



Lutheran
Services
in America®

Forgotten Middle Catalyst Roundtable

CEO Summit 1/28/2025

Member Live Survey

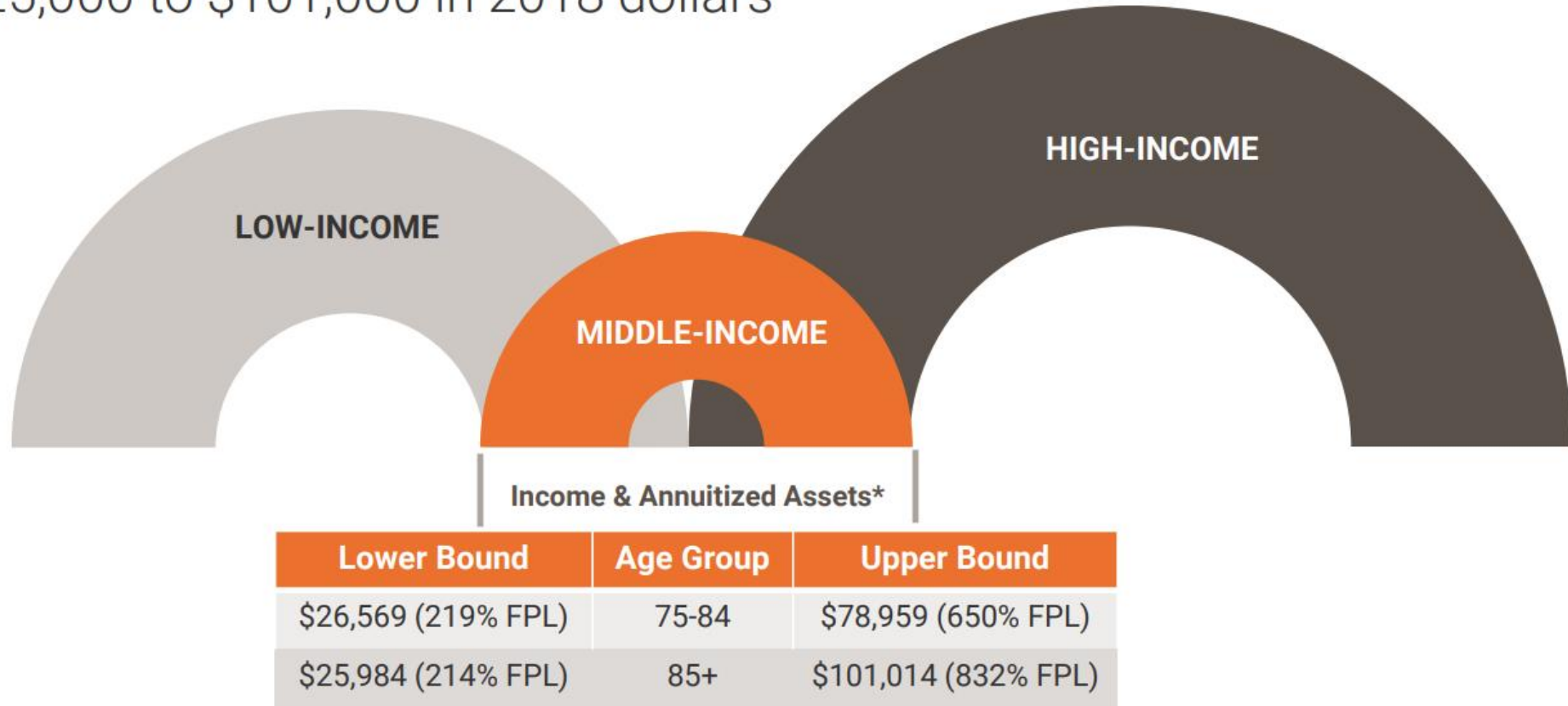
- Has your organization developed a middle market service offering?
- What type of program does your organization offer?
- What are the biggest challenges in developing a middle market program?



Or visit: pollev.com/lsadc148

Who is in the “Forgotten Middle”?

Middle-income seniors have annuitized income and assets from \$25,000 to \$101,000 in 2018 dollars



*Housing equity is not considered for the purpose of assigning seniors to income categories.

Key Findings about the Forgotten Middle

Over the next decade, the number of middle-income seniors will almost double—reaching 16M adults ages 75+ by 2033.

- This group will be more racially and ethnically diverse, including 22% who are people of color.

Many seniors will have health needs, like mobility limitations and cognitive impairments, that make it hard to live independently.

- Middle-income seniors may be more reliant on paid caregiving since a majority of them will be unmarried in 2033, and many do not have children living nearby.

Without selling their homes, three-quarters of middle-income seniors (11.5M) have insufficient resources to pay for private assisted living.

- Many seniors are reluctant to sell their homes either because their spouse still lives there or because it is a “nest egg” to protect against unforeseen expenses or pass to their children.
- Even with home equity, 6M (39%) middle-income seniors cannot pay for assisted living.

