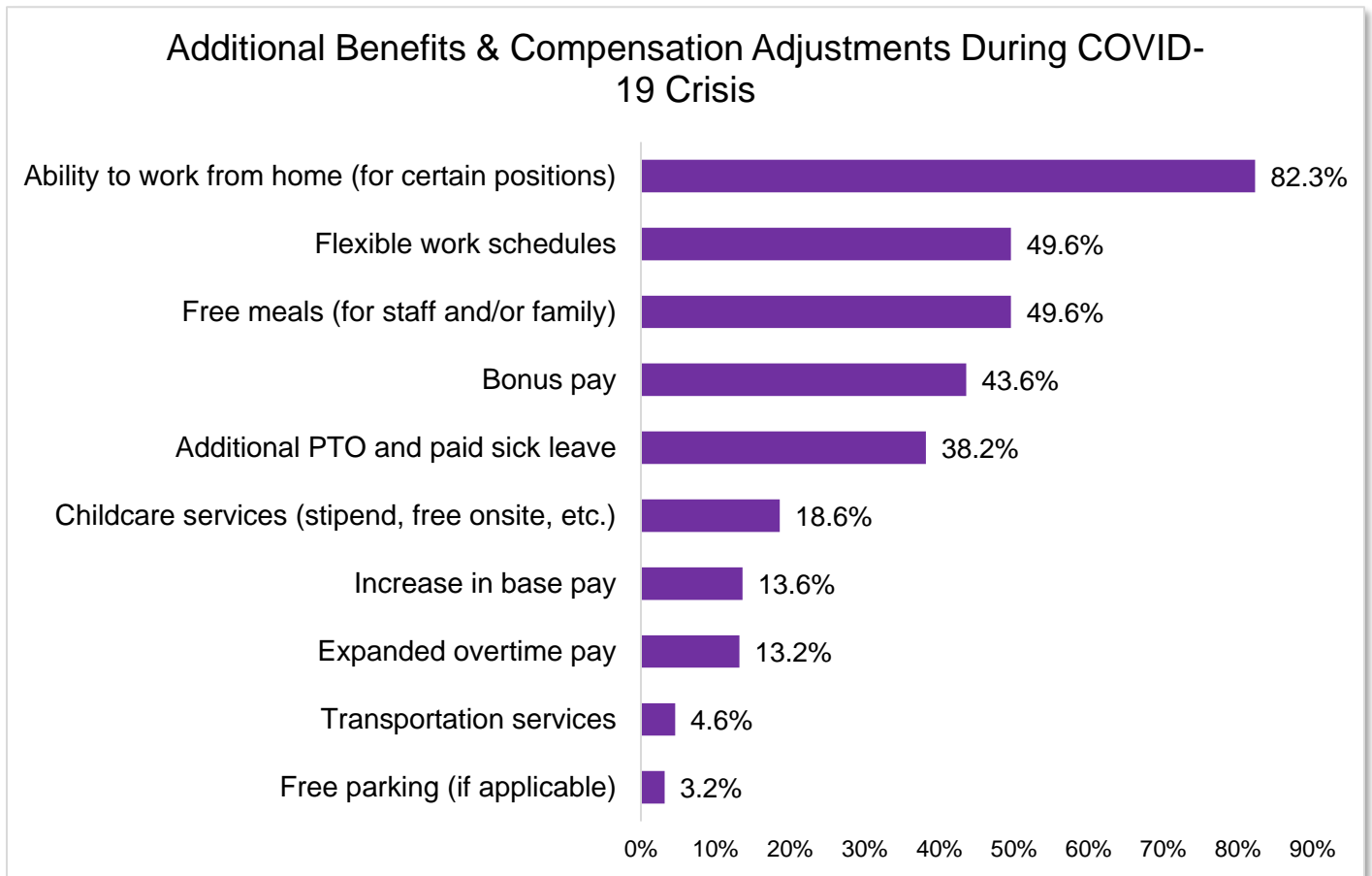


Staff Compensation & Benefits During COVID-19

ZIEGLER CFO HOTLINESM

In April of 2020, a *Ziegler CFO HotlineSM* was conducted on a topic related to the COVID-19 pandemic. The questions revolved around additional compensation and benefits being provided to staff during the COVID-19 crisis. Nearly 225 CFOs and finance professionals from senior living organizations responded to the survey. Roughly 58% of the respondents were from single-site organizations and 42% from multi-site provider organizations.

