

**Transforming the way
we fund, staff and
operate programs to meet
Boomers' expectations**

April 25, 2018

Washington, DC

ICAA Forum Sponsors



The ICAA Forum



The ICAA Forum brings together thought leaders from many organizations—both private and public—to form a think tank that develops strategies to turn the challenges facing senior living providers into opportunities. Launched in 2005, the meetings forge connections among industry leaders while promoting understanding and cohesive action around the ultimate goal: health and quality of life as people age.

Active aging

Active aging promotes the vision of all individuals—regardless of age, socioeconomic status or health—fully engaging in life within all seven dimensions of wellness: emotional, environmental, intellectual/cognitive, physical, professional/vocational, social and spiritual.

International Council on Active Aging®

Changing the Way We Age®

The International Council on Active Aging has led, connected and defined the active-aging industry since 2001. Founded in the belief that unifying the efforts of organizations focused on older adults benefits both the people they reach and the organizations themselves, ICAA's vision is shared by over 10,000 organizations. ICAA's support of the active-aging industry includes industry research reports, environment and program development, market development, education and research on healthy aging and wellness, networking, best practice sharing, marketing and strategy development, public relations campaigns and recognition programs.

ICAA Education, Inc., a sister company, develops and delivers courses to help active-aging professionals build needed skills and knowledge to impact older-adult wellness and the business bottom line.

www.icaa.cc

866-335-9777 or 604-734-4466



Jody Holtzman, Founder and Senior Managing Partner, Longevity Venture Advisors, LLC

Mr. Holtzman works with innovative entrepreneurs, venture investors, public companies and nonprofit organizations to leverage business and investment opportunities in the USD \$7.6-trillion Longevity Economy. Holtzman is a recognized expert and thought leader and frequent public speaker and writer on innovation, products and services relevant to the aging population and

opportunities and challenges presented by the demographic wave. For his contributions, he was recently recognized as a Top 50 Influencer in Aging by Next Avenue/NPR. Previously AARP's senior vice president of market innovation, Holtzman has over three decades of experience helping companies grow by developing and implementing competitive strategies and achieving strategic market goals. He holds a graduate degree from the University of Chicago.



Allyson Y. Schwartz, President and CEO

Allyson Y. Schwartz, B.A., is a former member of the U.S. House of Representatives from Pennsylvania who served from 2005–2015, is a nationally recognized leader on healthcare issues. Throughout her professional life she has worked on issues such as affordability, primary care, coordinated care, and increased access to coverage.

Having worked as a health service executive, Schwartz was elected to the Pennsylvania State Senate in 1990, serving 14 years until her election to Congress. In the state Senate, Schwartz was the driving force behind Pennsylvania's CHIP program, which was a model for the federal CHIP program 5 years later.

In Congress, Schwartz was appointed to the powerful Ways and Means Committee in her second term and served as a senior member of the Budget Committee. In both capacities, Schwartz was a strong advocate for Medicare. She was the leader in Congress on physician payment reform to encourage value over volume, supported research, innovation,

and use of technology to improve quality and efficiency and contain costs.

Schwartz was instrumental in the passage of landmark health reform legislation, authoring key provisions such as the ban on preexisting condition exclusions for children and increased access to primary care.

Schwartz serves on the Executive Advisory Board of the Leonard Davis Institute of Health Economics of the University of Pennsylvania and is a member of the Advisory Board, University of Pennsylvania Wharton School "Penn Wharton Budget Model." Schwartz is also a member of the National Hospice and Palliative Care Advisory Board, participates in an advisory group to Avalere Health's Patient-Perspective Value Framework and serves as a member of RAND's Technical Expert Panel on the Medicare Advantage Stars Rating System. She is on the Board of Trustees, Einstein Health, Philadelphia and served as Co-Chair of the Health and Housing for Seniors Task Force of the Bipartisan Policy Center, where she also frequently participates in roundtable discussions on the future of Medicare.



This report covers three major concepts: funding, staffing, and operating senior living communities, rehabilitation services and corporate wellness programs to best meet the challenges and opportunities presented by the large and unique Baby Boomer generation.

