

2022 Senior Living Diversity, Equity, Inclusion, and Belonging Survey

Executive Summary

2022 Senior Living DEIB Survey

Ferguson Partners is pleased to present the 2022 Senior Living Diversity, Equity, Inclusion, and Belonging (DEIB) Survey, in partnership with Argentum, American Seniors Housing Association (ASHA), and the National Center for Seniors Housing and Care (NIC).

This survey provides industry-wide data on diversity across seniority levels, as well as current practices on employee engagement and retention within the senior living industry in the United States.

Forty-four (44) companies participated in this year's survey.

We extend our sincere appreciation to all participating organizations for providing valuable information. The level of participation in this survey has enabled us to perform a series of analyses of, and provide meaningful information on, current DEIB practices and trends within the senior living industry.

Sincerely,

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The DEIB Mandate in Senior Living: Leveraging Diversity to Build Stronger Cultures and Competitive Advantage

As the senior living industry emerges to a post-pandemic inflection point, there has never been a more crucial time to build on the key initiatives that focus on our people. One of these critical initiatives is DEIB – Diversity, Equity, Inclusion, and Belonging – the right thing to do both for both people and results. Applying attention to inclusive and diverse employee environments leads to strong cultures that drive increased organizational effectiveness and better business results. According to Ferguson Partners, *REIT Diversity Across Boards and Executives* study (2022)¹, and McKinsey, *Diversity wins – How inclusion matters* (2020)², companies that have a more equitable gender balance and/or greater racial/ethnic diversity at the senior, executive, and board levels outperform their peers. Further, those organizations that land in the bottom quartile on diversity in leadership demonstrate lagging performance.

For an industry in radical transition, culture is a valuable differentiator and driver of results. Companies simply cannot afford to overlook culture when facing tough competition, financial markets, and continued threats of consolidation. Those that get DEIB right and cultivate high-performing, innovative cultures will become tomorrow’s industry leaders. Those that do not will face increasing challenges to survival.

For most, that means doing things differently. To successfully respond to future opportunities, the leadership mandate means embracing diversity of all kinds. A broad-based diversity lens includes both visible and non-visible differences and brings in a wider perspective of thought, background and experience.

The Action

It is often said that you can’t improve what you don’t measure. To that end, the inaugural Senior Living DEIB Survey provides baseline data that we can build upon in future iterations of the survey, allowing us to establish industry trends.

Up until now, DEIB hasn’t traditionally been the priority for many organizations in the industry. For those that have focused on it, it has been through an individualistic approach, rather than a concerted effort within the industry to gather information and provide tools to improve.

To address these industry issues, Argentum, ASHA, and NIC in partnership with Ferguson Partners, developed the 2022 Senior Living DEIB Survey, the first of its kind in the industry. Additionally, this coalition has partnered with The Axela Group to curate and develop priority resources for the industry, through the form of a DEIB Action Toolkit for Operators.

This initiative recognizes some organizations are still recovering from pandemic impacts; within the industry, organizations are at different places along the DEIB journey. There are differing levels of resources, skills and understanding to apply to next steps. This survey and toolkit are the first step.

Survey Results at a Glance

27% of participants have a formal DEIB program and a further **46%** have implemented some DEIB initiatives and/or policies.

56% have a formal DEIB committee responsible for developing, implementing and/or reviewing DEIB strategies or initiatives.

90%+ of organizations focus on gender, race/ethnicity, and sexual orientation as dimensions of diversity. Other dimensions (such as age, religion) are less commonly used.

73% of senior living professionals are women while **27%** are men. At the company overall, **53%** of employees are white and **46%** are people of color (POC).

17% of executive management is POC, a significantly lower proportion than the company overall. Similarly, women make up **40%** of that level.

95% of participants are taking special steps to recruit potential employees from underrepresented groups.

98% of participants are already taking steps to increase retention and/or promotion rates of underrepresented groups.

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Survey Methodology

In the second quarter of 2022, Ferguson Partners worked with Argentum, ASHA, and NIC to develop a questionnaire for the purpose of gathering Diversity, Equity, Inclusion, and Belonging (DEIB) information relevant to companies focused on senior living. This inaugural benchmarking effort provides industry-wide data on diversity across seniority levels and best practices on employee engagement and retention within the senior living industry in the United States. This year's survey collected the baseline data necessary for tracking the progression of the senior living industry's approach to DEIB in years to come.

