



The Council for Health &
Human Service Ministries

United Church of Christ

Finding Common Ground

Presented by Ziegler

2020 CHHSM 82nd Annual Gathering: Justice and Grace –Together



The Council for Health and
Human Service Ministries
UNITED CHURCH OF CHRIST



ZIEGLER INVESTMENT BANKING | SENIOR LIVING FINANCE PRACTICE

MARCH 4, 2020

FINDING COMMON GROUND

THOUGHTS ON HONORING FAITH-BASED IDENTITY & VALUES BY REACHING OUT TO FORM PARTNERSHIPS IN ORDER TO UNDERGIRD ORGANIZATIONAL MISSION

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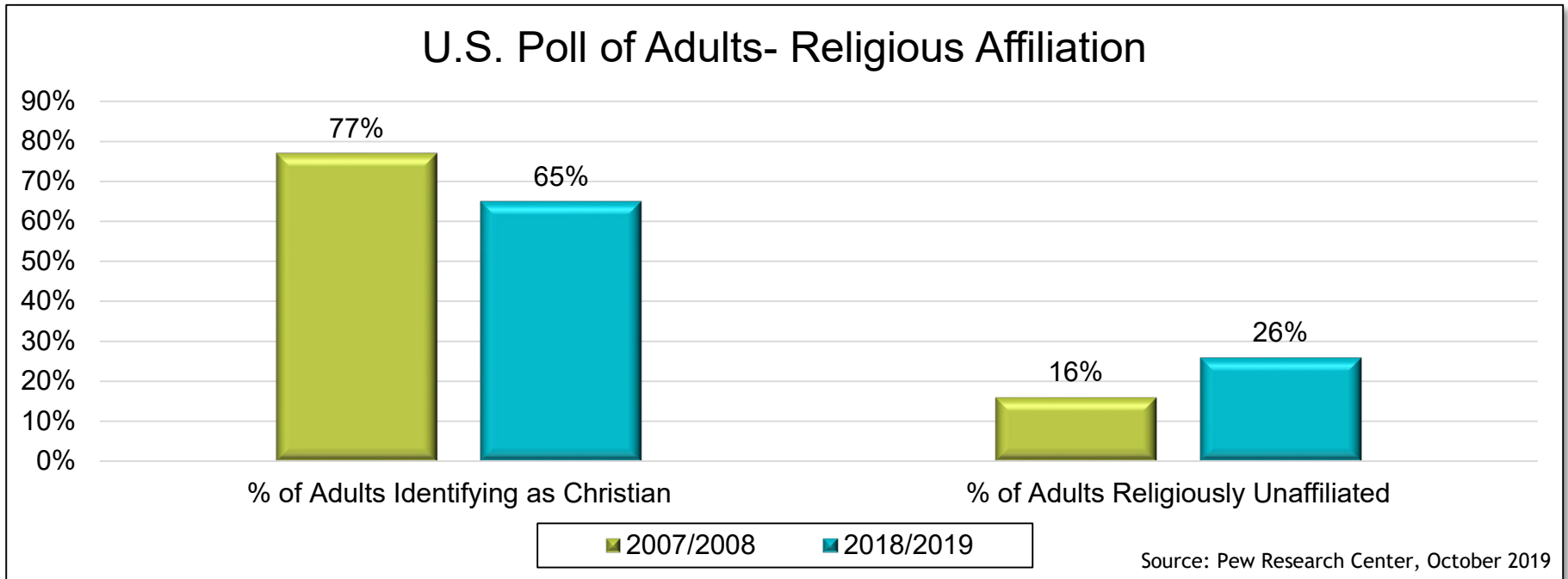
SESSION OBJECTIVES

- To discuss the role of faith, culture and heritage in the context of partnerships with others.
- To identify recent successful examples of interfaith partnerships and affiliations, particularly from the senior living and services sector.
- To walk away with insights into preserving faith-based roots and culture in a changing not-for-profit landscape.







