

The Benefits of Not-for-Profit Senior Living Communities



As a senior, one of the most important decisions you'll face is choosing the right retirement community. Location is key, as is the right mix of amenities. Care options are also important to note - but did you know that whether the community is for-profit or not should be part of that decision-making process, too? Along with the comfort of living in a welcoming, resource-filled community, not-for-profit retirement communities also provide a variety of unique benefits not found in other for-profit senior living options. Their mission-driven approach to retirement living is exclusively focused on providing quality senior care services and support – not on generating a profit. The many benefits to choosing a not-for-profit senior living community include:

- **What you pay for is what you get.** While not-for-profit organizations do need to make money to operate, they are not motivated by profit, meaning the money you spend is directly invested in the maintenance and operation of the community. You're investing in your community, not profits or shareholders.
- **The focus is on you, not on ROI.** At a not-for-profit community, the team is dedicated to service and ensuring residents receive the personalized attention they need and deserve. As noted in this [Irving Levin Associates Report](#), for-profit communities focus less on mission and mainly on the return on investment, or ROI, which means keeping operational costs low and occupancy high: "For-profits are looking to maximize cash flow, EBITDA, and shareholder returns by increasing revenue and squeezing costs to the lowest level," explained James M. Moloney, Head of Real Estate and Co-Head of Tax-Exempt M&A at Cain Brothers in San Francisco. "They're run from a financial return perspective, as opposed to the mission-in-perpetuity perspective of the not-for-profits."
- **Not-for-profits prioritize ethic, quality, and social responsibility.** Since not-for-profit communities are not driven by profit and don't face the pressure of meeting a high return on investment, they are often more mission-driven and operate on humanitarian principles. Also, research by the [Center for Medicare Advocacy](#) shows not-for-profit care centers have fewer total deficiencies (problems noted by regulatory agencies), lower rates of hospitalization, and higher staffing ratios with greater numbers of registered nurses.
- **Business transparency and connectivity.** Not-for-profit organizations offer complete transparency to all shareholders, including residents. This means accessible information on the organization, as well as annual reports and messages from the President and CEO. Likewise, not-for-profit boards of directors represent the communities they serve, so instead of focusing on their own individual financial interests, board members for not-for-profit communities look out for the interests of residents.

