



Preparing for the Future: Trends in Continuing Care Retirement Communities

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ABSTRACT

This article presents exploratory research conducted independently by two organizations, Brecht Associates, Inc. and Mather LifeWays, to learn what senior living providers look forward to in serving the next generations of older adults. Results demonstrated that senior living organizations, particularly continuing care retirement communities (CCRCs), are addressing and plan to continue addressing needs and interests of their current and future residents that will allow older adults to age in place. Plans include expanding health care services, growing wellness and lifelong learning initiatives, addressing technology needs, delivering services to homebound older adults “beyond the CCRC walls,” adding affordable housing options, and partnering with organizations, including universities and active adult communities. Overall, consumer choice will continue to be a central focus in planning future facilities and services.

INTRODUCTION

Continuing care retirement communities (CCRCs) are defined as featuring “a combination of independent living units and skilled nursing beds, as well as properties that include independent living units, assisted living beds, and skilled nursing beds” (American Seniors Housing Association (ASHA), et al., 2008). These types of communities are frequently structured financially to include the payment of both an entrance fee and a monthly fee (although some are structured as either straight rental or on an equity basis) and may offer varying levels of health care services depending on the type of contract¹. CCRCs have been a mainstay of the seniors housing industry for decades, and today, it is estimated that approximately 1,850 are in operation throughout the U.S.

CCRCs flourished while serving the GI Generation (those born between 1901 and 1924) and continuing to serve the Silent Generation (1925 to 1942), who form the base of those who select this type of seniors housing today (Howe & Strauss, 1992). As the market has shifted from one generation to the next, the CCRC product itself has grown and shifted as well to meet the changing demands and preferences of consumers by offering such features as larger residences and greater contract choices. Although the Silents will continue to supply residents for 30 years to come, their preferences, as well as those of baby boomers, will influence the shape of CCRCs of the future.

In the latter part of 2008, Brecht Associates, Inc. (BAI) conducted selective interviews with various industry professionals regarding their vision of the future for CCRCs, focusing on what they believe residents will want and expect of this product. The interviewed industry professionals included chief executive officers and senior marketing representatives of multifacility seniors housing organizations located across the U.S.; nationally recognized architects and planners; and respected consultants with national practices focused on gerontology, ancil-

lary services, and marketing targeting the seniors housing and services industry. The results of these interviews were published in *The Shape of the CCRC of the Future*, available on BAI's Web site. Where appropriate, pertinent quotes from some of these professionals are included in the text of this article. BAI's consultants drew upon their industry knowledge, gained during more than 20 years in serving the seniors housing industry.

During the last quarter of 2008, Mather LifeWays Institute on Aging (MLIA) conducted a Web-based survey of senior living organizations to learn what providers look forward to in serving the next generation of older adults. Both BAI and MLIA addressed trends in programs, services, amenities, and environments in this work. While the two organizations did not collaborate until preparing this article, the results of these independent efforts were similar and form the basis of this article. The limit of the research done by each organization is that it did not include senior consumers. Furthermore, it did not address specifically the 2008-2009 economic downturn's impact on the U.S. housing market. The subprime mortgage debacle contributed to the over-valuation of many homes and the massive collapse of credit markets. These issues affect consumers across a range of age groups, including mature households. For many mature adults, their home is the biggest asset they can draw upon to support their retirement. The economic slump depressed home values and left local real estate markets flooded with excess inventory. Additionally, a 2008 survey by the University of Michigan and sponsored by the National Institute on Aging found that among the wealthiest 40% of the population age 75 and older, more than half had at least one-third of their accumulated savings in stocks.² As we know, the equity markets also have continued to fluctuate wildly.

One might ask, “How do these factors affect retirement communities?” Seniors who have seen their investment portfolios decline by 30% to 60% are reluctant to dip into the funds that remain and

commit them to pay CCRC entrance and monthly service fees. Those experiencing delays in selling existing homes also are deferring plans to move to CCRCs. Some who have already made deposits for admission to a CCRC have requested that they be moved to the end of priority waiting lists. Others are withholding deposits until the housing market improves. Increasingly, retirement communities are offering financial incentives to encourage prospects to move to their independent living (IL) units during the current economic downturn. To counter the slow down in move-ins, retirement communities are employing creative strategies and tactics, which include deferring entrance fees until prospects' homes are sold; offering bridge loans to cover all or a portion of an entrance fee; providing assistance in marketing an existing home, including "home staging"; and reducing or freezing monthly fees for a specific period of time. As the overall economy stabilizes, we anticipate that CCRCs may no longer need to offer these financial and marketing incentives to attract residents.

Description of Methodologies and Response Profile

BAI conducted interviews with 12 representatives of organizations that operate and develop CCRCs, as well as architects and financial, marketing, and service professionals. A formal discussion guide was prepared and used for these interviews. References are made throughout this article to those 12 interviewees.

MLIA worked with two organizations, Life Services Network (the Illinois affiliate of the American Association of Homes and Services for the Aging (AAHSA)), and Caring Communities Shared Service Group, which is a liability insurance provider that represents nonprofit senior living organizations across the country, to identify the sample, trend categories, and topic areas for the CCRC Web survey. Given the exploratory nature of the Web survey, all CCRCs that are members of Life Services Network and Caring Communities were invited to partici-

pate. The targeted sample consisted of 266 senior living organization members representing CCRCs in 20 states. A total of 107 organizations volunteered to participate in the Web survey (40% participation rate) representing 348 CCRCs (nearly 30,000 units). Senior living organizations were asked to report on each of their CCRCs if they had multiple sites, so the sample size for the CCRC Web survey is based on responses from 348 CCRCs. Approximately 96% of these CCRCs are in Midwestern states: Illinois, Missouri, Indiana, Ohio, Iowa, Michigan, and Wisconsin. Thus, results of this survey are most representative of markets in Midwest regions. Size of CCRCs was used as a differentiator for analyses. Of the survey sample, 35% of CCRCs ($n = 122$) have a total of 300 or more units, and 65% ($n = 226$) have less than 300 units. This distribution by number of units is representative of the targeted sample.

