

# THE MARKET NEEDS AND ECONOMIC IMPACT OF LEADINGAGE OHIO MEMBERS

**Stephen J. Appold, James H. Johnson, and Allan Parnell**  
Infographic brochure produced by LeadingAge Ohio



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This report demonstrates the economic impact of LeadingAge Ohio members—as employers and economic drivers in communities across Ohio. It also characterizes the present and future challenges LeadingAge Ohio member organizations will likely face as Ohio’s senior population grows. The report provides estimates of present and future need along with guideposts to help navigate the future as time unfolds.

This first edition was produced by Stephen J. Appold, James H. Johnson, and Allan Parnell in September 2020. It was repurposed and released as an infographic brochure by LeadingAge Ohio in February 2021.

# EXECUTIVE SUMMARY

STEPHEN J. APPOLD, JAMES H. JOHNSON,  
AND ALLAN PARNELL

Ohio's senior population (aged 65 and above) is projected to increase by 20.7 percent from 2019 to 2030, thereafter plateauing for another decade. During the same period, Ohio's total population is expected to remain roughly constant. Ohio's "senior dependency ratio" is a measure of relative demographic stress which compares the proportion of older adults to the general population. *Ohio's senior dependency ratio will rise by nearly 25 percent*, leading to financial, workforce, and care delivery changes that will require determination and creativity to address.

While some seniors are able to look forward to many years of healthy aging and will have the resources needed to purchase care when it is needed, other seniors will not. Divergent trends in health and wealth lead to a situation that could be called "fragmented aging" with wide disparities between how Ohioans experience aging. Some seniors may have extreme care needs - and precious few resources to pay for care - and must rely on Medicaid and other public insurance options. Between these two extremes is a "forgotten middle," those with average means whose needs may impose stress on their quality of life or that of caregiver family members.

LeadingAge Ohio is the trade association representing the mission-driven continuum of aging services providers throughout Ohio. It works with member organizations to address the spectrum of needs of Ohio's aging population. LeadingAge Ohio members include nursing homes, adult day, assisted living, home- and community-based services, life plan/continuing care retirement communities (CCRC), and senior housing providers. The following report summarizes the present and future challenges LeadingAge Ohio member organizations and the state of Ohio will likely face as Ohio's senior population grows. The report provides estimates of present and future need along with guideposts to help navigate the future as time unfolds. The report also provides estimates of the economic impact of LeadingAge Ohio members on their local communities.

In 2019, LeadingAge Ohio's near 400 member organizations served over 400,000 seniors statewide. They employed an estimated 35,000 mission-oriented staff across all skill levels. The impact these organizations have on their local economies is substantial. Members' total ongoing expenditures (\$2.1 billion), including payroll (\$780 million), generate an estimated yearly total economic impact of \$3.7 billion, \$100 million in direct and indirect state and county taxes, and \$237 million in federal taxes.\*

CCRCs, increasingly known as Life Plan or senior living communities, are both central in LeadingAge Ohio membership and an important residential and care option for Ohio's growing senior population. Senior living communities offer a type of serviced real estate - that is, real estate bundled with a set of guaranteed all-in services which may be partially prepaid. Designed to meet the health and lifestyle needs of older adults as they age, these senior living communities typically include independent living, assisted living, and nursing care, among other services. With this continuum of care, senior living residents need not leave the community as their health and functional abilities change.

While 23.4 percent of LeadingAge members offer this full range of combined care options, a majority of member facilities offer different constellations of services to closely match the needs of specific segments of the senior population. Some (18.9 percent) only offer housing tied directly to care (assisted living and skilled nursing facilities) while others (35.8 percent) offer housing only without services, and over one-fifth of the member organizations offer services to seniors outside of residential settings.

In response to Ohio's shifting economic and demographic trends, member organizations are working towards new service delivery models. A number of senior living communities are expanding services beyond their campuses while some are also unbundling housing from services in an effort to provide below-market rate housing. Flexibility in service provision, facilitated through a diversity of delivery models, may be key in reaching out to the "forgotten middle". This will ensure Ohio is positioned to respond to the multifaceted health, wealth, and longevity challenges all seniors will face in a post-COVID 19 environment.

\*Federal tax figures represent taxes paid by employees.



