

### FEATURED ARTICLE

## AN UPDATE ON THE SENIOR LIVING WORKFORCE

Earlier this summer, Ziegler conducted a survey of senior living Chief Financial Officers (CFOs) to better understand the current state of workforce recruitment and retention in the senior living and services field. Nearly 120 CFOs participated in the survey.

The initial question asked for feedback about the impact of increasing minimum wage standards across some cities and states. Two-thirds of the respondents indicated that it has had some kind of negative impact on their organization, with roughly 20% stating it has had a significant negative impact. On average, the CFOs reported that wages and compensation are comprised of roughly 55% of their overall budget, with some providers reporting above 80% of their budget is devoted to compensation.

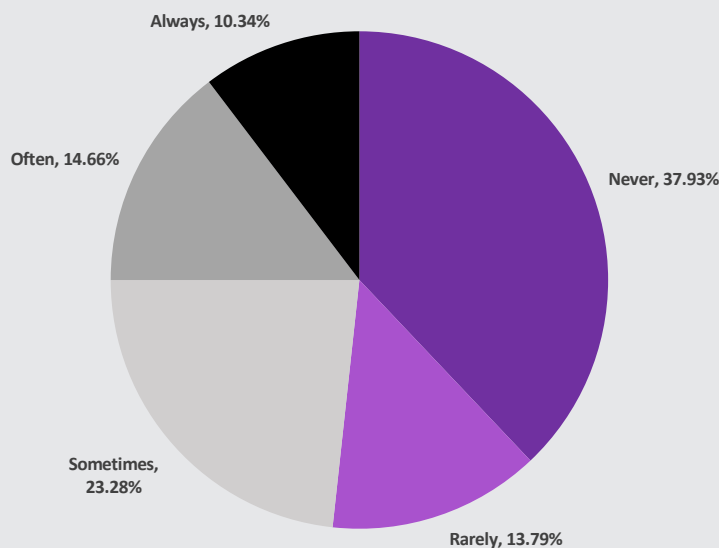
Respondents were also asked about their use of temp agencies to fill vacancies among direct care staff. Roughly half reported that they utilize temp agencies for staffing at least sometimes. As shown in the chart below, 25% indicated that they “often” or “always” rely on the temp agencies as a solution for staff shortages.

In an attempt to better understand the magnitude of staffing vacancies, the CFOs were asked to estimate their current vacancy rate among direct care staff. The percentages ranged from 0% to the low 30s. On average, the reported vacancy rate was just about 12%.

The full report sheds light on turnover rates and potential best practices being implemented by senior living providers. To access to full report, please click [here](#). If you have any questions regarding the items in this article or anything else related to Ziegler, please reach out to the Ziegler banker in your region.

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Across the past year, how often has your organization had to work with temp agencies to fill vacancies among direct care staff?



Source: Ziegler CFO Hotline, June 2018

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

AUGUST 14 - 20, 2018

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Front Porch (CA)	S&P	A- Stable	Affirmed Rating	8/14/18
Mayflower Retirement Center (FL)	Fitch	A- Negative	Affirmed Rating	8/16/18
Naval Continuing Care Retirement Foundation dba Fleet Landing (FL)	Fitch	BBB Stable	Affirmed Rating	8/16/18


*This ratings table represents review of the reports released by Fitch Ratings, Standard & Poor's, and Moody's Investors Service and has been compiled by Ziegler Investment Banking.*

**INTEREST RATES/YIELDS**

(AS OF AUGUST 17, 2018)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.01%	3.07%	2.87%
Senior Living 30-Yr "A"	3.76%	3.82%	3.68%
Senior Living 30-Yr "BBB"	3.96%	4.02%	3.94%
Senior Living Unrated	4.71%	4.77%	4.66%
Senior Living New Campus	6.50%	6.50%	6.52%
SIFMA Muni Swap Index	1.57%	1.45%	1.19%
	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.69%	4.70%	1.67%

*\*Ziegler Senior Living Municipal Long Bond Index  
Source: Ziegler Capital Markets*

**FEATURED FINANCINGS**


**WESTMINSTER-CANTERBURY  
ON CHESAPEAKE BAY**  
Virginia Beach, Virginia

City of Virginia Beach Development Authority, Residential Care Facility Revenue Refunding Bonds, Series 2018

