



# Wage Trends in Senior Living Communities

April 2024

## ABOUT ARGENTUM

Argentum is the leading national association exclusively dedicated to supporting companies operating professionally managed, resident-centered senior living communities and the older adults and families they serve. Since 1990, Argentum has advocated for choice, independence, dignity, and quality of life for all older adults. Argentum member companies operate senior living communities offering assisted living, independent living, continuing care, and memory care services. Along with its state partners, Argentum's membership represents approximately 75 percent of the senior living industry—an industry with a national economic impact of nearly a quarter of a trillion dollars and responsible for providing over 1.6 million jobs. These numbers will continue to grow as the U.S. population ages. Argentum's programs and initiatives are driven by its membership. For more information about joining Argentum, please visit [argentum.org/membership](https://www.argentum.org/membership). Learn more at [argentum.org](https://www.argentum.org).

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## EXECUTIVE SUMMARY



The capacity of the U.S. Senior Care workforce is a growing national priority as the country's population becomes much older and its workforce much smaller. More than 20 million new employees will be needed to fulfill an historic rise in demand for services over the next two decades. This includes more than 3 million needed by Senior Living communities alone.

Senior living communities offer seniors and their families a range of living and care options as people age. These include assisted living, independent living, continuing care and memory care. They combine housing and supportive services that promote independence, purpose and dignity for each resident. In these community-based settings, residents enjoy an independent lifestyle with assistance customized to individual needs. These vibrant communities encourage residents to bring pets, to participate in activities that enhance physical and mental wellbeing, to enjoy organized social excursions, and more—all within a secure environment.

The last several years have proved difficult for senior living, with a convergence of financial challenges driving up operating expenses and commonly outpacing revenue growth. These challenges stem from COVID-19, labor supply shortages related to the great resignation, inflationary pressures, and rising interest rates.

To continue to attract and retain talent in this environment, senior living communities have increased wages significantly at a rate that outpaced the broader private sector. The cost of labor represents the single largest operating expense for communities—often up to or even exceeding 60%. Yet these wage increases have been critical to attracting and retaining talent and continuing to serve the needs of seniors.

This report looks at how workers in senior living have been rewarded with wage increases over a five-year period (2019-2023) and draws comparisons to the private sector while identifying extraordinary increases on a position-level basis. It highlights how the exceptionally tight labor market has impacted senior living and demonstrates the competitive nature of attracting and retaining talent.

### KEY OBSERVATIONS

- Senior living hourly wages increased by 30.9% in the five-year period studied (2019-2023). In the same period, private sector hourly wages increased, on average, by just 24.4%.
- The senior living five-year wage increase equates to a 6.2% annual rise over from 2019 to 2023. This is 1.6 percentage points higher than that of the private sector (4.88%).
- Senior living hourly wages, on average, outpaced those of the private sector in four of the five years studied.

## INTRODUCTION

No other employer sits, as senior living communities do, at the intersection of the historic demographic and cultural shift in the age of our population. Substantially more capacity is needed to fill the rising need for support and care services—now and in the future. Argentum has previously sounded the alarm about the exceptionally high number of workers needed to fill this need.

The dramatic change in the age of our population is putting increased pressure on seniors, their families, and society—and is narrowing the labor pool.

- By 2025, more than 20% of the U.S. population will be over the age of 65. For the first time in history, the number of seniors will exceed the number of children aged 13 and below.
- By 2030, the oldest baby boomers will be nearing their 85th birthdays. Many are living longer lives, extending their need for support and care.
- By 2032, the population between the ages of 55 and 64 will decrease much faster than any other age group. This is due to lower birth rates through the 1970s.
- By 2060, the ratio of seniors to working-age adults will have nearly doubled from 2010. The U.S. Census Bureau anticipates that there will be only two-and-a-half working-age adults for every senior.

These population changes will deliver a significantly different workforce and, as the U.S. Department of Labor Bureau of Labor Statistics (BLS) projects, much slower growth in total employment. BLS expects this key metric to rise by only 2.9% from 2022 to 2032, down significantly from the prior decade (12.9%). This reflects the reality of the demographic change.

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MORE THAN  
**20%** of the U.S. population will be over the age of 65 by 2025.

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## A CONCURRENT CHALLENGE FOR SENIOR LIVING

Over the next 15 years, Argentum projects a meteoric rise in our senior population to drive an urgent need for many more workers in the combined Senior Care industry.

