

2010
SOCIAL ACCOUNTABILITY
study report

June 2011



HOLLERAN

 Lyon Software

 **LeadingAge**[™]
formerly aahsa

WELCOME LETTERS

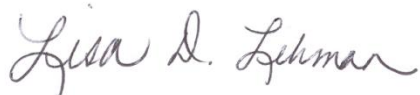
It is with great pride that Holleran is able to lead the way in the first National Social Accountability Study among LeadingAge CCRC members. In partnership with LeadingAge, we recognize that Social Accountability is at the heart of every not-for-profit member and together, we must join to “Tell Our Story.”

The intent of this initial survey is to stimulate dialogue and learning opportunities among members, our national and state associations, and business members who can serve as experts on this topic. We live in a time where simply existing as a not-for-profit is no longer sufficient as a means of demonstrating Social Accountability. We can all agree that in recent years, scrutiny of not-for-profit healthcare providers has increased at the local, state, and national level. It is more important than ever that we not only insure our members have robust Social Accountability programs, but that they are also positioned to effectively communicate their critical role and contribution in the greater community. All of you are doing good work, so let's make certain that we are able to track our efforts and have something to show for it.

This, our initial aim at gathering national statistics for the CCRC industry, serves as the beginning of our journey, not the end. We intend to resurvey members again and have high aspirations for the future of this project. The old saying, “If nothing changes, nothing changes,” is something at the forefront of our minds. Unless we aim to remain stagnant, we must collectively advance our field in its Social Accountability efforts. This will be done through increased member sharing, educational events such as webinars and learning sessions, and ongoing commitment through organizations such as LeadingAge.

We look forward to being an ongoing partner with you on this journey. We are passionate about you, our partners in senior living, and are also committed to continuing to build up the not-for-profit difference. We congratulate all of you who have solid Social Accountability programs and outreach efforts and look forward to advancing your mission of excellence with you.

Regards,



Lisa Scott Lehman
President, Holleran

In this year of LeadingAge's 50th anniversary, it is appropriate to note from the earliest leadership document that our founders stated our purpose is a "membership organization of non-profit voluntary" providers that "protects and advances the interest of the individuals" we serve.

This focus on service and social accountability was reinforced 10 years ago when we launched Quality First, a national accountability program for all aging services providers. Social accountability is a measure of an aging services organization's commitment to its mission, its stakeholders and society. Social accountability programs that identify and alleviate unmet needs in the community are good for the community, good for mission, good for business and good for the people you serve.

Non-profits changes lives. And, social accountability is a way to tell your organization's story of how it changes the lives of your residents as well as your impact on the community.

LeadingAge is pleased to partner with Holleran, a LeadingAge Premier Sponsor, and Lyon Software to present the results of our survey demonstrating how not-for-profit continuing care retirement communities (CCRCs) are recording and tracking their social accountability activities. The report shows that many members are social accountability champions: social accountability is part of their culture; their boards are engaged; they communicate their accomplishments to their stakeholders; and they partner with other organizations to fulfill unmet needs in the community.

In order to strengthen not-for-profit leadership, it is imperative that LeadingAge members reinforce the unique responsibilities of the not-for-profit sector as guardians of values, crucibles of innovation, cultivators of volunteerism, and stewards of the public interest. In order to engage consumers, LeadingAge members must be accountable, transparent and credible with the public. Transparent accountability has never been more important.

LeadingAge is committed to communicating routinely with members about public benefit and social accountability responsibilities and opportunities. This study is an important part of our commitment to change lives and tell our story.



Larry Minnix
President & CEO
LeadingAge

Introduction

Holleran, a national research firm, located in Lancaster, Pennsylvania, partnered with LeadingAge, an association of not-for-profit organizations, located in Washington, District of Columbia, to gather information about the Social Accountability practices of not-for-profit (NFP) continuing care retirement communities (CCRCs). Lyon Software, an expert in the field of Community Benefit and tax exempt organizations provided additional guidance regarding Internal Revenue Service (IRS) requirements and tracking Social Accountability activities.

General Social Accountability Overview

For study purposes, the following definition of “Social Accountability” is utilized: “Social accountability is a measure of an organization's commitment to its mission, its stakeholders and the greater community and demonstrates fulfillment of the requirements and expectations of tax-exempt organizations.” This term is also used synonymously with “community benefit” and “community engagement” among others.