CHANGING TIMES

- Year 1900: **86%** of the Life Plan Communities (were all nursing homes then) were affiliated with a particular religion, fraternal group (etc. Masons, Odd Fellows), or Ethnic Group
- Year 2020: **61%** of Life Plan Communities are affiliated with a particular faith or fraternal group

Source: Ziegler Investment Banking, Q1 2020



NAME CHANGES – VARIED PROMINENCE OF SPECIFIC RELIGION/FAITH IN NEW NAME

New Name		Previous Name	State
Forefront Living		Presbyterian Communities & Services	TX
2Life Communities		Jewish Community Housing for the Elderly	MA
St. John's United		St. John's Lutheran	MT
Sequoia Living		Northern California Presbyterian Homes & Services	CA
Avinity		Twin City Christian Homes	WA
Cassia		Augusta Lutheran & Elim Care	MN

- Despite decrease in specific reference to specific religion, increased utilization of taglines and graphics using religious symbols

AMERICAN BAPTISTS

1904

- Land was donated for orphanage
- American Baptist Church affiliation
- Orphanage and home for unwed mothers

1952

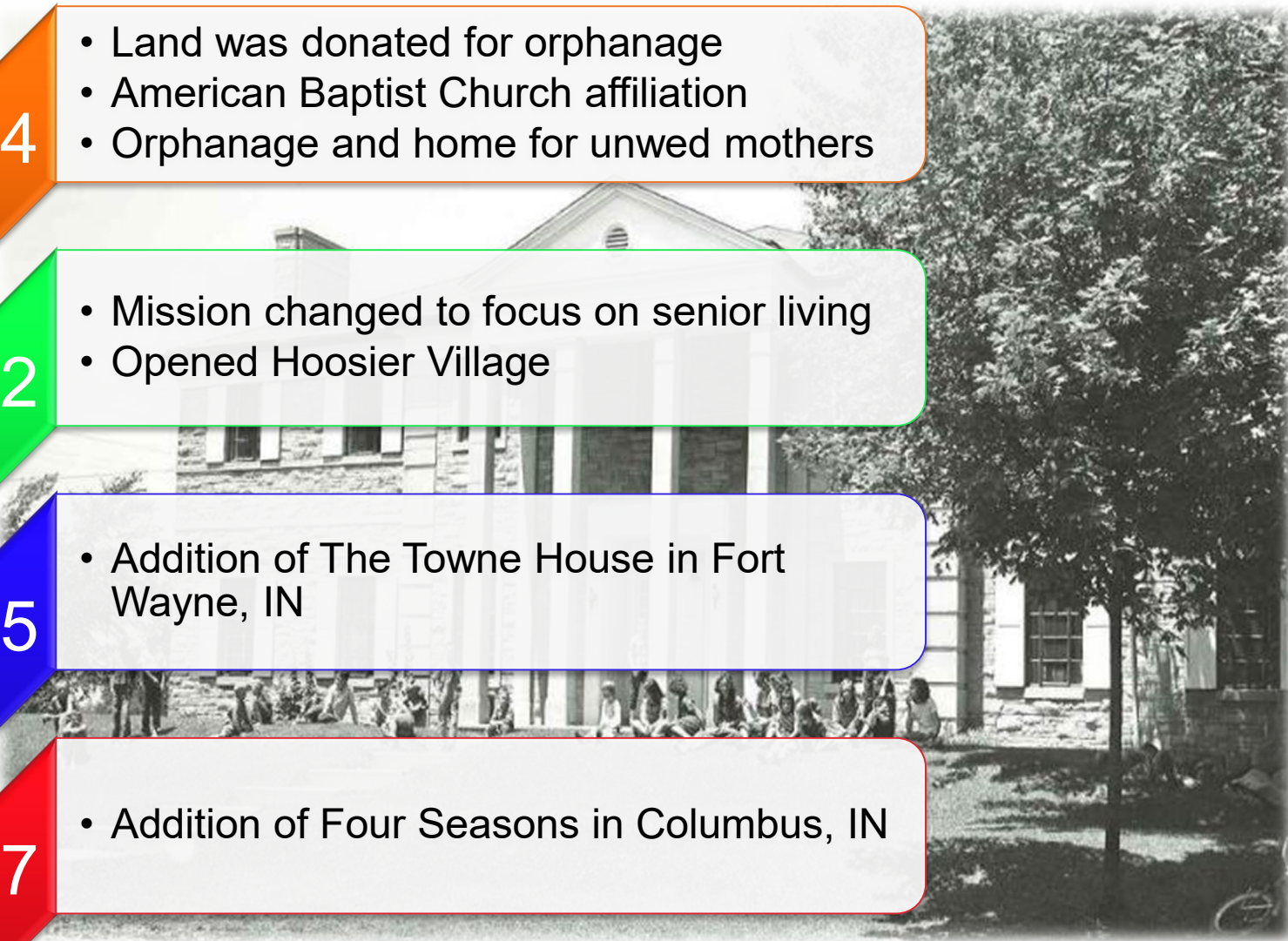
- Mission changed to focus on senior living
- Opened Hoosier Village