- The combined Senior Care industry is on track to add in excess of 2.4 million jobs by 2040, a 42% increase compared to the 2021 workforce. Total employment in the industry is expected to approach 8.3 million by this time.
- Senior living communities alone are expected to add nearly 300,000 new jobs, a 32.9% increase by 2040, when the workforce is projected to reach nearly 1.2 million.
- The home health and personal care aides occupation is expected to represent the largest in the economy by 2032.

But that's only part of the story. Senior care broadly, and senior living communities specifically, will face an internal demographic crisis, as workers retire, leave the workforce, or pursue a career in a different industry. The greatest need for hiring will stem from the nearly 18 million positions expected to turn over by 2040 in the Senior Care industry as a whole, including more than 2.7 million just in senior living communities.

Accounting for job growth and attrition, the industry overall anticipates the need to recruit, hire, onboard, and support more than 20 million new employees in less than two decades. To maintain its sizable 2040 workforce, senior living communities will need more than 3 million.

Already, senior living communities feel the pinch. In communities all across the nation, these employers directly compete with those in the private sector for highly qualified workers. As this report demonstrates, hourly wage competition has become fierce and is unsustainable. The continued need to outpace private sector wage growth increases costs and puts a greater burden on senior living communities, senior care as a whole and, most importantly, on seniors and their families.

## WAGE TRENDS IN SENIOR LIVING COMMUNITIES

As the leading national trade association serving companies that own, operate, and support professionally managed senior living communities, Argentum is leading the aspirational, yet achievable, strategic vision focuses on the three main ideas—People, Trust, and Choice—that we need to get right if we are going to meet the moment.

Argentum will place deliberate focus on advancing the senior living industry by:

- **Developing Our People**
- **Measuring What Matters**
- **Telling Our Story**
- **Increasing Access.**

Against this backdrop, Argentum presents this report, “Wage Trends in Senior Living Communities.” It examines how workers in this essential industry have been rewarded, as compared to workers in the overall private sector, with wage increases. This report is intended to help lawmakers, families, senior living operators, and others make informed decisions and support policies addressing the impending labor crisis in senior living.

Access the [Argentum Strategic Vision](#).

Learn more about Argentum’s [workforce projections](#).



### DEVELOPING OUR PEOPLE

We will engage, expand and support 2 million people by expanding the pipeline and retention of qualified and diverse talent to meet the needs of a growing senior population.



### MEASURING WHAT MATTERS

We will demonstrate our value and maintain trust with residents, families, workers, partners, policymakers and the public through data, transparency, and best practices.



### TELLING OUR STORY

We will actively advocate and increase our impact as the voice of the Senior Living industry.



### INCREASING ACCESS

We will facilitate the curation of new solutions and offerings to improve access to Senior Living communities.

## ABOUT THIS REPORT

This analysis of wage trends in U.S. Senior Living communities focuses on the period 2019 to 2023.

Throughout this report, Argentum refers to senior living communities. Senior living is defined by the North American Industry Classification System (NAICS) as follows:

### **Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly (NAICS 6233)**

This industry comprises establishments primarily engaged in providing residential and personal care services for **(1)** the elderly and other persons who are unable to fully care for themselves and/or **(2)** the elderly and other persons who do not desire to live independently. The care typically includes room, board, supervision, and assistance in daily living, such as housekeeping services. In some instances, these establishments provide skilled nursing care for residents in separate on-site facilities.

This report also refers to the Senior Care industry as a whole. This includes Senior Living, Skilled Nursing, Home Health Care, and Services for the Elderly and Persons with Disabilities.

### **ABOUT THE DATA**

The data source is the Current Employment Statistics (CES) program from the U.S. Department of Labor Bureau of Labor Statistics (BLS). The CES program produces detailed industry estimates of nonfarm employment, hours, and earnings of workers on payrolls. Its data is collected monthly in surveys of approximately 119,000 businesses and government agencies, representing approximately 629,000 individual worksites.

- Wages represent the average hourly earnings for all employees on payroll.
- Year-over-year (YoY) comparisons look at the difference in average wage at the conclusion of the calendar year stated, as compared to the average wage at the conclusion of the prior calendar year.