The CCRC trends Web survey consisted of both close- and open-ended items targeting key trend areas. For close-ended items, respondents were asked if their CCRC currently offers, may offer in the next five years, or do not plan to offer particular programs, services, amenities, or environmental designs. Additionally, respondents were asked to describe their current and potential partnering relationships with various groups, such as colleges/universities, health care systems, active adult communities, and other senior living providers. Finally, open-ended questions targeted emerging trends in aging services from the respondents' perspectives.

The results of the work conducted by BAI and MLIA address the following topics:

- existing physical plant: buildings and grounds
- programs and services
- focus on the resident
- connections
- technology
- other models (addressed only by MLIA)

Each topic is covered in this article, as are conclusions drawn from the results of the research.

Existing Physical Plant or Buildings

and Grounds

Change tends to happen slowly within CCRCs due to the lengthy development time cycle and multilayered decision-making processes involving management, trustees, and residents. As reported by the interviewees, many current CCRCs are working on strategic and master plans for the next five-year period. In order to remain competitive, CCRCs need to refresh or, in some cases, make substantial changes to their existing offerings.

Common Amenities. Changes have been underway for years to increase the size and improve the amenities (kitchens and baths particularly) of individual living spaces offered to residents in both independent and assisted living units. Emerging trends in senior living include focusing on broader varieties of amenities and activities, including wellness programs. Results of the Web survey demonstrated that CCRCs are focused particularly on wellness amenities, including health spas, therapy pools, aquatic centers, and dance/aerobic studios. Redefining common amenities appears to be the wave of the future.

Dining. The dining experience is at the core of life in a CCRC. At one time, many CCRCs not only offered but required residents to take all three daily meals as part of the program paid for through the monthly fee. The inclusion of fewer meals has been one of the significant changes that have taken place over the last decade. Now, the focus is the dining environment and the ability to enjoy a meal in settings beyond the traditional formal dining room, like in a bistro, café, or casual dining room.

Residents also expect not only choice of dining venues, but also a variety of options ranging from the selection of menu items to the ability to take out prepared or partially prepared entrees. These preferences signal a profound shift from institutional meal preparation and dining to restaurant-style dining with cooked-to-order selections and open kitchens. According to the Web survey, more than 83% of CCRCs provide their own dining services rather than outsource, in order to individualize selections

and experiences based on residents' preferences.

Daniel Look, founder of Dining Management Resources, comments that residents will "expect an engaging experience rather than just a meal." Further exploring this trend, Daniel Cinelli, managing partner at Perkins Eastman, stated that CCRC dining venues would be "more like retail establishments, with a sports bar, food to go shop, and even a chain restaurant." Some of these changes will be achieved by partnering with other organizations or commercial entities.

Spa, Wellness Center, and Related Spaces. First-class health and wellness facilities will continue to be an important feature for both current and future residents. Today and tomorrow's older adult is well acquainted with spas and alternative relaxation modalities, and they will desire the ability to conveniently access these services. While some CCRCs have developed or upgraded these facilities, many of those interviewed by BAI reported that for many consumers, the onsite spas and salons do not yet have the same ambiance and consumer comforts of premier establishments in the external community.

Wellness centers have moved from simply being a suite of physician offices, where residents can get their blood pressure checked and receive their annual flu shots, to full-scale fitness centers that include swimming pools, Jacuzzis, well-equipped exercise rooms with personal trainers, massage therapy tables, and locker rooms.

The Web survey supported these predictions. **Exhibit 1** presents the top five trends in wellness services and amenities in order of projected growth rates (highest to lowest) from 2008-2013, comparing CCRCs with 300+ units to those with fewer than 300 units. Chi-square analyses examined differences between larger and smaller CCRCs. Although currently offered by 44% of all respondents, a significantly greater percentage of CCRCs with 300+ units (92%) plan to offer wellness/healing gardens in 2013 compared to CCRCs with fewer than 300 units (71%) ($\chi^2 = 6.459, p = 0.03$). Currently offered

