

A 2024 Senior Living Outlook from Icon



6 Trends That Will Shape Senior Living in the Year Ahead



In 2024, the senior living industry will see developments in narratives that have been unfolding for years: labor shortages, increasing operating costs, changing resident preferences, and emerging industry technology to facilitate operations.

In this guide, we highlight ways those trends intersect and overlap each other and offer insight on how we expect each trend to evolve in 2024. We also offer concrete actions community leaders can take to ensure their communities are keeping pace with the changing times and maximizing their odds of continued growth in the new year.



Trending Topics



Technology



Workers



**Rising costs and
margin compression**



**A changing senior
living population**

Trend 1

Ongoing Labor Shortage



We've been talking (and blogging) about the labor shortage in senior living since before the pandemic. The good news is that, by 2024, most senior living leaders will have experience grappling with staffing challenges. The bad news is that, despite optimism earlier in 2023, staffing levels aren't quite where many leaders had hoped they'd be by now.

That can cause more than HR headaches for communities that feel like they're on a hiring treadmill. In more than one instance, insufficient staffing levels have led to lawsuits – and even settlements – against senior living communities. At issue was a disconnect between how communities portrayed their staffing levels and care to prospective residents and how that care was actually delivered (without enough personalization, according to plaintiffs).

But what are community leaders to do? Fully 70 percent of assisted living communities report ongoing staffing shortages, and the workers who are available are demanding higher wages to keep up with inflation and cost-of-living increases in the broader economy.

So what can senior living leaders do in the face of these headwinds? Let's take a look.

What Community Leaders Can Do in 2024

- ✓ Stay educated about wage expectations
- ✓ Invest in training and culture to create a workplace where people want to stay
- ✓ Embrace tech solutions to improve staff retention
- ✓ Build recruiting into your website

Attracting and retaining talent will be as important in 2024 as it has been for the last several years. Here are four concrete actions that can help community leaders do that:





Stay Educated About Wage Expectations



While there's more to attracting talent than paying top wages, it's also true that if you're offering below-market wages, you'll likely have trouble filling open roles. Knowing what competitors are paying in your market will help ensure your open roles are attractive to potential employees.

One tool that can help is a [salary widget](#), which makes it possible to search open roles by geographic area to get a snapshot of current salary and benefit offerings whenever you're posting a job. For a fuller picture of wage and salary trends, you might want to subscribe to a (paid) [wage benchmarking service](#), which makes it possible to track trends in a more comprehensive way.

One benefit of the latter tool is that you can also easily track your "talent competitors" – i.e., businesses in your area you may be competing with for talent even if they're not in the senior living space. We saw that during the height of the Great Resignation, when retailers were able to recruit some healthcare staff with promises of competitive wages and less-stressful working conditions.

Of course, there's more to hiring and retention than wages. Which brings us to our second action item for 2024.



Invest in Training and Culture to Create a Workplace Where People Want to Stay



High turnover and understaffing create stress at every level of an organization. Unchecked, that stress can impact and even define the larger workplace culture – which can, in turn, increase turnover. And so on.

Breaking this cycle is difficult when everyone is overworked; it can feel impossible to focus on big-picture concerns when you have to scramble to make sure the everyday tasks get completed.

But given the realities of ongoing staffing shortages, breaking the cycle in 2024 will be crucial.

One option to consider is to invest in services like those offered by [GuidePath](#), which offer training sessions specifically tailored to improving workplace dynamics in senior living settings. Among the promised benefits of such programs: enhanced recruitment, satisfaction, and retention of caregivers.

However you tackle this issue, it's important to recognize two things:

- 1 Workplace culture always impacts turnover rates, for better and for worse.
- 2 Workplace culture develops whether or not you actively cultivate it.

Culture change takes time. But there are also quick wins community leaders can embrace to address staffing shortages in 2024.

Embrace Tech Solutions to Improve Staff Retention

Maybe you've heard the saying that employees don't quit jobs, they quit bosses. While there may be some truth to that, [Harvard Business Review research](#) found that most people quit jobs because their strengths aren't being used, they don't enjoy the work they do, or they aren't making career progress.

Tech solutions that gamify recognition and offer meaningful rewards – and even rewards that compound as workers stay with an organization – can help address these root causes of turnover.

