Age affordably. Live well.

Formerly Jewish Community Housing for the Elderly (JCHE)
Innovations for the Middle Market
2Life Communities and GlynnDevins
Amy Schectman – 2Life President and CEO
Rhonda Spector – 2 Life Director of Real Estate
Sharon Brooks – GlynnDevins President, East Coast
April 1, 2019
Presentation Agenda

Need
Mission
Model
Research
Road Ahead
NEED
Middle Market
Largest Segment and Growing

Growth of the Middle Market

- Lower
- Middle
- Upper
The Middle-Income

- Households earning 65% - 130% of local median income
- Specifics differ by location
- Income definitions change dramatically by age
- No options for this demographic
Our Mission

Provide EVERY older adult with the opportunity to *Age in Community*

(Aging in place) “...is both foolish and unsustainable. We can do better. Aging is, and always has been, a team sport. The myth of ‘aging in place’ harms people by defining the decision to share one’s daily life with others as failure.”

-Dr. Bill Thomas
Our Model

- Affordable services and housing
- Goal – Fill the Gap for EVERYONE
- First cut - 80% - 130% AMI - with assets.
“Moderate” Wealth
Boston suburb: Newton, MA Statistics

Project Area Statistics (Newton):
- 100% AMI for an individual = $70,000
- 71% own a home
- Median home value = $845,000

2Life’s Target:
- Income Range of $56,000 (80%) up to $95,000 (130%)
- Minimum assets of $600,000 (most likely from the sale of a home)
2Life Communities
Core Services

- 24/7 - live-in staff
- Social workers to help with everyday issues
- Health care and homecare coordination
- Community engagement – health, wellness classes and social engagement activities
- Dining events and holiday celebrations
Success

- Core Services for everyone
- Health and home care services at rates affordable for moderate income seniors
Cruise Ship vs Kibbutz

- A Kibbutz staffing model
- Volunteerism plays a key role
- 3rd-party partnerships
  - Affordable care coordination (beyond what our staff provides); and
  - 30-min increments of homecare at reasonable rates
<table>
<thead>
<tr>
<th></th>
<th><strong>Cruise Ship</strong></th>
<th><strong>Kibbutz</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments</td>
<td>Large - expensive finishes</td>
<td>Modest (600sf to 950sf) - nice finishes</td>
</tr>
<tr>
<td>Program Spaces</td>
<td>Many - and pools, spas and expensive amenities</td>
<td>Fewer - multiple purposes – for a variety of activities</td>
</tr>
<tr>
<td>Dining Spaces</td>
<td>Dining rooms and full-service restaurants</td>
<td>Kitchen/dining space with a connected café/bistro</td>
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<tr>
<td>Dining Plans</td>
<td>Mandatory participation in plated meal program; 1+ meal per day</td>
<td>Optional/flexible events - potlucks, cocktail parties, cooking classes, coffee houses  Staff: Dining coordinator</td>
</tr>
<tr>
<td>Programming &amp; Activities</td>
<td>Staff-initiated programs</td>
<td>Volunteer-led programs; Life-long learning, cultural activities, trips, events  Staff: Volunteer coordinator</td>
</tr>
<tr>
<td>Emergency Response</td>
<td>24/7 front desk staffing</td>
<td>24/7 live-in resident managers</td>
</tr>
<tr>
<td>Front desk staffing</td>
<td>Concierge services</td>
<td>Daytime front desk staff and volunteers, transportation assistance, mail and packages, general information</td>
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</table>
# Partnerships that maintain affordability

<table>
<thead>
<tr>
<th></th>
<th>Cruise Ship</th>
<th>Kibbutz</th>
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</thead>
<tbody>
<tr>
<td>Access to higher</td>
<td>Move to alternative living apartment or nursing facility</td>
<td>As much as possible, care is provided in a wellness area or in resident’s apartments</td>
</tr>
<tr>
<td>levels of care</td>
<td></td>
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</tr>
<tr>
<td>Healthcare Services</td>
<td>Full on-site health clinic</td>
<td>Scheduled hours with nurses (included in base), PT and other services offered, subsidized office space for weekly hours</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>Care Coordination</td>
<td>Typically not available</td>
<td>In-house and third party care manager team</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>Care Fees</td>
<td>High monthly fees to provide care “insurance”</td>
<td>Fee for service home care available in small increments</td>
</tr>
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<td></td>
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<tr>
<td>If funds run out –</td>
<td>Some move to a nursing home even if needs don’t require nursing home care</td>
<td>Use entry fee for care (with interest charged), staff helps to ease any transition required – or use fee to maximize transition alternatives</td>
</tr>
<tr>
<td>or care needs can’t</td>
<td></td>
<td></td>
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<tr>
<td>be met</td>
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</tbody>
</table>
The Package