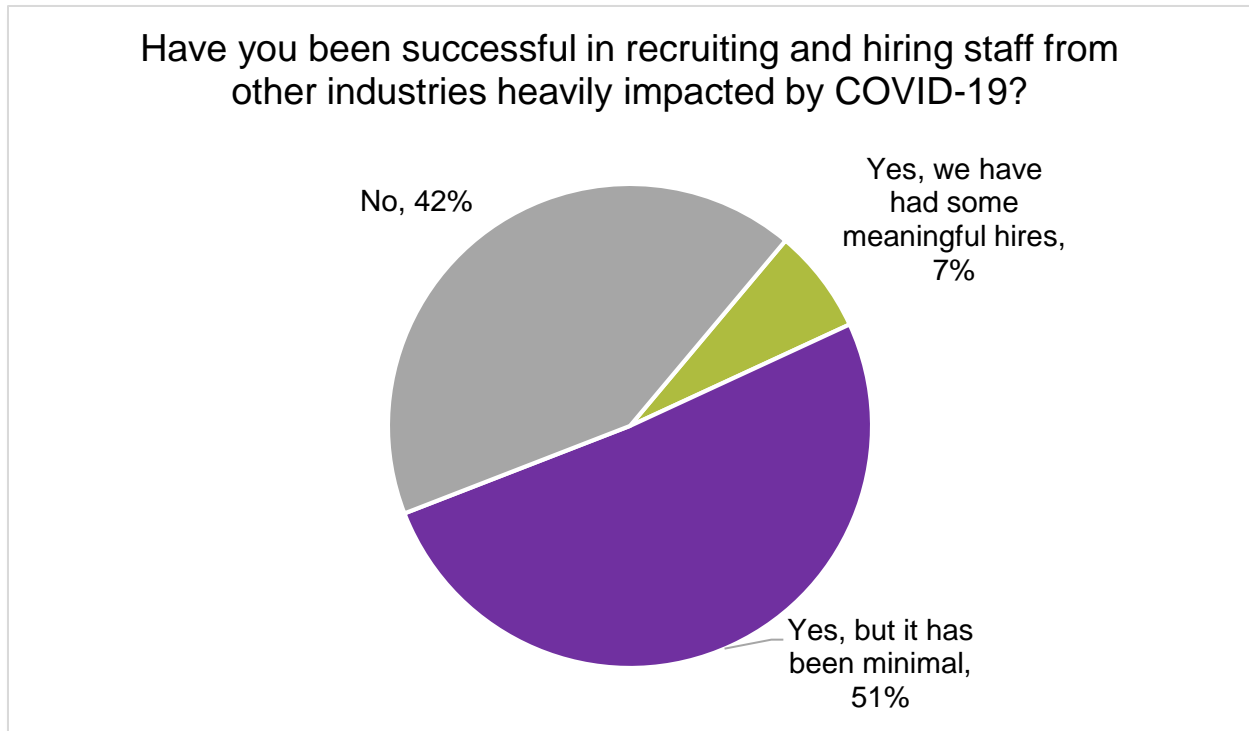
The initial set of questions related to additional benefits and compensation being offered to staff during the COVID-19 crisis. As detailed below, the largest percentage of respondents indicated that they are allowing staff to work remotely (for applicable positions). This is not necessarily a surprise given the widespread “stay-at-home” orders in place in most states. From there, flexible work schedules, meal credits and bonus pay have been offered by at least 4 out of 10 providers.



Roughly 3 out of 10 respondents also noted “other” benefits they are providing. Below is a sampling of some of the additional benefits being offered to staff.