# AGING OHIO

## OVER THE NEXT DECADE...

*Ohio's population is expected to remain constant, but Ohio's senior population is expected to increase by 20.7%, from 1,972,000 in 2019 to 2,382,000 in 2030.*

## WHAT DOES THIS MEAN?

### OHIO COUNTIES ARE SHIFTING

In the year 2000, the percentage of Ohio counties with more residents over age 60 than under age 20 was 0%. **By the end of 2020, it was nearly 50%.**

<https://www.cleveland.com/datacentral/2019/05/aging-ohio-2020-census-projected-to-show-ohioans-age-60-and-older-will-outnumber-those-under-20.html>

### RETIREMENT-AGED POPULATION GROWING

According to population estimates, **13 of Ohio's 88 counties had more residents of retirement age in 2018 than they had children.** In 2010, only one Ohio county had experienced this flip.

<https://www.dispatch.com/news/20190620/ohios-population-ages-fast-as-services-try-to-keep-up>

### THE SENIOR DEPENDENCY RATIO WILL INCREASE BY 25%

The senior dependency ratio is an indicator of demographic stress that measures the ratio of non-working, dependent older adults to the working population. As Ohio's senior demographic grows, so too will the dependency ratio.

LeadingAge Ohio represents nearly 400 mission-driven aging services and post-acute care organizations that employ more than 35,000 staff and serve approximately 400,000 Ohio seniors with care needs.

## REPRESENTING THE FULL CONTINUUM OF AGING SERVICES

### Members include:

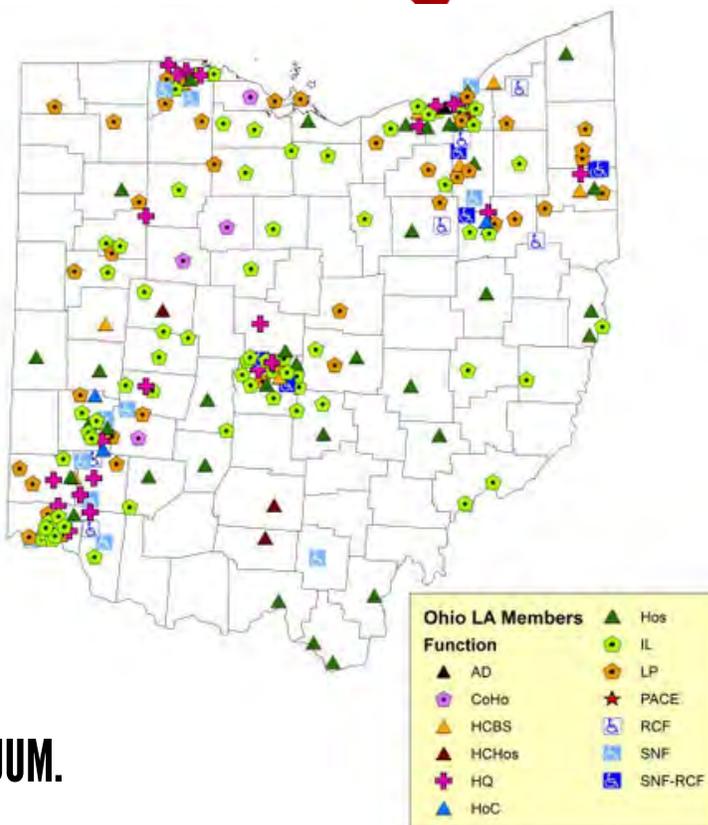
- Senior living communities
- Affordable senior housing
- Nursing homes
- Assisted living
- Home health
- Hospice
- Adult day



## A SELECTION OF LEADINGAGE OHIO MEMBERS AROUND THE STATE



LEADINGAGE OHIO IS THE  
**TRUSTED VOICE**  
ACROSS THE AGING SERVICES CONTINUUM.



# A CLOSER LOOK AT OLDER ADULTS IN OHIO

Consistent with national trends, the data show that Ohio's population as a whole is aging rapidly. Over the next decade, Ohio's senior population (aged 65 and above) is projected to increase by 20.7 percent - from 1,972,000 in 2019 to 2.382,000 in 2030, thereafter plateauing for a decade before decreasing somewhat. This is primarily due to a long-term decline in birthrates which began more than a century ago.