1965

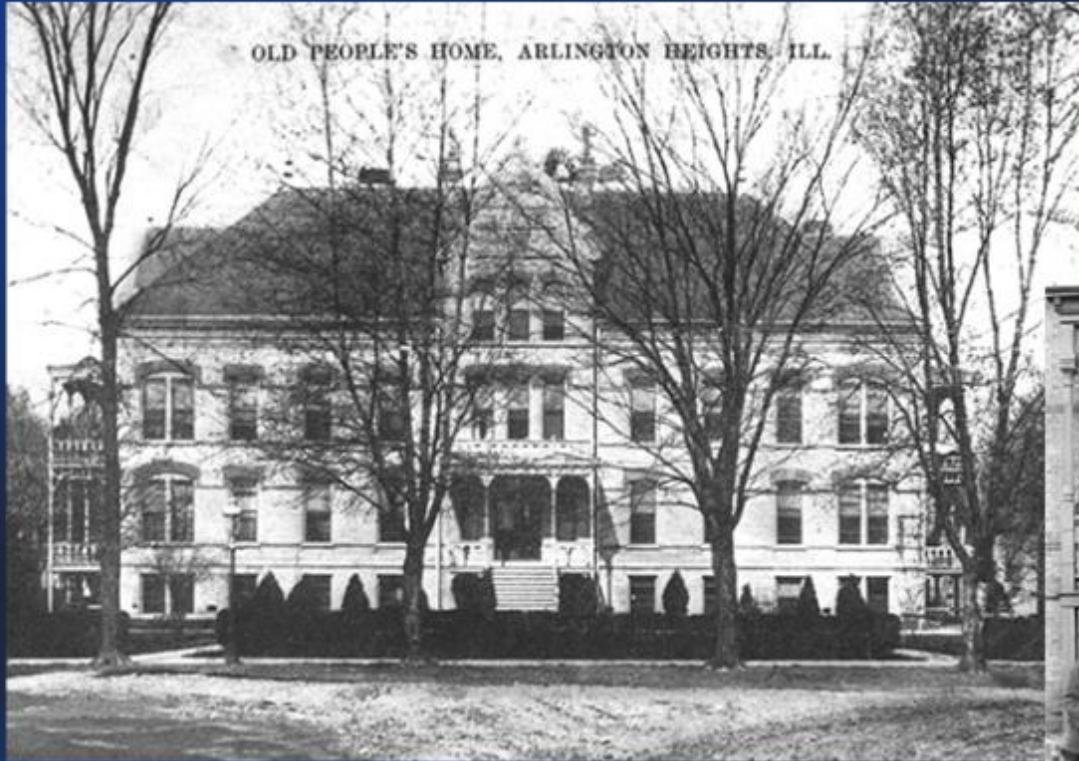
- Addition of The Towne House in Fort Wayne, IN

1967

- Addition of Four Seasons in Columbus, IN



German Lutherans . . .



In 1892, a faithful Lutheran Pastor, August Reinke, and a community of lay people responded to God's call to care for aging family, friends and neighbors.

