

# **Bond Case Briefs**

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## **Fitch: U.S Life Plan Communities Struggle to Fill Record High Job Openings**

Fitch Ratings-Austin-15 November 2022: Staff shortages continue to be a major dilemma for U.S. life plan communities (LPCs) and nursing care facilities as payrolls remain well below pre-pandemic levels and job openings have reached all-time highs, according to Fitch Ratings in its latest monthly labor dashboard for the sector.

Health care and social assistance job openings increased by 115,000 to an all-time high of 9.2% as of September and 18.5% of nursing homes are reporting a shortage of nurses and 19.3% are reporting a shortage of aides according to Oct. 23, 2022 data.

This comes as average hourly earnings continue to increase at LPCs, assisted living facilities and nursing facilities, now ranging from \$20.37 to \$24.75 an hour. This represents wage growth ranging from 19% to 21% since just before the onset of the pandemic.

“Many life plan communities, assisted living and nursing facilities are benefiting from smaller payrolls that reduced salaries and benefit expenses in recent quarters,” said Director Richard Park. That said, these benefits will have a short shelf life. “Life plan communities will need a strategy to respond to a permanently increased cost structure with some combination of increased entrance fees/monthly service fees and redesigned service delivery,” said Park.

Fitch’s latest ‘Life Plan Communities Labor Dashboard: November 2022’ is available at ‘[www.fitchratings.com](http://www.fitchratings.com)’.

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