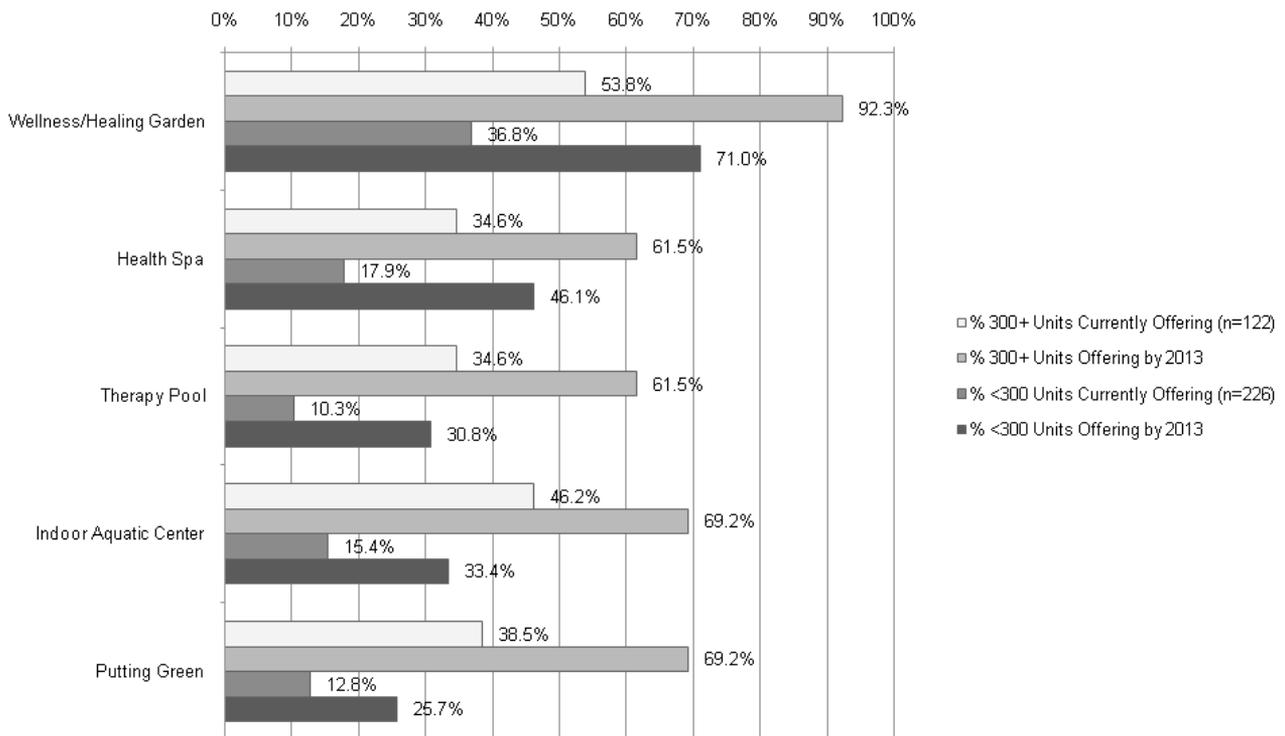
by 25% of all respondents, a significantly greater percentage of CCRCs with 300+ units (62%) will offer health spas in 2013 compared to 46% of smaller CCRCs ($\chi^2 = 6.123, p = 0.04$). Twenty-three percent of all respondents currently provide therapy pools. By 2013, a significantly greater percentage of CCRCs with 300+ units (62%) will provide therapy pools compared to 31% of smaller CCRCs ($\chi^2 = 16.369, p = 0.001$). Currently, 20% of all respondents provide indoor aquatic centers and putting greens for residents. By 2013, a significantly greater percentage of CCRCs with 300+ units will provide indoor aquatic centers (69%) and putting greens (69%) compared to smaller CCRCs (33%, $\chi^2 = 11.108, p = 0.004$ and 26%, $\chi^2 = 16.369, p = 0.001$, respectively).

Theaters/Entertainment Venues. An increasing number of CCRCs, particularly the larger ones, are now

offering substantial entertainment venues. Willow Valley, a CCRC of more than 1,800 units located in Lancaster, PA, includes an 80,000-square-foot cultural center. On the lower level, there are state-of-the-art fitness and aquatics centers, a full-service day spa, dance/aerobic studio, a rehabilitation center, and the Vitality Café to nurture the body. On the upper level is a 500-seat performing arts theater, a ballroom for dances and catered events, an education room, broadcast studio, art gallery, and art studio. Other larger CCRCs such as those developed by Erickson Retirement Communities also offer extensive amenities that include theaters and other such cultural venues, but even some smaller CCRCs are starting to create more modestly sized theaters, where both resident groups and outside entertainment can be featured.

Family/Intergenerational Entertainment Space.

Exhibit 1. Top Five Trends in Wellness Services and Amenities: Projected Growth From 2008 to 2013 by Size of CCRC.



Focus group research conducted by marketing professionals and architects interviewed for this article also has identified consumers' desires that senior communities be more family-friendly to accommodate visiting grandchildren.³ This also will affect accessibility and the way that swimming pools and locker rooms will need to be designed with privacy and dignity in mind. Instead of small single-purpose game rooms, residents with visiting families will want a more general entertainment room with a larger club-like feel—a place where some can watch the large-screen TV and others can play billiards or other table games and be in touch with each other. Future residents also are likely to continue to want a variety of dining venues that can accommodate families and private celebrations. Results of the Web survey indicated that larger CCRCs are leading the way in identifying the need for such spaces. Eighty-five percent of CCRCs with 300+ units currently offer or plan to offer intergenerational activities compared to 76% of CCRCs with fewer than 300 units. Additionally, CCRCs that are planning to offer additional wellness programs for residents and staff over the next first years are more likely to offer or plan to offer intergenerational activities ($r = 0.382$, $p = 0.001$).

Taking this a significant step further, some industry professionals see a movement toward planned communities with an intergenerational focus, including mixed-use developments with retail and housing combinations, and a trend toward returning to urban environments. In this vision, a senior apartment building might be located next to non-age-restricted multifamily housing within a planned development. Amenities like fitness centers and theaters would be open to all residents of the planned community, regardless of age.

Office/Business Spaces. Older adults are increasingly remaining in the workforce, a trend that may continue out of necessity rather than choice due to the deteriorated conditions dominating the U.S. and world economy. According to the U.S. Bureau of Labor Statistics (2007), the number of workers age

55 and older is projected to grow by nearly 47%, nearly 5.5 times the 9% growth projected for the labor force overall. Whether one needs or desires to work into later life, some older adults are already looking for business centers (faxes, photocopiers, mail assembly, etc.) and support services in their CCRC. According to the Web survey, the majority of larger CCRCs (73% with 300+ units compared to 35% with fewer than 300 units) currently have a computer center with capacity to address business operations. Within the next five years, a significantly greater percentage of larger CCRCs (90%) compared to 67% of smaller CCRCs plan to offer a computer/business center ($\chi^2 = 53.486$, $p = 0.001$). Additionally, CCRCs that currently offer or plan to offer wellness programs also are more likely to offer or plan to offer computer training for both residents and staff ($r = 0.338$, $p = 0.003$).

Health Care Design

The movement away from the highly institutionalized model of health care design characterized by double-loaded corridors and large, fixed nursing stations and the associated assembly-line operating philosophy is an area where some of the most significant change is taking place. Comments like “traditional nursing facilities are going away” and “I hope nursing facilities will not look anything like the traditional model” were common among seniors housing professionals interviewed by BAI and, indeed, reflect general industry thinking today.