Lutheran Life
Communities

A Legacy of Care

Evangelical Lutheran Old Folks Home
Association of Chicago Vicinity,
Altenheim – 1892

Lutheran Home for the Aged – 1953

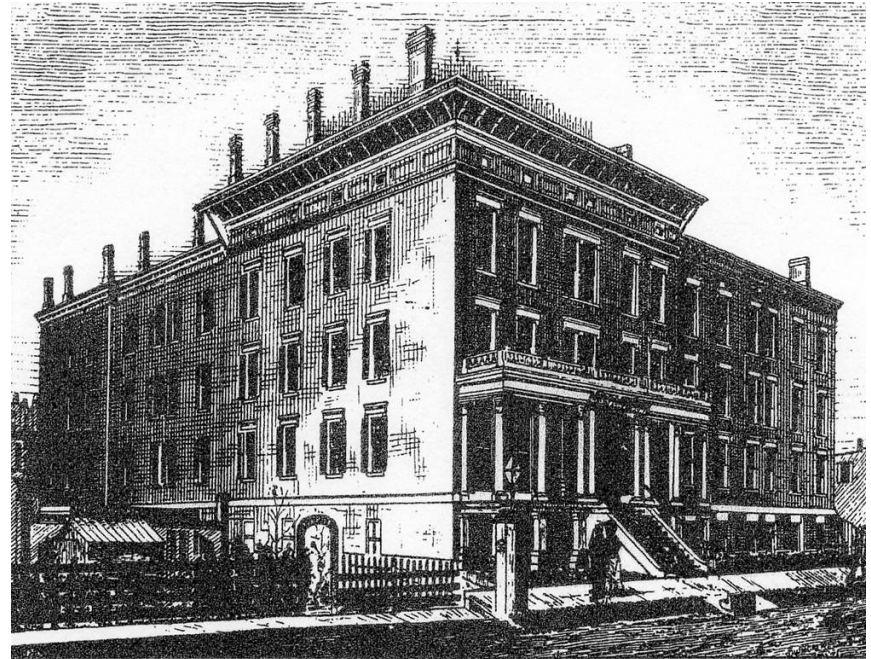
Lutheran Life Communities – 2000



Lutheran Life
Communities

COMMUNITY-BASED NOT-FOR-PROFIT

- **1858**: First known as The Home for the Aged and Indigent Females
- **1887**: The name was changed to The Old People's Home of the City of Chicago
- **1960**: Moved north from its south Chicago location to take over a well-known residential hotel called The Admiral, located at the corner of Foster Avenue and Marine Drive. Assumed the name The Admiral.
- **1966-1978**: Added assisted living and nursing buildings to expand the continuum of care



*First Home of The Old People's Home of the City of Chicago,
Completed in 1874 at 39th Street and Indiana Avenue*

THE DEFINITION OF INSANITY . . .

Changing
Customer

Workforce
Pressures

Media &
Regulatory
Demands

Technology
&
Innovation

COMPETITION



SENIOR LIVING PARTNERSHIPS IN THE NEWS . . .



