Retirement Intentions: Assisted Living Facilities Administrators

Healthcare Workforce Data Center

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INTRODUCTION

The goal of this report is to examine whether assisted living facility administrators (ALFAs) actually retire when they intended to retire. The impetus for the study is the high retirement intentions reported by ALFAs in the Healthcare Workforce Data Center (HWDC) surveys and the high median age of the workforce. The median age for ALFAs licensed in Virginia has ranged between 50 years and 51 years for the past seven years[1]. Further, ALFAs are an integral part of the long-term care (LTC) workforce that is projected to experience shortages[2]. LTC workforce shortages are expected due to increases in nursing home demand arising from the country's rapidly aging population and the aging of baby boomers, that is those born between 1946 and 1964, who make up a significant proportion of the ALFA workforce. For instance, 40% of Virginia's ALFA workforce is age 55 and over[3]. Most of these baby boomers are expected to retire within the next two decades, leading researchers to project a shortage of ALFAs in that period. Currently, about one in every twenty ALFAs intends to retire within two years. Further, over a quarter of Virginia's ALFA workforce intends to retire within the next decade, begging the question how closely do intentions and plans correlate with behavior? The three sections in this study address this question for ALFAs licensed in Virginia.

METHODS

Data

The data for this study come from the Virginia Assisted Living Facility Administrator Workforce Survey. Every year, the Virginia Department of Health Professions Healthcare Workforce Data Center administers the Virginia Assisted Living Facility Administrator Workforce Survey to ALFAs renewing their license that year. In the 2013 survey, ALFAs were asked at what age they intend to retire. Their current age was subtracted from their intended retirement age to obtain the expected number of years to their retirement. The expected years to retirement was used to create the samples in this study. This study creates three samples from the 2013 survey data.

The first sample includes ALFAs who intended to retire within two years of the 2013 survey, the base survey. A second question asked the ALFA respondents what they planned to do in the next two years, with options including retire, leave the profession, continue in the profession, decrease patient care, increase patient care, pursue additional education, decrease teaching time, increase teaching time, begin accepting Administrators in Training, and cease accepting Administrators in Training. The first sample in this study included ALFAs who intended to retire within two years and who also indicated that they planned to retire in two years. It excluded those who were already retired. This study also restricted the sample to ALFAs working only in LTC-related positions. Using 2013 as the base survey year and 2014 to 2020 as follow up years, this study examined how many of these ALFAs retired by 2020.

As shown in the following table, there were 642 licensed ALFAs in Virginia in 2013. Of those, 436 completed the 2013 survey. However, only 353 respondents answered the retirement age question; 83 did not respond to the question.

Of the 353 who responded to the question, 27 indicated that they intended to retire within 2 years of the survey. Of the 27, 25 (93%) also selected retirement as one of their two-year plans. However, 2 of these 25 were either involuntarily or voluntarily unemployed, or working in a non-LTC related capacity. The remaining

[1] http://www.dhp.virginia.gov/media/dhpweb/docs/hwdc/ltc/1701ALFA2019.pdf
[2] https://www.leadingage.org/sites/default/files/LTC_Workforce_Commission_Report.pdf
[3] http://www.dhp.virginia.gov/media/dhpweb/docs/hwdc/ltc/1701ALFA2019.pdf

23 ALFAs qualified for inclusion in the first analysis in this study and were followed in the 2014 to 2020 surveys to see if they actually retired.

The second sample in this study included ALFAs who intended to retire within five years of the 2013 survey, the base survey; the survey did not include a five-year plan question. This study also restricted the sample to ALFAs working in LTC-related positions. Using 2013 as the base survey year and 2014 to 2020 as follow up years, this study examined how many of these ALFAs retired by 2020.

The following table shows that a total of 43 ALFAs indicated that they intended to retire within five years. Of the 43, 2 did not work in a LTC-related position and were excluded from subsequent analyses. The remaining 41 ALFAs were followed in the 2014 to 2020 surveys to see if they indeed retired.