Green House or Other Residential Concepts. In recent years, the Green House model has captured the imagination of those in long-term care. According to the Green House Web site, “Green House homes are residences for six to 10 elders who require skilled nursing care and want to live a rich life. They are a radical departure from traditional skilled nursing homes and assisted living facilities, altering size, design, and organization to create a warm community. Their innovative architecture and services offer privacy, autonomy, support, enjoyment and a place to call home. Green House homes are devel-

oped and operated by long-term care organizations in partnership with The Green House Project and NCB Capital Impact” (NCB Capital Impact, 2009). According to the Web survey of senior living providers, the projected growth in Green House models over the next five years will be significant. Currently, fewer than 8% of CCRCs with 300+ units have implemented this model, whereas participants in the CCRC Web survey predict that 50% of CCRCs will implement the model within the next five years.

Variations of this model also are emerging in terms of design. Examples include the award-winning one-story residential design of the Gwynnedd House nursing home at the CCRC Foulkeways at Gwynnedd, in Gwynnedd, PA. Each of four neighborhoods contains 10 bedrooms designed with a connected living room, dining room, and country kitchen. Earning national awards for design and programming, Splendido, a CCRC in Tucson, AZ, representing a joint venture of Plaza Companies and Mather LifeWays, created Sonora at Splendido. Sonora offers assisted living, skilled nursing, and memory support in intimate “neighborhoods of care” that contribute to feelings of security and comfort. Each neighborhood includes a living room, activity area, and restaurant-style dining room or bistro. Special attention was given to color palettes, tactile art, customized window treatments, and to memory boxes that feature special family treasures.

Skilled Rehab and Other Specialty Care. Virtually all interviewees noted that residents of CCRCs as well as older adults in the external community insist on remaining in what they consider to be home (this could be an independent living or assisted living units in a CCRC as well as a traditional home in the general community). As a result, specialized nursing and even assisted living settings are becoming both a necessity as well as a choice. National studies (Zinn & Mor, 1994) indicate that among the nation’s nursing homes, nearly 80% report that they offer one or more specialty programs or distinct units, where the facility has specially trained personnel dedicated to the program.⁴ In rank order, the most frequently

offered programs are in restorative care or “rehab” (69%), followed by dementia care (32%), and then hospice or palliative care (19%). Nursing facilities are creating dedicated rehab wings or floors designed to serve short-term residents who are looking for private rooms, attractive décor, restaurant-style dining, and a more spa-like environment.

Specialized dementia or memory support care also is an important area of growth in both the assisted living and nursing home setting. Faced by an aging population, rates of dementia are expected to double every 20 years for the next several decades, with an estimated worldwide number of cases reaching 81 million by 2040 (Ferri, et al, 2005). According to the Web survey, 85% of CCRCs with 300+ units and 50% of those with fewer than 300 units currently have memory support care programs. In the next five years, 92% of larger CCRCs and 80% of smaller CCRCs anticipate having these programs in place.

Rightsizing. One of the key questions that CCRCs are addressing is what is the right ratio between independent living units and health care accommodations, including both assisted living and nursing? Given the increasing propensity for residents to remain in apartments and cottages and receive services there, the old statistical models are definitely changing. Earlier models that preceded the emergence of assisted living as part of the continuum assumed that the proper ratio of independent living units to nursing home beds was approximately four to one. Numerous states created mechanisms for approval of a CCRC’s nursing home beds in accordance with this ratio.

One of the top five emerging trends identified by Web survey respondents was the increased emphasis on serving a growing number of independent and assisted residents as the number of nursing home residents continues to decrease. The proportion of nursing home beds is declining, as evidenced by the ongoing report (AAHSA, Herbert J. Sims & Co., 2004). According to the report, CCRCs built in the previous four years (2000 to 2003) did, in fact, average 25% of all units in their nursing wings. By 2004,

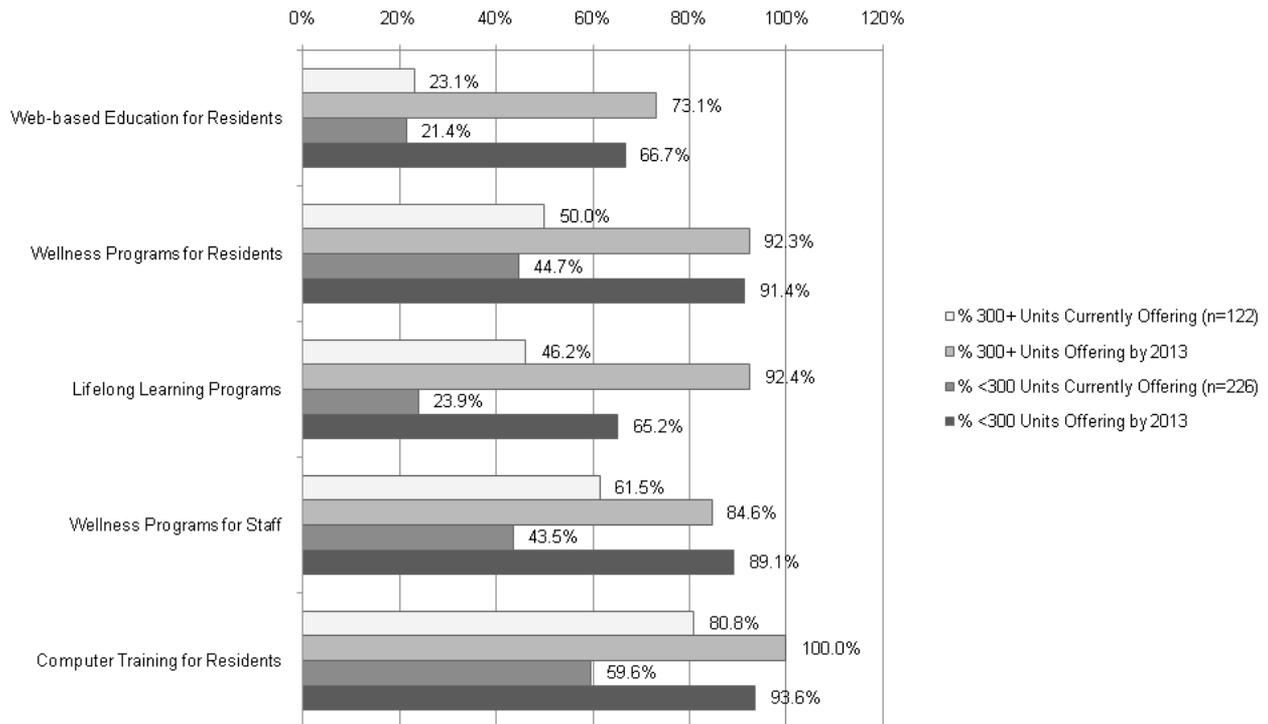
those CCRCs built during the previous four years averaged 23%. We expect that the report due out in late 2009 will show a greater drop in this ratio.

