A sizeable portion of the U.S. population lives in or will soon transition into senior care housing. The number of senior adults living in such facilities is expected to rise at an increasing rate through 2025. Of course, companies who build or expand to meet these needs will require information about where to build what kind of facility, and when. Answers to the what, where, and when of demand should be based on an understanding of how potential clients select a facility for themselves or their loved ones.

A team of three UWM faculty and three advanced undergraduate supply chain management students conducted secondary research into extant scholarly literature on life-transition decisions, along with primary research into the priorities revealed by consumer literature (e.g. checklists) used in making choices. Prior to this project, the three undergraduate students had little knowledge of the senior living industry. Yet, they used UWM resources to perform a comprehensive investigation utilizing 28 research studies and articles that spanned 33 years. This research was made possible by the generous support of the Aptura leadership team at Direct Supply. A report and on-site presentation to Direct Supply executives were delivered by the six members of the research team.

The report explores which persons are most likely to be involved in the decision, the types of factors that most often lead to the selection of one type of facility or another and the demographics of current residents in each of four facility types. The four facility types are Independent Living, Assisted Living, Skilled Nursing, and Memory Care. In practice, these are not always distinct locations and there is debate surrounding service care complexity between Memory Care and Skilled Nursing. Regardless of the facility type chosen, it was found that there is a consistent hierarchy of decision-making, beginning with the senior. If the senior is deemed unable to make the decision, the decision-making responsibility moves to the spouse. If the spouse is deemed unable to make the decision or there is no spouse, the responsibility becomes that of the adult children, then moves to other family members, and finally to social workers, doctors, and other health professionals (McAuley and Travis, 1997).

These decision makers are influenced by factors that can be categorized as “pushing” (compelling) or “pulling” (attracting) the senior into the transition. While both pushing and pulling factors exist for the decision-maker, it was found that the pulling factors such as facility location, security and existence of friends were most dominant when selecting an Independent Living facility. Pushing factors such as the senior’s health, assistance needed and ability to keep up with household chores were most dominant when selecting an Assisted Living, Skilled Nursing, or Memory Care facility.

Practical Takeaways for Direct Supply Executives:

1. Across all facility types, there are distinct hierarchies of decision-making, beginning with the seniors themselves and proceeding from spouse to adult children, then other family members, and finally to social workers, doctors, and other health professionals.

2. Pulling factors dominate the Independent Living facility choice while pushing factors dominate the Assisted Living, Skilled Nursing, or Memory Care facility choice.