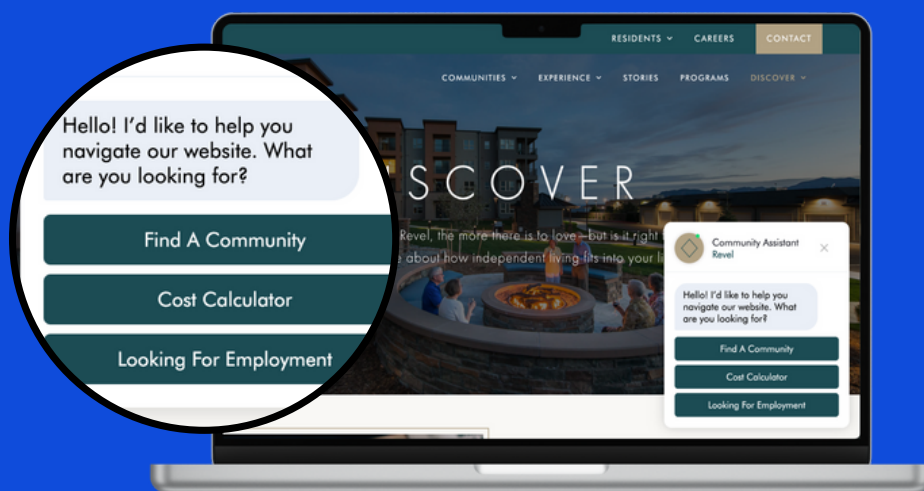
Icon will be releasing a [new staff engagement platform](#) later this year. Stay tuned for updates on how it can help you overcome staffing challenges in 2024.

Here's a great idea for you to steal (if you're not already affiliated with [Revel Communities](#)): make "looking for employment" one of the default options you offer visitors on your website. This screenshot is of Revel's chatbot, which helps visitors find what they're looking for.

If your community is hiring – or is interested in building a pipeline of potential workers – make it as easy as possible for visitors to apply.

Hopefully, you're feeling empowered to tackle any worker shortages 2024 brings. Now let's take a look at the second trend to expect in the coming year.

Build Recruiting Into Your Website



Trend 2

Increasing Insurance Costs

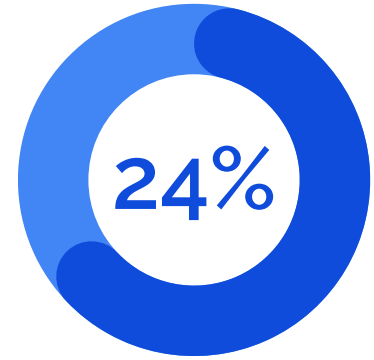


As of Q2 2023, property insurance premiums were increasing 14 to 24 percent year over year for senior living communities. Those increases were largely from increased risk of severe weather events, meaning they aren't likely to revert any time soon.

While community leaders can't control the weather, there are ways to mitigate risk that can help rein in rising insurance costs. Here are three.

What Community Leaders Can Do in 2024

- ✔ Consider adding a risk manager to staff
- ✔ Invest in staff training and risk mitigation
- ✔ Aim for a geographically diverse portfolio



% property insurance premiums have increased



Consider Adding a Risk Manager to Staff



Yes, this means adding another full-time salary; however, the potential savings on insurance premiums and claims could make this position pay for itself many times over. Here's why: a risk manager can take a holistic approach to community risk, identifying your varied sources of risk (from data breaches to burst pipes to potential lawsuits over staffing levels) and develop plans to mitigate those risks.

For example: a risk manager might identify that the community has no water detection alarms around key plumbing fixtures. They might recommend investing in these alarms and developing clear mitigation processes in the event of a burst pipe.

Another common risk management opportunity for senior living communities: an [emergency communications system](#) that automatically overrides individual communication preferences to ensure everyone receives urgent information as quickly as possible.

Robust risk mitigation measures make a community a much safer risk to an insurance company by limiting the potential damage (and therefore the potential cost of a claim) a community might experience.



Invest in Staff Training and Risk Mitigation

Staff training and other risk mitigation efforts can lower insurance premiums, again because of their potential to lower the total cost of claims.

Especially in an era of high turnover, having robust training around various kinds of risk management can deliver a substantial ROI to a community – while also making it a safer and healthier place for everyone.



Aim for a
Geographically
Diverse
Portfolio

Obviously, this isn't possible for every community. But for those with expansion plans on the horizon in 2024, it makes sense to look for community locations that let you diversify your risk exposures. Tornadoes, excessive heat, wildfires, hurricanes – every place has its risks, but spreading your overall risk among multiple geographies means you're not likely to have multiple high-cost claims at the same time. Again, this appeals to insurance companies.

