A recent analysis by Ryan Brooks, from a survey of a slice of NIC members, provided interesting insights. His report followed the recent NIC conference in Washington DC in mid-September of this year. While interesting, they also affirm the experience of almost every senior living operator. I have summarized a part of Ryan’s analysis below.

Twenty percent (20%) of NIC members surveyed just prior to the recent NIC conference in DC said staffing shortages were severe. 67% said their staffing problems were moderate. Nothing new here, just affirmation that at least 87% of your peers are having the same staffing problems. And, from interactions with our own senior living clients, I would guess the 20% statistic is low.

More interesting is the statistic that only 30% of the respondents were able to keep 80% of their new hires for more than one month. As I read the analysis and said another way, 70% were not able to keep new hires for more than a month. A year earlier in 2022, at least 46% of the NIC respondents were keeping new hires for more than a month.

These downward stats for staff retention seem to hold true for employees who have also been on the job for a full year. According to the survey, about 50% leave after one year. These statistics are in step with new hires across most industries. The work ethic, speaking broadly here, is not what it used to be in new hires. Even with these statistics, 63% of those surveyed seemed to think staffing would improve in 2023. I think that finding is overly optimistic. There are many conversations about what can be done to stem this type of turnover. I have written on this topic a few times and will attempt to summarize a few interventions at the end of this article.

Also, and not new from the NIC survey, is the increase in the cost of doing business. Ongoing wage increases, agency fees, insurance premiums, higher deductibles, food costs, and interest rates have all gone up dramatically. And, while costs are up over 20%, revenue is flat if not down. This is especially true for those dependent on governmental payors which rarely keep up with inflation.

From the NIC survey, all sectors other than Memory Care communities, have seen the rate of move-ins drop in the past month or so. This after a period of increases in move-ins. From the NIC member survey, Assisted Living Communities have experienced the biggest continual decline in move-ins over the summer of 2022.

Without rehearsing much of what you already know, allow me to comment on a few things some clients are doing to address their hiring and turnover crisis:

1. Ongoing wage increases are oftentimes the cost of staying open. Even with higher wages, the work ethic remains relatively low.
2. Some have placed a premium wage for staff, including nurses, who respond to on call needs.
3. Some have focused on engaging with their best and brightest to convey their respect for the employee and their work, identifying a common “purpose” in their work and the company, and seeking their opinions. Providing additional self-improvement opportunities such as education and leadership opportunities are also common ways to entice and retain staff.
4. Flex scheduling and same day pay are now almost a norm to entice and keep new hires.
5. Taking time in the hiring process to ensure the prospective employee really understands the nature of the work. Finding out the rigors and sometimes unflattering nature of the work after being on the job is a common lament when they leave.
6. Having engaging managers who are responsive, encouraging and make the effort to mentor staff is perhaps the best intervention an employer can make. Time spent in hiring, promoting, and training managers is a critical key to hiring and retention of line staff. See item #3 above. Given the nature of the staffing dilemmas overall, employers quickly move people into management roles who do not have the skill sets or acumen to manage others. Quality management training is often too brief if at all.
7. While not a direct intervention to staff turnover, some operators have begun to explore the use of robotics in supporting dining room needs for delivering food to tables and returning dishes to the kitchen. Some are exploring other places to use this technology where the human touch may not be so critical. Talking with peers who may have made this roughly $15,000 investment per robot may be insightful.

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