**\$73,115,000**

## MARKET REVIEW

## MONEY MARKET RATES

	8/17/18	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.00	5.00	5.00	4.25
Federal Funds (weekly average)	1.90	1.90	1.90	1.16
90 Day T-Bills	2.03	2.04	1.98	1.00
30-Day Commercial Paper (taxable)	1.94	1.98	1.96	1.07
Libor (30-day)	2.06	2.06	2.08	1.22
7 Day Tax-Exempt VRDB	1.57	1.45	0.94	0.77
Daily Rate Average	1.46	1.35	0.55	0.65

## COMPARATIVE YIELDS

## TAXABLE REVENUE

	GOVT	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	2.43	2.88	1 Year	1.48	2.68	2.83	2.58	2.18	1.88	1.68
5 Year	2.74	3.59	5 Year	1.98	3.33	3.48	3.18	2.83	2.53	2.33
7 Year	2.81	3.86	7 Year	2.20	3.75	3.95	3.45	3.15	2.95	2.65
10 Year	2.86	4.11	10 Year	2.43	4.13	4.43	3.78	3.38	3.18	2.88
30 Year	3.02	4.62	30 Year	3.01	4.71	5.01	4.36	3.96	3.76	3.46

(\* Representative of retail sales.); (\*\* Representative of institutional sales.)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2018 HIGH	LOW
Bond Buyer					
20 Bond Index	3.95	3.98	-.03	3.98	3.44
11 Bond Index	3.43	3.46	-.03	3.46	2.94
Revenue Bond Index	4.45	4.48	-.03	4.48	2.92
30 Year MMD	3.01	3.07	-.06	3.14	2.56
Weekly Tax-Exempt Volume (Bil)	11.11	5.83	+5.28	11.11	0.71
30 Day T/E Visible Supply (Bil)	5.73	14.29	-8.56	14.29	0.63
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	124.50	126.49	-1.99	126.49%	118.68%

## INTEREST RATE COMPARISON

DATE	7-DAY T/E VRDB	PRIME RATE	FED FUNDS WEEKLY AVG.	13-WEEK T-BILL RATE	C.P.RATE TAXABLE	LIBOR (30-DAY)	30-YEAR T/E BONDS (A-AAA)		
08/17/18	1.57	5.00	1.90	2.03	1.94	2.06	3.76	-	3.46
08/10/18	1.45	5.00	1.90	2.04	1.98	2.06	3.82	-	3.52
08/03/18	1.29	5.00	1.90	2.00	1.94	2.08	3.80	-	3.50
07/27/18	0.94	5.00	1.90	1.99	1.92	2.07	3.75	-	3.45
07/20/18	0.94	5.00	1.90	1.98	1.96	2.08	3.66	-	3.36
07/13/18	1.01	5.00	1.90	1.96	1.97	2.07	3.66	-	3.36
07/06/18	1.19	5.00	1.90	1.91	1.96	2.09	3.67	-	3.37
06/29/18	1.51	5.00	1.92	1.90	2.00	2.09	3.69	-	3.39
06/22/18	1.50	5.00	1.90	1.91	1.95	2.09	3.70	-	3.40
06/15/18	1.33	5.00	1.74	1.93	1.97	2.08	3.76	-	3.46
06/08/18	1.05	4.75	1.69	1.92	1.92	2.02	3.73	-	3.43
06/01/18	1.06	4.75	1.69	1.91	1.86	1.98	3.62	-	3.32
05/04/18	1.61	4.75	1.68	1.83	1.85	1.92	3.80	-	3.50
04/06/18	1.60	4.75	1.68	1.71	1.82	1.89	3.78	-	3.48
03/02/18	1.09	4.50	1.38	1.63	1.65	1.67	3.82	-	3.52
02/02/18	1.08	4.50	1.39	1.48	1.49	1.57	3.73	-	3.43
01/05/18	1.47	4.50	1.41	1.40	1.50	1.55	3.36	-	3.06
12/01/17	0.97	4.25	1.13	1.26	1.18	1.37	3.59	-	3.29
11/03/17	0.92	4.25	1.14	1.17	1.13	1.24	3.65	-	3.30
10/06/17	0.92	4.25	1.16	1.04	1.10	1.23	3.73	-	3.43
09/01/17	0.79	4.25	1.14	0.99	1.11	1.23	3.60	-	3.30
08/04/17	0.79	4.25	1.14	1.07	1.12	1.23	3.61	-	3.31

Market and other data within this report derived from Bloomberg and other sources deemed to be reliable.