Workforce Pressures
Access to labor will be a considerable challenge in the future.

Perhaps not surprising in light of the industry challenges related to COVID and labor, a near-totality of the survey pool considers access to labor a considerable challenge in the future.

Percentage of respondents believe access to labor will continue to be challenging.

What percentage of your current frontline (hourly) positions are unfilled?

Establish formal employee engagement process.

The skillsets existing within our workforce are the right skillsets for the future.

Our pay and incentive practices are aligned with the needs and desires of younger generation of workers.

Schools and advocacy groups will improve the pool of health care related labor applicants.

If you are paying, or in the process of paying a living wage, please explain why.

We asked about the movement for $15/hour and how communities were considering a living wage. Approximately 72% of respondents were on their way toward a $15/hour minimum wage. Interestingly, the reasons varied from laws and mandate to moral obligations and business strategies.

Observations:
A reasonably high level of open positions, coupled with approximately 1/3 of respondents indicating that they do not believe the current skillsets are what will be required in the future bring to focus the importance of both managing the current workforce while at the same time looking to new skill sets that may align with future needs at communities.
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Labor already consumes 55-60% of operating budget. Pressure on this segment of spending forces us to cut in other areas or price ourselves out of the market.

Participant comments

How will workforce issues impact retirement communities in the future?
Although worded differently, common responses included:

- Concern over the increased cost to operate while at the same time the challenges for recruitment.
- A keen concern over a reduction in quality/service if qualified labor can not be secured.
- A potential shift to technology to help offset increased labor costs and challenges to accessing labor.
- Very strong competitive environment for labor, particularly skilled.
- Consider and quantify cost of turnover.
- Mandated living wage changes will impact financial performance.

CLA recommended action steps:
Access to labor and the economics around operating an LPC where labor can be as much as 70% of operating costs requires constant diligence around your local markets.

- Stay current with local market demand for labor and associated costs.
- Pursue industry best practices for employee engagement.
- Consider an overall pay package that is attractive in the marketplace.
- Evaluate the needed changes in labor costs and find offsets. This can either make one less affordable in the marketplace or lead to increased technology investments to help offset labor costs and reduce needed head counts.
- Consider and quantify cost of turnover.
- Size the impact of mandated living wage changes to understand the effect on organizational financial performance.
- Conduct an operational assessment to identify areas where production (hours) can be reduced if cost of hours are increasing.