	ALFAs
Total licensees in 2013	642
Total respondents in 2013	436
Total who responded to retirement age question	353
Reported retiring within 2 years	27
Of those how many also reported 2-year retirement plan	25
% agreement between intentions and plan	93%
Number already retired	0
Number not employed in LTC in 2013	2
Sample 1: Number employed and intending/planning to retire after removing retirees	**23**
Reported retiring within 5 years	43
Number already retired	0
Number not employed in LTC in 2013	2
Sample 2:	**41**
Number not intending to retire within 5 years	310
Number not working in LTC-related positions	21
Sample 3:	**289**

The third sample included the respondents who were not planning to retire within five years. Of the remaining 310 who responded to the retirement age question and did not intend or plan to retire within five years, 20 were not employed in a LTC-related position and one had retired. However, 289 were employed in a LTC-related capacity. This third sample was followed to see whether any of them retired between 2014 and 2020.

Analyses

The first analysis examined how many of the respondents who intended and planned to retire within two years of 2013 were retired at the end of the review period in 2020. The work and retirement status of each of the ALFAs in sample one was reported. The second analysis examined how many respondents who intended and planned to retire within five years of 2013 were retired by the 2020 survey; the number who retired any time before 2020 was reported. The last analysis examined how many respondents who did not intend to retire within 5 years of 2013 were retired by 2020.

Measures

Respondents were asked what their working status was in subsequent surveys after 2013. The options included: employed in a LTC-related capacity; employed capacity unknown; employed not in a LTC-related capacity; not working, reasons unknown; voluntarily unemployed (including for medical reasons); involuntarily

unemployed; or retired. A binary variable indicating whether a respondent had selected retired or not (1=Yes, 0=No) was created from this question. The frequency of respondents indicating they had retired was obtained from this variable and was used for the three analyses.

RESULTS

Using the 2013 survey data, the following table compares the summary statistics of samples one, two, and three. Median income was the same for the three groups. Further, the mean age of ALFAs who intended and planned to retire within two years of 2013 was the same as that of those who intended to retire within five years of 2013. Not surprisingly, the mean age for sample three was lower than that of samples one and two. Females were most represented in sample two and least represented in sample three. The intended retirees in sample one had a higher proportion of Blacks but sample three is the only one that had ALFAs that had Hispanic, Asians, and some other race or ethnicity. There were no Hispanic or Asians in samples one and two. Although ALFAs in sample one were more likely to have at least a baccalaureate degree, the percent with a baccalaureate degree did not differ considerably between the three samples

	Sample One	Sample Two	Sample Three
Mean age	61 yrs.	61 yrs.	49 yrs.
Female	86%	84%	81%
White	83%	88%	77%
Black	17%	10%	16%
Hispanic	0%	0%	1%
Asian	0%	2%	3%
Others	0%	0%	3%
At least baccalaureate degree	33%	32%	30%
Assisted living facility	83%	88%	83%
Continuing care retirement home		2%	2%
Works one part time position	10%	8%	3%
Works full time/2 part time	90%	90%	90%
Works 2 or more full time	0%	2%	7%
Job length between 3 and 10 years	26%	27%	38%
Job length more than 10 years	61%	54%	30%
Works <30 hrs.	14%	10%	2%
Works 30-49 hrs.	32%	40%	63%
Works 50-59 hrs.	23%	30%	25%
Works 60+ hrs.	32%	20%	15%
% Satisfied with job	96%	90%	96%
Median income	$60,000-$70,000	$60,000-$70,000	$60,000-$70,000
% Licensed outside state	13%	10%	8%
% in VA workforce	91%	95%	97%
% Employer-provided health insurance	57%	54%	59%
% Employer-provided retirement benefits	48%	42%	42%

Compared to samples one and three, ALFAs in sample two were more likely to be working in an assisted living facility in 2013. Sample one had the highest proportion of ALFAs who worked at one part time position and sample three had the highest proportion who worked at more than one full time or two part time positions.

About 61% of those who intended and planned to retire within two years had been at their position for more than a decade compared to 54% of ALFAs in sample two and 30% of ALFAs in sample three. ALFAs in sample one were also more likely to be working more than 60 hours per week in 2013. ALFAs in sample one were equally satisfied as those in sample three; ALFAs in sample three, however, were least satisfied with their job. ALFAs in sample one were least likely to be in the Virginia workforce and most likely to have held a license outside Virginia. Report of employer-provided retirement benefit was highest among those who intended to retire the soonest, sample one. For instance, 48% reported receiving employer-provided retirement benefits compared to 42% in samples two and three.