## UPCOMING PEAK & A STEADY INCREASE

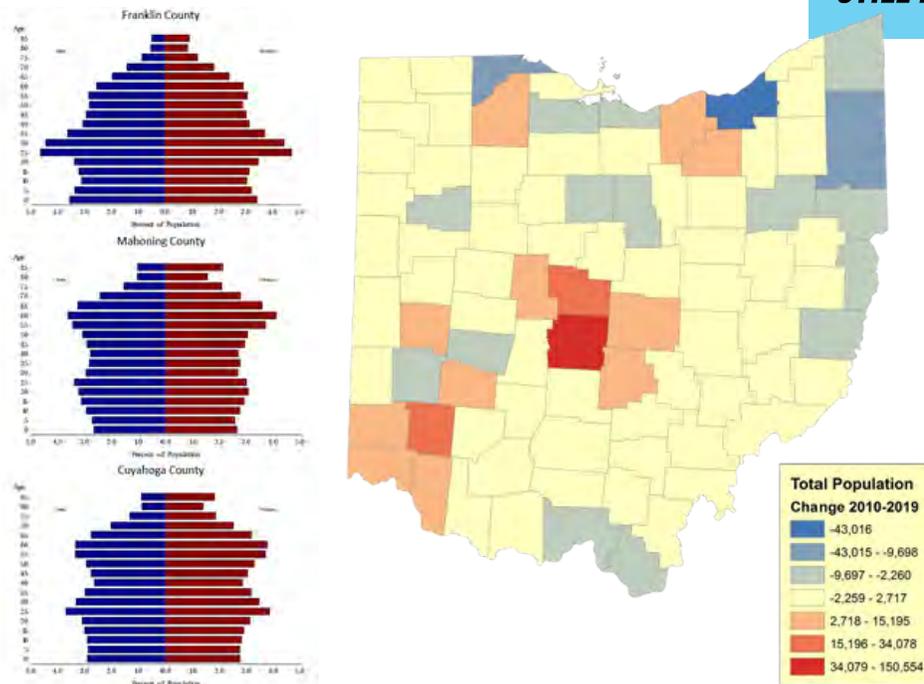
Ohio's total population is projected to grow modestly and then begin a decline slightly beginning in 2040. The senior population is projected to peak in 2030 at 2.8 million. The 85 and up population, who are more frail and typically have advanced health care needs, are projected to steadily increase through at least 2050.

**2030:**

**65 AND UP POPULATION PEAKS**

**2050:**

**85 AND UP POPULATION WILL STILL BE GROWING**



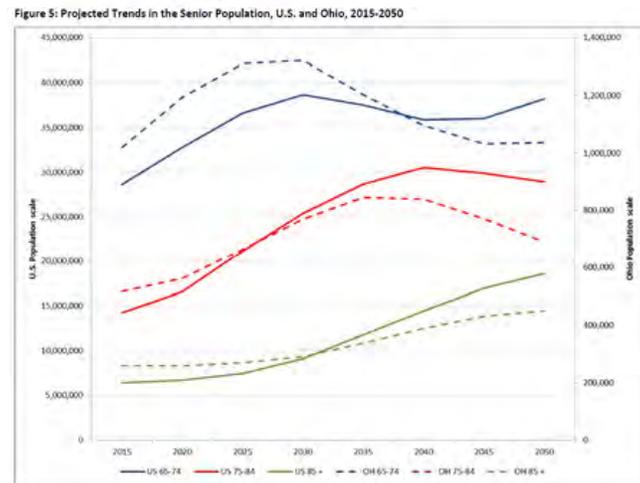
## COUNTY GROWTH & DECLINE

Ohio's wide-ranging counties paint different pictures of demographic changes. Cuyahoga county is home to the largest senior population in the state while also experiencing the largest population decline - mostly younger people migrating away. While Franklin county is home to the second-largest senior population in the state, the rapid growth of the county implies that older adults comprise a modest proportion of the total population. Mahoning county is representative of some of the smaller counties in Ohio - it continues to lose in total population, has a large senior population, and has a smaller proportion of younger adults.

## BABY BOOMERS AGING INTO CARE NEEDS

The Baby Boomers, born between 1946 and 1964, began entering the ranks of seniors in 2011. This generation created a noticeable bump in the aged 65 and up population and will continue to drive an increase in the population of elderly Ohioans.

The Baby Boomer generation demands new care models. Advances in health care and access to health services have improved some health outcomes, but Ohio's Boomers are often less healthy when compared to similarly-aged individuals in other states. This generation has also seen savings hurt during the Great Recession. Many lack pensions, and many are more prone to spending than saving.



