

Insights and findings on marketing to seniors

THE ~~LOVE~~ REPORT

& COMPANY

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Diversity in Senior Living Communities

Insights into Creating a More Diverse Census



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Issues, Trends and Opportunities Related to Diversity in America's Senior Living Communities

Overview

As the United States overall population becomes increasingly more diverse, there is no time like the present for Life Plan Communities to begin to identify and address both perceptions and realities of their own resident and leadership diversity mix. As best practices evolve, there may be a growing opportunity for senior living communities to serve older Americans in their areas more inclusively, possibly achieving higher census by enriching their offerings and evolving their internal cultures.

In this report, we explore issues related to diversity in senior communities using data from previously published studies, such as the latest census statistics and research articles published by respected organizations such as the *Pew Research Center*, as well as original research conducted by Love & Company over several phases beginning in summer 2017.

Methodology

During summer 2017 Love & Company began a four-phase research project to examine issues related to diversity in senior communities.

Phase 1: Review of published research and statistics on diversity. The first phase of the study involved reviewing published research and statistics on diversity. Many of these studies were published by the *U.S. Census Bureau* and the *Pew Research Center*, and some articles were published in senior housing trade media.

Phase 2: Online survey of 1,691 Americans age 65+ with incomes of \$35,000 or more. Respondents consisted of four approximately equal-sized groups of Caucasians, African Americans, Hispanics and Asians. Panels from *Luth Research* and *ResearchNow* were the source of survey participants. The survey was closed in October 2017.

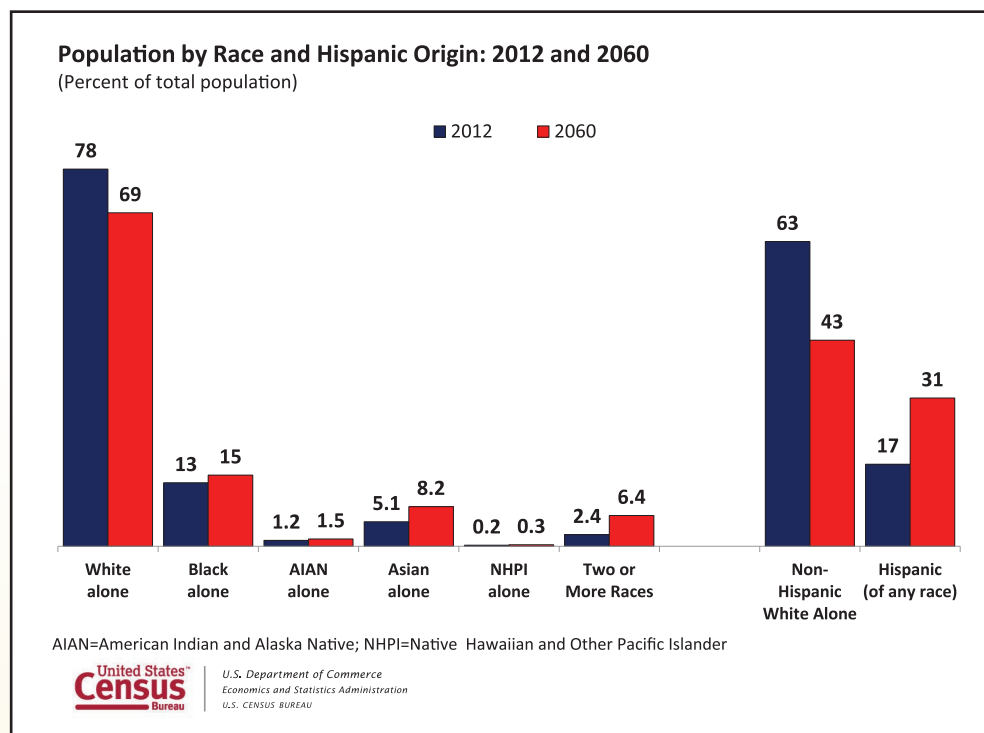
Phase 3: Online survey of senior community leaders. This group included executive directors, executive officers and administrators. There were 14 respondents to the survey and it was closed in December 2017.

Phase 4: One-on-one phone interviews with executive directors and administrators from senior communities. These interviews were conducted in late February 2018.

