

THE ROLE OF LOCATION AND ECONOMIC FACTORS IN PREDICTING SATISFACTION WITH CHOICE OF CONTINUING CARE RETIREMENT COMMUNITIES

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Abstract

The study utilized a structural model to predict satisfaction with selection of a continuing care retirement community (CCRC). Based on the Deacon and Firebaugh (1988) model of family resource management, the model explored the role of economic and location factors in determining older consumers' satisfaction with the CCRC selected. Multiple regression analysis tested for relationships among variables. The input construct comprising human and economic capital was useful as a predictor of satisfaction; importance of location of the CCRC was not a good predictor. Implications for consumers, housing educators, and other housing professionals are offered.

Introduction

Since the mid-nineteenth century, one of the most important changes in the history of humankind has occurred—a near doubling of the life expectancy at birth from 40 to nearly 85 years (Olshansky, Carnes, & Cassel, 1990). In the United States, the elderly (age 65 or older) make up 12.8% of the population (U. S. Bureau of the Census, 1996). It has been projected that by the year 2050, the 65-and-over population will rise to approximately 79 million, representing 20% of the total population of the country. The “oldest old” (85 years and older), by 2050, will number approximately 19 million,

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constituting 24% of elderly Americans and 5% of all Americans (U. S. Bureau of the Census). The growing number of older persons in the United States has caused a focus of attention on the health care services (DeVaney & Strestha, 1995; Kane, 1995; Rasell, Sawicky, & Baker, 1998; Strahan, 1997; Williams & Guerra, 1991) and special housing needs of this facet of the population (American Association of Retired Persons [AARP], 1996; Gibler, Lumkin, & Moschis, 1997).

Elderly persons planning for retirement needs, such as housing and increased health care demands, may find the process difficult, because uncertainties abound during the time when planning should take place. Families cannot project with certainty their future wealth (Schulz, 1988), ability to obtain health care services (Williams & Guerra, 1991), or time of death (Kart, 1997; Montague & Pitman, 1995). Some older Americans have adequate resources and opportunities to plan for both housing and health care needs in the retirement years, while others may have only limited funds. Additionally, proximity to family members is a consideration for some elderly persons making retirement housing decisions (Gupta & Galanos, 1996; Kichen & Roche, 1990). An option chosen by some retired persons is the comprehensive network of interrelated housing and health care programs found in continuing care retirement communities (CCRCs) (Golant, 1998). An exploration of factors related to satisfaction with such communities was the subject of the current study.

Purpose

As part of a larger study, this research was designed to examine factors useful in the prediction of older Americans' satisfaction with their choice of CCRCs. Of interest was whether satisfaction was influenced by such factors as human and economic capital, proximity to family members, and proximity to former home. The study utilized a model developed to predict satisfaction with the chosen retirement community. The Deacon and Firebaugh family resource management model (1988) provided a theoretical framework within which the researchers examined whether output (satisfaction with CCRC selected) could be predicted by specific demands (importance of location variables) and resources of elderly consumers (human and economic capital).

Review of Literature

The size of the elderly population as a percentage of the total population in the United States has been increasing over the past several decades (U. S. Bureau of the Census, 1996). We know that as people age, they become more likely to need assistance with activities of daily living. In the past, such help was usually given by the daughter or daughter-in-law; however, with more women entering the workforce, fewer female offspring are available for such care to aging parents (Brody & Schoonover, 1986; Cohen, Tell, Batten, & Larson, 1988; Matthews & Rosner, 1988). Although programs to help elders "age in place" are emerging to support family caregiving, reliance on formal systems of health care, such as nursing homes, remains a reality for many families. For example, more than 900,000 of the 2.2 million persons who turned 65 in 1990 (43%) are expected to need nursing home care at least once before they die

(Kemper & Murtaugh, 1991; American Association of Homes and Services for the Aging [AAHSA], 1998) at an average annual cost of \$46,000 (AAHSA). It has been projected that by the year 2000, spending on nursing homes will have grown from \$65 billion in 1992 to \$137 billion (Family Economics Research Group, 1993). Since the aging population has a high likelihood of using the services of a nursing home, and since the services are expensive, housing alternatives that protect against the high costs of long-term care have emerged (Chellis, 1990; Cohen et al., 1988).