These data anticipate **workforce stress**, as the percentage of working-age adults shrinks while the number of non-working older adults grows. LeadingAge Ohio members are faced with different levels of demand and varied labor force situations. In the long run, demographic patterns will drive demand for care options, as well as for an adequately sized and trained labor force.

### FUTURE TRENDS IN OHIO:

- **FAST-APPROACHING SENIOR PEAK**
- **SHRINKING WORKING-AGE POPULATION**
- **LONG-TERM GROWTH OF THE OLDEST AGE GROUP**



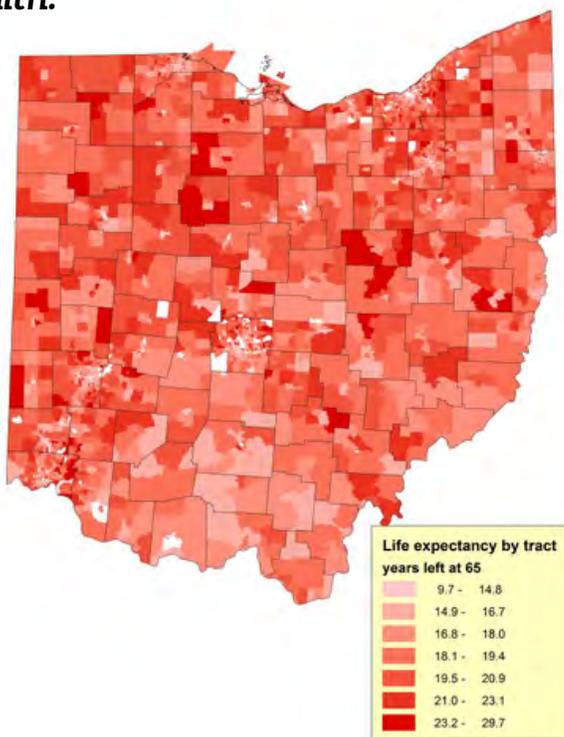


# HEALTH & WEALTH

## LIFE EXPECTANCY TIED TO WEALTH, REGION, AND RACE

The figure below shows the years of life remaining at age 65 by Ohio census tract. It reflects life expectancies that vary by nearly three decades - 29.7 years - and suggests local inequalities in life outcomes. Some of this pattern is driven by racial disparities. A recent assessment estimated life expectancy at birth for Ohioans to be 74.3 years for white males, 79.2 for white females, 67.6 for black males, and 74.3 for black females.

*At one end of the spectrum, there may be short, care-intensive aging; at the other, aging may be long and full of health.*



## TRENDS IN DISABILITY-FREE LIFE EXPECTANCY

As life expectancy at older ages has increased, one key question is whether this is an increase in the time living with serious disability or an increase in healthy life. **By their late 60s, one quarter of all Ohioans suffer from some sort of disability, most frequently relating to movement.** Ten percent of those in their early 70s note hearing difficulties. Among the growing number of oldest Ohioans, half have ambulatory issues, half have difficulty with living independently, 30 percent have trouble with self-care, and over one-fourth have cognitive difficulties. **Without improvements in the prevalence of these conditions, the care needs will be significant as this population continues to grow.**

Table 2: Ohio Residents with Reported Disabilities, 2014-2018

Age group	Disability (Y/N)	Ambulatory difficulty	Independent living difficulty	Hearing difficulty	Self-care difficulty	Cognitive difficulty	Vision difficulty	Veteran service disability
55-59	19.17%	12.08%	6.91%	3.89%	4.00%	7.17%	3.05%	1.15%
60-64	21.53%	13.83%	7.47%	5.22%	4.39%	6.20%	3.60%	1.57%
65-69	24.10%	14.85%	8.07%	7.84%	4.92%	5.44%	3.63%	4.39%
70-74	28.38%	17.30%	10.03%	10.46%	6.21%	6.02%	4.22%	3.46%
75-79	37.95%	23.63%	15.49%	14.65%	8.89%	8.98%	5.67%	1.64%
80-84	49.75%	32.81%	24.93%	19.90%	15.10%	14.20%	8.13%	1.77%
85+	71.93%	51.90%	49.46%	32.87%	30.96%	26.63%	15.00%	2.29%

Source: American Community Survey

## RETIREMENT MIGRATION

Most older adults prefer to age in place, while many are forced to do so due to economic constraints. Common forms of retirement migration are home place migrations (returning to family and other connections), migration to be near family no longer living near the old home place, seasonal migration (e.g. moves between Florida and Ohio), and migration to retirement destinations (e.g. senior living communities). As they age, seniors tend to remain in place. **While the rates of out-migration are strongest with young adults, those aged 75 and older showed net migration to the state in the first decade of this century.**

## MEDIAN WEALTH

During the Great Recession, many families lost significant wealth and savings. While some types of wealth have recovered, others continue to lag. Trends in net wealth by age over time help predict Ohioans' abilities to afford services such as in-home care and senior living.