The Results

For this year's survey, 44 companies provided thorough responses, classifying them as participants. Ferguson Partners gathered the responses, clarified additional information as needed, then analyzed the data to develop this report. Data was collected on four broad areas related to DEIB:

- Company Information
- Organizational DEIB Practices
- DEIB Initiatives/Policies in the areas of Recruiting, Retention & Promotion, Training & Development, Inclusive Culture, Tracking & Accountability, and Pay Equity
- Employee Demographics

Important Definitions

Diversity: The presence of people with differences across dimensions such as gender, age, race/ethnicity, socioeconomic upbringing, sexual orientation, and others.

Equity: The practice of ensuring that processes and policies are impartial, fair, and enable equal access to opportunities for every individual.

Inclusion: The practice of acknowledging and valuing people's differences to enrich or shift social planning, decision making, and quality of life for everyone.

Belonging: The feeling of security and support when there is a sense of acceptance, inclusion, and identity for a member of a certain group.

Underrepresented Group: This can mean different things to different organizations. Overall, underrepresented groups are those subsets of the population with a smaller percentage than the overall employee population. Underrepresented groups could, for example, include those based on gender, gender identity, sexual orientation, race, age, ethnicity, cultural heritage (including Indigenous people), religion, language, physical abilities, and neurodivergence.

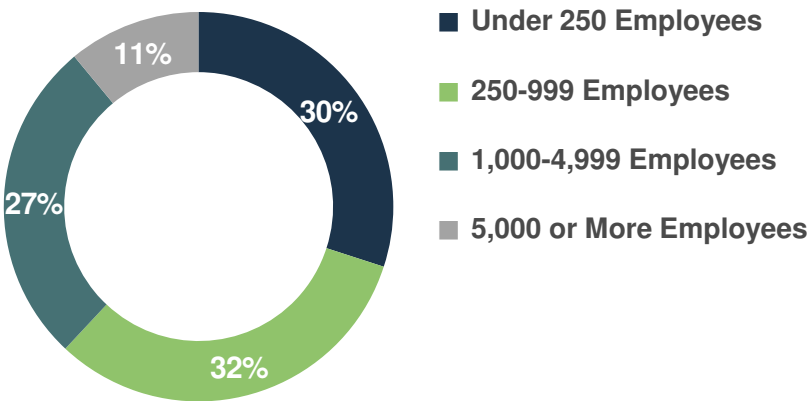
Person/People of Color (POC): For the purposes of this survey, please consider POC as any employee that is Hispanic or Latino, Black or African American, Native Hawaiian or Other Pacific Islander, Asian, Native American or Alaska Native, or multiracial (two or more races).

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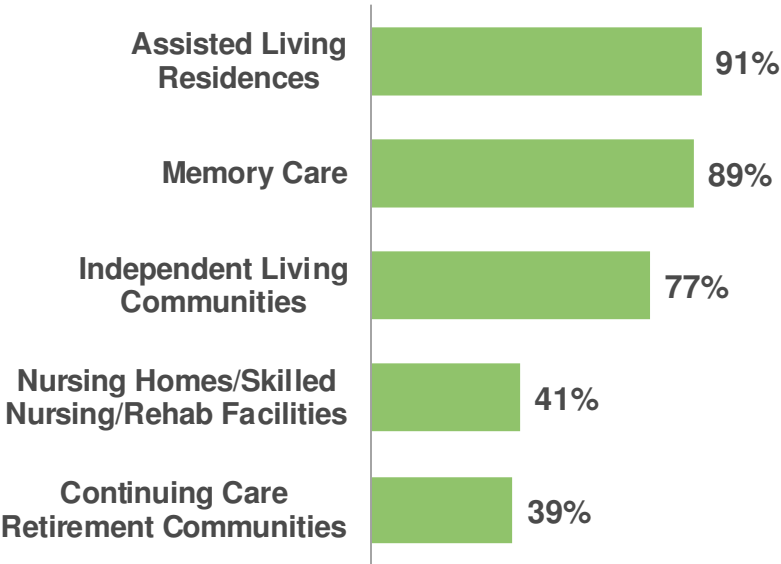
Participant Overview

