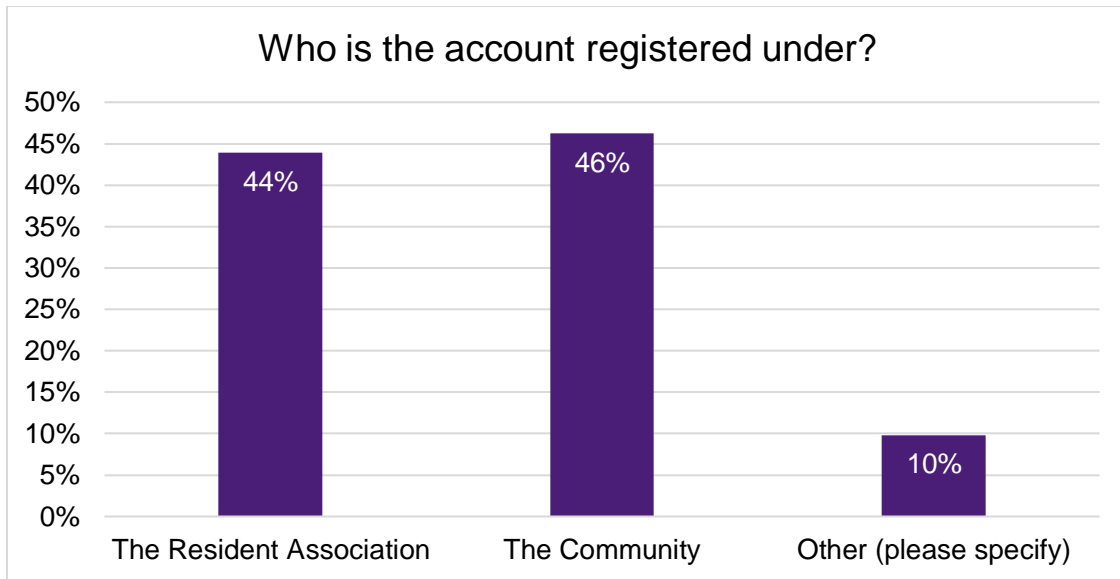
Respondents were asked if they have a resident-funded holiday bonus account, wherein residents contribute money that funds year-end holiday bonuses for employees -- the majority (71%) said they do.



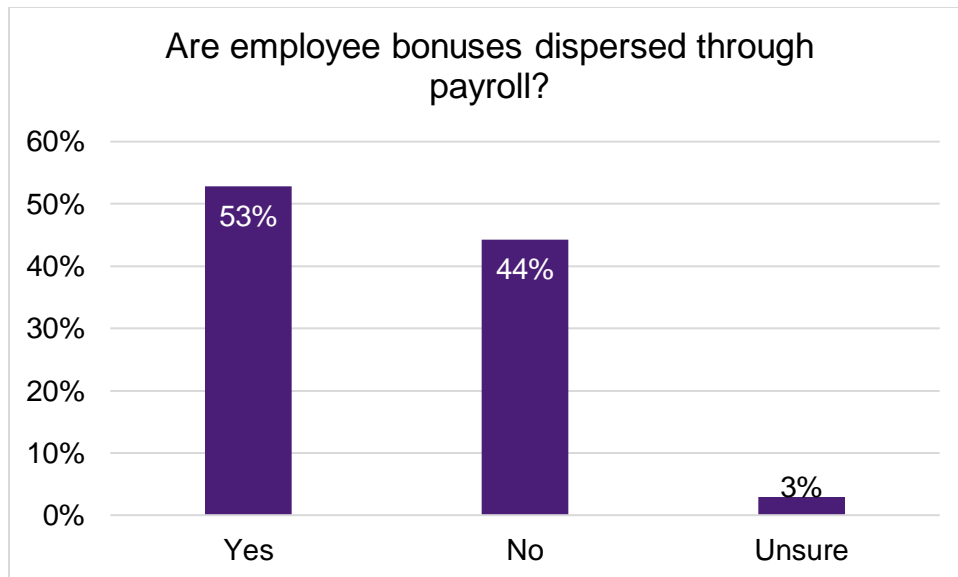
Respondents who answered “Yes” to the above question were then asked who manages the resident-funded holiday bonus account. Nearly half (49%) of respondents indicated the resident association managed the account, and another 20% said the resident association and the community managed the account jointly, while 31% have an account managed by the community alone.



Similarly, respondents with a resident-funded holiday bonus account were asked under whom the account was registered. There was a near-even split between the resident association and the community, with a small percent giving an alternate answer (the most common of which being the corporation itself).