Objectives & Study Rationale

The objectives of the study were to gather national statistics on how NFP CCRCs are recording and tracking their Social Accountability activities to allow providers to benchmark with their peers. The aim was to utilize results to further educate LeadingAge members on how to best track and communicate Social Accountability activities. It is noteworthy to mention that the survey content was comprised of key elements of the Catholic Health Association's recommendations for recording Community Benefit, Quality First Elements, and provider and expert feedback.

Interpreting the Results

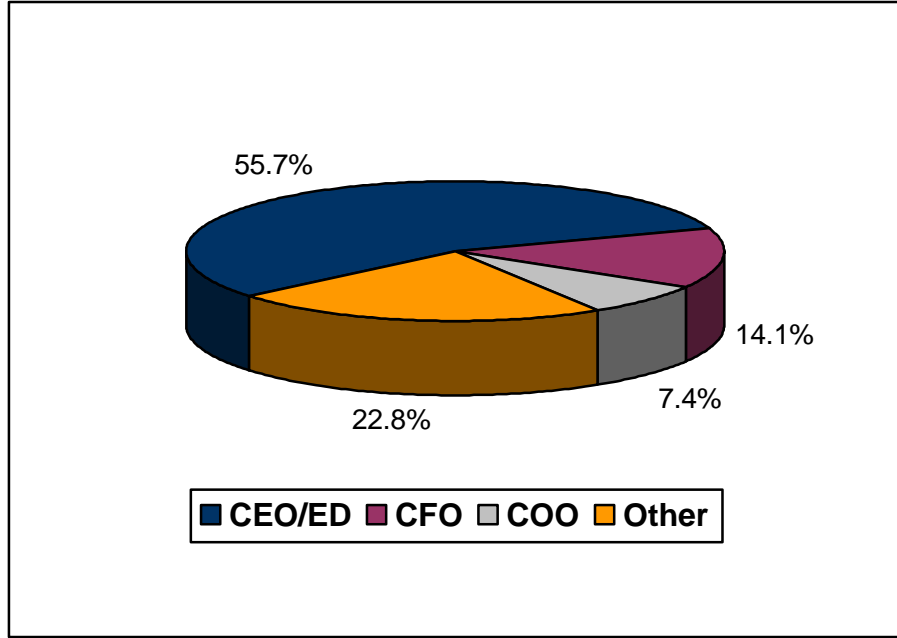
The results of study are intended to be directional in nature and not necessarily reflective of all CCRCs nationally. The current sample size (approximately 150); error rate of plus or minus 7% at the 95% confidence level, represents a limited number of not-for-profit CCRCs and it can be concluded that it only represents CCRCs who are able to track and report statistics as asked in the survey. Based on anecdotal feedback received throughout the study, many activities are taking place among providers; however, the tracking mechanisms may not necessarily be in place to facilitate easy access to the data for survey completion.

Last, the intent of the current study was to only focus on tax-exempt CCRC efforts. However, it is fully known that many CCRC organizations also provide additional non-CCRC services, such as home and community based services or childcare services. It is likely that the data and figures from these types of organizations may represent all service lines and not merely the CCRC initiatives.

SURVEY FINDINGS

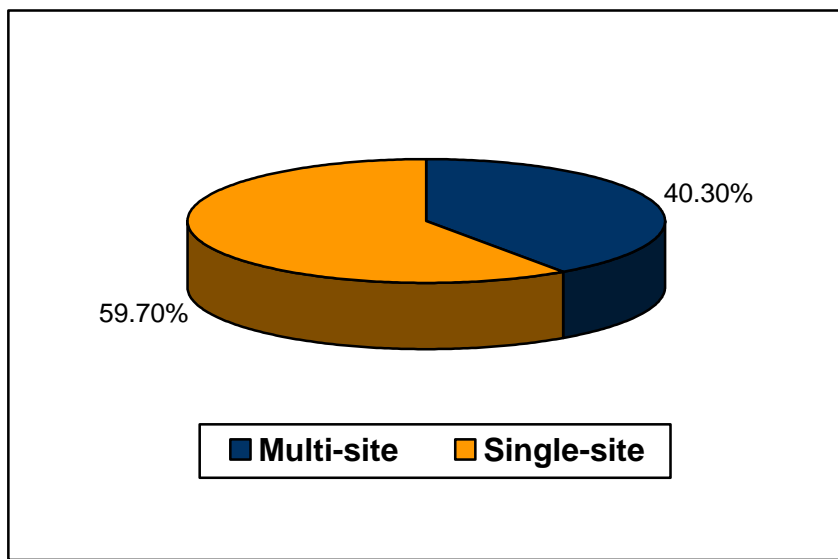
Demographics:

What is your current position?