▶ A great apartment in a active, energetic community
▶ Core services and activities
▶ Affordable dining events
▶ Educational events and classes
▶ Staff social workers
▶ Quality home care and care coordination at affordable rates
▶ Small increments of home care
▶ Affordable monthly fees
▶ A dementia friendly environment
▶ Commitment to help residents live with us as long as possible
▶ Safety net
Our Financial Model

Sources of Funds

- 1 Time Community Share Payments
- Monthly Fees
- Community Share retention
Our Financial Model
Uses of Funds

Uses of Funds
► Community Shares – 80% of construction, working capital, reserves
► Monthly Fees – operating costs, debt service and an equity return
► Community Share Retention – renovations, reserves and a cushion
Manage Capital Costs

- Find mission aligned land “partners”
- Build a modest building
- Community Shares pay 80% of development expenses
Manage Operating Costs

- Efficient and creative staffing
- Staff as community creators
  - Dining Coordinator
  - Volunteer Coordinator
- Education Partnership
- Community members help each other
Affordability for our Residents

- Home equity (or savings) pays Community Share
- Monthly shares lower than area monthly rents
- Low-cost communal dining and events
- Activities and events included
- Staff guides residents to best care options
- 3rd party care coordinators – help with greater needs
- 3rd party homecare – available in 30 minute increments
- On-site nursing and other specialists for wellness and care (paid for by health insurance)
Abigail
78 years old

Income - 80% AMI = $56,000
Assets = $500,000 (before Community Share payment)

- Community share: $200,000 (600 sf)
- Monthly fee: $1,800 ($21,600/year - 39% of income)
- Remaining monthly income: $2,860
  - $1,500 per month – food, entertainment, health costs
  - $1,360 per month remains for savings and eventual care needs

- $300,000 in remaining assets (may be declining)
At 83...Abigail breaks her hip

Care Coordinators help Abigail create a care plan:

- She buys small increments of care
- On-site nursing, PT and our fitness program help her recover
- Community pitches in to help

Hopefully a full recovery, but if not

- Family and friends
- Borrow against the refundable portion of her Community Share for care or use those funds to assist with a transition
- Safety net
Dementia

Early-stage
► Community helps
► Private-pay social day program (possibly on-site)
► Purchase home care

Later-stage
► Private-pay Adult Day Health (off-site)
► Home care (mornings & evenings)
► Care Navigator helps with informed choices
► When necessary - transition to higher care facility
Keys to Success

- Financial, physical and cognitive health screens
- Lean, creative, multi-dimensional staff
- Strategic partnerships
- Healthcare space subsidies
- Staff who know residents and assist with life, care or any required transitions
Research

- 2016
  - Market Demand Analysis
  - Survey
  - Focus Groups

- 2018
  - BOLLI Event Research
    - Pre-event Survey
    - Educational Component
    - Discussion Groups
    - Conjoint Analysis
    - Post-event Survey

- 2019 (Planned)
  - Boston College Event/Research
  - Outreach Event/Research
  - Site-specific Market Demand and Consumer Research
Conclusions

- There is a strong demand for a new type of living-in-community designed for moderate income individuals
- 2Life’s vision resonates with a significant component of the population
- Education will be vital to the success of the moderate income product
- There need to be choices beyond the “average” or “optimum” to be as inclusive as possible
- Markets vary by site - site-specific research and active lead research will be done to guide 2Life in shaping this groundbreaking effort.
Rich Data

- Demographics
- Product, Program & Vision
- Key Motivators
- Attractors and Detractors
- Thoughts about Current CCRCs
- JCHE Awareness (former name)
- Reaction to Brand Personalities
- Financial Preferences
- Health Care Preferences

