

W h i t e   p a p e r



# The business case for wellness programs in retirement communities and seniors housing

*A white paper from International Council on Active Aging®*

Changing the Way We Age®





**Wellness ROI:**

- Meets the organization's mission.
- Influences occupancy rates.
- Reduces turnover.
- Elevates competitive positioning.
- Increases revenues.
- Contributes to resident satisfaction and engagement.
- Manages costs of healthcare.
- Keeps residents independent, longer.
- Reduces the need for direct-care workers.
- Performs double duty for employee wellness.
- Powers marketing efforts.

**THE MARKET ENVIRONMENT**

That the aging population is huge and growing is well-known. Today's US population ages 65 and over is 37.9 million—a number expected to double in size to 72 million people by the year 2030. The age group 85 and older is now the fastest-growing segment in the population.<sup>1</sup> That's the age group often found in retirement communities, particularly those with continuing care.

The next generation of residents, the Baby Boomers born between 1946 and 1964, was an estimated 78.2 million strong in 2005. Every hour in the year 2006, about 330 people turned 60.<sup>2</sup> In Canada, first-wave Baby Boomers are the fastest-growing age group (2001–2006), including 3.7 million individuals.<sup>3</sup>

Not only is there a very large number of aging people, they are living longer. By 2020, life expectancy in the US is projected to reach 81.9 years for women and 77.1 years for men.<sup>4</sup> The life expectancy of Canadians stands at 82.5 years for women and 77.7 years for men.<sup>3</sup>

Even if a small percentage of older adults choose to live in age-qualified retirement communities, it is a very large market. Older adults do relocate: 39% of people ages 60 and older change their residences, usually moving within the same state. And, in 2000, people ages 65+ accounted for 10% of new-home buyers.<sup>5</sup>

Where are aging adults going to choose to live?

What is the opportunity cost for **not** investing in wellness culture, facilities and programs?

**ADVANTAGES OF THE WELLNESS PROGRAM**

Evolving research shows that physical, intellectual, social, vocational, emotional and spiritual activity—wellness—is the key to aging people keeping their health, their mental skills and their quality of life.

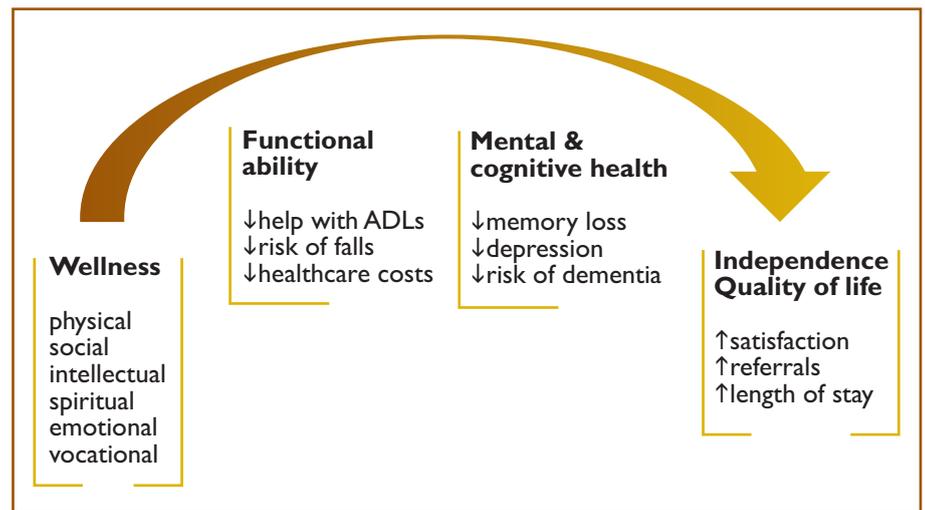
Wellness is the global term covering all the activities and many of the physical amenities that are offered in a community. The fitness center and shuffleboard courts, arts and music groups, therapy services and dining, walking trails and recycling program—all are key to the quality of life for residents. A higher quality of life keeps older adults engaged in the community. Engaged residents stay longer and try to get their friends to join them.