One type of elderly housing designed to foster independent yet supportive living with a health-care guarantee is the continuing care retirement community. In 1995, there were more than 1,000 CCRCs in the United States, housing approximately 350,000 elderly persons. The number of facilities is expected to double in the next 10 years (Golant, 1998). The CCRC increasingly is becoming a possibility for elderly persons concerned about their projected need for nursing home care (Cohen, Tell, Bishop, Wallack, & Branch, 1989; Cutler, 1993; Golant, 1998; Somers & Spears, 1992). Interestingly, Sloan, Shayne and Conover (1995) found that CCRCs offering completely prepaid long-term care coverage reduced nursing home care usage by 13% compared with other types of CCRCs, such as those offering the fee-for-service option. Whether this implies that residents chose to utilize the CCRC's long-term care less or were more often judged not to need long-term care services is not clear.

In the CCRC setting, a full continuum of housing and care is provided, from independent living through long-term care, in order to meet the elderly client's changing needs for supportive services and care (Cassel, 1997; AARP & Federal Trade Commission [FTC], 1991; Chellis, 1990; Golant, 1998; Somers & Spears, 1992; Winklevoss & Powell, 1984). In general, those entering CCRCs start out in the independent living section. The need for long-term care, then, is an *anticipated* rather than an actual need at the time of entry (Somers & Spears, 1992). Although most CCRCs today continue to be affiliated with non-profit organizations, a growing number are operated by the for-profit sector as well (AAHA and Ernst & Young, 1989; Golant, 1998; Somers & Spears, 1992).

Unlike board and care homes, continuing care retirement communities offer contracts that represent a lifetime commitment. An entry fee, payable upon admission into the facility, and monthly maintenance payments thereafter, are the typical requirements for purchasing a continuing care contract (AAHA and Ernst & Whinney, 1987; Golant, 1998; Somers & Spears, 1992; Winklevoss & Powell, 1984). According to Horowitz and Kelly (1991), the CCRC industry is moving toward fully or partially refundable entry fees. Although this trend results in somewhat higher fees to provide investment funding to finance the refunds (Horowitz & Kelly), it does reflect an attempt to satisfy consumer preferences.

Interest in CCRCs has been heightened by the fact that many middle-class Americans are able to afford the costs of CCRC care (Cohen et al., 1988; Golant, 1998; Ruchlin, 1988). It is estimated that if incomes of elders keep up with inflation, 15% of those over the age of 75 could afford CCRCs in the year 2000 and 25% in 2020 (Golant, 1998). However, since a substantial entrance fee is required prior to admission, poten-

tial residents may be concerned about the financial loss they would incur if a CCRC should declare bankruptcy. In fact, annual bankruptcy rates for CCRCs are only 0.3% (Conover & Sloan, 1995/96).

Cutler (1993) reported that there is considerable variation in the cost of CCRCs, concluding that consideration of this housing option should not be limited to the wealthy. The growth in private pensions since World War II, the changes in the Social Security system, and the increase in home ownership by middle-class Americans all contribute to the financial base necessary for entry into a CCRC (Ruchlin, 1988). As people become more knowledgeable about the lack of long-term care coverage by Medicare, they are turning to alternative methods of protection against these costs (Cohen et al., 1989). As CCRCs guarantee their elderly residents lifetime shelter and care, CCRCs represent not only a housing option but also a strategy for financing the elderly population's long-term care. In fact, CCRC residents most frequently cited guaranteed health care as the reason for joining a CCRC (Gupta & Galanos, 1996; Sheehan & Karasik, 1995).

An examination of previous research related to CCRCs uncovered little information that could be considered negative. The industry is expanding, and with that has come the expected increase in state legislation efforts (Conover & Sloan, 1995/96; Netting & Wilson, 1994) and an exploration of accreditation and self-regulatory issues (Netting & Wilson). Such efforts reflect recognition of the need to protect older adults who choose this type of living arrangement. Although current health status as well as the need for both funding of a substantial entrance fee and adequate retirement income limit the options of many, CCRCs represent a retirement housing option worth exploration.

The Proposed Model

The Deacon and Firebaugh model of resource management (1988) served as the theoretical framework for the study. The Deacon and Firebaugh model includes four basic elements: input, throughput, output, and feedback. Input comprises demands and resources, while throughput may be conceptualized as the planning and implementing of resource use to meet demands. Output represents met demands and resource changes. Feedback, or the family's ability and willingness to incorporate what they have learned, encompasses information about output that reenters the system as input (see Figure 1).