A Brief Overview of Diversity Trends in America

Today most Americans believe that growing racial and ethnic diversity in the United States makes the country a better place to live. Younger Americans age 18-29 are most likely to agree (70%), while older Americans age 65+ are not as likely to agree (59%). Few Americans (10% or less) believe that increasing the number of people from different races and ethnicities will make America a worse place to live. In addition to the changes in racial and ethnic diversity, the United States is also becoming more aware of its sexual diversity. In 2015, most Americans said they personally know someone who is gay or lesbian. However, support for same-sex marriage varies by generation. A majority of Baby Boomers (56%) support same-sex marriage, while only 41% in the Silent Generation support same-sex marriage.

Recent U.S. Census Bureau projections based on the 2010 Census indicate that by 2060, Non-Hispanic Whites will make up 43% of the United States population, Hispanics will be the second largest group (31%), followed by Blacks (15%) and Asians (8%). The Census Bureau projects that in 2044 the United States will become a “majority-minority” country when more than 50% of all Americans will be minorities. The projections did not account for any potential changes to immigration policy that may affect the trend.



1 Attitudes Toward Increasing Diversity in the U.S. Published February 16, 2017. <http://www.people-press.org/2017/02/16/4-attitudes-toward-increasing-diversity-in-the-u-s/>

2 Support for Same-Sex Marriage Grows, Even Among Groups That Had Been Skeptical. Published June 26, 2017. <http://www.people-press.org/2017/06/26/support-for-same-sex-marriage-grows-even-among-groups-that-had-been-skeptical/>

3 U.S. Census Bureau Projections Show a Slower Growing, Older, More Diverse Nation a Half Century from Now. Article published December 12, 2012. <https://www.census.gov/newsroom/releases/archives/population/cb12-243.html>

4 Projections of the Size and Composition of the U.S. Population 2014 to 2060. Published March 3, 2015. <https://www.census.gov/library/publications/2015/demo/p25-1143.html>

5 Projections and Distribution of the Population in the Baby Boom Ages (Table 1). Published May 2014. <https://census.gov/content/dam/Census/library/publications/2014/demo/p25-1141.pdf>

Baby Boomers and Diversity

Much discussion about demographics in the senior living industry has been related to the incoming wave of Baby Boomers, people born between 1946 and 1964. As an age cohort, in 2012 the 76 million Baby Boomers are predominantly Caucasian (72%), followed by Black (12%), Hispanic (11%), Asian (5%) and other races (1%).

Diversity, Income and Senior Living Choices

Regarding median household incomes of the age 65+ population, Caucasians and Asians have the highest annual median incomes at more than \$41,000. Asians have the highest median annual income for any age strata older than 65 with \$74,239 at age 65 to 69.

Income is likely a significant factor influencing housing choices for seniors today. Many couples or individuals moving to an independent living, assisted living or memory care community will sell or rent their home to create more liquidity or cash flow. In 2013, there were 21,640,000 homes occupied by an owner (or owners) age 65 or older. Of those, 84% were owned by Caucasians, 8% were owned by Blacks, 6% by Hispanics and 2% were owned by Asians.

Community Leadership Insights

Broadmead Continuing Care Retirement Community, Cockeysville, MD

—Excerpts from an interview with Arthur M. Boyd, Trustee

Opened in 1979, Broadmead operates under the guidance and ownership of a Quaker-guided, not-for-profit corporation.

Broadmead actively supports its commitment to improving overall diversity within the community by: digitally “pushing the limits” on diversity on its website by showing as much diversity among residents’ photographs as Fair Housing Act rules allow; advertising in local newspapers that reach African American and Jewish communities; hosting speakers of diverse backgrounds to educate residents about other cultures—whether or not they represent a target demographic; and creating and maintaining a robust internal “diversity and inclusion workgroup” composed of residents, board members and executive staff that is working hard to develop a welcoming climate.

Creating a more diverse community is a challenge, and some of the community’s marketing tactics have not necessarily worked. But over time Broadmead has become more religiously diverse, with a significant number of Jewish residents, as well as several same-sex couples, African American and Asian residents. Mr. Boyd does not believe that the cost of the community is a significant factor limiting diversity at Broadmead. He believes the challenge is “...getting people to think about moving to Broadmead.”