- *Skipped administration of annual review and gave portion of employees straight percentage increase.*
- *A small one-time "thank you" gift check.*
- *Additional uniforms.*
- *Offering paid hotel rooms for staff who are concerned about going home if they live with a high-risk person.*
- *Budgeted 3% merit increase for year effective 5 / 1, instead gave 5% with no performance appraisals as of 4 / 5. Also are giving direct caregivers (CNAs/RNs/LPNs) 10% hazard pay and non-clinical in skilled 5% hazard pay both effective 3 / 22.*
- *Family meal prep. Grocery shopping for the staff.*
- *For sites with active COVID-19 cases, we are adding premium pay - additional amount per hour worked. Not added to base pay.*
- *Free toilet paper!*
- *Gift cards for groceries*
- *Goody Bags*
- *Open a limited grocery store for both residents and staff to place orders for certain grocery items, toiletries and other items to help limit their trips to populated stores to buy household items.*
- *Our Foundation developed an employee emergency assistance fund to further assist employees during this time.*
- *Started a food pantry for direct care staff who may have issues with getting to the supermarket or feel uncomfortable in going to supermarket. The pantry is funded by non-direct care employees and managers.*
- *We are setting up isolation areas within our community. If an employee volunteers to work in that area they will receive an additional shift diff payment of \$ 5.00 per hour, an additional day of vacation for each 2 week period worked and will have health insurance premiums waived for those that work in the quarantined area.*

With the elevated unemployment numbers coming from the retail, foodservice and hospitality sectors, there was a question on the survey that asked whether providers have been successful in recruiting these individuals who have been laid off. The responses shown below indicate that more than half have had at least some luck hiring from within those fields, but only 7% noted this trend as significant.



The survey also allowed for open-ended comments to be made. Below is a sampling of those comments.

- *Basically we are making sure staff are kept whole. If their position is not needed, we are moving them into other areas where added help is needed.*
- *Certain employees have been working from home so we have overlap if the person at work gets sick the the employee from home has to come in. We have tried to use outside agencies and had contracts ready with them before this hit but they are tapped now also and are looking for an increase of 40% on pay.*
- *Employees hear the 2 trillion dollar stimulus package, checks being mailed to everyone, unemployment benefits increasing, and loans/grants to companies to pay people while they do not work etc. That has challenged our staffing levels.*
- *Hard to know what to do when some staff would make more being on unemployment.*
- *I think our coworkers are increasingly happy in knowing they have a secure job and appreciate what we are doing to support them during this process.*
- *Increase in base pay is temporary, and we plan to do more if we receive Federal funding (PPP loan). This impacts OT rates and shift differentials. Currently only hiring in HS and security. Otherwise all hiring is on hold. Campus is shut down.*
- *Many employees' families have been touched by furloughs and layoffs (spouse/partner). Associates' initial concerns were job security; now that it's apparent we have more work than ever due to changing ways of serving residents who largely remain in their IL units. Management is focusing on ways to mitigate staff burnout/exhaustion. In our area, COVID-19 is a slow-developing wave that will be with us for a long time.*
- *Our main goal is to preserve cash as much as possible while recognizing that our staff are working under extraordinary circumstances. We're trying to find a balance between "new normal" and "covid pandemic" - asking ourselves if this could be our new normal, and what precedent do we want to set if it is.*
- *School nurses and educators from our collegiate level nursing schools have been brought on board. Also brought a retired AL Director out of retirement to provide phone support to staff.*

- *We do not have an outbreak in our community yet and very few in the larger community so we have not moved forward with much in terms of incentive pay just yet.*

The senior living organizations' responses included in this report have been collated without verification of the accuracy of the data/comments therein. The results provided do not express an opinion of nor can they be guaranteed by Ziegler.

PREPARED BY:

LISA McCRACKEN

Director, Senior Living Research & Development

Ziegler

Direct: 312-705-7253

e-mail: lmccracken@ziegler.com