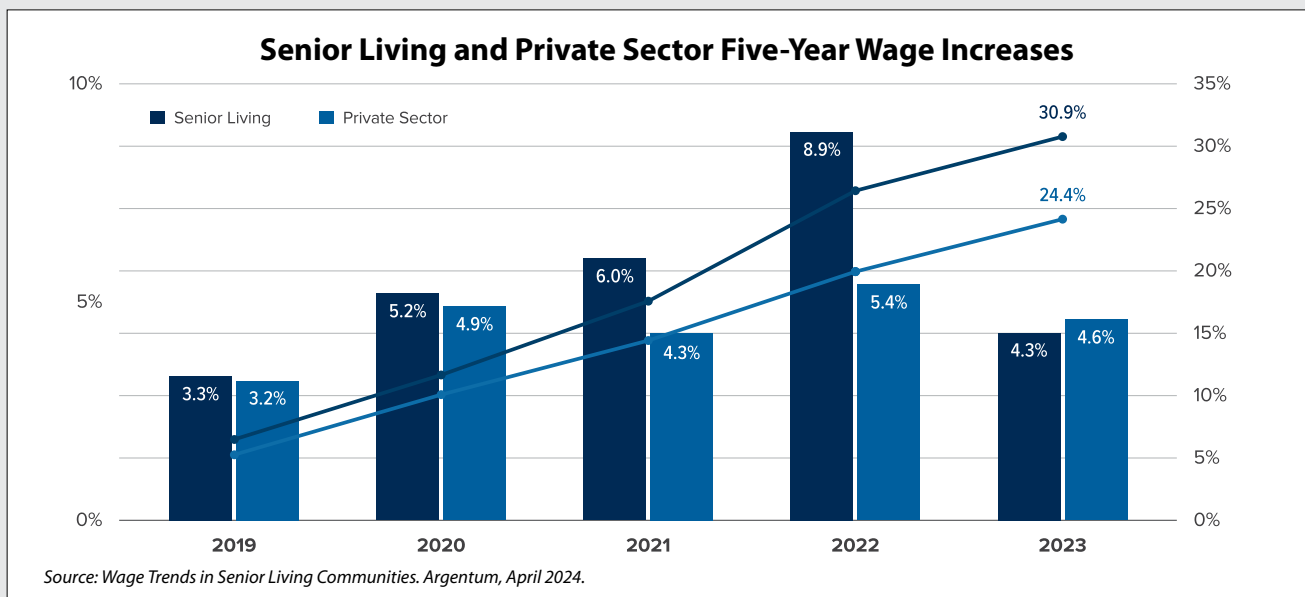


## FEATURED ARTICLE

# AN UPDATE ON CCRC (LPC) WORKFORCE AND WAGES

Since COVID, there has been an on-going conversation about the workforce challenges facing the healthcare industry. Along with a nationwide shortage of nurses, other workers in areas like dining, maintenance, and housekeeping, have seen steep wage competition from other industries making it hard to attract and retain staff in retirement communities. The shortages have increased the likelihood that current staff will need to work longer hours and take on more responsibilities, which can lead to feelings of burnout and eventually increased turnover.

Since the pandemic, there have been a slew of initiatives to target these workforce shortages. The most basic response from operators has been to increase wages. According to a report by Argentum<sup>(1)</sup>, from 2019-2023 senior living five-year wages increased by 30.9%, outpacing those in the private sector where wages grew 24.4% in the same time period.



However, according to the Hospital & Healthcare Compensation Service<sup>(2)</sup>, while nursing staff at continuing care retirement communities continue to see pay increases and sign-on bonuses, the pace has slowed. For example, pay rates for registered nurses, licensed practical nurses and certified nursing assistants increased by 5.04% overall in 2024, down from 7.04% in 2023 and 8.87% in 2022. According to the same 2024-2025 CCRC Salary and Benefits Report, this is due largely in part to CNA salaries stabilizing over the past two years. Director of Nursing roles also saw an increase of 6.7% in 2023.