How to get the most out of this report

Before you read this report, it will be helpful to think about the following questions. You may need to read through the report two or three times to be able to answer the questions thoroughly.

The delegates at the forum presented some of the major challenges and opportunities Boomers bring to the senior living industry. Some of those challenges and opportunities will be of greater or lesser importance to your organization. The first step is to identify the most important issue (or issues) for you and then lay out the actions needed to address it (them). An effective method for progressing through strategies to meet a challenge or opportunity is to follow these basic steps:

Why

Ask yourself why a particular issue is a challenge or opportunity for your organization. If the answer is significant, move forward to the next step.

Who

Create a list of the key players involved in this challenge/opportunity. Who are the constituents on both the customer side and organizational side?

What

Outline the difficulties related to meeting this challenge and/or opportunity. Identify the expected negative results of not responding to this issue as well as the positive possible outcomes. Enumerate the necessary components for responding effectively to this issue.

When

Create a timeline for when this issue is most likely to affect your organization along with a schedule of each action step for addressing it.

Where

Where will the issue occur and what will be impacted? Where is this challenge or opportunity going to manifest? Will it play out in the community? In a particular department in your organization? Or staffing group? Will it show up in programming? Is it an issue related to indoor services? Or outdoor infrastructure or activities?

With whom

Identify and connect with the organizations and people who will play a role in the development of this issue.

Once you've implemented the necessary changes to meet the most pressing challenge or opportunity, look at other issues and prioritize the ones that will make the biggest difference to your organization.

Introduction

Over 10,000 Baby Boomers (Boomers) a day are turning 65 years old.¹ By 2030, all Boomers, Americans born between 1946 and 1964, will be older than 65, resulting in 1 out of 5 Americans entering this second stage of life (post-65),² significantly expanding the size of the older population. This aging cohort will have a transformative impact on the American population as a whole and on the senior living industry in particular.

The impact of Boomers will be felt not only in their large numbers but also in a sea change of perspectives and expectations they present for what it means to be older and how they want to be served as they age.

Unlike earlier generations who tended to adopt a more retiring stance toward growing older and a more passive posture toward senior services and healthcare, Boomers have shown a willingness to lean in to the decisions surrounding the services and healthcare they receive, expressing a more engaged and assertive posture toward aging. Rather than settling into stasis, Boomers continue to grow, stay active and remain engaged. They expect to live life well, with help when they need it and convenience because they demand it.

Who are Baby Boomers?

Any discussion of the sweeping changes expected from this large and distinct group of people requires some background about who this generation is.

Baby Boomers were born between 1946 and 1964. They are labeled as “Baby Boomers” because during this period of time there was a statistically significant increase in the number of births. Baby Boomers have shaped the cultural landscape for more than 60 years and will continue to have a substantial influence on society as they move into late life. It is essential for senior living professionals to recognize the qualities and characteristics that define this generation.

When working with people it is important to remember that each and every person is an individual. Common social and cultural experiences, however, do allow “generational identities” to emerge. A number of Boomer traits or characteristics are noteworthy in this context. This generation, for example, did not grow up with technology at the center of their lives. Boomers grew up making phone calls, writing letters, developing solid interpersonal skills, and valuing relationships. They have become proficient in technology but prefer to use it

mainly to be productive rather than as their chief way to connect to another person.

Boomers are confident, self-reliant, and independent. They grew up questioning authority, challenging the status quo and believing they could change the world. They are not afraid of confrontation.³ They are competitive, clever and resourceful. Boomers are extremely hardworking, reliable, and responsible, and they are motivated by prestige, position, and perks.³ They are goal-oriented, and they love to be involved in exciting and challenging projects that make a difference to individuals as well as to the greater community. The traits that drive them in their work also motivate their volunteer activities.

This generation is redefining “age” and the usual expectations of aging. They no longer accept the image of sitting in a rocking chair in retirement. Rather, they pursue active, interesting activities and expect to remain satisfied during this time in their lives. Most don’t need much encouragement to seek new adventures! Boomers highly value personal growth and are excited about the possibilities of reinventing themselves over and over as they age. They continue to enrich their lives by seeking opportunities to grow, learn, and discover new things. Boomers optimistically view this chapter in their lives (retirement) as revitalizing.

