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Payroll Recovery Eluding U.S. Life Plan Communities

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Related Content: Life Plan Communities Labor Tracker: April 2024

Fitch Ratings-New York/Austin-15 April 2024: Though growing for some time, payrolls for U.S. life plan communities (LPCs) and skilled nursing facilities (SNFs) are still well off the pace needed to reach a full post-pandemic recovery, according to Fitch Ratings in its latest labor tracker for the sector.

Demographic tailwinds should keep both demand and prospects for long-term growth strong for LPCs and SNFs. However, recruiting and retaining staff remains a problem spot according to Director Richard Park. As a result, “LPCs and SNFs are likely to focus efforts on finding ways to increase the talent pool for aging service providers,” said Park. “These efforts will likely include a combination of externally focused initiatives to increase career pathways and recruit potential employees from other industries and countries as well as internally focused initiatives to improve the quality of the work environment, workplace culture and employee training and development.”

Though LPC and SNF payrolls have risen for 14 and 24 consecutive months, respectively, they still remain approximately 6% and 8% below pre-pandemic levels. Other encouraging signs are in both average hourly earnings growth and job openings rate, both of which are markedly lower than in recent years. However, the latest job openings rate remains very high compared to pre-pandemic. “Similar to NFP hospitals, the continual shortage of LPC and SNF workers will take time to remedy,” said Park.

Fitch’s latest “Life Plan Communities Labor Tracker: April 2024” is available at www.fitchratings.com.

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