Analysis One

The following figure presents the retirement status of the twenty-three ALFAs in sample one from 2014 to 2020. It paints the complex reality of retirement in recent times where some retirees come out of retirement to work such as Person 15. It also shows the problem of attrition, as many of the ALFAs followed were lost to follow up when their licenses expired. The licenses of ten of the twenty-three ALFAs in sample one had expired by 2016, only three years after 2013. The licenses of thirteen of the twenty-three ALFAs had expired the last time they appeared in Virginia's ALFA licensing system.

	2014	2015	2016	2017	2018	2019	2020
Person 1	LTC	LTC	LTC	LTC	LTC	LTC	LTC
Person 2	Expired	Expired	Expired	Expired	Expired	Expired	Expired
Person 3	Retired	Retired	Retired	No longer licensed in VA	No longer licensed in VA	No longer licensed in VA	No longer licensed in VA
Person 4	LTC	LTC	LTC	LTC	LTC	Expired	Expired
Person 5	Retired	Retired	Retired	No longer licensed in VA	No longer licensed in VA	No longer licensed in VA	No longer licensed in VA
Person 6	LTC	LTC	LTC	LTC	LTC	Expired	Expired
Person 7	Expired	LTC	Retired	Retired	Retired	Retired	Retired
Person 8	Different capacity	Expired	Expired	Expired	Expired	Expired	Expired
Person 9	LTC	LTC	LTC	LTC	LTC	LTC	LTC
Person 10	LTC	Expired	Expired	Expired	Expired	Expired	Expired
Person 11	LTC	LTC	LTC	LTC	LTC	LTC	LTC
Person 12	LTC	Expired	Expired	Expired	Expired	Expired	Expired
Person 13	LTC	LTC	LTC	LTC	LTC	Expired	Expired
Person 14	LTC	Expired	Expired	Expired	Expired	Expired	Expired
Person 15	LTC	Retired	LTC	LTC	LTC	LTC	LTC
Person 16	LTC	Expired	Expired	Expired	Expired	Expired	Expired
Person 17	LTC	Expired	Expired	Expired	Expired	Expired	Expired
Person 18	LTC	LTC	LTC	LTC	LTC	LTC	LTC
Person 19	LTC	LTC	LTC	LTC	LTC	LTC	LTC
Person 20	LTC	Expired	Expired	Expired	Expired	Expired	Expired
Person 21	LTC	LTC	LTC	Expired	Expired	Expired	Expired
Person 22	LTC	LTC	Retired	Retired	Retired	Retired	No longer licensed in VA
Person 23	Expired	Expired	Expired	Expired	Expired	Expired	Expired

Legend

Color	Meaning	Color	Meaning
Yellow	Retired	Orange	No longer licensed in VA
Blue	Working in a LTC Capacity	Black	Expired
Gray	Working in a different capacity		

Thirteen ALFAs participated in the surveys at least five years after the 2013 survey, allowing this study to assess the retirement status of these ALFAs. Of these 13 ALFAs, only four (31%) had retired by the last time they participated in the survey; another one retired in 2015 but then went back to work in 2016. Of the 13 ALFAs who intended and planned to retire within two years of 2013 and participated in surveys beyond 2017, nine were still working in a LTC-related capacity at their last survey.