June 18, 2019

Expect expansion into middle market after HumanGood, Presby affiliate, CEO says



May 13, 2019

Lifespace to Acquire Three SQLC Communities, Management Company



Asbury Announces Albright Care Services Affiliation

■ Mergers/Acquisitions ⌚ February 10, 2020

April 1, 2019



Acts Retirement-Life Communities and Integrate Complete Affiliation

July 23, 2019



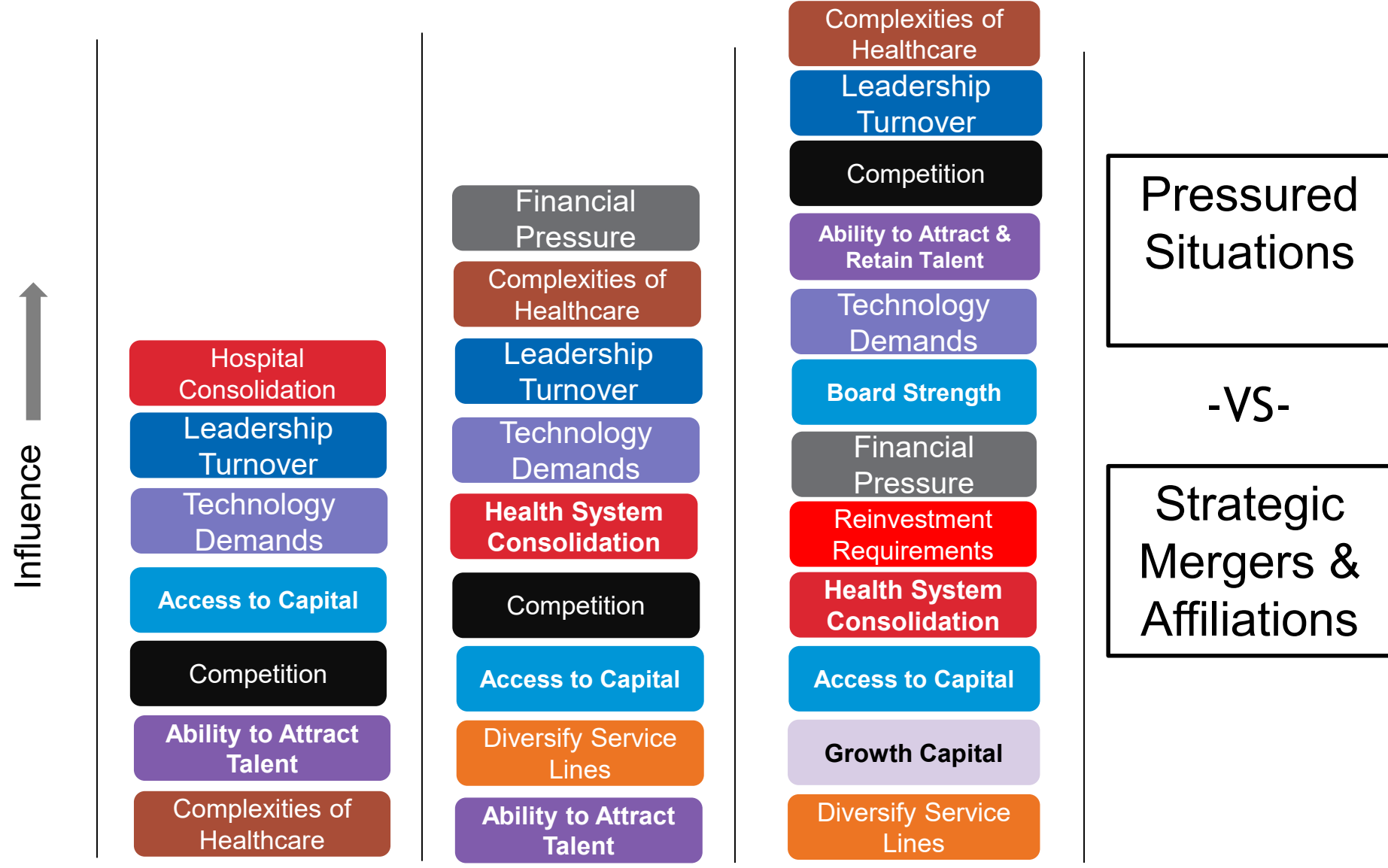
BHI Senior Living poised to become new owner of The Barrington

August 14, 2019



D'Youville announces transition of Catholic sponsorship

UNITED WE STAND, DIVIDED WE FAIL?