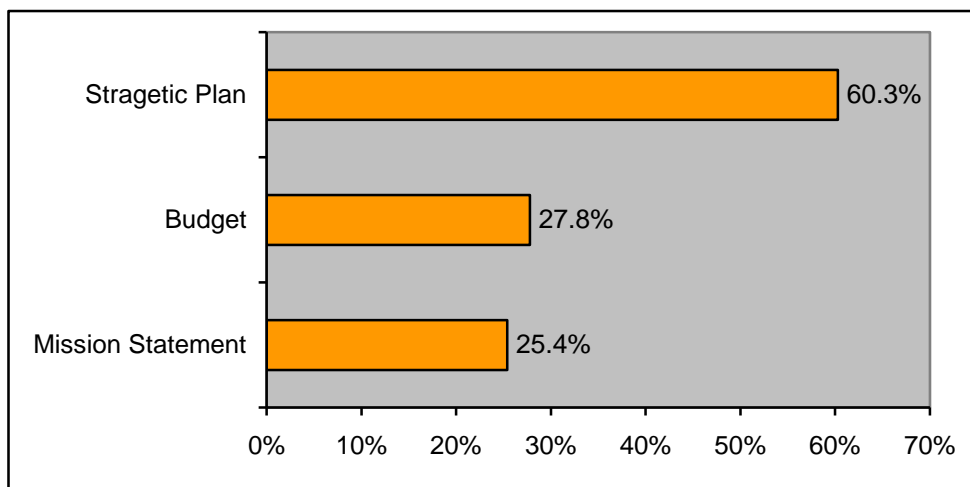
“Other” Positions	Frequency
Marketing/Communication/PR	9
Development/Philanthropy/Foundation	5
Other (non-specified)	5
Admin-HR/Accounting/Social Services	4
Community Relations	4
Resident Living	2
Social Accountability/Community Benefit	2
Compliance/Risk Management	1
Pastoral Services	1
Legal	1

Is your CCRC part of a multi-site organization?



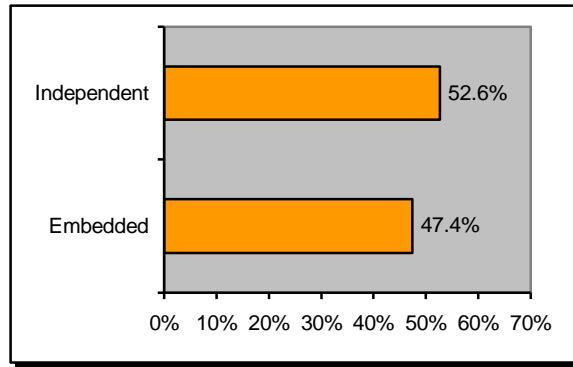
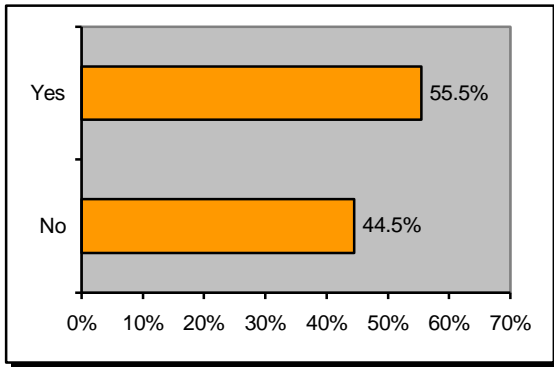
Social Accountability Culture:

Is there a specific reference to Social Accountability in the organization's mission statement, and/or strategic plan, and/or budget?



As detailed in the chart above, the research shows that roughly six out of ten organizations have incorporated some element of Social Accountability in their strategic plan. Fewer, approximately 25%, have specific reference to Social Accountability efforts in the budget as a dedicated line item or mention in the organization's mission statement.