Trend 3

Emerging Revenue Models



Tiered Membership Options

Most senior living communities offer residents a variety of services and experiences, knowing that each resident will take advantage of the ones most important to them. Revel Communities is experimenting with pricing models that reflect that reality, offering residents an option to embrace community “membership” at different levels – i.e., to pay more to do more and vice versa.

While this model has the potential to work in many communities, it’s also important to recognize that change can be unpopular in any context.

Communities that consider new pricing systems should get resident input on the changes and spend adequate time crafting messaging around any changes they embrace.

Ancillary Services and Partnerships

Maybe the easiest way to market a tiered membership model to current residents is by focusing on adding new services, especially to those in independent living.

Concierge offerings (think: laundry, chauffeur, scheduling appointments, booking travel) can be a compelling offering as certain activities become more stressful for residents (driving, for example, or navigating travel websites).

Communities might also tap into new revenue streams by exploring partnerships with providers in related spaces, including rehab facilities and in-home care agencies. Such relationships can include referrals, of course, but can also be a way for communities to build relationships with potential future residents in the local community.

Expand Community Access to Non- Residents

Can members of the general public eat in your dining rooms? Enroll in your fitness classes? Attend cultural events and performances? For many senior living communities, opening select services to the broader community could also add a new stream of revenue.

Another option we've heard murmurings about recently: opening your residences to short-term stays. This could manifest in multiple ways:

- ➔ Offering short-term stays for people recovering from illness or an injury, who want access to the kind of convenience and support community living offers.
- ➔ Enabling "snowbird" residents who spend different seasons in different parts of the country.
- ➔ Creating weeklong trial periods for prospective residents.

Obviously, any of those would require significant planning and organization, though the right tech platform can make both easier. Icon, for example, lets staff designate residents' status (full-time, part-time, trial, etc.) as well as which part of the community they're living in. And residents can register for the engagement platform and use it even when they're not on campus.

Of course, such measures might not be necessary if your NOI and NOI margins are strong. But if you're feeling the squeeze of compressing NOI margins affecting much of the industry, ancillary services may offer some relief by letting you generate more revenue from the same assets.



Trend 4

Increasing Resident Tech-Savviness

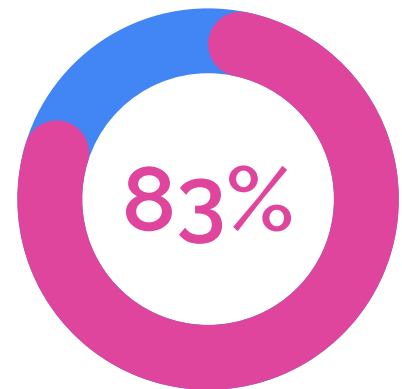


In 2024, baby boomers will be between 60 and 78 years old. Between 61 and 83 percent of them use cell phones; between 45 and 73 percent use social media. In other words: senior living residents are becoming more and more tech-savvy – and so are their family members.




That's great news for community leaders. Senior living technology has the power to make life easier for staff, residents, and families; the more tech-forward your residents, the easier it will be to reap the benefits of community management tech.

So how can community leaders make the most of evolving attitudes toward technology among residents? These three strategies can make community experiences better for everyone.

**% of Baby Boomers
Using Cell Phones**



What Community Leaders Can Do in 2024

-  Encourage independence with smart-home tech
-  Encourage community engagement with a community portal
-  Keep families and staff on the same page



Encourage

Independence with Smart-Home Tech

We've written often about the power of smart-home tech like Alexa in senior living settings – and with good reason. Voice activation makes technology more accessible, it creates safer living spaces (“Alexa, call security”), it eases the workload on staff (“Alexa, turn up the heat”), and it brings peace of mind to residents and their families.

The beauty of voice-enabled smart-home tech is that, in addition to being familiar to more and more new residents (who increasingly use it at home), it's easy to learn for even the less tech-savvy: all you need to use it is your voice.

Create Community Engagement with a Resident Portal

Think of community engagement apps as social media sites specifically for your community. They offer a variety of benefits:

- ➔ An easy way to connect with new residents (and for new residents to get to know their neighbors)
- ➔ A single destination to browse events and interest groups for anyone who craves more social time
- ➔ An intuitive framework for spinning up new interest groups or activities
- ➔ A digital home base for making reservations, submitting maintenance requests, tracking events, and more

New residents in 2024 and beyond will likely be accustomed to engaging with their communities digitally, whether via traditional social media or platforms they used at work. As more and more boomers populate senior living communities, a digital community home base will become something communities are expected to have.