Participants in the survey represented a wide range of organizations, comprising a variety of geographies, sizes, and specialties. Just over half of participants (52%) operate in only one geographic market (Northeast, Southeast, Central/Midwest, Southwest, or West) and the remaining 48% operate in two or more markets. Eighteen percent (18%) of participants have a national presence (operating in all five markets). Company sizes are evenly distributed in terms of the number of units within their portfolios; nearly a third (30%) of participants operate less than 500 units, a further 30% have 500-2,000, 19% operate 2,001-5,000 units, and 21% have more than 5,000. This variety in participant base allows us to examine trends across the senior living industry as a whole and not just organizations in a particular location or of a particular size.

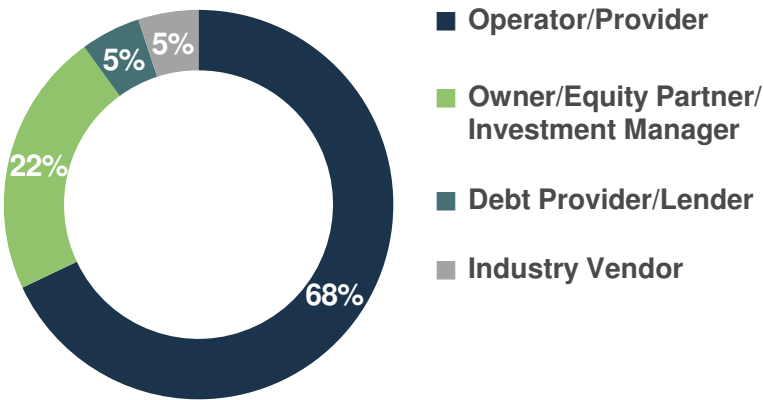
Total Number of Senior Living Employees (Full- & Part-Time)



Property Portfolio



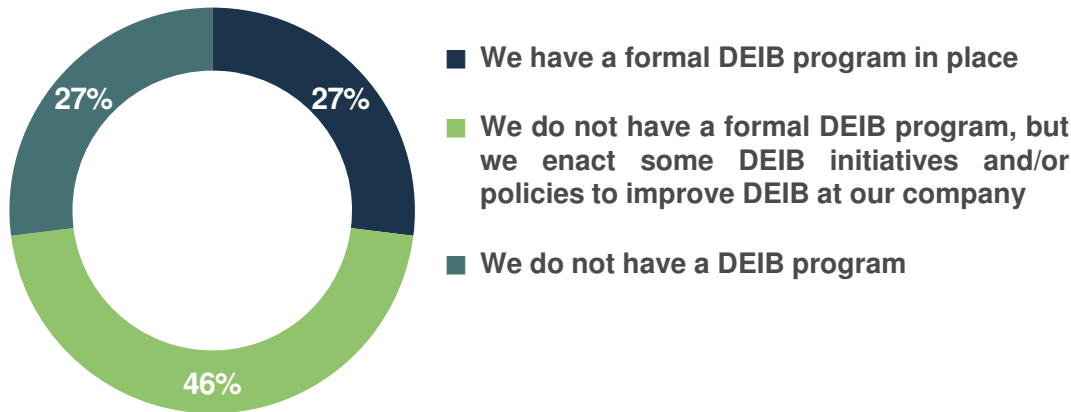
Business Classification



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DEIB Programs

How does your company address diversity, equity, inclusion, and belonging (DEIB)?



The largest percentage of respondents (46%) are taking the first steps of initiating DEIB programs and incorporating them into the organization, but do not yet have a formal DEIB program in place.

In equal measure on either side of that majority, twenty-seven percent of respondents have either formally adopted DEIB programs or have not yet begun a focus or a program in this area.