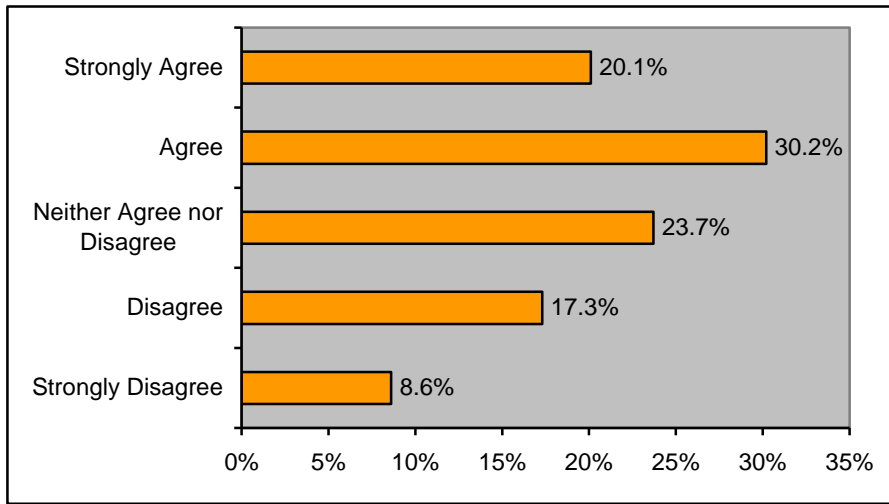
Does the organization produce an annual Social Accountability Report (or report of similar name)? If yes, is report embedded or is it independent?



Approximately half of the respondents stated that their organization is producing an annual Social Accountability report. Of those that indicated they produce an annual Social Accountability report, they were then asked to specify whether the report is a free-standing document or embedded within the organization’s annual report. The respondents were fairly evenly split, with roughly 52% reporting the document is independent of the annual report.

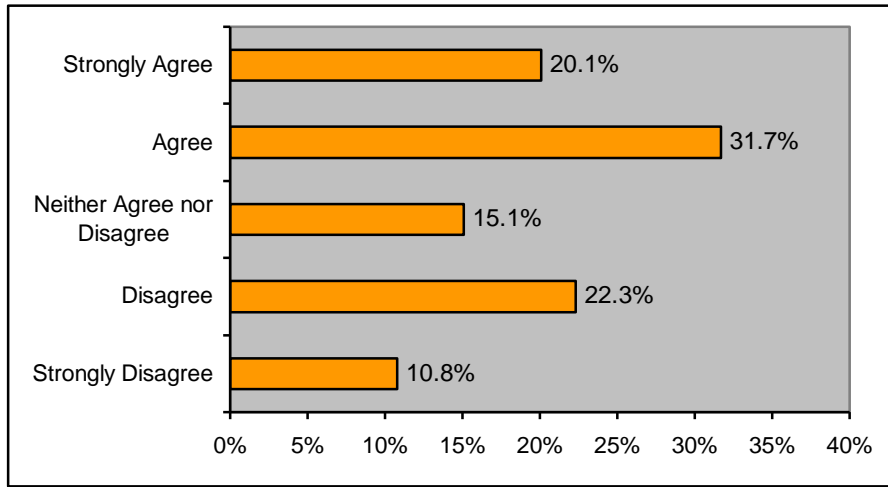
The following questions were asked on an agree/disagree scale. If the organization did not have a Social Accountability program, respondents were asked to rate the statements with a rating of “1” (strongly disagree).

The Board of Trustees discusses the Organization’s Social Accountability Goals.



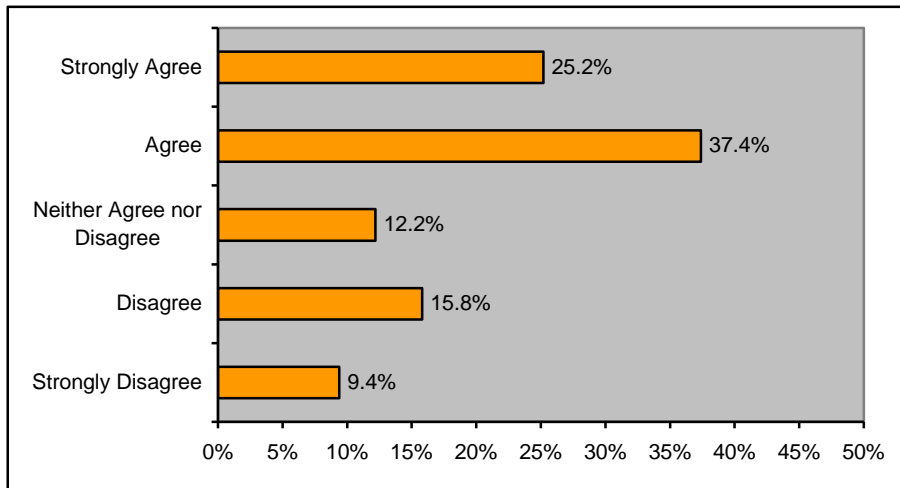
When asked to what extent the Board specifically discusses Social Accountability goals, 50.3% of respondents stated that these discussions take place. A smaller percentage, 25.9% reported that they disagree that the Board discusses Social Accountability goals.