*Source: Specific wage comparisons are based on data published in the annual Assisted Living Salary & Benefits Report published by Hospital & Healthcare Compensation Service (HCS)*





### SENIOR LIVING WAGES

#### *Five-Year Senior Living Wage Increase Outpaced Private Sector*

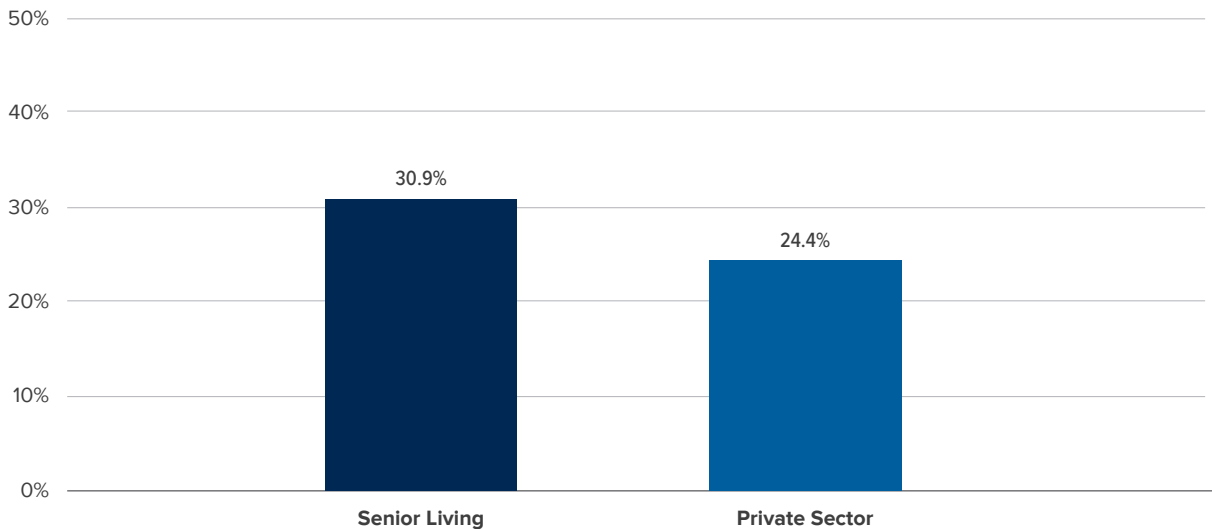
In four out of five years, Senior Living hourly wage increases outpaced those of the private sector overall. Over the five-year period studied (2019–2023), Senior Living hourly wages rose by 30.9%, on average, more than 6 percentage points higher than the increase in wages for all private sector employees (24.4%).

In two consecutive years, the Senior Living hourly wage increase far exceeded that of the private sector.

- The 2022 Senior Living hourly wage, on average, soared by 8.9%, rising 3.5 percentage points above the increase in private sector wages (5.4%) in that year.
- The 2021 hourly wage increase in Senior Living (6.0%) was also substantially higher than in the private sector (4.3%).

It is also worth noting that the 2022 senior living hourly wage increase (8.9%) far exceeded that of the Senior Care industry overall (7.3%). In other years, movement in hourly wages in Senior Living and the Senior Care Industry were more closely aligned.

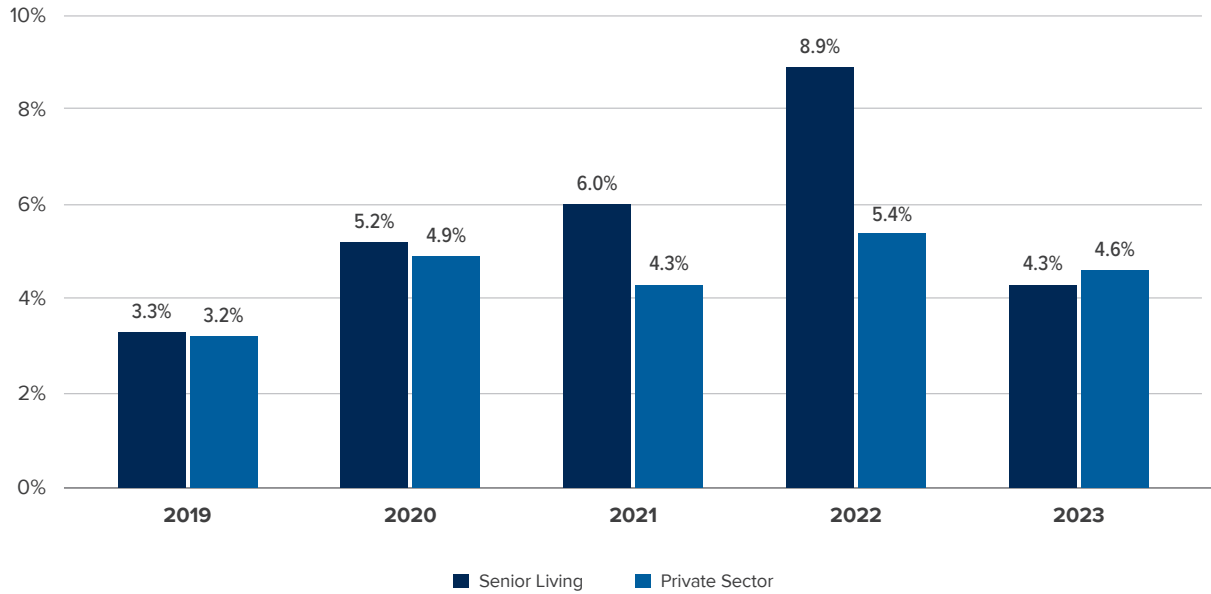
**Percent Change in Average Hourly Earnings: 2019 to 2023**