Keep Families and Staff on the Same Page



Resident-facing tech is important for building a sense of community, but the larger community also includes families and staff. Equipping them with the right technology can deliver serious benefits to your community.

For example: look for a family communication solution that makes it easy for staff to send family members updates about their loved ones (Figure 4): pictures at events, check-in notes, etc. This can yield enormous benefits by limiting the number of inbound calls from family members checking up on their loved ones (which saves staff time), nurturing relationships between staff and families, and bolstering satisfaction scores across the board.

Staff-facing solutions should also facilitate internal communication: requesting time off, filling open shifts, reminding about soon-to-expire certifications, etc.

The bottom line: everyone involved in your community (staff, residents, and families) is becoming more tech-literate and more accustomed to using digital solutions elsewhere in their lives. Providing streamlined digital solutions to navigate work and life in your community is an excellent differentiator today; soon, though, it will be table stakes.

Trend 5

Emerging AI Applications



In 2023, talk of AI (and specifically generative AI) took the world by storm. In 2024, we'll see more and more AI applications at work in senior living contexts. Specifically, AI fall-detection software company VirtuSense just won a Best in Show nod from McKnight's Tech Awards.

The technology tracks resident movement (including bed and chair exits) without wearables or loud alarms, which reduces workload for staff.

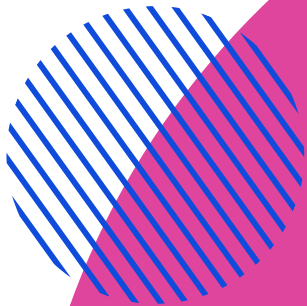
What Community Leaders Can Do in 2024



Research AI fall detection providers



Consult with existing tech vendors about integrations



Research AI Fall Detection Providers

Caspar.ai, VirtuSense, and Safely.
You are among top brands providing AI fall detection software for senior living settings. Community leaders should aim to understand whether their offerings (or similar offerings from other providers) might offer value via reducing falls and easing staff workloads.

Even the most exciting point solution isn't necessarily a good investment if it won't integrate with the technology your community is already using. If managing a piece of standalone software takes extra staff time, it may actually increase workloads and make your residents less safe.

Once you have a sense of what AI fall detection providers can do, check in with your existing tech vendors about whether you might be able to integrate that functionality with your existing tech stack. (Note that Caspar.ai integrates with the Icon platform.)

Consult with Existing Tech Vendors About Integrations



Trend 6

The Rise of Senior Living 3.0



If senior living 1.0 was “the home” and senior living 2.0 is the norm today (thriving communities featuring independent living, assisted living, and memory care units), think of senior living 3.0 as the fully integrated senior living “lifestyle” community of the future.

We’re seeing two manifestations of senior living 3.0 now: one is high-end urban senior living developments that embed residents in an existing community; the other is communities that aim to create a fully functional community in and of themselves (like Disney’s Storyliving, Margaritaville, and Varcity).

In both manifestations, these communities are a response to a growing desire to be part of a community beyond the residence – aka baby boomers asserting yet again that they won’t settle for what their parents had.

What Community Leaders Can Do in 2024

- ✓ Recognize that full-community senior living is still a niche market
- ✓ Look for opportunities to integrate with the larger community



Recognize that Full-Community Senior Living is Still a Niche Market

For now, full-community experiences like Disney's are not the norm. Neither are high-end communities in urban centers. In both cases, one major reason is money: while these experiences may be something a lot of seniors want, the reality remains that only a fraction of retirees will be able to afford this lifestyle.

Because of that, demand will remain strong for the types of communities that are more familiar today.



The good news is that any senior living community can find ways to promote engagement with the external community it's a part of. Creating pathways to broader engagement can even be a way of distinguishing membership tiers: one that enables regular excursions to farmers markets, little league games, university lectures, theater performances, and more; and one that caters to residents who are perfectly happy to engage only in community-sponsored activities.

Look for Opportunities to Integrate with the Larger Community

Creativity and Flexibility Will Be Key to Thriving in 2024



For senior living leaders who have been adapting to changing circumstances over the last several years, 2024 will feel less like a shock and more like steady forward movement. That's the good news. But more of the same doesn't mean stasis: the evolutions that have been underway for at least the last five years are continuing and will likely accelerate as more and more boomers enter retirement.

The best-prepared leaders will be those who embrace the reality of constant change and commit to taking a creative, flexible approach to meeting the ever-evolving needs of families, staff, and residents.