LEED-Certified Communities. As new CCRCs are constructed, a number of them are looking at ways to be more energy efficient while promoting “green” living for both residents and staff. Recognition of rigorous, environmentally sensitive designs throughout the building process is awarded through Leadership in Energy & Environmental Design (LEED) certification. Web survey results indicated that 35% of respondents plan to integrate eco-friendly design into new construction or renovation and apply for LEED certification. Additionally, with the focus on “eco-friendly” living, some CCRCs are focusing on “eco-retirement” living to market to the next generations of older adults.

Programs and Services

Programs. Activities and programming are changing as well, particularly in the areas of wellness and lifelong learning, according to the Web survey. The shift is from the more sedentary to the more vibrant and active, and from those designed or created by staff who “know what the residents want” to those initiated by residents. **Exhibit 2** presents top trends in CCRCs in order of projected growth rates (highest to lowest) from 2008-2013, comparing CCRCs of 300+ units to those with fewer than 300 units. Currently offered by 22% of all respondents, the greatest growth rate is projected for resident Web-based education programs. By 2013, 73% of CCRCs with 300+ units and 67% of smaller CCRCs are planning to offer Web-based education for residents ($\chi^2 = 6.559, p = 0.038$). In 2008, 47% of all respondents offered wellness programs for residents. By 2013, 92% of CCRCs with 300+ units and 91% of smaller CCRCs will focus on resident wellness programs

Exhibit 2. Top Five Trends in CCRC Programs: Projected Growth From 2008 to 2013 by Size of CCRC.



($\chi^2 = 1.405$, $p > 0.05$, not significant). Currently offered by 32% of all respondents, a significantly greater percentage of CCRCs with 300+ units (92%) will offer lifelong learning programs for residents compared to smaller CCRCs (65%) ($\chi^2 = 9.546$, $p = 0.01$). Currently offered by 50% of all respondents, by 2013, 88% of all respondents will offer wellness programs for staff ($\chi^2 = 15,750$, $p = 0.001$). In 2008, 67% of all respondents offered computer training for residents. By 2013, 100% of CCRCs with 300+ units and 94% of smaller CCRCs will offer computer training for residents ($\chi^2 = 6.546$, $p = 0.03$).

Lifelong learning programs and connections to colleges and universities also is a growing trend. According to the Web survey, more than one-quarter of CCRCs indicated they currently partner with colleges and universities. Another one-third have a “strong interest” and one-third have “some interest” in establishing such partnerships. Currently, there are approximately 31 retirement communities associated with institutions of higher learning that are either in operation or the development planning stage (*Best Guide Retirement Communities*, 2009). One of the greatest examples of such a community is Lasell Village, a CCRC sponsored by Lasell College in Newton, MA. Lasell Village is the first CCRC to feature a formal, individualized, and required continuing education program for residents, embodying its philosophy that learning “is not a chore or task, or even a specified activity. Rather, it is a way of being—an approach to life in which we pursue interests and new experiences that enrich our lives” (Lasell Village, 2009).

Over the past 10 years, the field of senior living move management has grown from a small handful of individuals who developed expertise in helping older adults transition from their homes to senior living communities to a national association numbering more than 400 members. CCRCs are partnering with move managers or starting their own services in some cases. According to the Web survey, about one-third of respondents currently offer older adult relocation assistance. Another 23% of CCRCs

more than 300+ units and 17% of those with fewer than 300 units plan to offer these services within the next five years.