Why is the trend in retirement communities to add or expand wellness facilities and programs? To attract new residents, communities must provide opportunities for residents to have friends and stay active. Once a community's buildings and facilities are in place, points out a recent study from The ProMatura Group, it's the amenities and activities that keep residents satisfied.<sup>6</sup>

Retirement communities are making themselves the residence of choice with comprehensive, well-managed wellness programs.

- 88% of 388 organizations currently have a formal wellness program and 11% have wellness activities, but not a formal program.<sup>7</sup>
- In 2003, CCRCs that built a wellness center into the original community did so to address demand from the market (89%) and from residents (86%).
- Older CCRCs added a wellness center to an existing community because of competition (80%).<sup>8</sup>

Wellness programs directly and indirectly support an organization's key performance indicators.



**71.5%** of people 55+ who planned to move to a retirement community would do so to have more social contact and activities.<sup>17</sup>

**65%** of people looking at independent living communities value on-site services and recreation.<sup>36</sup> (1,190 older adults)

## WELLNESS PROGRAMS AND WELLNESS FACILITIES ...

### Meet the organization's mission

Shelter. Safety. Support. Community. Lifestyle.

Independent of business model or tax status, most retirement communities promise their customers they will provide a place that becomes a home. Communities with assisted living or nursing add healthcare, when needed, to that promise.

The wellness program is a strategy that helps organizations meet their missions and fulfill their promises to customers. Best-practice communities start with the mission, and develop their wellness culture from that core foundation.

### Influence occupancy rates

The number of housing units that are occupied and generating revenue is the critical metric for senior living organizations.<sup>9</sup> Occupancy drives revenue streams.

A well-managed and comprehensive wellness program with competent staff is a competitive advantage that increases word-of-mouth referrals and marketing opportunities, and maintains resident satisfaction. The more engaged a resident is, the longer that person is likely to stay in the community and take advantage of service offerings.

Often the adult children or other trusted relatives strongly influence or make the housing decisions for their elders. In fact, over three-fourths of the adult children whose older relative resided in seniors housing or long-term care were involved in the decision, according to National Investment Center for the Seniors Housing & Care Industries (NIC). This is an important consideration since younger-older adults place a high value on a residence where there are opportunities for life activities. Who wants to see their relatives unhappy and staring out a window all day?

Opening the wellness program to prospects once they are placed on the wait list maintains their interest in the community and reinforces the decision to move in. Since wait-list participants already know so many other residents because of their involvement in the community, integration is easier.

High occupancy rates and solid waiting lists are important not only for current revenue streams. These indicators are also examined by banks as part of the criteria for capitalization.<sup>10</sup>

“Proper orientation to an active healthy lifestyle can enhance well-being and reduce turnover significantly. If residents think they are happy and healthy, they generally are. ... Enrichment programs designed to slow the aging process and encourage independence can be a significant retention tool.”<sup>11</sup>

– Benjamin W. Pearce  
 President and CEO, Potomac House Groups

**Reduce turnover**

Residents voluntarily move out of a retirement community because of family influence (often from financial strain), cost, unhappiness and miscellaneous other reasons.<sup>11</sup> A properly executed wellness program can address cost factors by maintaining individuals’ health and functional ability—residents stay in the community because they retain more of their capital. Plus, they convince their families that they want to stay because they enjoy the community.

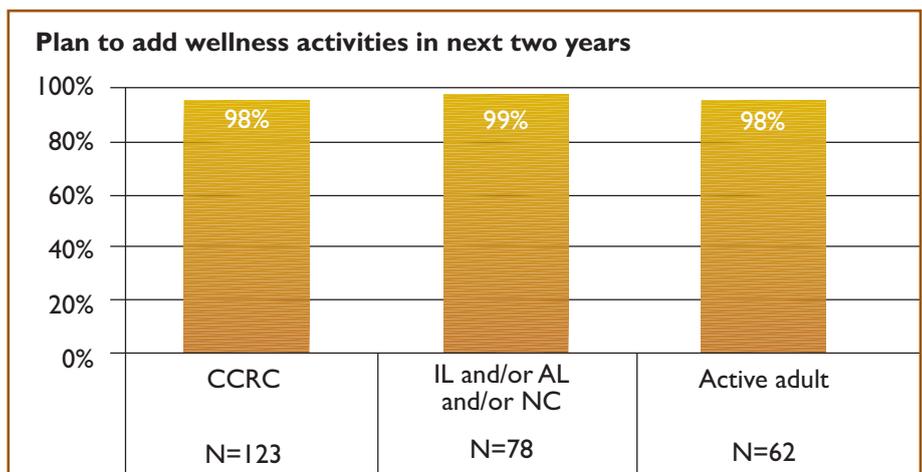
Another benefit is that residents who enjoy life at the community and are satisfied with the services offered—including the wellness program—tend to be more involved in their lifestyle and stay busy, which focuses their attention on their lifestyles rather than on their personal limitations.