# ECONOMIC IMPACT OF LEADINGAGE OHIO MEMBERS' COMMUNITIES



Aging services providers are economic drivers within their communities. **This study measured the economic impact of LeadingAge Ohio members on state and local economies in two ways.** First, it estimated the impact of ongoing member expenditures – that is, excluding large capital projects – on the state economy as a whole and on the local economies of the counties in which they are located. Second, it estimated the impact of the consumer expenditures of senior living community residents only on the state economy as a whole.

LeadingAge Ohio members serve a wide array of Ohioans across all income categories. Data pertaining to senior living resident average incomes allowed the surveyors to estimate the economic impact of the spending of this subset of LeadingAge Ohio's clientele. Because a substantial portion of resident consumer expenditures is devoted to the housing, meals, and other services provided by senior living communities, these impacts overlap to a large degree.

## LEADINGAGE OHIO MEMBERS ARE:



**MAJOR ECONOMIC DRIVERS**



**TOP JOB CREATORS**



**COMPASSIONATE CAREGIVERS**



**MISSION-DRIVEN PROVIDERS**



**HEALTH CARE HEROES**

# LEADINGAGE OHIO MEMBERS REPRESENT A

# \$3.7 BILLION PER YEAR

# SECTOR OF THE OHIO ECONOMY



Table 3: State-wide Economic Impacts of LeadingAge Ohio Members, 2018

	Total	Life Plan Community	Skilled Nursing/ Resident Care	Housing Only	Home Based Service
Total Residents		14,399			
Estimated Total Employees	25,207	14,017	6,151	590	4,449
Implan-est. employees	20,011	12,201	5,344	1,121	9,250
Estimated payroll	\$780,013,675	\$365,326,323	\$196,480,927	\$23,862,286	\$194,344,139
Estimated Total Salary Payments	\$1,143,547,944	\$484,259,507	\$233,339,288	\$114,290,078	\$311,659,071
Estimated Non-salary Payments	\$954,876,410	\$440,022,139	\$171,506,864	\$235,365,593	\$107,981,815
Estimated Total Ongoing Expenditures	\$2,098,424,355	\$924,281,646	\$404,846,152	\$349,655,670	\$419,640,886
	100.00%	44.05%	19.29%	16.66%	20.00%
<b>Economic Impacts</b>					
Direct Effect	\$2,098,424,352	\$924,281,646	\$404,846,152	\$349,655,670	\$419,640,886
Indirect Effect	\$704,765,635	\$423,146,148	\$185,342,953	\$43,758,984	\$124,091,128
Induced Effect	\$849,501,540	\$545,093,535	\$238,757,332	\$29,839,117	\$402,236,651
Total Effect	\$3,652,691,527	\$1,892,521,329	\$828,946,437	\$423,253,772	\$945,968,665
Percent of Total Impact	100.00%	51.81%	22.69%	11.59%	25.90%
Employment	30,492	18,854	8,258	1,536	12,772
Labor Income	\$1,183,540,688	\$760,004,323	\$332,890,766	\$41,199,648	\$555,959,180
<b>State and County Tax Impacts</b>					
Employee Compensation	\$2,936,577	\$1,921,688	\$841,722	\$78,707	\$1,099,018
Indirect Business Tax	\$67,683,577	\$39,591,640	\$17,341,600	\$4,886,173	\$23,124,672
Households	\$28,742,602	\$18,388,999	\$8,054,596	\$1,044,930	\$14,030,864
Corporations	\$390,751	\$241,578	\$105,814	\$19,707	\$136,775
Direct Real Estate Tax	\$39,082,047	\$6,234,545	\$2,730,804	\$13,688,446	\$1,468,393
Direct Sales Tax	\$55,444,438	\$8,844,748	\$3,874,103	\$19,419,356	\$2,083,162
Total State and County Tax	\$99,753,506	\$60,143,904	\$26,343,732	\$6,029,517	\$38,391,330
<b>Federal Tax Impacts</b>					
Employee Compensation	\$126,465,571	\$82,758,732	\$36,249,291	\$3,389,556	\$47,329,925
Indirect Business Tax	\$12,030,876	\$4,054,861	\$1,776,076	\$2,817,956	\$1,978,536
Households	\$89,649,602	\$57,224,541	\$25,065,017	\$3,345,239	\$44,789,047
Corporations	\$9,450,288	\$5,865,403	\$2,569,115	\$461,681	\$3,183,981
Total Federal Tax	\$237,596,337	\$149,903,537	\$65,659,499	\$10,014,432	\$97,281,488