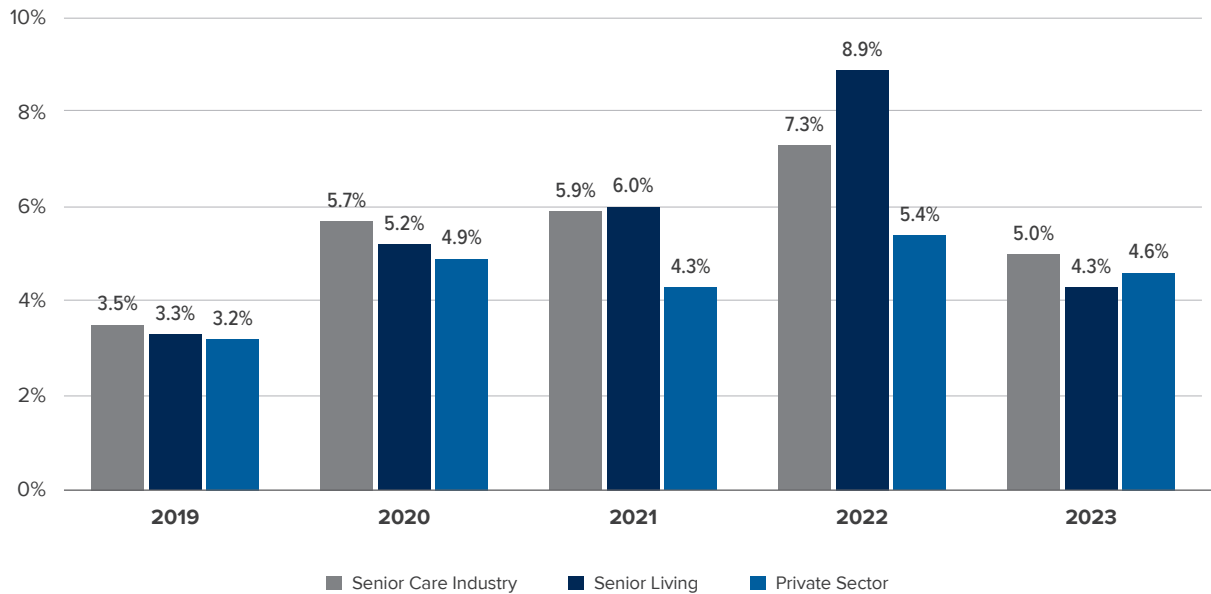
Source: Bureau of Labor Statistics; Argentum