The organization has at least one clearly designated individual who is directly responsible for Social Accountability performance.



The bar graph above reveals an element of variability within organizations as to whether or not there is one individual designated to oversee Social Accountability efforts. Roughly half of the organizations who participated confirmed that one person is designated to oversee these responsibilities.

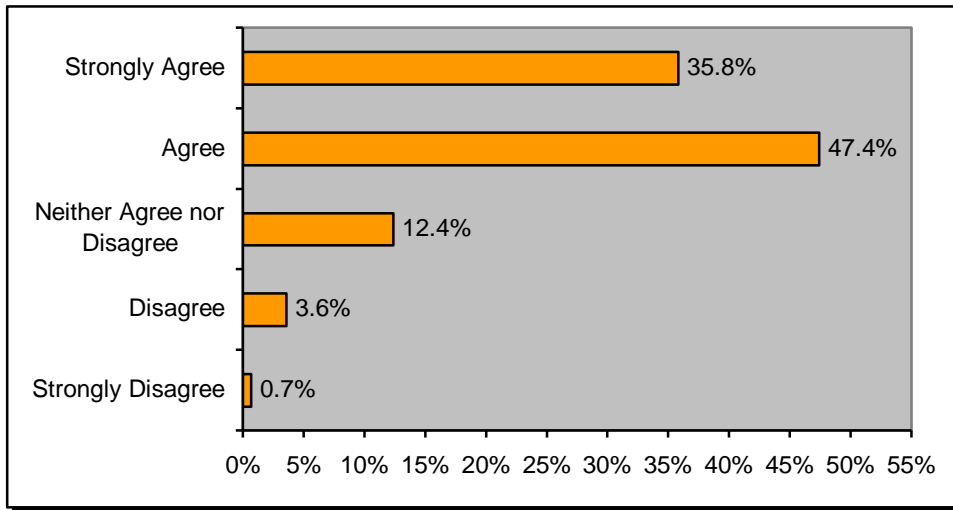
Residents, Staff and other key stakeholders have been informed of the Social Accountability program.



The above question was intended to assess the level of integration of a culture of Social Accountability within the organization. When asked the degree to which key stakeholders within the organization (residents, staff, etc.) have been informed of the Social Accountability program, 62.6% affirmed that this is the case. The graph clearly states that more organizations have informed their stakeholders than those who have not.

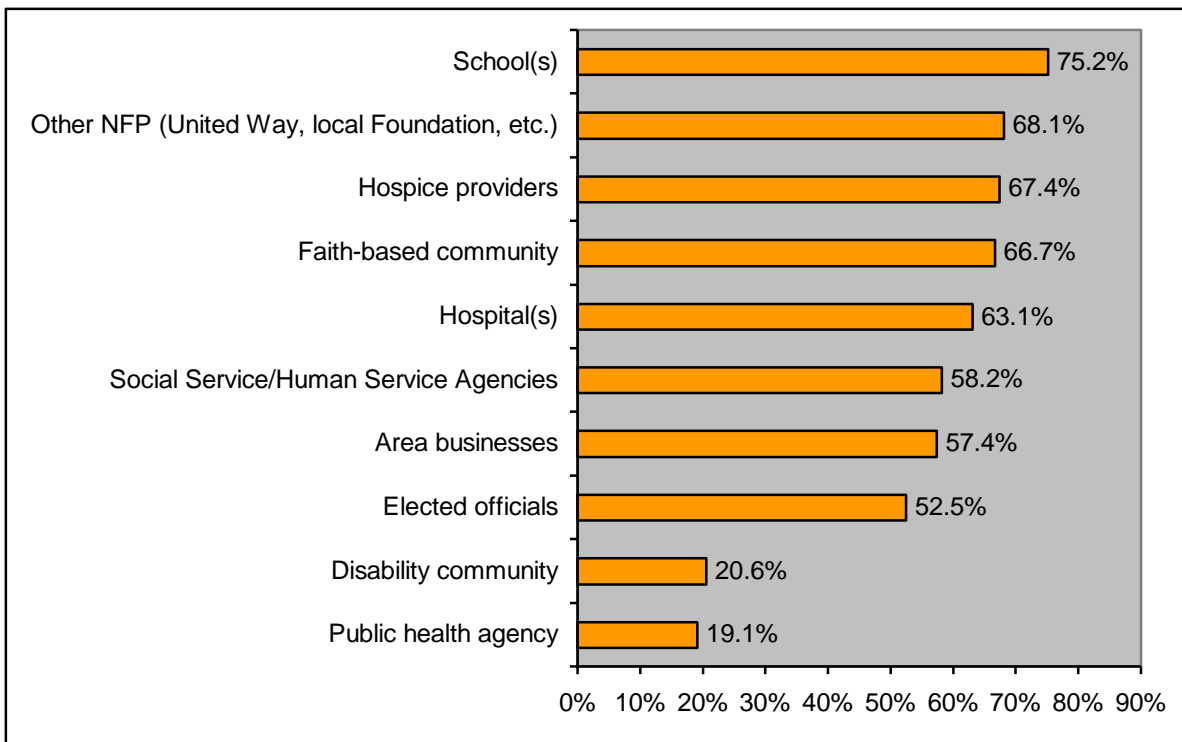
Partnerships:

This organization has successful community partnerships in place.



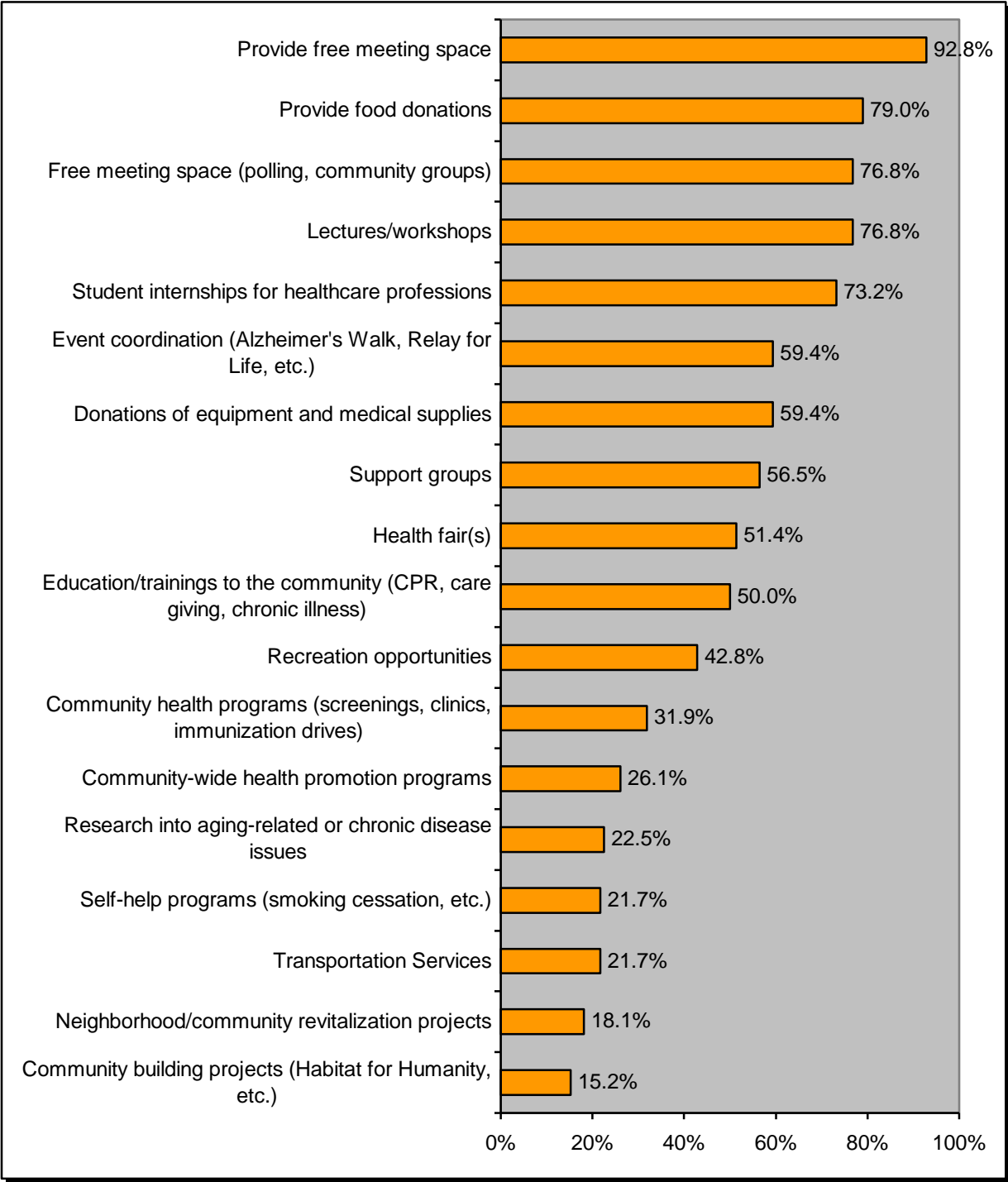
Given the external focus of Social Accountability, partnerships within the community are clearly important. The graph clearly shows that the organizations who participated agree as well. Approximately 8 out of 10 respondents reported that they have successful community partnerships in place. The following graph details specific partners in the community that were referenced as engaged organizations.