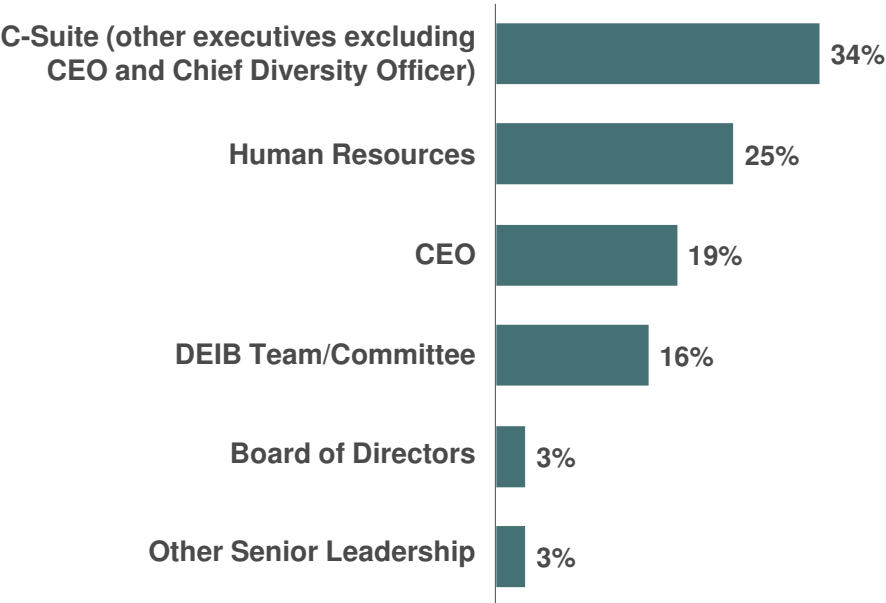
In comparison, only 8% of the broader commercial real estate (CRE) industry have yet to begin a DEIB program³.

DEIB Ownership

At most organizations, DEIB leadership comes from the top, either from the CEO or other members of the C-suite (53%). Otherwise, decision-making is likely to come from human resources or a DEIB committee.

Senior living organizations are on trend with most companies in other industries at the start of their DEIB journey by utilizing DEIB committees. Over half of participants (56%) report having a formal DEIB committee that pulls together cross functional groups to identify initiatives and lead the charge of pushing things forward. However, only a small minority of firms (9%) have an employee who is solely dedicated to DEIB within their organization.

Who at your company leads decision-making on DEIB policies/initiatives?



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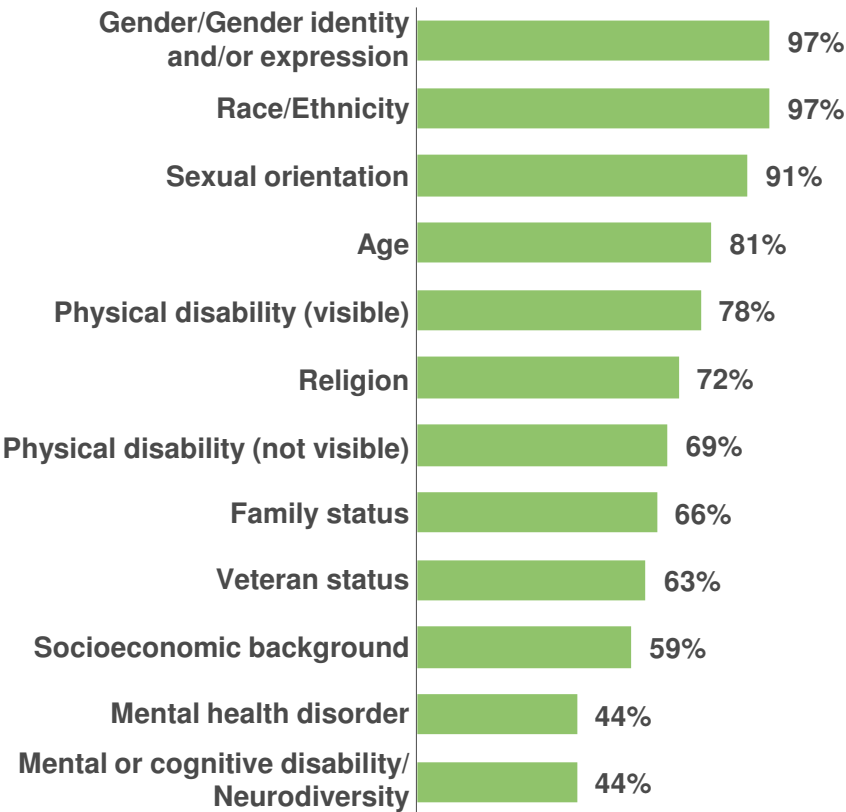
Dimensions of Diversity

Of the survey participants that do focus on DEIB today, gender identity, race/ethnicity, and sexual orientation are the most prominent issues addressed in the organization's initiatives.