Households by Total Money Median Income (2016)

	<i>Caucasians</i>	<i>Hispanics</i>	<i>Blacks</i>	<i>Asians</i>
65 years and older	\$41,852	\$30,821	\$30,821	\$41,372
65 to 69 years	\$57,027	\$39,260	\$31,563	\$74,239
70 to 74 years	\$47,051	\$31,308	\$25,957	\$44,706
75 years and older	\$32,203	\$23,797	\$22,417	\$26,283

Source: U.S. Census Bureau, Current Population Survey, 2017 Annual Social and Economic Supplement. HINC-02. Age of Householder--Households by Total Money Income in 2016, Type of Household, Race and Hispanic Origin of Householder.

https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hinc/hinc-02.html#par_textimage_12

Findings from Love & Company's Original Diversity Research

From September thru October 2017, Love & Company conducted an online survey of people 65 or older who had \$35,000 or more in annual income. The survey was designed to generate an approximately equal number of responses from Caucasians, African Americans, Asians and Hispanics.

Perceptions of Potential Residents of Senior Communities About Diversity

Of the 1,691 respondents, 7% said they plan to move to a Life Plan Community, and another 7% said they plan to move to an Active Adult Community. Interestingly, Hispanics were most likely to say they would consider moving to a Life Plan Community (14%) or an Active Adult Community (10%). African Americans were most likely to stay in their own home with help from family (28%), and the least likely to move to a Life Plan Community (2%).

Which of the following most closely matches your preference for your retirement plans?					
	<i>Overall</i>	<i>Caucasians</i>	<i>Hispanics</i>	<i>African Americans</i>	<i>Asians</i>
Stay in own home, use home care	21%	25%	18%	23%	18%
Stay in home, help from family	23%	19%	21%	28%	22%
Move to another multi-generational house or apartment	7%	6%	7%	8%	7%
Stay in home, then AL if needed	11%	15%	7%	11%	12%
Move to Active Adult Community	7%	8%	10%	6%	6%
Move to a Life Plan (CCRC) Community	7%	7%	14%	2%	7%
Move into a family member's home	2%	1%	2%	2%	1%
No plans at this time	20%	17%	19%	18%	26%
Other plans	2%	2%	2%	2%	2%

Hispanic Respondents Most Likely to Move to Senior Living

When asked about the likelihood of moving to a Life Plan Community, Hispanic respondents were significantly more likely to respond with “Definitely” or “Very Likely” than other groups. This may indicate there is support for increasing marketing efforts to Hispanic populations located in the same vicinity as the community.

“Will I Fit in at a Life Plan Community?”

When survey respondents were asked about their perceptions of Life Plan Communities, Caucasian respondents were most likely to Strongly Agree or Agree there were people similar to themselves in Life Plan Communities (44%). Hispanics were most likely to Strongly Agree or Agree they could both afford to live in a Life Plan Community (43%), and would feel welcome in a Life Plan Community (45%). Interestingly, Asians—who have among the highest median incomes for seniors—were less likely to Strongly Agree or Agree there were a lot of people like them in Life Plan Communities (30%), or that they would feel welcome in Life Plan Communities (32%).

Only a small number (1%) of respondents identified as being LGBT (lesbian, gay, bi-sexual or transsexual) and were less likely to agree that they would feel welcome in a Life Plan Community (38% for LGBT versus 18% for non-LGBT respondents).

Community Leadership Insights Pilgrim Place, Claremont, CA

—Excerpts from an interview with Gisele Tackoor, Director of Recruitment and Admissions

Pilgrim Place is a 103-year-old community, founded by Congregationalists as a retirement home for missionaries. Today, Pilgrim Place welcomes anyone age 60 or older who has served in a non-profit or religious organization (paid or unpaid) to join the community.

The Pilgrim Place focuses on social activism and diversity. The mission is: Fostering a vibrant and inclusive senior community committed to justice and peace. Some residents are described as “movers and shakers...they were the ones rallying with Cesar Chavez and Martin Luther King.” The average age of entry is quoted at “69 or 70,” younger than at most other Life Plan Communities. The community and its leadership and board are racially and socially diverse, as well as sexually diverse with more than 20 same-sex couples as residents.