Annual Percent Change in Average Hourly Earnings



Annual Wage Increases, 2019–2023



## SENIOR LIVING POSITION-LEVEL WAGES

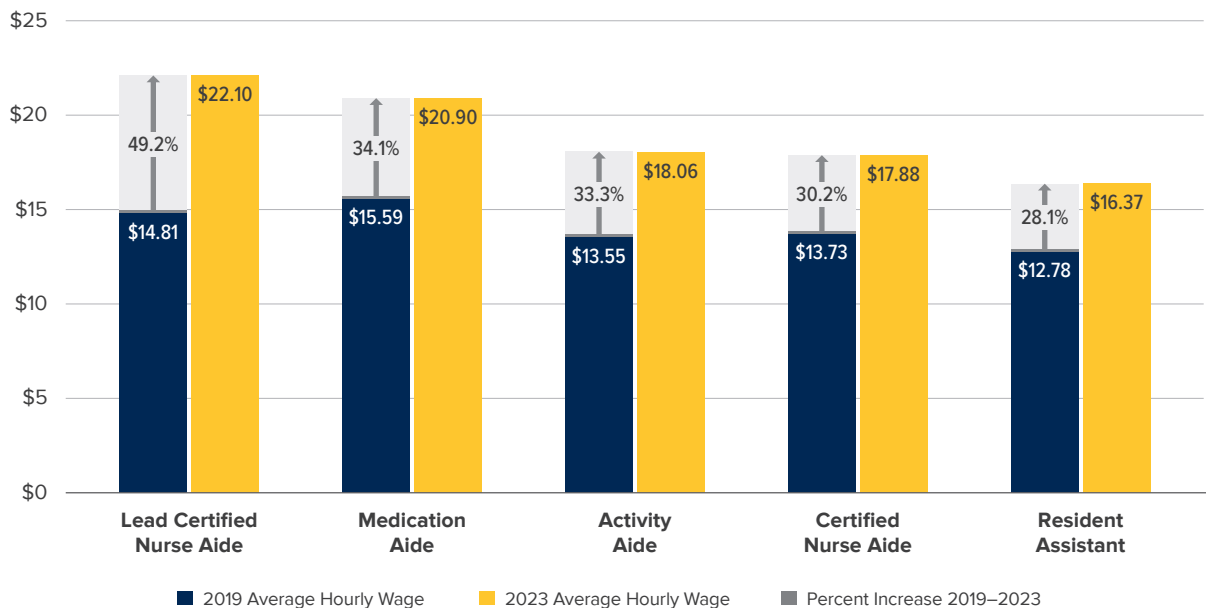
*Direct Care Position Wage Increases Outpaced Private Sector Average*

Looking at specific roles in senior living communities, the five-year hourly wage increases for several direct care positions, on average, exceeded the overall wage increase in the private sector (24.4%).

At these levels, the annual increases range from 7% to 12%.

- **Lead Certified Nurse Assistant:** Hourly wages grew most for this role, by 49.2%, on average, over five years. The average hourly wage for this role rose from \$14.81 in 2019 to \$22.10 in 2023. This represents an average annual increase of 12%.
- **Medication Aide:** Hourly wages grew substantially (34.1%) over the five-year period, from \$15.59 in 2019 to \$20.90 by 2023, on average. This represents a 7.6% average annual increase.
- **Activity Aide:** Hourly wages increased, on average, by 33.3%, from \$13.55 in 2019 to \$18.06 in 2023. This represents an average annual increase of 8.3%.
- **Certified Nursing Aide:** Hourly wages rose by 30.2%, on average, from \$13.73 in 2019 to \$17.88 in 2023. This represents an average annual increase of 7.6%.
- **Resident Assistant:** Hourly wages increased by 28.1%, from \$12.78 in 2019 to \$16.37 in 2023. This represents an average annual increase of 7.0%.

**Five-Year Hourly Wage Increase for Direct Care Roles Surpass Private Sector Average (24.4%)**



*Note: Wage data represent wages at the conclusion of the year stated.*

*Source: Assisted Living Salary & Benefits Report published by Hospital & Healthcare Compensation Service (HCS).*

## STAKEHOLDER CALL TO ACTION

Senior living communities provide the most effective, cost-efficient, and compassionate care delivery system to meet the needs of America's seniors.

Because senior living costs significantly less than other options, such as nursing homes or home health care, it protects vital social safety net programs. If senior living were not an option, as many as 61% of senior residents may be forced into far-costlier skilled nursing facilities at a cost of \$43.4 billion. This additional cost would cripple state and federal Medicaid budgets.

Looking ahead, senior living communities will face an historic challenge as a never-before-seen rise in demand for services tests its resilience. The leading edge is already upon us, as the oldest Baby Boomers are beginning to age-in to Senior Living now.

Argentum research has demonstrated the scope of this challenge: Over the next two decades, it anticipates the senior care industry will need to recruit, hire, onboard, and support more than 20 million new employees. Meanwhile, a declining number of candidates is expected to be available.

But this scenario is only if we, as an industry and as a country, do nothing to change our destiny.

As the leading national trade association serving companies that own, operate, and support professionally managed senior living communities, Argentum is empowered to help the industry meet the moment. It is pursuing a range of strategies to expand the pipeline and improve retention of a qualified and diverse talent pool to meet the needs of a growing senior population.