Analysis Two

Of the 41 ALFAs who intended to retire within five years of the 2013 survey, the retirement status of only 17 was known in 2020. Of these 17, ten (58%) had retired within seven years of 2013. Two retired in 2014, another two in 2015, five retired in 2016, and one retired in 2018. Seven ALFAs were still working actively in a LTC-related capacity in 2020. One of the 2015 retirees went back to work in 2016 and the 2018 retiree also went back to work in 2019. So, in 2020, nine of the 17 ALFAs with known status were working. The twenty-four with unknown status had let their license in Virginia expire.
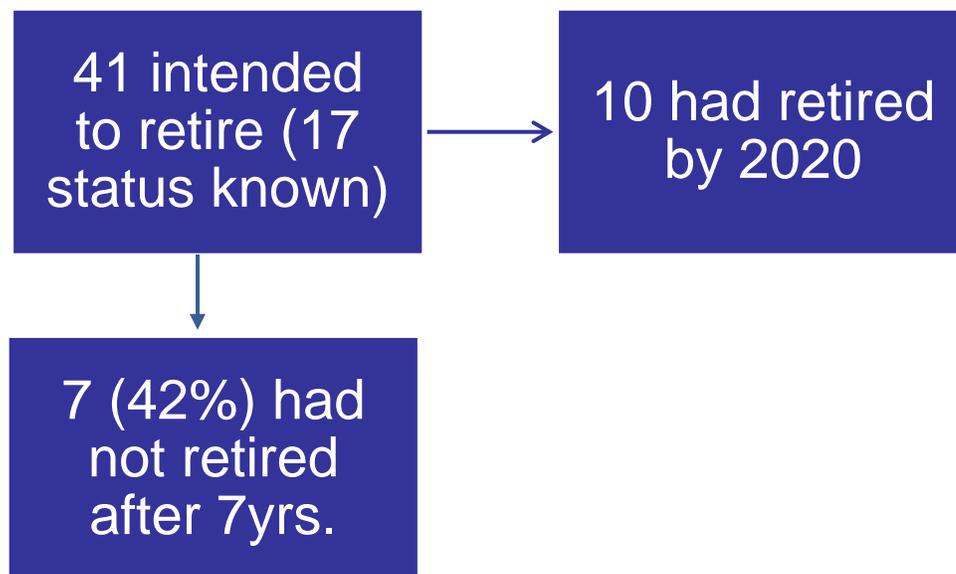
Analysis Three

Of the 289 licenses who did not intend to retire within 5 years of the 2013 survey, the retirement status of 163 was known. Of the 163, only 4 (5%) had retired by 2020. Of the remaining 159, 157 were working in a LTC-related capacity in 2019 or 2020; two were working in other fields. The 126 licensees with unknown retirement status mostly had let their licenses expire. However, few of the licenses were also suspended.

CONCLUSION

The findings from this study are encouraging; only 31% of ALFAs licensed in Virginia who intended and planned to retire within a two-year period did so within the immediate seven-year period. However, 58% of Virginia licensed ALFAs with known retirement status who intended and planned to retire within a five-year period of 2013 did so within the seven-year period. On the other hand, only 4 ALFAs who did not indicate that they intended to retire within five years had retired at least once by 2020. Even after including their counts, fewer ALFAs exited by retirement in the seven-year period examined compared to the number expected to exit in the stated two-year period. A total of 14 ALFAs had retired at least once by 2020 compared to the 41 who had indicated they intended and planned to retire within five years of 2013. Further, there were 120 more ALFAs

licenses in 2020 than in 2013, more than making up for the loss due to retirement. The extent to which this overall increase in licensees meets the projected increase in LTC demand, however, is not known.

A concerning finding in this study is the high number of ALFAs who leave Virginia's workforce by letting their licenses expire. For example, 43% of the licenses in sample one had expired within three years of 2013. It is unknown whether these ALFAs leave for another state's ALFA workforce, work in another capacity in Virginia, or let their license expire because they retired. These unknowns constitute a high proportion of samples one, two, and three in this study and need further studying.

However, based on the known working status of the ALFAs followed, there are some encouraging findings that suggest that the projected LTC professional shortage due to retirement may not be as severe as anticipated in Virginia. Of those with known status, there were more working than had retired in the three samples examined in this study. Thus, it is reassuring that, even though a lot of baby boomer ALFAs will be exiting the workforce, several remain past their intended and planned exit. Further, individuals often retire in stages so some of the retired ALFAs may return to work fewer hours in long-term care facilities but may still help respond to the increased LTC demand. There is an example of one such individual in sample one. The condition of the economy will likely also play a critical role in how closely ALFAs' retirement intentions and plans match their behavior.