A unique aspect of how the community encourages inclusion is that a computer assigns seating for the lunch meal, thereby creating an environment where all residents have an opportunity to interact and know one another. Currently, the community is about evenly split between those who were attracted to the community by its spiritual mission, and those who were attracted for social reasons. In either case, Pilgrim Place seeks residents who value living in a diverse and inclusive community.

Likelihood of Moving to a Life Plan Community					
	Overall	Caucasians	Hispanics	African Americans	Asians
Definitely or Very Likely	16%	14%	26%	10%	14%
Somewhat Likely	34%	38%	27%	37%	35%
Somewhat Unlikely	24%	24%	19%	26%	27%
Very Unlikely or Definitely Not	26%	24%	27%	27%	24%

Perceptions About Diversity of Senior Living Community Leadership

From November 2017 thru January 2018, Love & Company fielded an electronic survey to a list of community leadership contacts.

General findings include:

- Less than half of management respondents felt that the racial and ethnic distribution of their independent living residents mirrored the distribution within their local community.
- Half of the respondents felt that their resident population was not representative of their larger community.
- Leadership respondents indicated that, overall, their community's independent living residents are predominantly Caucasian (95%), with 4% being Black and 1% being Asian.
- The staff in their communities were more diverse, with 51% being Caucasian, 25% African American, 17% Hispanic, 4% Asian and 3% other races.
- Senior management and board of directors members were primarily Caucasian, with 83% of senior management being Caucasian and 96% of board members being Caucasian.
- More than one-third of the communities (36%) said they had implemented marketing tactics designed to attract residents from minority groups, but more than half who had tried indicated their efforts were unsuccessful.

Perceptions of Life Plan Communities (Combined Strongly Agree/Agree Responses)

	<i>Overall</i>	<i>Caucasians</i>	<i>Hispanics</i>	<i>African Americans</i>	<i>Asians</i>
There are a lot of people like me in Life Plan Communities	36%	44%	35%	35%	30%
I could afford to live in a Life Plan Community	34%	30%	43%	29%	38%
I would feel welcome in a Life Plan Community	40%	44%	45%	42%	32%

Interviews with Community Leaders About Diversity

Six leaders from senior communities were interviewed about how their community has addressed the issue of diversity. Most indicated that they recognized there was a need to create a more diverse, welcoming and inclusive community. For two communities, diversity and inclusiveness were part of their founding principles, so residents entering those communities were required to accept that philosophy. Insights from several community leaders are recapped throughout this report.

A practice that was noted by several communities was that, for the community's independent living residents to become more diverse, the community had to first become more diverse internally (as opposed to marketing externally to diverse groups). This was accomplished by creating more diversity on the leadership team, creating a more diverse board, and if necessary, creating a more diverse staff.

Concurrently, some communities also reached out to their local population by becoming involved with groups with diverse populations—often churches, cultural groups or educational groups. Communities also advertised to diverse populations.

Community Leadership Insights Ingleside Communities, Washington, DC

—Excerpts from an interview with Monique Eliezer, Chief Officer of Sales, Marketing and Strategy

An independent, not-for-profit organization, Ingleside provides management and strategic leadership for three premier Washington, DC metro area Life Plan Communities. Community populations in its market are generally well-educated and culturally and socially diverse. Ingleside's corporate culture is self-described as progressive and promotes and encourages all forms of diversity in its communities—racial, religious, sexual and economic.

Ingleside uses traditional print advertising to target and outreach to diverse communities. After placing advertisements in local LGBT (lesbian, gay, bi-sexual or transsexual) publications, the LGBT community in the metropolitan DC area now “advertises for Ingleside,” and the publications later did a story on Ingleside's welcoming attitude toward the LGBT community. Ingleside has tried to reach out to racially diverse populations by contacting church groups—a tactic that has resulted in mixed success. Invitations to smaller groups of 10 or 15 people from a church group to visit the community have proven more successful.

As for economic diversity, it has found that, in minority populations, there is often not a comfort level for entering a living environment that is substantially different (less racially diverse) compared to their current living environment.