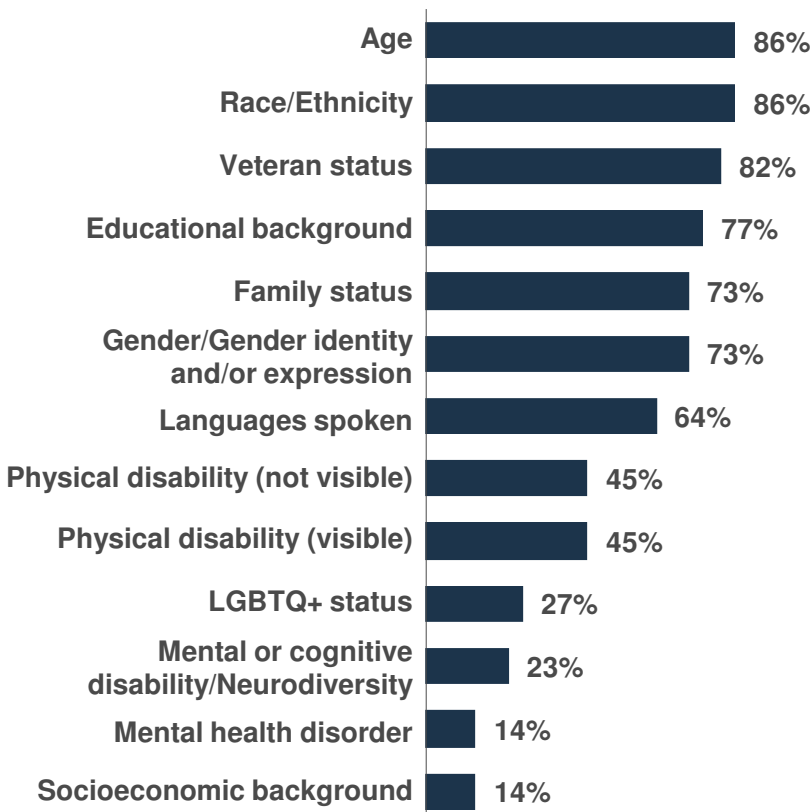
While these three top categories are critically important and should garner full focus, companies also have the opportunity to consider the holistic view of diversity and begin to incorporate additional dimensions such as ability, age, socioeconomic background, and veteran status. The ultimate power of DEIB is realizing the value that differences bring to organizations; diverse backgrounds, experiences, and thinking can come together to drive performance and results.

While organizations are starting to collect relevant data on important demographics related to DEIB, there are other dimensions of data organizations will begin to track and monitor as the industry progresses.

Which dimensions of diversity are directly addressed in your organization's DEIB initiatives?



Which of the following demographic data does your organization attempt to collect from its employees?