Note: Direct Property and Sales Tax not included in Total State and County Tax

**\$1.14 BILLION**

Salary payments to Ohioans

**\$1.89 BILLION**

Economic impact of Leading Age Ohio senior living communities

**\$828.95 MILLION**

Economic impact of Leading Age Ohio nursing homes/resident care

**\$194.34 MILLION**

Economic impact of Leading Age Ohio home-based aging services

**\$99.75 MILLION**

Total dollars paid in state and local taxes to Ohio communities

## MISSION-DRIVEN, NON-PROFIT SENIOR LIVING

In proprietary counterparts, revenues are a good measure of direct economic impact. LeadingAge Ohio members are all mission-driven and predominantly non-profit organizations, often with a strong component of benevolent care. The value of their services may be greater than their revenues, both because of benevolent care delivered and because any margins are reinvested into the community, compounding the economic impact. The data above reflect direct economic impact - the true value to LeadingAge Ohio clientele may be understated.





# LABOR SUPPLY: A CONTINUING CHALLENGE

LeadingAge Ohio continues to seek workforce solutions amid a severe workforce shortage. As Ohio's aging population grows, policymakers must understand the pay, skill, and experience needed to staff Ohio's long-term services and supports system.

National senior living data from the Bureau of Labor Statistics:

## TOP JOB IN SENIOR LIVING - HEALTHCARE SUPPORT OPERATIONS (\$12.89 PER HOUR)

The most in-demand jobs in senior living are healthcare support operations, which include State Tested Nurse Aides (STNA), Certified Nurse Aides (CNA), Home Health Aides, and Personal Care Aides.

### OTHER TOP JOBS INCLUDE:

2. FOOD PREP & SERVING (\$12.09 PER HOUR)
3. HEALTHCARE PRACTITIONERS (\$25.89 PER HOUR)
4. BUILDING & GROUNDS (\$12.26 PER HOUR)
5. OFFICE & ADMINISTRATIVE (\$15.47 PER HOUR)

- 424,750 HEALTH CARE AIDES NATIONWIDE
- MEDIAN HOURLY WAGE: \$12.89
- HOURLY WAGE OF TOP COMPETITORS: AMAZON \$15, WALMART \$12

Table 4: Number, Distribution, and Salaries of Employees of Continuing Care Retirement Communities and Assisted Living for the Elderly, Nation-wide May 2019