It is imperative for the industry to marshal the support of policymakers and community leaders to ensure an adequate and diverse supply of talented, compassionate caregivers. Laws, policies, and social structures should be oriented to encourage talented and compassionate people to choose a career in Senior Living.

### Argentum calls on policymakers to:

- Support policies that address workforce shortages by building upon existing Health and Human Services (HHS) and Department of Labor (DOL) workforce training programs, such as Job Corps and American Job Centers, to offer specializations in senior care. This will help strengthen the senior living labor force by investing in workforce development programs explicitly designed to meet the needs of older adults.
- Provide grants to assisted living communities to establish on-site childcare center for the purposes of intergenerational care and activities. This can help solve the twin senior and childcare workforce shortages and help assisted living communities retain vital caregivers.
- Expand eligible uses of tax-advantaged savings plans to cover costs associated with workforce training and credentialing programs.

### Argentum calls on seniors, family members, senior living operators, educators, students, and others to:

- Become educated about the impending labor crisis in Senior Care and to make informed decisions that support policies and programs to address it.
- Learn about the range of care options in their communities and prepare for future needs.
- Talk about the unprecedented opportunities for a career in Senior Care and encourage young people to explore the industry as an employer of choice.

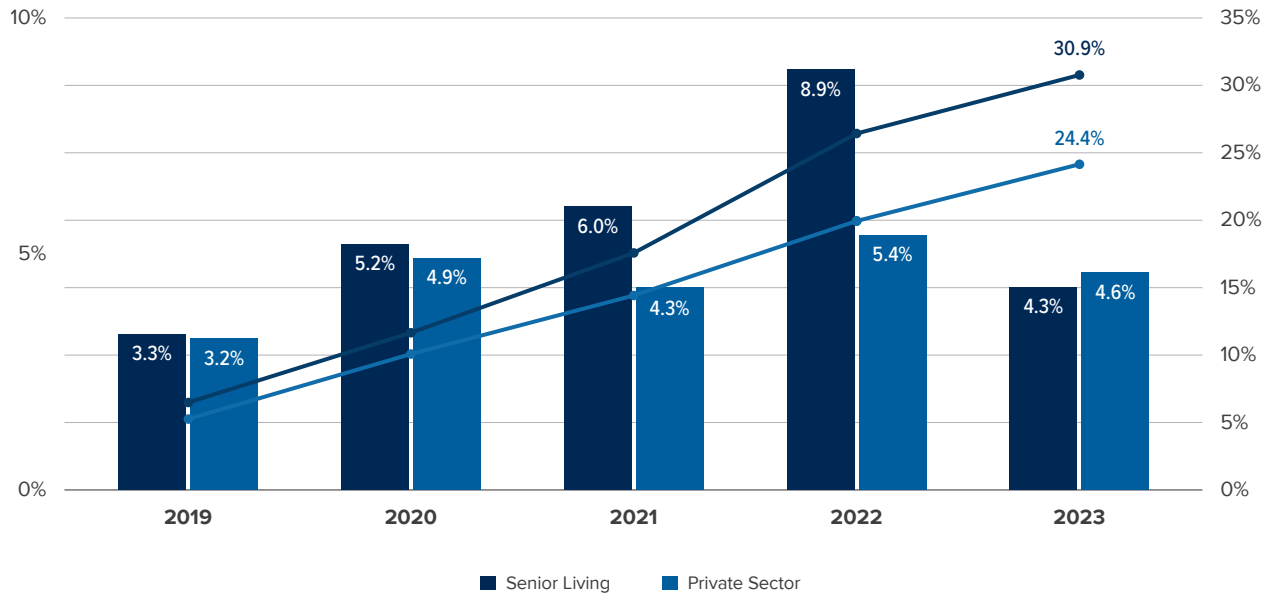
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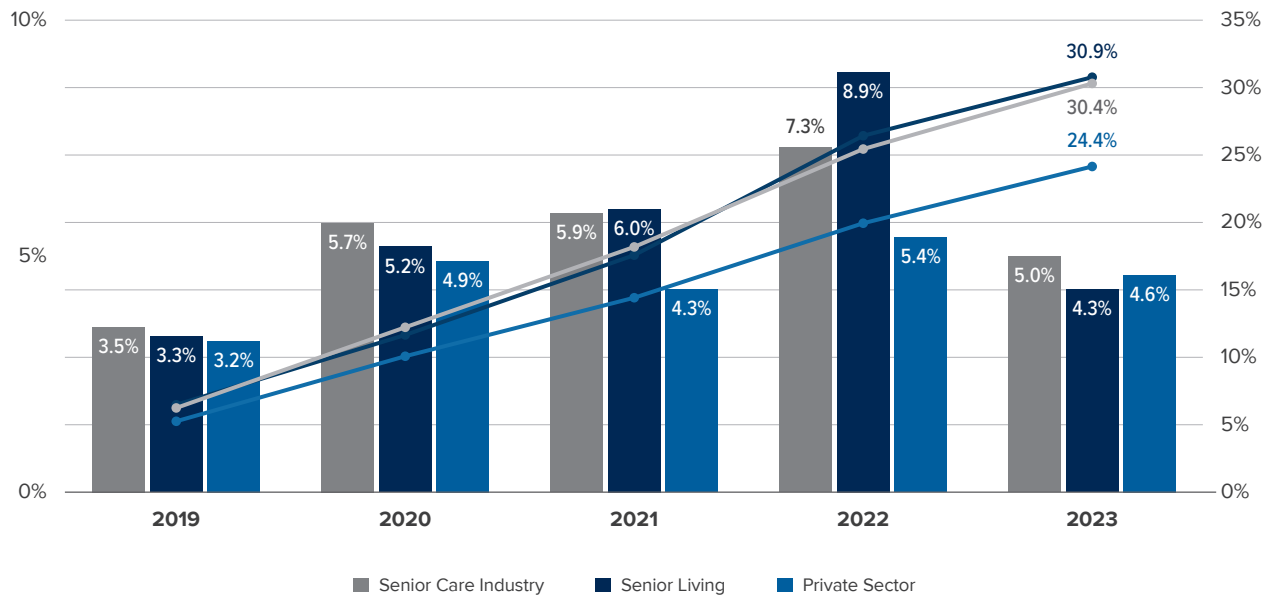
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## ADDITIONAL WAGE INFORMATION