Level of care need will continue to rise

By 2033, the majority of middle-income seniors 75+ will have 3+ chronic conditions and mobility limitations

| 2033 | Middle-Income Seniors 75+ | Middle-Income 75-84 | Middle-Income 85+ |
|---|---------------------------|---------------------|-------------------|
| 3+ Chronic Conditions | 54% | 53% | 55% |
| 3+ Limits in Activities of Daily Living | 7% | 4% | 13% |
| High Needs* | 16% | 13% | 22% |
| Cognitive Impairment | 31% | 27% | 40% |
| Mobility Limitations | 56% | 50% | 68% |

*High-needs is defined as those with three or more chronic conditions and one or more limitations in ADLs

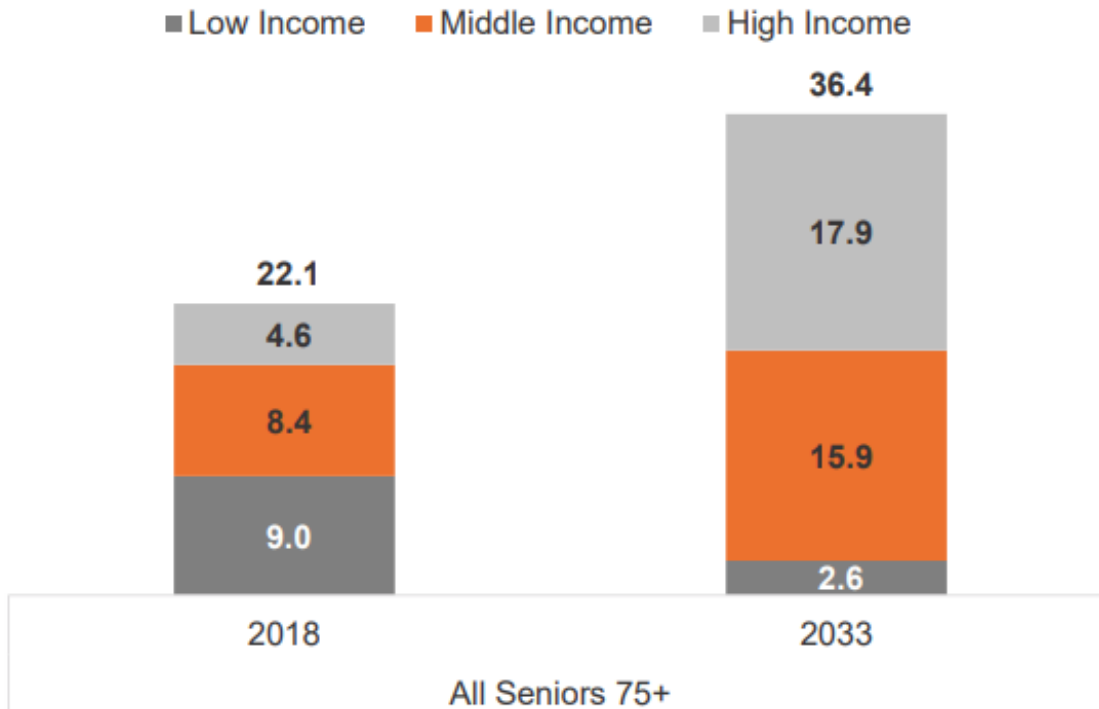


Those over 85 are even more likely to have limitations in activities of daily living.

Many seniors will need additional caregiving support and may not be able to continue living independently.

The overall senior population will increase by 64% from 2018 to 2033

Size of the Senior Population 2018 and 2033, by Age and Financial Resources (Millions)



As the baby boomers age, the size of the population age 75+ will increase by 14.3M.

Seniors will also become more affluent with fewer low-income individuals and more high-income people.

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Innovating Through Time

Public Housing Conversions in 23 States



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202 ALF Conversions In Florida



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Multifamily & Trailer Park Conversions In Florida



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Acquisition of Senior Living Assets for the Middle Market



The Club
at St. Cloud

ALF#9917



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Future Asset Acquisitions for the Middle Market in Florida and Regionally in 2025

Tampa MSA, Florida

- HUD Defaulted Loan
- Non-Performing Asset
- \$38,000/Unit

Strategic Reposition

- Operate to Own
- Staffing reduction
- Rebalance Beds
- Partnerships

Financing

- SBA 7a Loan Financing
- Refinance to HUD in 3 years

Orlando MSA, Florida

- REIT Defaulted Lease
- Performing Asset
- \$80,000/Unit


Strategic Reposition

- Acquisition
- Strict expense control
- Increase license capacity
- Partnerships

Financing

- Bridge to HUD Financing

OVERVIEW OF HOME & COMMUNITY-BASED SERVICES (HCBS) OPPORTUNITIES



| HCBS Model | Description |
|--|--|
| Targeted Services to Support Aging in Place | Short-term therapy and handyman services to enable seniors to remain living at home |
| Care Coordination Services | Service coordination to support SDOH needs through one-on-one care management and navigation |
| Transportation & Companionship Services | In-home supports and related services (e.g., transportation, companionship) provided by "Pals" |
| Comprehensive Services to Support Aging in Place | Wraparound services (e.g., transition home from hospital, care coordination, transportation) provided by a care team (including skilled and unskilled providers) to individuals living at home |
| Continuing Care at Home | Extension of CCRC services to individuals living at home, typically including 24/7 care coordination, health and wellness services, and financial planning |
| Home-Based Primary Care Services | In-home comprehensive care, including primary care, therapy services, dietitian support, and medication reviews |
| Program for All-Inclusive Care for the Elderly (PACE) | Integrated Medicare and Medicaid program in which participants have a nursing home level of care and PACE organizations are both payer and provider, at full risk for Medicare and Medicaid costs, and establish adult day services, an interdisciplinary care team, and additional services |