Occupation title	Employment	Percent of total employment	Median hourly wage	Mean hourly wage	Annual mean wage	Annual median wage	Bottom 10 % earnings v. median	Top 10 % earnings v. median
Management Occupations	32,940	3.48	\$36.71	\$41.20	\$85,700	\$76,350	58.70%	175.74%
Business & Financial Operations Occupations	9,650	1.02	\$26.69	\$27.90	\$58,030	\$55,510	62.85%	152.77%
Computer & Mathematical Occupations	730	0.08	\$28.75	\$30.39	\$63,200	\$59,810	55.78%	163.45%
Life, Physical, & Social Science Occupations	50	0.01	\$39.44	\$36.23	\$75,360	\$82,040	34.97%	143.36%
Community & Social Service Occupations	7,300	0.77	\$21.57	\$22.43	\$46,660	\$44,860	57.74%	154.21%
Educational Instruction & Library Occupations	170	0.02	\$14.89	\$16.20	\$33,690	\$30,980	68.59%	158.75%
Arts, Design, Entertainment, Sports, & Media Occs.	990	0.10	\$27.42	\$27.88	\$58,000	\$57,030	58.76%	142.84%
Healthcare Practitioners & Technical Occs.	101,860	10.76	\$25.89	\$26.93	\$56,020	\$53,850	64.61%	148.64%
Healthcare Support Occupations	424,730	44.87	\$12.89	\$13.31	\$27,680	\$26,810	77.84%	135.06%
Protective Service Occupations	5,690	0.60	\$14.23	\$14.96	\$31,110	\$29,610	75.65%	138.10%
Food Preparation & Serving Related Occupations	170,540	18.02	\$12.09	\$13.09	\$27,230	\$25,140	75.93%	150.64%
Building & Grounds Cleaning & Maintenance	57,130	6.03	\$12.26	\$13.05	\$27,140	\$25,510	78.20%	142.89%
Personal Care & Service Occupations	41,490	4.38	\$14.63	\$15.94	\$33,160	\$30,440	71.52%	162.32%
Sales & Related Occupations	4,630	0.49	\$25.86	\$26.16	\$54,420	\$53,780	55.26%	147.34%
Office & Administrative Support Occupations	48,750	5.15	\$15.47	\$16.87	\$35,080	\$32,180	69.27%	164.23%
Farming, Fishing, & Forestry Occupations	60	0.01	\$9.63	\$12.63	\$26,280	\$20,040	84.53%	227.59%
Construction & Extraction Occupations	650	0.07	\$21.08	\$21.77	\$45,290	\$43,850	69.83%	142.81%
Installation, Maintenance, & Repair Occupations	23,920	2.53	\$17.85	\$19.03	\$39,580	\$37,140	68.12%	157.62%
Production Occupations	5,200	0.55	\$12.09	\$12.78	\$26,590	\$25,140	78.04%	138.31%
Transportation & Material Moving Occupations	10,150	1.07	\$14.09	\$14.58	\$30,330	\$29,320	73.09%	137.07%
All Occupations	946,650	100.00	\$13.62	\$16.39	\$34,090	\$28,330	72.86%	200.56%

Source: Bureau of Labor Statistics, Occupational Employment Statistics, [http://www.bls.gov/oes/current/naics4\\_623300.htm](http://www.bls.gov/oes/current/naics4_623300.htm)

# OHIO SENIOR LIVING: JOBS ANALYSIS

For the purpose of this analysis, 138 specific job titles at Ohio senior living communities were categorized into four skill levels and seven functions. Line personnel, in particular, include unskilled workers along with those who have accumulated a fair level of skill and possibly certification. State tested nurse aides (STNAs) and licensed practical nurses (LPNs) were coded as line personnel, as were cooks and dining room aides, with mainly the function classification to differentiate among them.

Not surprisingly, the largest number of employees state-wide, nearly 90 percent, were classified as line personnel and the largest functional domain was medical care, with 40 percent of the personnel. **At 35 percent of the total, line personnel in medical care were the most numerous type of employee.** After medical care, social support – which includes a range from counselors to event organizers to barbers – represented the second-largest category of employee at 19 percent of the total. Food preparation was responsible for another 5 percent of the personnel. Maintenance of the physical space accounted for nearly 10 percent of the employees. Senior living communities tend to employ a number of bus drivers, which accounts for the presence of transportation, and sometimes had chaplains on the payroll. Office functions, including management, accounted for 13 percent of employment.

Table 5: Estimated number of Ohio CCRC employees, 1 January 2018

Function	Total	Manager	Professional	Supervisor	Line personnel
Total	14,017	452	889	424	12,252
Office functions	1,195	245	141	62	748
Spiritual support	14		14		
Social support	3,138	27	107	124	2,880
Medical care	5,617	142	608		4,867
Transportation	139				135
Physical plant maintenance	1,362	1		83	1,278
Food preparation	2,553	37	17	154	2,344

Table 6: Estimated Total salaries and benefits of Ohio CCRC employees, 1 January 2018

Function	Total	Manager	Professional	Supervisor	Line personnel
Total	\$365,326,323	\$30,948,354	\$43,524,786	\$15,464,775	\$275,388,409
Office functions	\$47,411,768	\$17,761,951	\$6,494,686	\$2,630,049	\$20,525,081
Spiritual support	\$559,271		\$559,271		
Social support	\$68,020,106	\$1,457,807	\$3,776,091	\$4,172,197	\$58,614,010
Medical care	\$160,402,051	\$9,799,738	\$31,954,183		\$118,648,130
Transportation	\$3,179,699			\$97,707	\$3,081,992
Physical plant maintenance	\$31,958,382	\$55,052		\$3,233,420	\$28,669,909
Food preparation	\$53,795,046	\$1,873,806	\$740,553	\$5,331,401	\$45,849,286

## FRONT LINE PERSONNEL ARE CRUCIAL, MEDICAL CARE ONLY A PORTION OF ROLES

Front line personnel are the largest percentage of total workers, with line personnel in medical care being the most numerous. These are also some of the lowest paid workers in each facility, but perhaps the most crucial to continuing success. Just 40% of the senior living workforce is classified as medical care, showing the wide range of other roles within the sector.