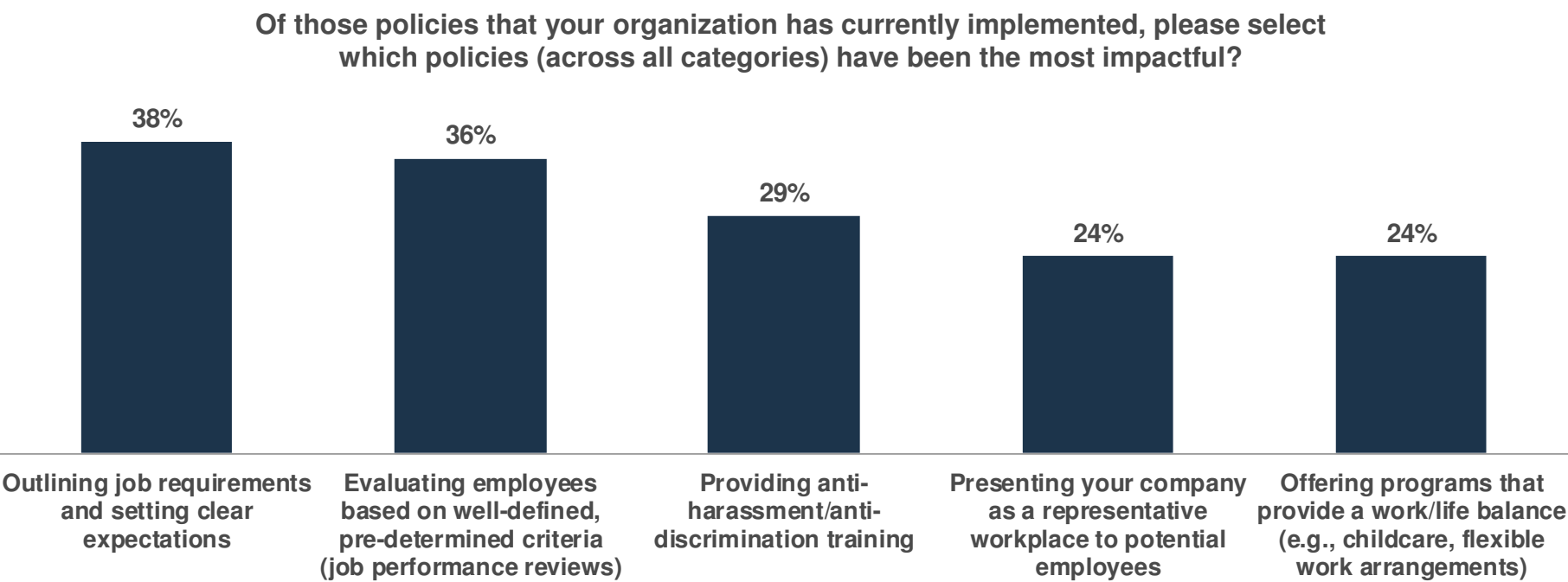


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Policies and Initiatives

Survey participants were asked about a number of policies and practices related to improving the following areas within their organizations: Recruiting, Retention & Promotion, Training & Development, Inclusive Culture, Tracking & Accountability, and Pay Equity. For each policy or initiative, participants indicated whether they were 1) currently implementing the policy 2) planning to implement the policy within the next 12 months, or 3) not intending to implement the policy. This provides crucial insight into the specific steps senior living organizations are taking in pursuit of improved DEIB outcomes. In future iterations of this survey, we will be able to compare results year-over-year to spot trends and shifts in policy implementation.

Survey participants were asked to reflect on the DEIB practices and policies that they currently have implemented and indicate which of those were the most impactful in achieving their DEIB-related goals. Of the five most-frequently selected policies (shown below) the top three are retention & promotion policies, followed by a recruitment policy, and a policy for fostering an inclusive workplace.



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Diversity Across Organization Levels

Women comprise, on average, 73% of all employees at participant organizations, and 40% of executive management. By contrast, the overall gender breakdown for the North American commercial real estate (CRE) industry in 2021 was 59% men and 41% women, and 80% men and 20% women at the executive level.³ This is one key area where the senior living industry inherently differs from other related industries.

It is equally important in the DEIB journey to examine the breakdown with regard to people of color (POC). On first look, the organization-wide parity is promising; 46% of the total employee population is people of color, considerably higher than 31% in the broader CRE industry. However, with a closer look at the hierarchical levels in the organization, there is clearly an imbalance. Only 25% of senior-level employees and 17% of executive management are POC. This disparity is not limited to the senior living sector. Within the CRE industry, even fewer people of color (16%) are represented at the senior level and representation is similar for executive management (85% white, 15% people of color). Similarly, at the community level, there is a clear difference between senior living staff and management. While the majority of community staff are people of color (55%), only 26% are represented in community management.

This baseline data provides interesting details on gender and race at different organization levels. As we continue to conduct this survey in future years, we look forward to being able to compare year-over-year changes in demographic composition as more firms in the senior living industry take steps to recruit, retain, and promote more employees from underrepresented groups.