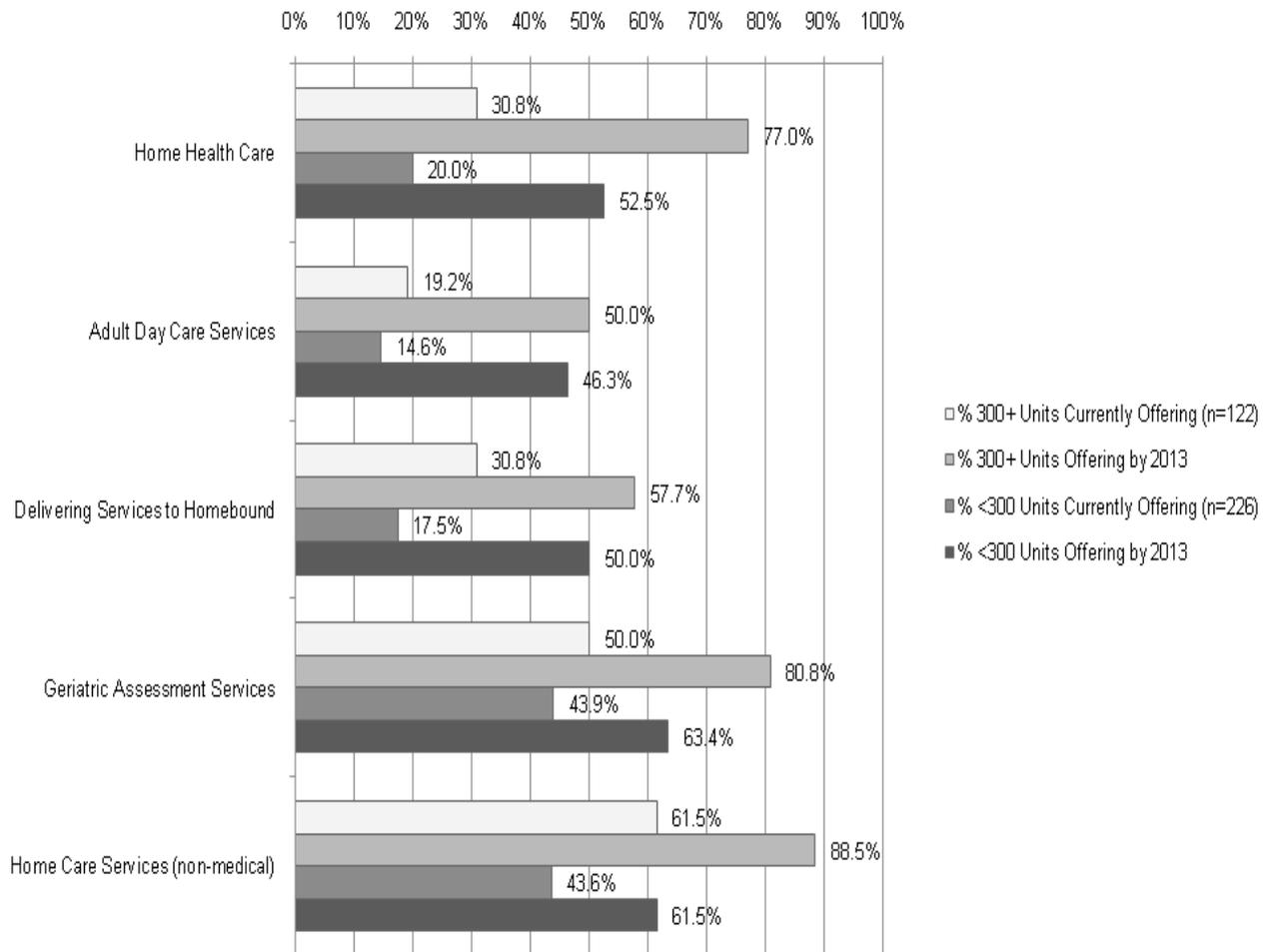
Aging in Place/Home Health Care Services. As suggested earlier, residents are reluctant to move again within the CCRC once they have made the initial move. In response, many CCRCs now provide additional support services for a fee to enable residents to age in place. This trend is expected to continue and grow in the future. In fact, some believe that stratification of residential units by level of care will become a thing of the past. Some seniors housing professionals predict that CCRCs will offer a package of basic services and a variety of optional services stratified by price. There is an attitudinal change in the Silent and baby boomer generations. Residents will expect to receive services in their independent living units and age in place. The challenge will be to make the CCRC experience more affordable or expand home- and community-based services.

Exhibit 3 presents the top trends in senior living services related to aging in place in order of projected growth rates (highest to lowest) from 2008–2013, comparing CCRCs of 300+ units to those with fewer than 300 units. The greatest growth over the next five years is projected in the areas of home health care, followed by adult day care services, delivering services to homebound elders, geriatric assessment services, and home care services. By 2013, a significantly greater percentage of CCRCs with 300+ units plan to offer home health care ($\chi^2 = 6.412$, $p = 0.04$) and home care services ($\chi^2 = 9.262$, $p = 0.01$) compared to smaller CCRCs.

CCRCs that currently offer or plan to offer wellness programs for residents also are more likely to offer or plan to offer home care services ($r = 0.283$, $p = 0.023$), demonstrating their commitment to foster aging in place. Along with offering these services to residents, a number of CCRCs are looking toward offering these and other services to non-residents, as discussed in the next section.

Services Made Available to Non-Residents. In numerous instances, CCRCs are offering services to those

Exhibit 3. Top Five Trends in Senior Living Services: Projected Growth From 2008 to 2013 by Size of CCRC.



who do not live in their facilities, either by creating home care organizations, acquiring them, or forming partnerships. Such services range from skilled home care to homemaker and companion services and may extend to transportation as well. In some cases, non-residents are invited to participate in on-campus activity programs, particularly if they are already on the waiting list to move to the CCRC.

The Web survey examined some additional services that may be offered to residents and non-residents alike. Nearly 23% of respondents indicated they currently offer delivering services to homebound older

adults. Within the next five years, 53% of respondents plan to offer such services. Of the CCRCs with 300+ units, additional trends included pet-sitting/dog-walking (24% currently offering; 56% offering in five years), golf club membership (12% currently offering; 24% offering in five years), and, travel agency services (12% currently offering; 23% offering in five years).

An additional unique program component that has great potential to “break down the CCRC walls” and address the expanded lifestyle preferences of older adults is the community Café Plus Model

(Hollinger-Smith, Windhorst & McMillen, 2004), developed by Mather LifeWays in Evanston, IL. It provides services and programs for older adults in a single location, serving as a dining venue and as a place for social engagement, learning, wellness activities, community resources. When combined with a senior living community, the Café Plus Model offers a means for the community to draw younger age groups, foster community partnerships, and redefine what senior living is all about. According to the Web survey, 19% of respondents are currently offering what they would consider a community café model. Over the next five years, an additional 29% of respondents are considering this addition to their community.

Focus on the Resident

Resident Choice. If there is a single phrase that sums up the future of CCRCs, it is “resident choice.” This model of senior living has come a long way from the institutionalized approach of knowing what is best for the resident. Examples of how resident choice is being implemented abound. According to the Web survey, top trends in that focus on resident choice include flexibility in housing options and programs, “customized” portfolio of services that take into account individual expectations, services and programs considered to be “added value,” access to “on demand” services, and purposeful engagement in activities.