Pressured Situations

-VS-

Strategic Mergers & Affiliations

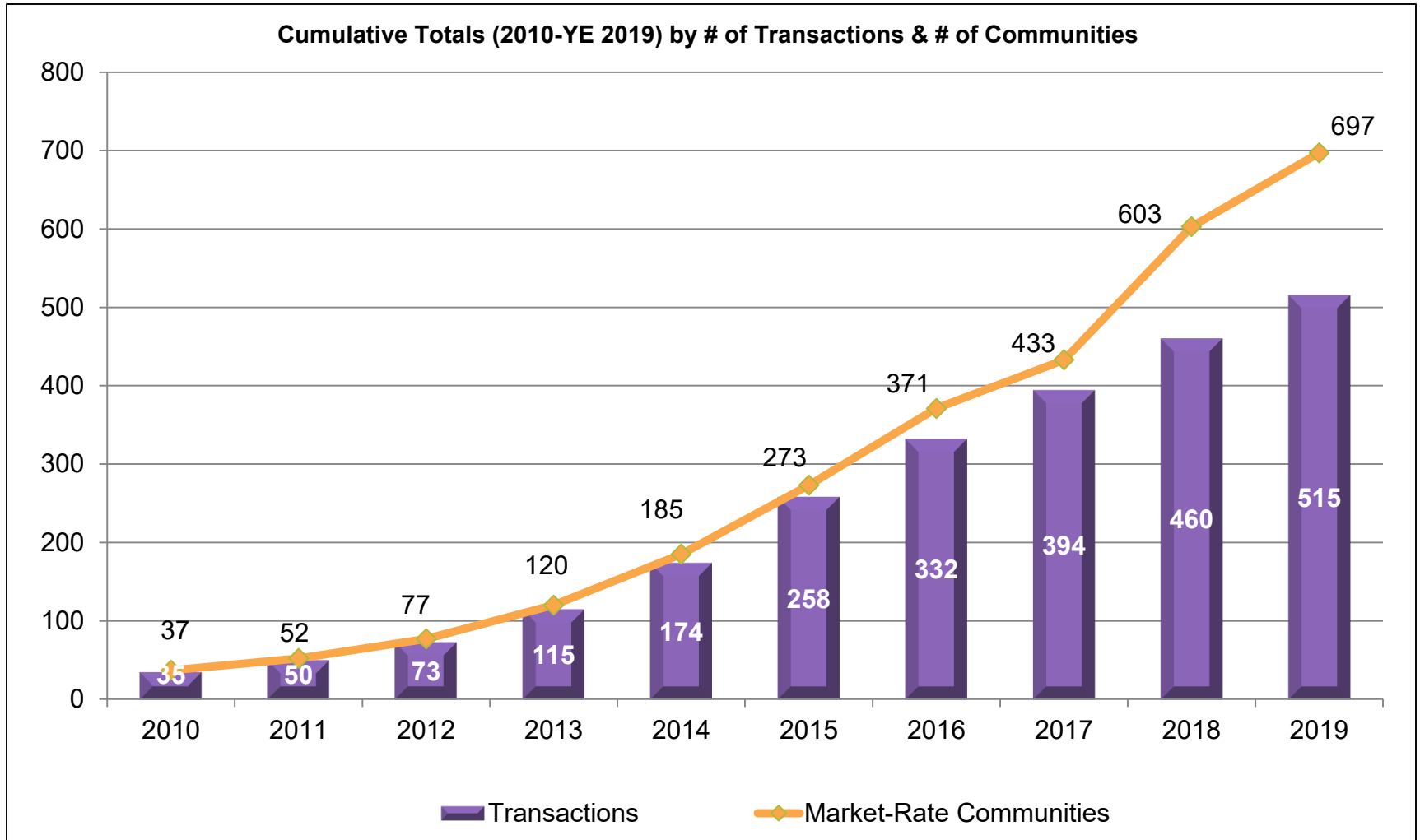
2000

2010

2020

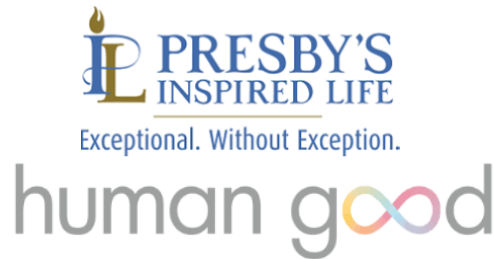
SPONSORSHIP TRANSITION & PARTNERSHIPS

CUMULATIVE NOT-FOR-PROFIT SENIOR LIVING EXAMPLE



Note: Includes market-rate communities; excludes government subsidized; The ELGSS community count is also excluded from the community count (represents 160+ communities); Source: Ziegler Investment Banking 12/31/2019