	White	POC*	Did not Specify	Total
Company Overall				
Men	17%	10%	-	27%
Women	36%	36%	1%	73%
Total	53%	46%	1%	100%
Executive Management				
Men	51%	8%	1%	60%
Women	31%	9%	-	40%
Total	82%	17%	1%	100%
Senior-Level Employees				
Men	34%	11%	-	45%
Women	41%	14%	-	55%
Total	75%	25%	-	100%
Mid-Level Employees				
Men	27%	10%	1%	38%
Women	49%	13%	-	62%
Total	76%	23%	1%	100%
Junior-Level Employees				
Men	21%	8%	-	29%
Women	45%	25%	1%	71%
Total	66%	33%	1%	100%
Community Management				
Men	21%	8%	-	29%
Women	52%	18%	1%	71%
Total	73%	26%	1%	100%
Community Staff				
Men	10%	12%	-	22%
Women	34%	43%	1%	78%
Total	44%	55%	1%	100%

**For the purposes of this survey, please consider POC as any employee that is Hispanic or Latino, Black or African American, Native Hawaiian or Other Pacific Islander, Asian, Native American or Alaska Native, or multiracial (two or more races).*

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So What Does This Mean?

There's work to do, but the industry is starting from a place of strength. Organizations are already diverse, but improvement can be made in how companies prepare and move diverse individuals through organizations. It means that the focus must shift to development, education, experience, and exposure to the executive management levels.

In addition, promotions trends shed light into key movement in the right direction. In order to improve representation over time at any given organization level, a higher proportion of hires and promotions needs to go to underrepresented groups than the current demographic breakdown. The survey data, shows that promotions at the executive management tier have recently been more heavily oriented towards women. Although the majority of promotions in 2021 went to white executives, the proportion of POC women who were promoted (35%) was significantly higher than their current level of representation (9%). While the overall demographics may not be ideal today, this signals that the industry is cognizant of and actively making strides towards improving representation.

Current Executive Management Population*				
	White Men	POC Men	White Women	POC Women
	51%	8%	31%	9%
Staffing Trends				
Total Promoted in 2021	19%	8%	38%	35%
Total Hired in 2021	39%	15%	39%	7%
Total Departed in 2021	54%	11%	18%	17%

**Totals exclude individuals who did not disclose/specify their race/ethnicity*

Sponsorship Delivers Representation

While both sponsorship and mentorship are essential to the success and sustainability of all leaders, it is notably important in the development of diverse talent. These are two key factors crucial in promoting an inclusive and diverse work culture that drives effective change in the areas of promotion and retention.

Sponsors can have a greater impact on ensuring the retention and advancement of diverse and underrepresented talent in a way that mentors do not.⁴ In addition to offering advice and guidance, they actively advocate on behalf of the employee, helping guide them through significant career changes in an organization. This helps to reinforce inclusiveness within the organization and is critical for the focused growth of diverse talent that will increase representation at higher organization levels.

Ultimately, the senior living industry is powered by its people. And the organizations are all competing for employees. Diversity, equity, inclusion, and belonging matter in this endeavor. Organizations cannot afford to ignore or leave this initiative behind. In fact, it's time to begin to bridging gaps and aligning organizations with a new way of thinking.

The senior living industry has an advantage; it can draw upon its existing diversity to focus on people, and the mission of helping people live better, healthier, longer lives. As we build the future of senior living, the forward focus must adopt DEIB as a critical lens by which to evaluate and measure progress.

Sources:

- [1] "Diversity wins: How inclusion matters" McKinsey, May 2020
- [2] "2022 REIT Diversity Across Boards and Executives" Ferguson Partners, September 2022
- [3] "The Global Real Estate DEI Survey 2021" Ferguson partners et al., December 2021
- [4] "To Build Diverse Leadership, Formalize Mentorship and Sponsorship Programs" Bain & Company, August 2021



Ferguson Partners

As a global talent management boutique serving all industries and with a strong concentration of real assets, healthcare, hospitality, and private equity clients, Ferguson Partners orchestrates the essential disciplines impacting human capital — Executive and Board Recruitment, Compensation Consulting, Diversity, Equity & Inclusion, Leadership Consulting, and Management Consulting — to deliver trustworthy solutions that help clients capitalize on the advantages of great leadership.

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