2Life is wisely investing in research as they move into uncharted territory – consumers must drive this product and program for it to be successful.
Findings – 2016 – Focus Groups

- Model provides differentiating concept with care navigation and affordability
- Younger residents need innovative programming, proxies for a “town”, space and amenities
- Brand should draw elements of “new experiences”, “purpose” and “planning”
- Group wants to plan ahead – no acceptable alternatives
- Education will be essential to successfully market and sell
Findings – 2018

BOLLI (Brandeis Osher Life Long Learning Institute)

- Dining approach, volunteer commitment and limited parking well received
- Aging without a full continuum was a concern
- Some fear frailty, especially dementia. Day programs were important.
- Education component could be a driver for residents to move in at a younger age.
- The participants were highly educated and prepared for retirement, some held long-term-care insurance policies
## Conjoint Results

<table>
<thead>
<tr>
<th>Feature Importance</th>
<th>Level Preference</th>
</tr>
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<tbody>
<tr>
<td>Community Time Contribution</td>
<td></td>
</tr>
<tr>
<td>No volunteer requirement</td>
<td>16.15%</td>
</tr>
<tr>
<td>10 hours per month</td>
<td>16.15%</td>
</tr>
<tr>
<td>5 hours per week</td>
<td>16.15%</td>
</tr>
<tr>
<td>Dining</td>
<td></td>
</tr>
<tr>
<td>A la carte, optional dining - <em>A full-time food coordinator who arranges dinner options 3-4 times per week</em></td>
<td>21.89%</td>
</tr>
<tr>
<td>Traditional dining plan - <em>A daily dinner meal with wait staff in the deli/bistro</em></td>
<td>21.89%</td>
</tr>
<tr>
<td>Care Plan</td>
<td></td>
</tr>
<tr>
<td>Care Coordination - <em>Care needs are met in IL residence through in-home care or care coordination available for a fee</em></td>
<td>9.41%</td>
</tr>
<tr>
<td>Care Bank - <em>In-home care or care coordination paid through an upfront payment of $150,000 per unit (not per person)</em></td>
<td>9.41%</td>
</tr>
<tr>
<td>Location/Transportation</td>
<td></td>
</tr>
<tr>
<td>Urban location with no parking</td>
<td>22.93%</td>
</tr>
<tr>
<td>Suburban location with one dedicated parking space</td>
<td>22.93%</td>
</tr>
<tr>
<td>Size/cost</td>
<td></td>
</tr>
<tr>
<td>Upfront payment: $600,000, Monthly Fee: $4500, Size: 2-bedroom, 1100 sq. ft</td>
<td>29.61%</td>
</tr>
<tr>
<td>Upfront payment: $450,000, Monthly Fee: $3500, Size: 1-bedroom with den, 900 sq. ft</td>
<td>29.61%</td>
</tr>
<tr>
<td>Upfront payment: $300,000, Monthly Fee: $2500, Size: 1-bedroom, 700 sq. ft</td>
<td>29.61%</td>
</tr>
</tbody>
</table>
Conjoint Simulator

This link lets us play with the features and attributes to see their impact on the decision making of the respondents as we change some features and keep others the same.

**LINK TO SIMULATOR**

https://reporting.qualtrics.com/Conjoint/?username&password&PublicSimulator=1&EmulatorID=P_3ciwUQOtmZ
Several times, I was called to her bedside because things had "taken a turn," but then they'd turn around. I knew people—strong, healthy, relatively young people—who had gotten sick in their 40s, 50s, and 60s and died within a year. So what was going on here?! How much longer could this state last? And also, would I feel different about her slow, drawn-out passage into death if we had been closer? Would I have bought truckloads of extra-strength Ensure? What about her off-spoken wish to not be a lump of "pulsating protoplasm"? And what about the money?

My parents wouldn't have wanted that! Surely they didn't intend for their entire scrimpings to be used in this way!!!

On the other hand, maybe it's different when death is near. Then it's LIFE AT ALL COSTS. And it's their money...

Every month she stays alive, the Place and Goodie get $$$$ richer...

...which means that I get $$$$ poorer...

Ugh ugh ugh ugh ugh.