**Elevate competitive positioning**

Current residents in their 80s and 90s are interested in maintaining their health; future residents are demanding wellness services and well-equipped, well-maintained facilities.

An ICAA survey of 388 association members and colleagues,<sup>7</sup> who typically are leaders in wellness for older adults, found that although 93% increased wellness activities in the prior two years, virtually all of them (98%) planned to expand the programs over the next two years.

In addition, 91% had a wellness or fitness center and 41% planned to develop or renovate a facility.



Source: International Council on Active Aging, Buying Trends Survey, October 2008

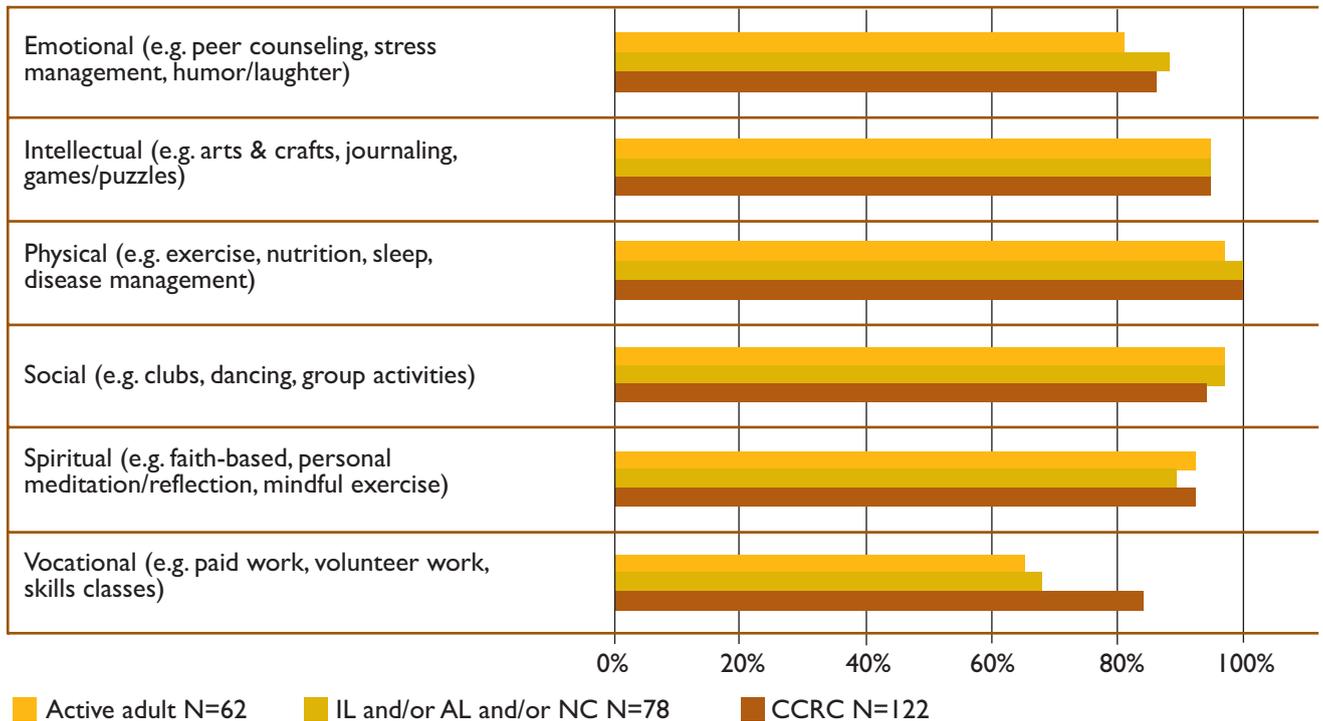
An analysis of the US American Housing Survey (2005) found that most (about 74%) active-adult or age-restricted rental communities provided recreational facilities that might include a community center or clubhouse and walking/jogging trails. Although this survey does not ask about wellness programs, it certainly indicates that most communities are designed for active living.<sup>12</sup>