Ability to Select Meal Plans. The dominant approach to meals in the last decade has been to include the main meal daily (whether that occurs at noon or in the evening) in the monthly service fee, thereby requiring that residents show up in the dining room at least once a day. This is rapidly giving way to plans that give residents the opportunity to choose which meal they want, when they want it, and even the frequency with which they partake in eating meals at the community. Country-club style plans that allow residents a specific number (usually 20 to 30) of meals per month are one popular approach. Other communities allocate a certain dollar value

to residents who may use it to pay for meals for themselves and/or guests. Some communities offer multiple meals plans so that residents can select the number of monthly meals they expect to use and pay only for that number.

Financial Options. The “one size fits all” approach to a CCRC’s financial structure also has become a thing of the past. Perhaps the first area to be modified has been the level of entrance fee refundability. In the past, communities tended to offer only one choice, which was typically the fully amortizing fee that was reduced to zero refund after a specified period of time. Most communities today and in the future will offer differing refunds for different entrance fee dollar amounts. Refunds range from zero to 100%, the latter made popular by Erickson Retirement Communities.

In the earlier days of CCRCs, the most commonly offered arrangement was known as a life care or Type A contract. This product ensured that residents wouldn’t experience substantial service fee increases when and if future long-term care was required. A move from an independent living unit in a Type A community to the health care component typically involved payment of a set fee similar to their monthly fee in independent living, plus the cost of additional meals required in the nursing or assisted living component of the community. While many Type A communities are still in operation or are being developed, alternative plans that either include only limited health care usage (Type B) or none at all (Type C) have become more common. Aside from the level of risk the CCRC assumed under a Type A contract, the growth of long-term care insurance policies has reduced the need for a life care contract. Now, many communities originally structured as Type A either offer Type B and/or Type C contracts as an alternative or provide residents with a discount if they have a long-term care insurance policy.

Connections

Once considered primarily islands unto themselves, CCRCs are joining the world around them in many

Exhibit 4. Degree of Interest in Partnerships.

	Currently Partnering	Strong Interest in Partnering	Some Interest in Partnering	No Interest in Partnering
Religious organizations	40.0%	10.8%	24.6%	24.6%
Health care systems	34.9%	19.0%	31.7%	14.3%
Colleges/Universities	27.7%	33.8%	33.8%	4.6%
Affiliations with other CCRCs	18.8%	20.3%	40.6%	20.3%
State/Local government agencies	18.0%	14.8%	52.5%	14.8%
Fitness or health clubs	12.3%	27.7%	44.6%	15.4%
Joint venture with for-profit company	11.4%	9.8%	36.1%	42.6%
Active adult communities	10.9%	18.8%	50.0%	20.3%
Other senior living providers	6.4%	22.2%	47.6%	23.8%
Naturally occurring retirement communities (NORCs)	3.4%	16.7%	36.7%	43.3%

ways. They are, of course, part of the larger community's business framework of housing, social service, and health care. Not only are they home to many residents and employers of large staffs, their boards frequently are made up of prominent members of the community. All of these constituencies create the paths for ties between the CCRC and the larger community of which it is a part.

Partnerships with Other Outside Organizations. Senior living providers are expanding partnerships with various organizations in order to meet and exceed expectations of the next generations of older adults. In addition to partnering with colleges and universities, which has already been addressed, most commonly seen are connections to religious organizations or health care systems. **Exhibit 4** presents connections CCRCs are currently making, have interest in or have no interest in partnering with. There are no significant differences by size of community, so data are combined for each organization type.

Joint Venture Partnerships with For-Profit Companies. A trend that is projected to grow significantly over

the next five years relates to joint venture partnerships between senior living organizations and for-profit companies. Results of the Web survey indicated that 13% of respondents currently partner with for-profit companies. Within the next five years, 40% project their communities will be in such joint venture partnerships. Most commonly, these joint ventures may take the form of a management or oversight relationship by one or the other organization of one or more properties. As another example, a senior living organization may form a joint venture with a for-profit company to offer their services or programs to other providers on a scale they could not achieve alone.

Affiliation with Active Adult Communities. Age-restricted housing for those age 55 and older (known as active adult or lifestyle communities) made up one of, if not, the fastest growing segments of the housing industry before the overall housing collapse that began in late 2007 through early 2008. CCRCs were very concerned about the extent to which this type of housing would infringe on their ability to attract younger, more active residents. In an unpublished

survey of CCRCs conducted earlier in this decade by BAI, 80% of CCRC respondents expressed this concern.

Some CCRCs see opportunity in this type of housing, however. According to the Web survey, 11% of respondents currently partner with active adult communities, with 19% “strongly interested” and 50% “somewhat interested” in such partnerships in the next few years. As with all others, residents of 55+ housing communities would prefer to age in place for as long as possible. Nearby CCRCs can offer home care services and short-term or respite stays in their assisted living and nursing components, thereby becoming known to the residents of the 55+ community. At the point at which a move may become either necessary or desirable, those CCRCs who have formed such relationships will be top of mind for the residents. BAI research conducted in 2004 among residents of a select group of 55+ communities indicated that 31.5% of respondents would consider moving in the future to a CCRC (Brecht & Mullen, 2006).

Technology

Technology is expected to play a greater role in the provision of care during the next 10 to 20 years. Recognizing the importance of technology in helping people remain independent, AAHSA formed the Center for Aging Services Technologies (CAST), which is leading the charge to expedite the development, evaluation, and adoption of emerging technologies that can improve the aging experience. CAST has become an international coalition of more than 400 technology companies, aging services organizations, research universities, and government representatives.