Major concepts:

Boomers: The Boomer generation is busting myths about aging, demonstrating substantial contribution to the economy, seeking more active, meaningful ways to spend the rest of their lives, and setting expectations for activities that help them discover new ways to enrich their lives and continue to flourish.

CMS funding: Despite the complexity and challenges of the healthcare system, Boomers do not want to feel powerless in their care and seek education and choices about medical coverage and healthcare options.

Programming and staffing: Organizations that provide programs and services are needing to discover new methods and forms of delivery to develop and sustain relationships with the Boomers and to train staff to meet the needs and desires of the Boomers.

Jody Holtzman, Senior Managing Partner, Longevity Venture Advisors, described four common thought patterns of Boomers. He emphasized that Boomers are *individuals* with different mindsets. When working with Boomers, it is important to understand what is meaningful to each person in order to be effective. Holtzman offered the following table to help understand the mindset of Boomers.

Mindset #1	Mindset #2	Mindset #3	Mindset #4
Growing & evolving through new challenges	Rewarding a life of discipline & sacrifice with a little fun & adventure	Enjoying memories and reflective activities at home	Enjoying simple pleasures with close loved ones
I want to feel:			
Understood	In control	At peace	Safe
I find purpose through:			
Building a professional use Identity & leading Community groups	Taking care of others	Pursuing my passions solo or by joining group activities	Putting my skills to for my loved ones
Social Model:			
Reliance on friends family	Reliance on friends and family	Reliance on self	Reliance on close

Jody Holtzman, Longevity Venture Advisors, April 25, 2018

Boomers and the senior living industry

The size of the Baby Boomer generation and the expectations its members have for living life well across the life span present both challenges and opportunities for senior living facilities, rehabilitation services and corporate wellness programs in the way these organizations fund, staff and transform their operations.

To explore these ideas, the International Council on Active Aging (ICAA) convened the ICAA Forum think tank composed of sixty-two senior executives from senior living, rehabilitation services, community services, and industry suppliers. The delegates' goals were to outline the challenges Boomers present to the industry and explore opportunities for meeting those challenges. Because Baby Boomers present such a broad and complex cultural and economic shift, a comprehensive report covering all possible aspects of their impact on government and private services would be unwieldy and cursory. Instead, the delegates distilled the wide-ranging issues into the key challenges and opportunities they saw as most pertinent to the senior living industry and suggested specific adaptations that will help organizations to successfully connect with and serve this large and unique population.

Sea change

Thought leaders Jody Holtzman and Congresswoman Allyson Y. Schwartz, nationally recognized as leaders in aging markets, healthcare and legislation, shared their insights and perspectives on the Boomer generation. The longevity economy, Boomer characteristics, individual differences in needs and desires, ways to work and interact with Boomers and healthcare industry trends were discussed. The foundation was set for the *Design Challenges*, activities created for the ICAA Forum participants to identify and strive to solve

“From an economic standpoint, not only can we afford this growing number of older people and not only are they NOT a drain on the economy but rather they are a key driver of economic growth, innovation, and new value creation.”

Jody Holtzman, Longevity Venture Advisors

the major issues now facing their organizations and the senior living industry as they relate to the Baby Boomer generation.

Challenges

Delegates prioritized the following challenges of serving an aging Baby Boomer generation:

- Fee for service healthcare financing is failing because it is so focused on hospital and acute care when the biggest healthcare issues and costs facing older people are chronic conditions.
- Most healthcare plans focus on hospitalizations and acute care, yet the biggest healthcare issues and costs are not from acute but chronic diseases and conditions. Approximately 92% of those over 65 have at least one chronic disease and 77% have two. Two-thirds of all deaths are caused by these four chronic diseases: heart disease, cancer, stroke and diabetes.⁷
- PFFS (private fee-for-service) Medicare isn't meeting the Boomers' needs for transparency.
- PFFS Medicare is lacking effective education and Boomers are unknowingly missing opportunities.
- Boomers are experiencing barriers to inclusion in vital health and wellness programs.
- Boomers don't see themselves as ever needing the “other side of the wall.”
- An increasing number of Boomers are deciding to stay (age) in place and not move into senior housing, with 90+% saying they want to stay in their homes.
- Senior housing occupancy has reached its lowest level in eight years, averaging 87.9%.⁵
- There is a lot of confusion in the industry and among consumers about senior housing and senior care and this affects how Boomers think about senior living and reduces the efficacy of organizations to attract Boomers as current and future customers.