Why are so many communities expanding their wellness programs and facilities? Why is adding wellness facilities and programs the current strategy in senior living?<sup>13,14</sup>

The investments in programs and capital projects confirm senior management's belief that wellness holds a competitive advantage. When older adults or their families tour your community, what do they see? Residents happy, chatting with others and on their way to a purposeful activity? Or do they see—little. Little activity, little options, little interaction.

Knowing that lifestyle and wellness activities maintain health and function, attract visitors, and show their communities in a different light than competitors who lack wellness programs, operators meet today's needs with an eye toward customers who will be their residents in 10 years.

**Wellness programs are ...**



**Source:** International Council on Active Aging, Buying Trends Survey, October 2008

### **Profile: Reinvigorating a community through wellness**

*Seabury is a life care community established in 1992 with 400 residents living on a 66-acre campus. Five years ago, Seabury introduced the Circle of Wellness program, which was a paradigm shift in Seabury's core services and values. Today, the program incorporates fitness, nutrition and spirituality along with traditional healthcare as part of its philosophy.*

"In the field of aging, you always try to track where the market is going. What are the clients 5–10 years down the road going to want—what will attract them to your community? The generation coming to us in the next decade sees health and fitness as part of their lifestyle. We emphasize wellness to stay competitive.

"Wellness is an expected feature in retirement communities. Think about colleges. Twenty-five years ago, very few had a fitness facility. Today, you couldn't get a student to attend a college that doesn't have a huge fitness center. With the Baby Boomers coming up, the same thing is happening in retirement communities.

"At times it was tough to convince current residents of the idea that future residents are looking for wellness and we needed to expand our offerings to stay competitive. However, once we were up and running, it took less time than anticipated to shift the residents and staff to a full-blown 'Wellness for Life' Philosophy.

"We are attracting a younger and more active clientele. Our entrance age has dropped by 3-1/2 years, and we are attracting active 76–78 year-olds because they want this amenity. The people who are coming are more active, more educated, have higher incomes, and have more self-initiative and control in their lives. They relate well with other residents.

"We now have 85% of our independent living residents using the fitness center and it gets its allocation of funding because of that level of utilization. The fitness center also is beneficial for marketing. People in the community and on the wait list can use the facility. That makes the wait list more solid and committed to Seabury.

"We also opened the fitness center to employees who follow guidelines in respect to the residents' priority. Employees have better morale, too, and we've improved retention and reduced absences. Our residents love to see employees in the fitness center.

"Wellness is an integral part of our mission. From a business standpoint, the fitness and wellness program has decreased attrition and therefore, reduced our future healthcare liability. Wellness is where the market is going—it is the future for all aging services providers if they want to remain marketable."

– John S. Mobley  
Executive Vice President & Chief Executive Officer, Seabury  
Bloomfield, Connecticut

### **Increase revenues**

The cost of providing the wellness program is most frequently rolled into the entry fee, monthly fee or housing price, whether independent living, assisted living or CCRC.<sup>8,9,15,16</sup> Because a wellness program provides a higher level of service, operators are able to charge a higher rate.

Older adults who are more highly educated and have higher incomes express more interest in social contacts and activities.<sup>17</sup> They have the capacity to and interest in paying those higher rates for wellness services. They also have an increased ability to pay for add-on services, such as personal training, massage or travel excursions.

A separate activity or user fee is an option to cover the costs of the programs. A separate fee is most frequently used in active-adult retirement communities.<sup>15</sup>

Other sources of income are user fees or membership dues for nonresidents to access the wellness center. Communities who clearly define the hours and types of usage by nonresidents receive a dual advantage of an income stream and marketing to potential new residents.

For both residents and nonresidents, additional fees generate small but steady revenue streams for:

- personal training
- massage
- spa treatments
- specialty classes or workshops
- lifelong learning courses
- physical or occupational therapy
- travel

For communities that provide healthcare, a healthier population has less need for nursing care in the healthcare center. Beds that are not used by residents can generate revenue by being available to private-pay patients from the larger community.