Along with increasing wages, other programs are aimed at addressing the workforce shortages by offering funding for education and support for new and current healthcare staff. According to the Department of Health and Human Services, “the goal of the HHS Health Workforce Initiative is to support, strengthen and grow the health workforce by leveraging programs across the Department... that support the recruitment and development of clinicians to deliver community-based care through loan repayment, scholarships, and residency training.”<sup>(3)</sup> In Minnesota, more than 200,000 long-term care workers could each qualify for a \$1,000 bonus as a way to help

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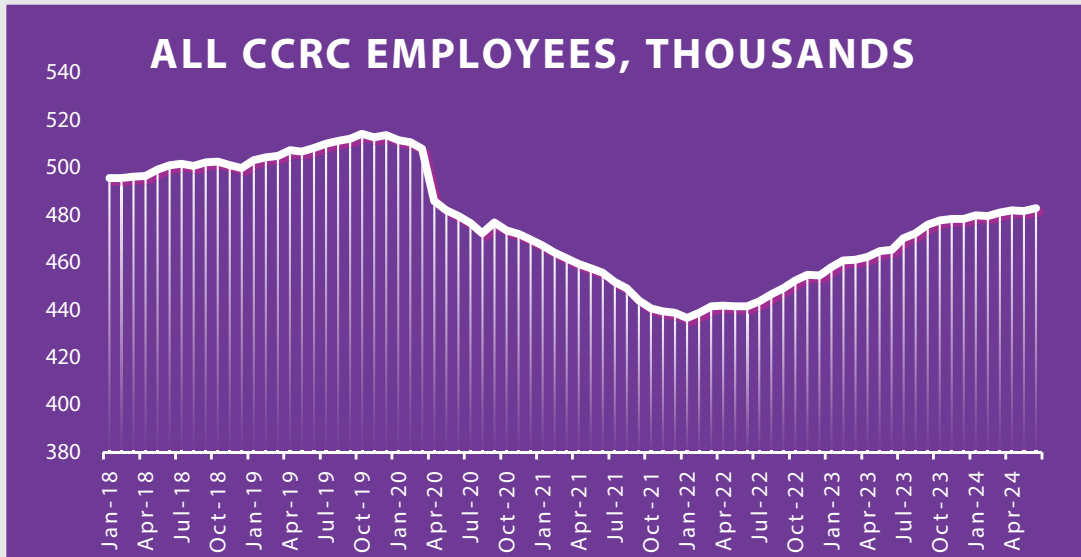
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retain nurses in the healthcare industry<sup>(4)</sup>. The California Association of Health Facilities has taken aim at attracting thousands of new health care workers through a digital advertising campaign targeting 18 to 40-year olds to raise awareness of the program that partners with nursing homes, offering “earn and learn” programs that allow CNAs to work while completing their education, and a program of progressive “mico-certifications” to allow for career advancement opportunities<sup>(5)</sup>. In 2023, Presbyterian Homes and Services (MN) acquired an existing independent and assisted living community and converted a portion of the units to house workforce employees; this was accomplished by utilizing the Fair Housing Act’s age exemption that allows for 20% of the apartments to be occupied by individuals younger than 55<sup>(6)</sup>.

These examples of efforts on the federal, state and local levels to assist in the recruitment and retention of the senior living workforce are helping to improve conditions, but according to the Bureau of Labor Statistics, the CCRC workforce has yet to fully rebound to pre-pandemic employment numbers.



Also, according to the CCRC Salary & Benefits Report<sup>(2)</sup>, CCRCs are continuing to deal with very high turnover rates, including 38% for RNs. CNAs and dining staff had the highest levels of turnover, including 50% for CNAs in the East North Central and West North Central regions. Turnover rates for top executives in CCRCs were also high, at 18%, despite a 6.3% wage increase from 2023-2024 for nursing home administrators. Also noted, 13.6% of respondents to the survey reported vacancies at the executive level.

While the numbers are mostly trending in the direction of recovery, CCRCs are still showing signs of workforce struggles, particularly when it comes to nursing. The Bureau of Labor Statistics projects 193,100 openings for RNs each year through 2032 (nurse retirements and exits are factored in). At the same time, in research conducted by NCSBN (National Council of State Boards of Nursing) last year, 610,388 RNs reported an “intent to leave” the workforce by 2027 due to stress, burnout or retirement<sup>(7)</sup>. As demographics push an unprecedented demand on the senior living industry, finding ways to recruit and retain staff in all areas of operation appears as though it will need to remain a top priority.

While the steady increase in wages seems to have helped, they have not fully solved the issue of high turnover. Issues of burnout and stress appear to remain a pressing issue among care workers, putting an emphasis on the need for programs to address the mental and physical well-being of workers, along with building an engaged workforce at the community level.

