

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

BENEFITS OF SCALE: THE EVOLUTION OF SPECIALTY POSITIONS

Several years ago, as an inclusion to the LeadingAge Ziegler 200 survey, we started tracking specialty type positions that organizations have been creating and implementing at the corporate level. These are generally positions within larger organizations who have the resources to add, which helps them navigate the increasing complexity of the senior living operations. The summary below outlines the most common positions being added in recent years.

- Chief Information/Technology Officer:** We all know that the pace of technology change is happening rapidly and that there are a number of meaningful solutions available that can assist in combatting the headwinds we are all facing (e.g. workforce challenges). These individuals need to wear a strategic hat and while, yes, they are charged with keeping the wheels turning on the bus of the IT centers within your organization, they need to be advancing your organization's goals through supportive IT endeavors.
- Talent Officer/Director of Recruitment:** These positions have seen a big boon particularly across the past 2-3 years. In years' past, the Human Resources department would handle the wide range of workforce needs, which many are in generalist positions. With the current workforce environment, we are seeing executive-level positions devoted to recruitment, retention, workplace culture, etc. In general, we are hearing that these positions are yielding positive outcomes.
- Chief of Clinical/Health:** This might not necessarily seem to be a new skill set, yet with the onset of the COVID-19 pandemic, these specialty positions elevated to a different level than prior to that. Additionally, with the evolution of value-based care and at-risk arrangements, having individuals to lead those initiatives and relationships is critical.
- Chief Strategy/Growth Officers:** Ziegler has covered this position before as a part of strategic growth trends. Ziegler currently tracks over 60 not-for-profit senior living organizations that have a position devoted to strategic growth and business development. The majority of organizations with a full FTE

devoted to this work are multi-sites and smaller organizations with very clear growth plans moving forward. These individuals are often charged with a variety of strategic growth opportunities, often affiliations and acquisitions being the most common. These individuals are leaders who are ready to grow and fulfill their role, so it is important that if this position is created, the organization is indeed ready to walk the talk.

There are a number of other evolving specialty positions such as Directors of Capital Projects/Development, Philanthropy/Fund Development, and Regional Operations Positions among others. Leaders often ask how large one needs to be in order to afford some of these positions, or whether to staff-up prior to growth, or hire positions as the organization hits certain size thresholds. There is no one right answer to that question. Growth without added resources can lead to staff burnout and challenges to executing effectively on growth. At the same time, hiring executive-level talent across multiple positions prior to having the sustained revenue to support those positions can be a tricky balance. Ideally, organizations prioritize the positions of utmost importance and pull the trigger on those, while waiting to weave in the others following periods of growth. Ziegler has observed that organizations start to evolve into some of these corporate-level positions once they hit the \$100 million and higher annual revenue threshold. Greater internal expertise can be observed at various levels of increased annual revenue. The good news is that until those thresholds are met, there are many talented industry partners and consultants who can advise in that capacity until those positions can be created internally.

Ziegler recently launched the data collection process for the 2023 LeadingAge Ziegler 200 publication. Once again, we will gather information on new positions created at the corporate level and report back to readers later in the year. If you have additional questions related to this article, we encourage readers to reach out to the Ziegler representative in your region.

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CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF JANUARY 30, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
New Bridge on the Charles (MA)	Fitch	NR	Withdrew Rating (2022 Bonds)	1/25/23
New Bridge on the Charles (MA)	Fitch	BB+ Stable	Affirmed Rating Affirmed IDR*	1/30/23

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* IDR – Issuer Default Rating (FitchRatings)

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INTEREST RATES/YIELDS

WEEK ENDING JANUARY 27, 2023


	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.18%	3.14%	3.12%
Senior Living 30-Yr "A"	4.75%	4.70%	4.56%
Senior Living 30-Yr "BBB"	5.15%	5.10%	4.96%
Senior Living Unrated	6.00%	5.90%	5.69%
Senior Living New Campus	7.15%	7.10%	6.58%
SIFMA Muni Swap Index	1.66%	1.86%	1.40%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.38%	5.38%	2.19%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCING



PLEASANT VIEW
COMMUNITIES

PLEASANT VIEW RETIREMENT COMMUNITY
Manheim, Pennsylvania

Bank Placement Refunding

\$3,000,000
January, 2023

MARKET REVIEW

MONEY MARKET RATES

	01/27	Last week
Prime Rate	7.50	7.50
Federal Funds (weekly average)	4.32	4.32
90 Day T-Bills	4.55	4.53
30-Day Commercial Paper (taxable)	4.39	4.32
Libor (30-day)	4.56	4.50
SOFR	4.30	4.31
7 Day Tax-Exempt VRDB	1.66	1.86
Daily Rate Average	1.21	1.40

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.18	5.18	1 Year	2.33	4.53	4.08	3.43	2.63	2.38
5 Year	3.59	4.84	5 Year	2.05	4.35	3.90	3.20	2.45	2.15
7 Year	3.55	4.95	7 Year	2.09	4.49	4.09	3.39	2.59	2.24
10 Year	3.50	5.20	10 Year	2.19	4.69	4.29	3.74	2.79	2.39
30 Year	3.64	5.94	30 Year	3.18	5.93	5.48	4.93	4.08	3.58

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

Bond Buyer	THIS WEEK	LAST WEEK	CHANGE
20 Bond Index	3.37	3.33	+0.04
11 Bond Index	3.27	3.23	+0.04
Revenue Bond Index	3.65	3.61	+0.04
30 Year MMD	3.18	3.14	+0.04
Weekly Tax-Exempt Volume (Bil)	4.34	6.30	-1.96
30 Day T/E Visible Supply (Bil)	1.93	5.66	-3.73
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	112.0	113.4	-1.40

Source: Bloomberg