First-generation technology systems include personal pendant or wrist alarms connected to a telephone emergency system. Activation of the personal alarm signaled a control center to alert a response team. Second-generation systems integrate a number of alerts or alarms throughout one’s home or on one’s person to monitor changes, most typically in the

individual’s vital signs and health. Third-generation systems expand the application of technology to include health reminder systems, dispensing medications, and even home robots. Key to acceptance by older adults of these technologies is that these systems are unobtrusive and affordable while providing a more comfortable and independent lifestyle.

Results of the Web survey indicated that senior living providers are seeing “smart home” technology along with wireless connectivity as one of the top trends over the next five years. Currently, 15% of CCRCs of 300+ units and 3% of those with fewer than 300 units offer some form of “smart home” technology to their residents. A significantly greater percentage of CCRCs of 300+ units (62%) predict they will be offering these technologies in the next five years compared to 24% of CCRCs with fewer than 300 units ($\chi^2=32.004$, $p=0.001$).

KEY FINDINGS

There are few published studies examining trends in programs, services, amenities, and environments among aging services providers. An article by Bradford Perkins (2009) described 10 design trends in senior living, all of which have implications for programs, services, and amenities. Key trends described include developing homelike settings for long-term care residents (e.g., “greenhouse” or “small house” models), importance of resident choice, growth in technology, development of intergenerational campuses, focus on wellness and lifelong learning, applying green design concepts, and providing urban options. According to survey results, respondents identified a number of these trends as top priorities for the next three years, particularly in the areas of Web-based education, wellness, lifelong learning, “smart home” technology, and LEED certification.

With an anticipated decline in the age 75 to 84 population cohort over the next decade (Gronbach, 2008), senior living organizations will need to identify their niche to attract this generation prior to the arrival of the boomers. As this Silent Generation

ages, their lifestyle and consumer interests will need to be addressed by providers. Their life interests target aspects of wellness and health, lifelong learning, personal growth, family involvement, and choice (Dolloff, 2007). As consumers, their expectations focus on information to make decisions independently, relationships built on trust, time to make decisions, pricing based on specific needs, and value-added programs and services addressing their wants.

The Web survey found that senior living providers are projecting growth in four key areas:

Top trends targeting wellness and lifelong learning for residents include:

- Integrating and expanding wellness programs into senior living residence design, including wellness/healing garden, health spa, therapy pool, putting green, and indoor aquatic center
- Providing Web-based education and lifelong learning programs for residents

Top trends targeting senior living environments include:

- Building “small house” models for long-term care residents, organized to maximize normal living environments and routines, resident autonomy, sense of community, and quality of life
- Obtaining LEED certification to demonstrate new construction and renovations achieving “green” standards

Top trends that target maintaining independence include:

- Incorporating “smart home” technology and wireless connectivity into senior living residences
- Bringing home health care, telehealth technology, geriatric assessment services, and non-medical home
- care services into CCRCs to promote quality of life as one ages in place

Top trends that expand programs and services “beyond the CCRC walls” include:

- Providing home health and adult day care services
- Delivering community-based services to homebound older adults through programs such as the Beacon Hill model
- Opening educational programs to the general community

CONCLUSION

Results of the research conducted by both organizations demonstrated that senior living organizations are addressing and plan to continue addressing needs and interests of their current and future residents, particularly in programs that will allow older adults to age in place with expanded health care services in the home; growing wellness and lifelong learning programs; addressing technology needs, including wireless Internet and “smart home” capabilities; delivering services to homebound older adults; and adding affordable housing options. Overall, organizations with 300+ units appear to be leading the way in terms of current and future planning in many areas of programs, services, amenities, and environment compared to smaller senior living organizations.

Senior living providers will continue to expand partnerships with various organizations in order to meet and exceed expectations of future generations of older adults. For participating senior living organizations, there is interest among most respondents in growing partnerships, in particular with active adult communities, other CCRCs, colleges/universities, for-profit ventures, NORCs, other senior living providers, and state/local government agencies.

Consumer choice will continue to be a central focus in planning future facilities and services. Successful seniors housing organizations will monitor the trends discussed in this article and emerging changes in consumer preferences to maintain the desirability of their retirement communities and to expand their services beyond CCRCs’ walls.

ENDNOTES

¹According to the 2008 *The State of Seniors Housing*, published by the ASHA, the National Investment Center for the Seniors Housing & Care Industry (NIC), and the AAHSA, there are three types of contracts:

•Extensive Care Contract (Type A): A resident typically pays an upfront fee and an ongoing monthly fee in exchange for the right to lifetime occupancy of an independent living unit and certain services and amenities. Residents who require assisted living or nursing care may transfer to the appropriate level and continue to pay essentially the same monthly fee they had been paying for independent living. Type A contracts are almost always associated with nonprofit CCRCs and are called “life care contracts” by some. Although fees may increase over time, they are not to do so because care needs have changed.

•Modified Contract (Type B): A resident typically pays an upfront fee and an ongoing monthly service fee for the right to stay in an independent living unit and receive certain services and amenities. A modified contract obligates a CCRC to provide the appropriate level of assisted living or nursing care to residents who entered independent living units as in an extensive care contract, but only for a specified period of time at a specified rate that may or may not be tied directly to the independent living rate.

•Fee-for-Service Contract (Type C): Requires an entrance fee, but does not include any discounted health care or assisted living services. Typically, residents receive priority admission or guaranteed admission for these services, but residents who require assisted living or nursing care pay the regular per diem rate paid by those who have been admitted from outside the CCRC.

²Retirees Cope With Shrinking Portfolios, Clifford Krauss, November 13, 2008, *The New York Times*.

³Liz Bush, senior vice president of sales and marketing, Life Care Services, LLC; Daniel Cinelli, AIA.; Perkins Eastman Architects

⁴Substantiated by reports published by the Center for Cost and Financing Studies, Agency for Health Care Policy and Research: Medical Expenditure Panel Survey, Nursing Home Component; 2004 data.

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