### **Contribute to resident satisfaction**

Residents who are active, physically able to participate and connected to staff and other residents are more likely to be satisfied with the community. Satisfaction is a factor influencing turnover that can be controlled.<sup>11</sup>

Resident satisfaction also brings new customers. According to The Independent Living Report, 64% of residents learned about their independent living community by word of mouth,<sup>18</sup> which reinforces the value of a satisfied customer.

**70%** of Boomers have a hobby or special interest that they will dedicate a lot more time to when they retire.

**68%** agree that they will have plenty of time for recreation.

**54%** of Boomers expect to exercise regularly in retirement.

*(2004 nationally representative sample of 1,200 adult Americans ages 38–57)<sup>37</sup>*

The wellness program was an important reason for the satisfaction of current residents, according to **88%** of the staff who responded to a survey of 61 CCRCs. At these communities:

- 74% of respondents believed the wellness program was an important reason why residents joined the community; and
- 72% felt the program contributed to the satisfaction of the family of the resident.<sup>19</sup>

The residents themselves rank the opportunities offered through wellness programs and a wellness culture as important contributors to satisfaction. Within six months of move-in, a survey of 1,042 residents discovered that the nonphysical attributes of their retirement communities had a significantly greater impact on their satisfaction than the community's physical attributes.

The highest levels of satisfaction were related to:

- quality of daily life (cultural, musical, arts/crafts, entertainment and social opportunities);
- dining flexibility (quality of food, variety of menu items and the services and times available for dining);
- quality of personnel;
- personal control (privacy and sense of safety and security); and
- comfort (ease of making friends and sense that the residence is my home).<sup>6</sup>

## Manage costs of healthcare

As a person ages, there is a comparable increase in the risks of disability, dementia, depression and chronic medical conditions (arthritis, diabetes, cardiovascular disease). Today, about **80%** of older US adults have at least one chronic condition, and **50%** have at least two. Chronic diseases are associated with disability, diminished quality of life, and increased costs for healthcare and long-term care.<sup>20</sup>

By improving physical and mental function, and contributing to a sense of well-being, wellness programs can help prevent or manage chronic conditions. This lowers the costs for individuals, who retain more of their personal wealth, and lowers costs for the community because there is lessened need for care staff.

Any community that offers nursing care and therapy is strategizing for ways to reduce their financial dependence on Medicare reimbursement.<sup>21</sup> One way to offset lower reimbursement rates is to help residents avoid having to use nursing and therapy services.

“As a Continuing Care Retirement Community, the single most important reason for promoting wellness and health is to reduce the need for skilled nursing care in a nursing home.

“Since the average cost per year for one resident to be in the nursing home is approximately \$100,000 to \$120,000, other investments seem to pale in comparison to that. The ROI factor is simply an estimate of the savings that we might achieve by promoting health and wellness.”

– Steve Surprenant  
 Chief Operating Officer, Mercy Community Health, Inc.  
 West Hartford, Connecticut

For example, in the United States in 2004, the average inflation-adjusted healthcare cost for older Americans was \$13,052. Individuals with no chronic conditions incurred an average \$4,718 in healthcare costs, while people with five or more conditions incurred \$20,334.<sup>22</sup> Given that the federal government expects healthcare costs to increase 25% by 2030, organizations and individuals can expect rising healthcare costs, too.

Physical activity is a mainstay of wellness programs and the wellness environment, and physical activity is one way to control those costs.

- An investment of \$1 in physical activity (time and equipment) leads to \$3.20 in medical cost savings.  
 – WHO/CDC Collaborating Center on Physical Activity and Health Promotion
- Every dollar spent on physical activity programs for older adults with hip fractures results in a \$4.50 return.  
 – US Centers for Disease Control and Prevention
- People who were 50 years and older and started exercising only 90 minutes a week saved an average of \$2,200 per year in medical costs.<sup>23</sup>  
 – HealthPartners Research Foundation

With that kind of return, an investment in wellness makes sense.