SELECT 2019 NFP SPONSORSHIP TRANSITIONS



EDGEMERE



THE ROLE OF FAITH IN SPONSORSHIP TRANSITIONS



- Across the past five years, 80% of the NFP to NFP sponsorship transitions have been among faith-based providers
 - 52% of the affiliations were with another faith-based organization (may/may not be within the same denomination)
 - 20% of those within the same faith/denomination

EXAMPLES- INTERFAITH AFFILIATIONS

Community/Org.	Partner	State
Inverness Village (Methodist)	Covenant Living (Covenant Ministries of Benevolence)	OK
Rockhill Community (Mennonite)	Lutheran Community at Telford	PA
Presby's Inspired Life (Presbyterian)	HumanGood (Presbyterian & American Baptist)	PA
Mirador (NFP)	Methodist Retirement Communities	TX
Integrace (Episcopal)	Acts Retirement-Life Communities (Christian)	MD
Holy Family Residence (Catholic)	Marywood University (Academic Institution)	PA
Quaker Heights	Ohio Living (Presbyterian)	OH

AFTER 150 YEARS IT TAKES A PARTNER



- Approximately 2.1 acre site located at Foster Avenue and Marine Drive
- Original CCRC campus included:
 - 77 independent living units
 - 42 assisted living units
 - 50 nursing beds
 - 169 Total units/beds
- Redevelopment was needed to reposition the campus due to:
 - Aging physical plant
 - Declining occupancy due to lack of competitiveness (i.e., smaller, older units)
 - Incomplete continuum of care

TO REINVENT THE BUSINESS & HONOR IDENTITY & UNDERGIRD MISSION



ADMIRAL & KENDAL: #STRONGERTOGETHER

- Collaboration between Admiral and Kendal to complete the project and reach stabilized occupancy
- Governance changes to allow Kendal's participation in the parent organization and The Admiral at the Lake
- Use of the Kendal brand in support of the project
- Financial resources of Kendal were important in continuation of the Redevelopment Plan
- Shared values built on consensus

Stronger than the sum of the parts

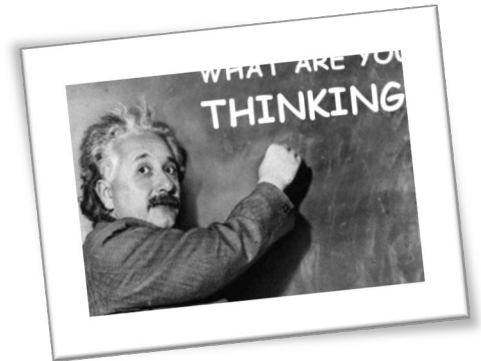
TREE OF LIFE

- Honoring faith-based identity and values while reaching out to form partnerships in order to undergird organizational mission . . .
- Is a Kosher kitchen built on shared Judeo-Christian values . . .
- The fellowship of His sufferings . . .
- To whom the Peabody Memphis is given, the Lorraine Motel is required:
- <https://www.youtube.com/embed/juopm0dTxE?start=112&end=200>



GENERATIVE DISCUSSION

- How can faith-based affiliation and founding principles be maintained in an interfaith partnership?
- What are the potential benefits of an interfaith partnership?
- Can there be benefits to a partnership with an entity that does not have a specific faith-based heritage? What about a not-for-profit?
- How do the changing demographics impact the faith-based culture and mission of the organization?
 - Spiritual diversity among young adult workforce
 - Increasing diversity among population of those being served
- When does the faith-based orientation impact smart business decisions?



ABOUT ZIEGLER

- Ziegler is a privately-held investment bank, capital markets and proprietary investments firm
- A registered broker dealer with SIPC & FINRA
- Ziegler provides its clients with capital raising, strategic advisory services, equity & fixed-income trading and research
- Founded in 1902, Ziegler specializes in the healthcare, senior living and educational sectors as well as general municipal finance

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