Findings and Challenges to Increasing Diversity in America's Senior Living Communities

This research, as well as field observation, suggests that historically, many Life Plan Communities have not served racially, ethnically, economically or sexually diverse groups of residents.

The majority of residents in many communities are Caucasian, heterosexual and likely more economically well-off than many seniors in the surrounding area. The front-line staff at many communities are often more diverse racially and ethnically than the residents they serve. And the leadership team at many communities is likely to be significantly less diverse when compared to the demographics of the community where they are located.

It is likely that the lack of diversity in many Life Plan Communities was NOT intentional or planned. It is more probably a result of economic barriers (relatively high entry fees and monthly fees at some communities) and perhaps institutional exclusion from having primarily non-diverse community leadership, including both the community executives and board members.

There are also some communities that may appear institutionally exclusive, such as those that are formed to serve and attract a specific ethnic or religious group. Alternatively, there are likely some communities that are institutionally inclusive, where their mission statement and leadership encourage and welcome residents from diverse backgrounds.

Many communities have an opportunity to create more diversity within their community, but that process is not necessarily quick, easy or inexpensive.



Community Leadership Insights

Aldersgate, Charlotte, NC

—Excerpts from an interview with Suzanne Pugh, President/CEO

An expanding non-profit life plan community founded in 1943, Aldersgate, founded by the United Methodist church, is on a journey that began two years ago to become a more diverse, inclusive and equitable community.

Strong discernment and dialogue at the board level started the process, with facilitation by a consultant, and a willingness to have very candid conversations. An initial realization was that the community had created “structural exclusions,” both intentional (i.e., fee structures) and unintentional over the 70-year history. The community saw that its board and leadership needed to change and began very intentional recruiting to create a more inclusive culture. A crucible moment for the organization came when a new board member, an African American surgeon, quickly commented on how his first perception was how much the community looked like a plantation. They saw that much work was to be done to address the ‘antebellum model’ of largely people of color serving largely white people.

A guided task force worked for nearly a year to develop a strategic plan around diversity and inclusion, with measurable goals, resulting in the mission, vision and values of the community being rewritten in more inclusive language. Further, board members are now being recruited for a balance across multiple dimensions of diversity including age, sexual orientation and sexual identity, as well as faith tradition, racial and cultural diversity. The community uses a matrix for recruiting board members, within the context of its strategic plan, and this has helped create a more equitable and inclusive board.

A unique aspect of Aldersgate’s efforts has been adding a Chief Diversity and Inclusion Officer to its leadership team to send a clear message to residents, elders, staff and the larger community that it is invested and committed to this inclusion journey. A key role of the officer is to engage with front-line staff, managers and board members, as well as implement a very robust cultural competency calendar of events and trainings.

While diversity and inclusion are goals of community leadership, residents’ viewpoints and desires are mixed. Some older residents hold what are considered to be “surprising opinions” and the community feels that this process is “really hard work that requires a commitment to digging into your most personal beliefs and values.” Management continues efforts of education within and outreach outside the community, positing that these efforts are “work of the heart” and “morally the right thing to do, as well as the smart thing to do for the business of the organization.” The community is still primarily Caucasian and working to meet its key performance indicators related to diversity and inclusion.



Opportunities for Increasing Diversity in Life Plan Communities

It seems from this research that a best practice may be to initiate the change process from within the community, as opposed to starting with external outreach to diverse groups. The internal changes may include creating a more diverse and representative leadership team, creating a more diverse board, and creating more diverse staff, if necessary. When some of these changes are made, the perception of a community by local citizens (non-community residents) may also change. In these ways a community can improve the perception—and the reality—that it is becoming more diverse and welcoming.

Alternatively, a community may choose to create the internal community change concurrent with external outreach to diverse groups. The external outreach may help to create awareness that the community is in the process of changing, and that diversity and inclusiveness are now important aspects of what the community offers and represents.



The findings represented in this report are highlights from the much more extensive data we compiled in the research effort.

We invite you to contact Tim Bracken at 301-663-1239, or tbracken@loveandcompany.com, if you would like to learn more about our breadth of senior marketing services.