### Wellness to reduce healthcare costs

- The average per-person payment for health and long-term care services for people 65+ with Alzheimer’s or other dementias was \$33,007 in 2004. For people with no dementia or Alzheimer’s, the average per-person payment was \$10,603.<sup>38</sup>
- People with diagnosed diabetes incur average expenditures of \$11,744 per year, of which \$6,649 is attributed to diabetes. Their medical expenditures, on average, are 2.3 times higher than what expenditures would be in the absence of diabetes.<sup>39</sup>
- People with diabetes who participated in a group-exercise program (SilverSneakers) through a Medicare Advantage plan had lower total healthcare costs (-\$1,633) after one year than older adults who did not exercise. The trend continued after two years of participation in the program (-\$1,230).<sup>40</sup> (618 people)
- People whose functional status worsened over time had direct costs of care that were 62% higher than for [HMO] insureds who maintained high functional status over the same time period.<sup>41</sup>
- The medical costs for normal weight seniors were approximately \$1,548 dollars lower than those for a minimally obese senior. Daily walking also predicted lower costs for hospitalizations and diagnostic testing.<sup>42</sup>

## Wellness for functional independence

- At ages 70, 78 and 85 years, people who were physically active were more likely to remain independent and experienced fewer declines in their ability to perform daily tasks. In addition, they reported fewer new instances of loneliness or poor self-rated health.<sup>43</sup> (1,861 people born in 1920 and 1921)
- Higher levels of physical activity among residents of retirement communities were associated with a slowed rate of mobility decline. Each additional hour of physical activity reported by individuals led to approximately a 3% decrease in rate of mobility decline.<sup>28</sup> (886 older adults)
- Participating in social activities (such as doing volunteer work, visiting friends or relatives, or attending church or sporting events) slowed decline in motor function (e.g. ability to walk in a line, tap index finger or grip). Each one-point decrease in a participant's social activity was associated with an approximate 33% more rapid rate of decline.<sup>44</sup> (906 older adults)

## Keep residents more independent, longer

A goal of communities with multiple levels of care is to keep residents in the most independent level of care.<sup>25</sup> After all, the cash flow margin is highest for residents in independent living units, points out industry watchers at Ziegler Senior Living Finance.<sup>26</sup>

Not surprisingly, independence is the goal of most older adults, too. This point was brought home in a national survey of over 7,000 US adults 55 years and older.<sup>17</sup> These are the “important reasons” why 853 Baby Boomers and 336 65+ adults were moving into a retirement community:

- 46.1% of Baby Boomers and 39.6% of people 65+ to gain freedom and independence; and
- 83.3% of Boomers and 67.4% of 65+ for more social contacts and activities.

However, after living in a retirement community, freedom and independence became even more important to residents than services such as housekeeping. The results led lead author George Moschis to observe that “... marketers should position retirement communities as facilities that promote independence ...”

This finding was echoed in The Independent Living Report, which stated that residents reported higher levels of satisfaction when they were functionally independent, compared to residents who needed help with ADLs or IADLs.<sup>18</sup>

In simple terms, “functional independence” means people can take care of themselves. Residents who are able to maintain ADLs and IADLs—regardless of their health conditions—require less assistance and stay longer in independent living since they don't need to move for health reasons.

The wellness program is a key facilitator of functional independence because it features purposeful education, coaching and activities that enable individuals to maintain their independence for as long as possible.

- Older adults who enjoy moderate physical activity and good nutrition, and don't smoke, can delay disability by as much as 10 years.<sup>27</sup>
- For 19 frail elders, every percentage point increase in a resident's functional ability, measured by the FIM score, reduced cost of care by .50 cents a day. A 14% increase in functional ability reduced cost of care by \$7.00 per day.<sup>29</sup>

## Wellness for mental health and cognitive independence

- People who volunteered and exercised, perceived their level of social activity level as “enough,” and demonstrated a higher participation level pattern were more likely to have less depression, and less depression over time.<sup>45</sup> (5,294 older adults)
- Available evidence indicates that cognitive health is supported by intellectual activity, social interaction and physical activity. Intellectual activity also is associated with a reduced risk of Alzheimer’s disease. Aerobic exercise is particularly associated with cognitive functioning.<sup>46</sup>
- Cognitive decline was linked with risk factors for cardiovascular disease, including hypertension, greater body mass index, heart disease, diabetes and smoking. Psychosocial factors—emotional and social support networks, high socioeconomic status and low stress levels—correlated with cognitive and emotional health later in life.<sup>47</sup> (96 studies involving 65+ adults)