- Traditional housing options and programs aren't meeting Boomers' needs and expectations for remaining active and relevant. Programs and environments are not seen as engaging and fulfilling.
- Current programming and language surrounding aging, senior industry services and healthcare focus on disease, limitations and segregation and don't reflect the Boomer generation's self-view of wellness, engagement and integration.

Opportunities

While serving a large and culturally unique aging population presents many challenges, opportunities are also available for organizations to grow in response to those challenges. Delegates prioritized the following recommendations:

- Focus care delivery on chronic conditions rather than acute care by improving access to primary care physicians and specialists and by establishing coordinated and continuous care.
- Educate themselves and potential consumers about senior housing and senior care.
- Begin reaching out to people *before* they need their services so that consumers will be ready to make appropriate, informed choices.
- Build collaborative partnerships (internally and externally) to enhance Boomer choices and opportunities for community engagement and employment.
- Reorient services to a collaborative approach that focuses on lifestyle and wellness rather than need and medical care.
- Personalize the design, programming and marketing of services to meet Boomers' expectations for individualized services and care.

- Transform staffing to meet the new needs of both consumers *and* the new generation of employees.
- Update technology to match the user-capabilities and expectations of the Boomers as well as to ease demands on skilled staff members.
- Foster integration among residents, community members and businesses.

Key considerations

During presentations and summaries of the proceedings, there was a recognition that Baby Boomers represent a new perception of aging and this new perception will lead to fundamental changes in the way Boomers seek and receive services. Understanding the role of Boomers in the U.S. economy and identifying the significant characteristics of how Boomers relate to other people and organizational services are essential to working successfully with this group.

Boomers are shattering stereotypes and busting myths about aging. Holtzman describes the Boomers as “the opportunity generation.” He shared that:

- People aged 50 and over start companies at twice the rate of those in their 20s.
- The average age of a CEO is 58 years old.
- The average inventor of the highest valued patent is 55 years old.
- 72% of all patents in technology and materials sciences went to those over 47 years old.

Holtzman pointed out that financially, Boomers are major consumers, contributing billions to the economy. The “Longevity Economy,” based on the needs, desires, and preferences of consumers 50 years and older, is demonstrating that the Boomers are a financial force to pay attention to. In the U.S., 35% of the population (those over 50) drive over 42% of the gross national product (GDP) and contribute nearly two billion dollars in federal, state and local taxes. Over the next 20 years, spending by this age group is projected to increase by 58%.⁴ Boomers control 70% of disposable income in the U.S.⁴

Boomers are not a drain on the economy as once thought; rather they are a key driver of economic growth, invention and new-value creation.

Boomers bring significant worth as well as new needs, challenges, and expectations to the senior living industry. The most significant themes that emerged from the Forum discussions revolved around the characteristic views held by Boomers that center on language, integration, and collaboration.

Language

Delegates stressed that the narrative on all sides of the conversation must reflect and represent the new perspectives and expectations Boomers bring to aging. Unlike previous generations that tended to view old age as static and removed from active pursuits, Boomers see aging as a continuation of the state they're currently in—that is, they see themselves as remaining engaged and relevant. This generation is also more culturally aware and sensitive, and potential consumers will be driven away by offensive and limiting labels such as “seniors,” “geezer,” “elderly,” and “old.” In addition, Boomers are accustomed to a high level of self-determination, and as such, verbiage that allows for an active involvement in their community and health will be more effective in drawing members of this generation into the conversation and will create opportunities for engagement. Boomers will respond more to words like *consumer* rather than *patient*, *lifestyle* rather than *care*, and *coordinators* rather than *directors*.