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

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**Sources:**

1. “Wage Trends in Senior Living Communities”. Argentum. April 2024.
2. “CCRC nursing staff pay, bonuses continue steady rise, outpacing cost-of-living: report”. Josh Henreckson. McKnight’s. July 9, 2024.
3. “New HHS Initiative Aims to Strengthen Nation’s Health Workforce”. HHS Press Office. July 6, 2023.
4. “200,000 direct care workers eligible for \$1,000 bonuses from state in 2025”. Kimberly Bonvissuto. McKnight’s. August 20, 2024.
5. “State CNA Program Targeting 6,000 New Young Workers To Fight Staffing Crisis”. McKnight’s. January 23, 2024.
6. “Senior Living Providers Make Progress in Creating Workforce Housing for Staff”. Andrew Christman. Senior Housing News. January 8, 2024.
7. “NCSBN Research Projects Significant Nursing Workforce Shortages and Crisis”. Press Release, NCSBN.org. April 13, 2023.

**NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS**

AS OF AUGUST 20, 2024

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Life Enriching Communities (OH)	Fitch	BBB- Stable	Affirmed Rating Affirmed IDR*	8/12/24
Judson Obligated Group (OH)	Fitch	BBB- Stable	Affirmed Rating Affirmed IDR*	8/16/24
Plymouth Place (IL)	Fitch	BB+ Stable	Review – No Action	8/16/24
The Carmelite System Obligated Group (NY)	Fitch	BBB+ Stable	Affirmed Rating Affirmed IDR*	8/16/24
Westminster at Lake Ridge (VA)	Fitch	BB Stable	Review – No Action	8/16/24
Friends Homes (NC)	Fitch	BBB- Stable	Review – No Action	8/17/24
Saint John's Communities (WI)	Fitch	BBB Stable	Review – No Action	8/17/24
Community First Solutions (OH)	Fitch	BBB+ Stable	Assigned Rating Downgraded Rating Downgraded IDR*	8/19/24
Eskaton Properties, Inc. (CA)	Fitch	BBB Stable	Assigned Rating Assigned IDR*	8/20/24

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\* IDR – Issuer Default Rating

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**INTEREST RATES/YIELDS**

WEEK ENDING AUGUST 16, 2024


	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.59%	3.58%	3.81%
Senior Living 30-Yr "A"	4.50%	4.46%	5.05%
Senior Living 30-Yr "BBB"	4.85%	4.81%	5.43%
Senior Living Unrated	6.00%	5.96%	6.56%
Senior Living New Campus	7.75%	7.71%	7.92%
SIFMA Muni Swap Index	4.04%	3.03%	3.54%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index <sup>†</sup>	5.21%	5.21%	1.62%


<sup>†</sup> Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

**FEATURED FINANCING**



# PARKSHORE JUANITA BAY



## PARKSHORE JUANTIA BAY (Transforming Age) Kirkland, Washington

Washington State Housing Finance Commission  
Nonprofit Housing Revenue Bonds  
Series 2024

### \$62,420,000

August, 2024

## MARKET REVIEW

## MONEY MARKET RATES

	08/16	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.31	5.31
90 Day T-Bills	5.22	5.22
30-Day Commercial Paper (taxable)	5.30	5.30
Libor (30-day)	5.45	5.44
SOFR	5.35	5.34
7 Day Tax-Exempt VRDB	4.04	3.03
Daily Rate Average	3.64	3.08

## COMPARATIVE YIELDS

TAXABLE REVENUE				MMD	NR*	BB	BBB	A	AA
	GOVT	A							
2 Year	4.09	4.59	1 Year	2.67	4.67	4.07	3.32	3.02	2.67
5 Year	3.79	4.39	5 Year	2.56	4.66	4.01	3.26	2.96	2.56
7 Year	3.82	4.57	7 Year	2.63	4.83	4.13	3.38	3.08	2.63
10 Year	3.91	4.91	10 Year	2.71	5.01	4.26	3.51	3.21	2.71
30 Year	4.17	5.67	30 Year	3.59	6.19	5.29	4.59	4.29	3.59

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.88	3.85	+0.03
11 Bond Index	3.78	3.75	+0.03
Revenue Bond Index	4.17	4.14	+0.03
30 Year MMD	3.59	3.58	+0.01
Weekly Tax-Exempt Volume (Bil)	10.75	10.75	0.00
30 Day T/E Visible Supply (Bil)	15.68	9.49	+6.19
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	102.8	100.2	+2.60

Source: Bloomberg