## Profile: Wellness for function and quality of life

*CRSA serves 35 senior living communities in 20 states, providing professional services to develop, market, manage and finance senior living communities for nonprofit and for-profit owners/sponsors and for investors committed to providing a quality lifestyle for senior adults.*

“Part of the CRSA philosophy is that residents in a communal setting cannot age well unless they are active. We do not build our communities without a wellness center; it is part of the pro forma for lenders and pre-sale for prospective residents. We are not just offering a lifestyle, we are offering an active-aging lifestyle to make the ‘resident’s journey of aging’ healthier than anticipated.

“When conducting resident focus groups prior to developing a community, people always ask about the wellness program. Wellness programming helps attract residents. Our average age is 82, and some communities are attracting younger residents because they are looking for that active lifestyle. We tell new residents, ‘this will be your home, and we will strongly encourage you to be active.’

“Upon move-in, we have found that 69% of our residents score within the range of depression on our wellness assessment. So the minute they move in, the staff starts promoting the wellness program to combat depression. We emphasize social connections, using six dimensions of wellness, and we find residents are more interested, more active and therefore happier and healthier.

“Wellness absolutely helps continuing care retirement communities function as designed. Every year MetLife does a review of residents in Assisted Living. MetLife reports that of all transfers from independent living units to the internal healthcare center, 8–10% go back to their independent setting. At CRSA-managed communities, on average 30–36% go back to independent living.

“Our overall campus wellness program has resulted in fewer falls, symptoms and acute transfers to hospitals. The majority of our residents that participate in the wellness program experience higher strength, better balance and improved joint mobility. In turn, there is a decrease in the need for walkers, canes and ambulatory devices.

“There is no question in our minds that not having a wellness program would thoroughly stagnate our communities. It is a huge report card of what we are doing.”

—Vicki Sherrard  
Executive Vice President, Health, Wellness, Management, CRSA  
Memphis, Tennessee

## Wellness to reduce falls

- People at less risk for fall-related fractures felt a higher level of life satisfaction and engaged in social activities, were married, had lived in their homes for 5 years or longer, had private health insurance, and used proactive coping strategies.<sup>48</sup> (387 people, 65+)
- Exercise programs aimed at falls prevention lower risk of falls and the rates of falls. The greatest reduction in fall rates occurred with exercise that challenged balance and was conducted two hours a week over six months.<sup>49</sup> (44 studies including 9,603 adults)
- The incidence of falls was significantly reduced for exercisers engaged in calisthenics, balance training, muscle power training, and walking ability training 3 days a week.<sup>50</sup> (68 older adults)

## Reduce the need for direct-care workers

Wellness programs enable residents to maintain their functional abilities, thus reducing their need for care workers such as personal assistants, health aides and nursing assistants.

A new analysis projects that the number of people in the US needing personal assistance will grow from 13 million in 2000 to 27 million in 2050. However, the number of workers is likely to decline due to Medicaid cuts, low wages, lack of health benefits and high job turnover.<sup>30</sup> For many communities, training, turnover and recruitment of direct-care workers, including nursing assistants and personal aides, are ongoing challenges.<sup>31</sup>

When fewer residents need assistance with ADLs and IADLs, the need for care workers likewise is reduced, thus easing the burden on human resources. This reduction has the potential to reduce the budget for finding, recruiting and training new workers.

In contrast, wellness staff members are stable, long-term workers. An ICAA survey of 785 wellness professionals found that they have worked in their current positions for an average of six years, and only 23% planned to change jobs in the next two years.<sup>15</sup> Plus, wellness staff have the potential to assume multiple roles in an organization and be groomed for lateral and upward mobility.