Who are considered engaged “community partners”?



Charity Care/Unpaid Costs/Donations:

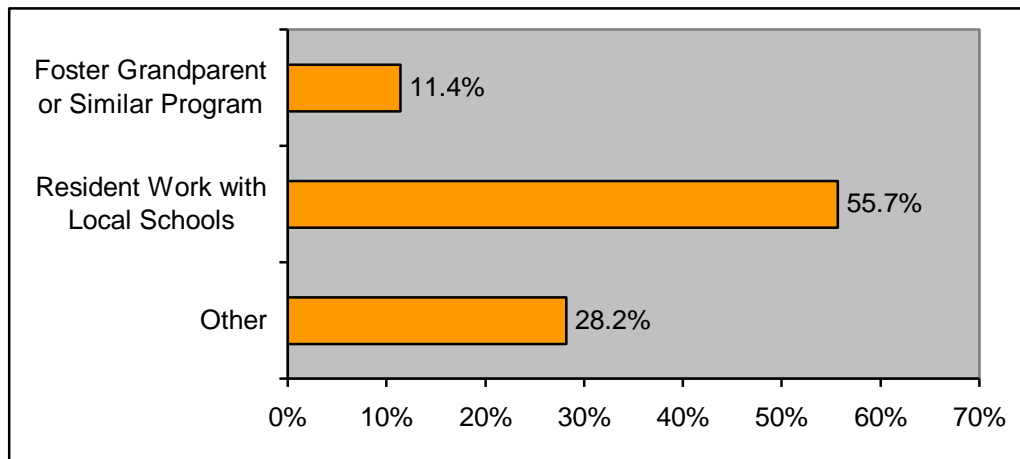
Activities provided for free or subsidized in the past year



The survey was structured to provide a checklist of items that organizations can report, according to IRS standards, as Social Accountability activities. The graph above includes these items. Respondents were asked to check all of the activities that the

CCRC has provided free of charge or subsidized in the previous year. The majority, nearly 93% provide meeting space for various organizations at no cost. Other common activities included food donations, free lectures and workshops for the community, and student internships. Less common activities included neighborhood revitalization projects and community building projects.

Please check what resident-driven programs the CCRC has provided free or subsidized for the greater community in the past year.



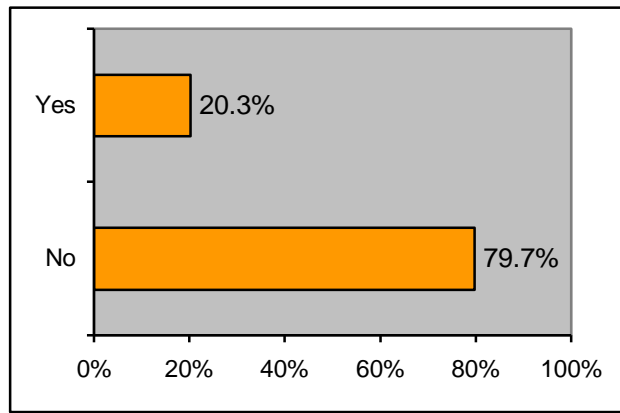
Similar to the previous question, respondents were asked to check all of the resident-driven programs that the CCRC provided for free or subsidized, in the past year. The graph above shows that 55.7% engaged in resident work with local schools. The “other” responses listed many unique and varied programs, without a clear theme.

The survey included a number of financial-related measures in an attempt to assess the average Social Accountability dollars given in a typical year. It should be noted that these questions appeared to be the most challenging for respondents to complete and figures were quite varied. The number of respondents for each of the financial questions ranged from 87 to 146. Once again, readers should interpret the results as directional.