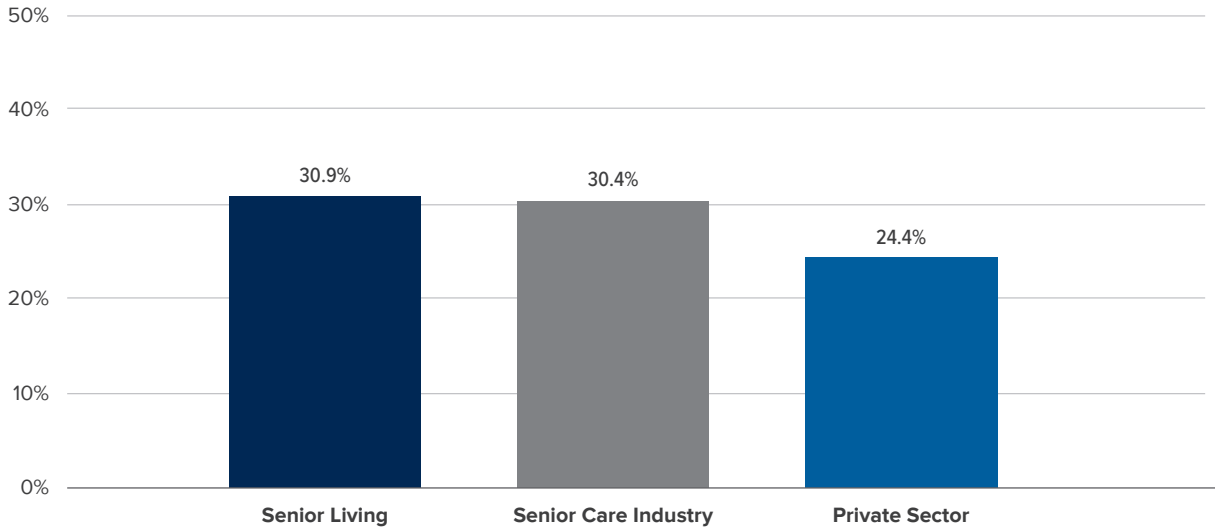
Senior Living and Private Sector Five-Year Wage Increases



Annual and Five-Year Wage Increases, 2019–2023



Five-Year Wage Increases, 2019–2023





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EXPANDING SENIOR LIVING

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