The delegates also recognized that the new generation of staff members who make up the workforce today also have their own expectations for language that reflects inclusivity, diversity, and respect.

Integration

In terms of lifestyle and care, Boomers seek and expect models that are preventative, continuous, integrated and holistic.

In terms of living design, Boomers expect to remain part of the community by either receiving assistance in their own homes or by living in blended, multigenerational communities that include ready access to technology, businesses, and multiuse facilities.

Collaboration

The delegates recognized that traditional housing options and care programs don't meet Boomers' need for relevance. Inherent in this is their expectation to be collaborators in maintaining their lifestyle and healthcare. Being part of the process, having choices, and partnering in their own health and wellness are integral components of the Boomer outlook.

Action steps

Forum participants developed the following potential opportunities to meet the challenges posed by the Boomer generation in terms of funding, operating, and staffing programs.

CMS and funding for Boomers

Forum participants agreed on the following recommendations for transforming healthcare delivery for those over the age of 65:

- Increase collaboration and communication across industry lines of service. This would include healthcare, social services, technology, wellness departments, and faith-based services.
- Advocate for better funding for health promotion and disease prevention programs leading to enhanced wellness programming. Wellness-infused communities are attractive to potential residential living buyers. Home sales range 10–25% higher in wellness real estate markets.⁶
- Create simple education programs before Medicare enrollment to clear up the confusion surrounding Medicare plans.
- Improve the Medicare process by minimizing documentation, looking at outcomes, and aligning incentives.
- Create business opportunities that will attract investors and other people in the financial industry to assist with funding amenities, staff and programs.
- Develop an improved consumer-services model to help Boomers navigate the process.



DM 1/3
The main objective of the course
is to provide a comprehensive
understanding of the business
environment and the role of
the organization in society.
The course is designed to
provide a solid foundation
in the areas of business
strategy, financial management,
and human resources.
The course is designed to
provide a solid foundation
in the areas of business
strategy, financial management,
and human resources.

DM 1/3
The main objective of the course
is to provide a comprehensive
understanding of the business
environment and the role of
the organization in society.
The course is designed to
provide a solid foundation
in the areas of business
strategy, financial management,
and human resources.
The course is designed to
provide a solid foundation
in the areas of business
strategy, financial management,
and human resources.

DM 1/3
The main objective of the course
is to provide a comprehensive
understanding of the business
environment and the role of
the organization in society.
The course is designed to
provide a solid foundation
in the areas of business
strategy, financial management,
and human resources.
The course is designed to
provide a solid foundation
in the areas of business
strategy, financial management,
and human resources.

DM 1/3
The main objective of the course
is to provide a comprehensive
understanding of the business
environment and the role of
the organization in society.
The course is designed to
provide a solid foundation
in the areas of business
strategy, financial management,
and human resources.
The course is designed to
provide a solid foundation
in the areas of business
strategy, financial management,
and human resources.

- Create solutions for reimbursement through increased flexibility.

Operations

The forum participants made the following recommendations for looking at ways to transform operations to better serve Boomers' desire for relevance and meet their expectations for living well.

Conduct research through

- surveys and focus groups in which Boomers describe how they want to be defined and the living arrangements and features they seek or expect.
- think tanks composed of management, staff, residents, boomers, and businesses.
- Giving residents a voice so that legislators and regulators hear directly from them.

Use the information from research to

- Personalize the design, programs and marketing by providing choices and tailoring them to individuals.
- Change the language surrounding aging and housing options.
- Develop new ways to market and promote senior living using language that appeals to Boomers such as "choice," "freedom," "lifestyle solutions" and "life planning."
- Develop a consumer services-based approach which recognizes that individuals are consumers not patients and which offers individualized lifestyle and care plans.

Look toward

- Creating integration rather than segregation through communal living made up of different ages.