## Perform double duty for employee wellness

Worksite health promotion and disease prevention programs can improve employee health, increase productivity and yield a significant return on investment for the employer. For example:

- Health promotion and disease management programs realized a value of \$1.49 to \$4.91 in benefits for every dollar spent on the program.<sup>32</sup>
- Workplace fitness programs can increase productivity by up to 52% while reducing short-term sick leave by up to 32% and healthcare costs by up to 55%.<sup>33</sup>

A study by Maritz found that 20% of employees who participated in a wellness program at least occasionally were completely satisfied with their jobs, compared to 13% of employees who did not participate. In addition, 27% were happy to spend the rest of their career with the company, compared to 18% who did not participate.

In addition to employee satisfaction, Maritz data showed that people indicating regular, once-a-week participation in a wellness program took significantly less sick time (14% took 5 or more sick days within the year) than those choosing to never participate (25% took 5+ sick days/year).<sup>34</sup>

## Lifestyle sells the community

“Fitness and lifelong learning are a big part of the lifestyle at On Top of the World Communities. We understand through many years (continuously building in Florida for 60+ years, to be exact) what people are looking for in their new home design, and what they want in a lifestyle.

“Many people tell us, ‘I plan to stay active and engaged—what does your community offer to help me do that?’ What we see in the competition is that the activities that they offer are all fluff and are not intellectually or physically challenging or stimulating. We offer the full gamut of activity from as deep an intellectual or creative experience as a person may choose, to recreational or just plain fun. Frequently we hear from potential customers that they had no idea there were so many things to do here, and can’t imagine living anywhere else.”

— Jo Salyers  
Director of Marketing, On Top of the World Communities  
Ocala, Florida

Organizations that allow employees (and sometimes their families) to use the wellness center clarify that residents have priority access. Anecdotal reports reveal that both residents and staff members benefit from their contact in nonwork roles. Wellness programs increase employee morale and rapport with residents. Not least, the availability of a wellness program as an employee benefit may make it easier to recruit and retain staff members.

## Power marketing efforts

A vibrant wellness program is a marketing advantage that informs the decision to rent or buy in an age-qualified community. Images of people involved in life tell a wonderful story to prospective residents, as well as to funders, local media and potential employees.

Lifestyle, amenities and choice are the strategies being used by senior living providers to maintain occupancy.<sup>13,14</sup> As people age, health becomes their highest priority. By combining a variety of purposeful opportunities within multiple dimensions, wellness programs meet this need.

The next wave of residents, the Baby Boomers, assumes that physical and social activities will be available to them. Younger households ages 55–64 years are growing in interest in age-qualified communities. To meet this need, communities must continue to develop cultures and services that appeal to this younger group.<sup>35</sup>

From the perspective of desirable target markets, a national survey of adults 55+ found that the higher the household income and level of education, the more likely that social contacts and activities are given as a reason for moving into a retirement community.<sup>17</sup>

Over time, marketing for retirement communities may move from a reliance on direct mail and advertising (new communities) to word-of-mouth referrals from current residents, family and friends (established communities). Since very satisfied residents are four times more willing to recommend a community than residents who are just satisfied,<sup>6</sup> it’s clear that lifestyle and amenities are powerful marketing tools.



## WELLNESS MAKES BUSINESS SENSE

Regardless of whether wellness activities take place in a dedicated wellness center or on a sidewalk in the garden, wellness creates a positive and energetic atmosphere that attracts potential residents (and their children) and is a powerful tool for marketing. An active resident who is engaged in community life is a source of referrals and word-of-mouth marketing.

A variety of wellness offerings provide health benefits, from reducing the risk of falls to controlling chronic conditions, that conserve wealth for the resident and save money for the organization.

As communities build the wellness program with facilities and appropriate staff, they renew their attractiveness to Baby Boomers who see themselves as active and plan to pursue hobbies and physical activity in their “retirement.” At the same time, communities become more attractive to potential investors who see a forward-thinking organization.

A culture that embraces wellness is the same culture that values person-centered care. In the future, communities will move beyond the traditional structure of independent departments working in silos and consider “wellness” as the umbrella over all the disciplines that provide services, programs and encouragement to older adults.

The wellness program meets both mission and operational objectives.

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The International Council on Active Aging is a professional membership association that focuses exclusively on the health and wellness of adults 50 years and older. ICAA was founded in the belief that we can change the way society perceives aging and create a new vision of older adults who are active—to the fullest extent possible—within all areas of life: physical, spiritual, emotional, intellectual, vocational, and social.

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