## GOVERNOR'S TOP JOBS LIST - AGING SERVICES LEADS THE WAY

Governor Mike DeWine's list of top jobs, released on August 3, 2020, lists the top three most in-demand and critical jobs in the state as follows: 1 - Home Health Aides, 2 - Registered Nurses, 3 - Personal and Home Care Aides. These are all occupations that serve older Ohioans in aging services.

## THE FUTURE: STAFFING AND SUPPORTS NEEDED

### 44% STAFFING INCREASE REQUIRED, \$5.25B ESTIMATED ECONOMIC IMPACT

Looking to the future, this study provides a baseline projection of aggregate economic impact and personnel needs in 2040. This projection assumes no change in technology or relative wages and no constraints on labor supply.

By 2040, a 44 percent increase in frontline, medical, and social support personnel in senior living communities will be required to maintain current staffing levels.

In 2040, LeadingAge Ohio members are also estimated to have a \$5.25 billion estimated economic impact.

### STRENGTHENING THE AGING SERVICES WORKFORCE

Ohio's long-term care workforce requires support to meet the incoming demand for care.

All Ohio school districts and Educational Service Centers have a Business Advisory Council, which convenes education and business leaders to identify strategies that transform the student learning experience. Enhanced support and structure for business advisory councils are being explored through the Ohio Attainment Coalition in an effort to use the councils to foster connections between employers, such as aging services providers, and students searching for a career path.

# SUMMARY & CONCLUSIONS

The foregoing analysis has shown that Ohio's aging population has significant care needs – needs that are being addressed by LeadingAge Ohio members. The economic activity generated not only affects members and their employees but also reverberates through their suppliers and communities.

Over the coming decades, the economic activity driven by the needs of Ohio's aging demographic will increase. The projected \$3 billion in LeadingAge Ohio member expenditures is expected to generate an estimated total economic impact of \$5.2 billion in 2040 (2018 dollars). An estimated 44,000 jobs will be created across all skill levels, including the 36,000 generated directly by the members themselves. This will result in an estimated total of \$1.7 billion in labor income and an estimated total of \$143 million in state and local tax revenues (nonprofit members are assumed to not be subject to income, property, and sales taxation) and \$341 million in federal tax payments.\* Senior living communities specifically are projected to house 21,000 residents and employ 20,000 workers in 2040, and total ongoing purchases (\$1.3 billion), including payroll (\$524 million), will generate an estimated total economic impact of \$2.7 billion, which includes \$86 million in direct and indirect state and county taxes and \$215 million in federal taxes.\*

But as the economic activity and older adult population grows, the challenges will also accelerate. First, both the numbers of seniors and their share of Ohio's population will increase, requiring significant investments to meet those care needs. Second, the effects of the great recession on the U.S. economy means that family savings will likely fall short of meeting future senior needs. At the same time, public programs, such as Social Security and Medicaid, are projected to be stressed. Third, while labor supply is already strained today, the stress will only intensify in the coming decades as the working-age population shrinks in comparison to the older adult population. The labor supply needs will likely be more intense in those counties less able to retain or attract young adults. Population changes also imply a decreased availability of the unpaid family members who deliver the majority of care to older adults.

Going forward, service delivery must evolve to accommodate these emerging realities. Safeguarding and improving the health of younger Ohioans will help reduce care needs in later life. Improved health will lead to better employment prospects and increased savings for old age. Such savings can be incentivized, further reducing reliance on public safety net programs. To that end, reenergizing the private long-term care insurance market may warrant consideration.

At the same time, public insurance options must adapt to the changing demographic and economic realities. On the delivery side, oversight and regulations should pivot towards preserving and improving the quality of life, while allowing for needed innovation.

**The COVID-19 pandemic has turned Ohio into a senior care innovation incubator, stripping away unnecessary regulations and jumpstarting new service delivery models. Giant leaps in telehealth and infection control present one such step into the future. Policymakers should endeavor to build on this headway to meet future challenges.**



\*Federal tax figures represent taxes paid by employees.