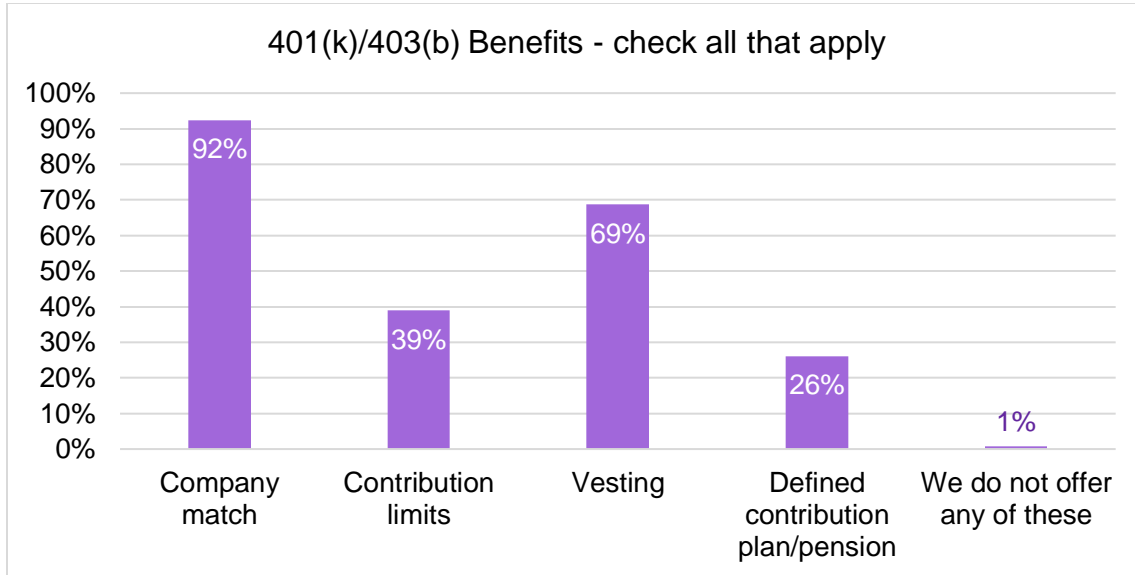


The last of the three follow-up questions for organizations with resident-funded holiday bonus accounts asked whether the bonuses were run through payroll (meaning taxes withdrawn). A little over half (53%) answered affirmatively, while the remaining 47% said “no” or indicated they were unsure.



### Other Benefits

In terms of 401(k)/403(b) benefits, almost all organizations offered at least one. Of these benefits, the most common offered was company match, followed by vesting, then contribution limits and pensions. Only two organizations did not offer any of these benefits.



When asked what other innovative practices the organizations use for staff compensation (outside of wages), there were a variety of responses. The most commonly practice mentioned was shift differentials/pick-up bonuses. There were multiple other types of bonuses listed, including hiring bonuses, referral bonuses, and retention bonuses. Other perks like free or reduced cost meals for employees and even housing assistance were also common. See the breakdown below for each strategy mentioned three times or more.

Practice	# of Mentions
Shift differential/Pick-up bonus	16
Other bonuses	15
Reimbursement (education, daycare, travel, etc.)	14
Sign-on/Hiring bonus	9
Referral bonus	9
Retention bonus	8
Employee recognition	4
Gift cards	4
Free/Reduced cost meals	3
Wellness plans	3
Housing assistance	3

### ***Final Comments***

Lastly, the survey allowed for open-ended comments regarding Employee Compensation. Below is a sampling of these comments, which may be edited for length or minor grammatical errors.

- *Wage pressure continues to rise and every employee engagement survey, employees feel they are not paid competitively.*
- *Most full-time staff (Directors are excluded from bonus) received a net bonus check of over \$1000 each.*
- *We are considering moving to a 4-day workweek, which will naturally increase the hourly rate.*
- *Given nursing pressures, budgeted increases of 3% feel like a risk. We have made meaningful moves in wages on multiple occasions over the past two years with little impact to overall recruitment/retention and/or reduction of agency utilization. Some minor signs of improvement are starting to show up, but a lot of work remains.*
- *We offer a sick buyback program for those who do not fully use their allotted sick time annually.*
- *We have instituted for certain Health Services staffing positions a 24/30 concept (work 24 hours and paid for 30 hours).*
- *We have set a high starting wage for NACs in an attempt to fill open positions.*
- *We just started an annual wage adjustment in addition to the annual performance-based adjustments that team members can achieve.*
- *It never seems as though we can do enough. We raise payroll to what our consultants say is a competitive wage until we have staff leaving for \$1.25 / hour for the same job somewhere else. We offer significant sign-on and referral bonuses and then staff bide their time till they qualify for the entire payout and then a week or two after they leave. So frustrating.*
- *Given the dramatic changes in labor & wages over the past 3 years, the Organization is currently conducting a compensation study through an outside firm and making appropriate adjustments as identified.*
- *Exploring ways to incentivize retention among unit managers, developing (through training) interpersonal skills among managers around conflict resolution, etc.*
- *The holiday bonus funds collections were down this year from prior years. In addition, our general giving to the community was also down. I believe this is due to inflation and residents worrying about spending levels.*
- *Nurse wages have been increased higher than overall 3% due to competition.*
- *We have added two additional holidays (MLK and Juneteenth).*
- *Health Services Department including nursing, CNA/CMA, and resident aides received 12% wage adjustment increase to remain competitive.*
- *We offer gift cards for not calling off the days prior to a holiday, the holiday and day after (Thanksgiving and Christmas).*
- *For our new fiscal year starting on 4/1/24 no employee will make less than \$15/hr. We also offer shift diff of \$2/hour for nights and an additional \$2/hour for weekends. We offer shift diff to all employees, not just healthcare employees. I know others in our area have implemented a minimum hourly rate of \$17. We have had significant increases to wages for 4 years in a row. Staff levels have improved over time. We have not had to use agency. Attracting dietary staff is still a struggle.*
- *Employee relations and wage expense has been very difficult the last 2 years. Currently we are doing much better than in the past.*

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