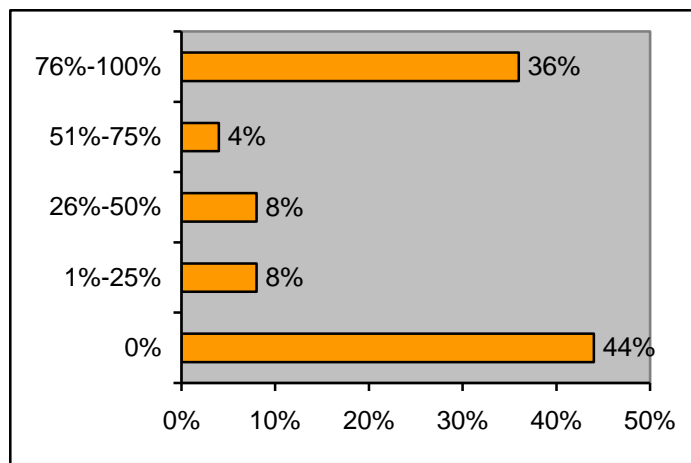
All figures reported are average dollar amounts.

Activity	All respondents	Single-sites respondents	Corporate respondents
Annual Revenue	\$32,423,658	\$19,832,605	\$83,222,044
Charity Care Provided	\$1,067,458	\$567,639	\$2,893,721
Medicaid Shortfall	\$3,098,193	\$490,260	\$12,370,847
Cash & In-Kind Contributions to Local Community Groups	\$87,265	\$58,407	\$215,064
Contributions Made to Charity Events of NFP Organizations	\$26,927	\$25,717	\$32,095
Total charity care as a percentage of total revenue	13%	6%	19%

In the past year, has the CCRC provided any community scholarships (DOES NOT include scholarships for the employees)?

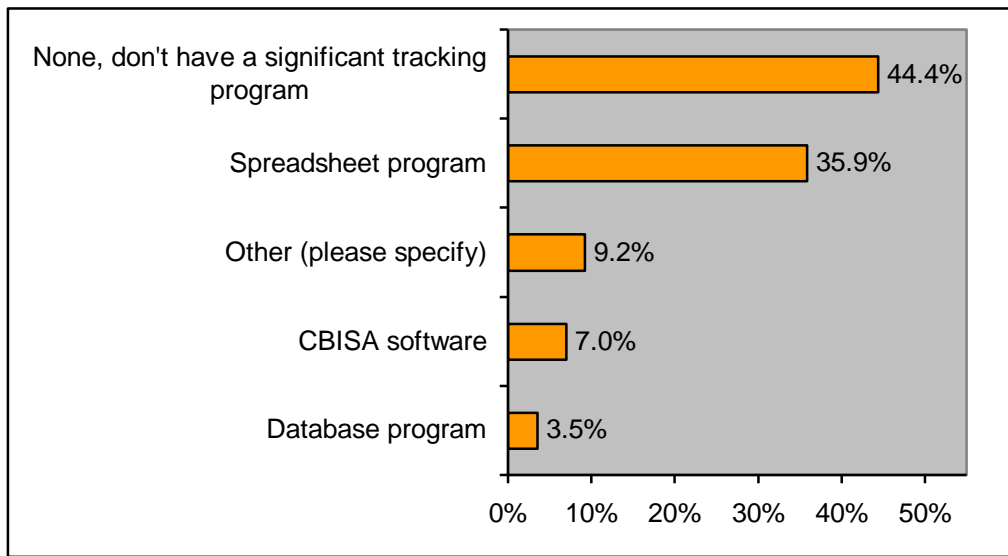


Of the 20.3% who answered yes, the scholarships ranged from \$1,000 to \$400,000, with an average of \$23,565. Respondents were also asked to identify what percentage of their scholarship funds were specific to health care professions. The responses are displayed in the graph below.



Tracking:

What tool do you use to collect your social accountability statistics?



The question above was intended to evaluate the systemization of Social Accountability tracking within not-for-profit CCRCs. The largest proportion, roughly 45%, reported that there is no significant tracking program in place within their organization to record efforts. Among those that do have a robust approach to recording initiatives, most are utilizing a spreadsheet program, likely Excel or some similar program.

CONCLUSIONS AND NEXT STEPS

The intent is to share current study results with LeadingAge members in a manner that will aid in educational efforts and further Social Accountability reporting. The study sponsors will evaluate the lessons learned from the current study and evaluate the best way to garner increased participation from LeadingAge CCRC members in future assessments.