- Instilling a cooperative element in the community. For example, a retired teacher might offer a Spanish lesson to a high schooler or college student in exchange for lawn mowing.
- Employing technology that:
 - Boomers are accustomed to and expect to use for social connection, such as tablets for ordering food, smart-home devices, as well as smart rooms and apps.
 - Staff will benefit from technologies such as tablets and smart-home devices.
- Changing the structure of job descriptions. For example, Boomers don't want to be "directed"—they want "coordinators" and "coaches."
- Enhancing the role of partnership and allowing for self-direction.
- Becoming more lifestyle-centered rather than needs-centered.
- Developing a more holistic approach to care that:
 - Teaches participants about lifestyle solutions for chronic conditions.
 - Allows participants' to be a **partner** in their healthcare.
 - Moves from a medical model of illness to a holistic model of wellness.
- Blending communities into the environment by bringing in businesses and integrating communities so that they're not the "assisted living down the road."

Engage in outreach through education and communication by

- Educating early and clearly about finances and healthcare to change perceptions so that people can learn about choice, change, and growth.



- Reaching people early so that planning for getting older is normalized and fear is reduced.
- Finding ways to entice Boomers to achieve life satisfaction by choosing a senior living community as their housing option, such as releasing a PSA on senior living (sponsored by all agencies) aimed toward changing perceptions about what it means to live and work in these communities.
- Using peer ambassadors to reach out to those seeking senior living options.

Staff

Forum participants discussed the need for staff training that focuses on understanding Boomers while also meeting the needs and desires of the new generation of employees. They made the following recommendations.

For preparing staff to serve Boomers:

- Understand Boomers' needs and expectations, individuality and common characteristics.
- Focus on what people *can* do as they age, not what they *cannot do* or why they need assistance. Concentrate on residents' happiness and aspirations rather than assuming mental, spiritual and physical decline.
- Create new job descriptions and titles that meet Boomers' expectations for partnership.

For attracting and keeping the new generation of staff:

- Develop a sense that the work is purposeful.
- Provide employment benefits such as flextime, childcare, transportation, onsite wellness, pet care, career pathing, emergency funds, competitive salaries, and free medical and dental.

- Offer education benefits such as paydown loans and funds for future education.
- Encourage savings programs and attendance incentives
- Foster cultural inclusion and diversity.

Summary of the 2018 Forum

The 2018 ICAA Spring Forum focused on the impending changes that the Boomer generation will have on the senior living and active aging industries. The unique characteristics, needs and expectations of Boomers were presented and discussed. Thought leaders laid the foundation to identify problems and challenges confronting the senior living industry and motivated Forum participants to design solutions. Identifying the needs and expectations of Boomers, understanding Boomer traits, changing perceptions and knowledge of senior living by Boomers, training and educating staff and creating cross-collaborative models were among the topics discussed. Solutions focused on educating Boomers and staff, improving communication, collecting data, creating-collaborative partners for funding and support and establishing new language for marketing and promotion.

References

1. Landau, J. Healthcare dilemma: 10,000 boomers retiring each day. *CNBC.com*, October 3, 2017. Retrieved June 14, 2018.
2. United States Census. Older people projected to outnumber children for the first time in history. *Census.gov*, March 13, 2018. Retrieved May 22, 2018.
3. Kane, Sally. Baby Boomers in the workplace. *thebalancecareers.com*, April 19, 2018. Retrieved June 14, 2018.
4. Immersion Active. 24 stats marketers need to know about Baby Boomers in 2017. *Immersionactive.com*, July 19, 2017. Retrieved June 16, 2018.
5. Nelson, M. Senior housing occupancy tumbles to 8-year low. *Seniorhousingnews.com*, July 12, 2018. Retrieved July 12, 2018.
6. Global Wellness Institute. 2018 research report: Build well to live well. *Globalwellnessinstitute.org*, January 2018. Retrieved June 25, 2018.
7. National Council on Aging. Healthy aging: fact sheet. *Ncoa.org*, Retrieved July 2nd, 2018.
8. Hennessy, E. The demands of a rapidly growing senior population will drive 2018 industry changes. *McKnight's Long-term care news*, *mcknights.com*, January 8, 2018. Retrieved June 18, 2018.



603-1112 West Pender Street
Vancouver, BC, V6E 2S1
Toll-free: 866-335-9777 Tel: 604-734-4466
www.icaa.cc