Interpretation and modification of the Deacon and Firebaugh (1988) framework was implemented to facilitate the study of satisfaction with the CCRC selected. Determining relationships between input and output in the context of CCRC selection represented the first phase of a larger study that examined the effect of the selection process (throughput) in predicting satisfaction. The work reported here addresses the role of the input component in the prediction of output.

The structural model proposed that knowing inputs affecting the CCRC selection decision would help predict output. Constructs comprising the input component included human and economic capital as well as the importance of location of the CCRC. Dimensions of the described inputs constituted the exogenous variables that originated

externally from, and drove, the model. Satisfaction with the CCRC and its characteristics represented the output component of the model. Dimensions of the satisfaction construct made up those endogenous variables that originated from within the model (see Figure 2).

In the proposed model, the perceived importance of location of the CCRC (demands) and human and economic capital (resources) represented input. Importance of the location of the CCRC, consisting of the importance of location close to former home and the importance of location close to family members, was considered a demand because it restricted choices among CCRCs. Elderly persons considering a move from their homes into a retirement community may consider the importance of the location of the retirement community as a demand that limits their options. For example, those considering relocation to retirement housing may wish to remain in the community in which their support network of family and friends is located. Others may choose to remain or relocate near adult children and grandchildren. According to the review of literature, the desire to live close to children or other relatives was considered an important factor in the decision to enter a CCRC (Gupta & Galanos, 1996; Kichen & Roche, 1990).

According to Deacon and Firebaugh (1988), resources include the means necessary to meet demands and goals of the family. Financial resources and human capacities were conceptualized as part of the input component of the model as it relates to planning for retirement needs. It is clear from previous research related to CCRCs that this

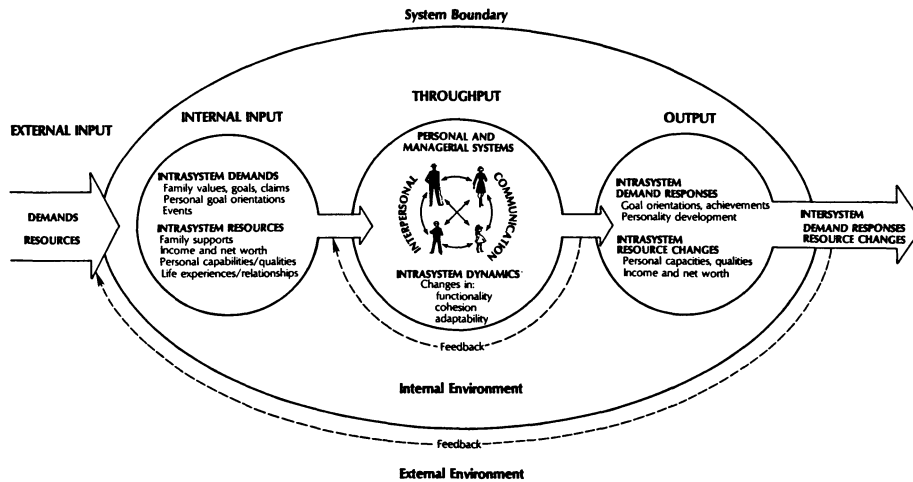


Figure 1. The Family System of Resource Management. Note: From *Family Resource Management: Principles and Applications* (p.24), by R.E. Deacon & R.M. Firebaugh, 1988, Needham Heights, MA: Allyn and Bacon. Copyright 1988 by Allyn and Bacon, Inc. Reprinted with permission

housing option is available only to those who have the economic resources to fund the entrance and monthly maintenance fees (AAHA and Ernst & Whinney, 1987; Golant, 1998; Somers & Spears, 1992; Winklevoss & Powell, 1984). Human and economic capital represented resources as inputs in the proposed model, and included four dimensions: a) total family income, b) education, c) perceived income adequacy, and d) satisfaction with amount and availability of financial resources to meet needs.

After a purchase has been made, consumers engage in a postpurchase assessment to compare actual outputs with anticipated outcomes. When end results are consistent with anticipated outcomes, satisfaction results (Engel, Blackwell, & Miniard, 1994). Therefore, outputs were measured by the dependent variables, satisfaction with choice of CCRC. Satisfaction with choice of CCRC comprised both overall satisfaction and satisfaction with specific CCRC characteristics. Satisfaction with CCRC characteristics included satisfaction with such requirements and amenities as fees, health delivery services available, friendliness of staff and residents, and appearance of living quarters and grounds. (For a complete list of items included as CCRC characteristics, see Table 1). Based on the proposed model, the following hypothesis was developed:

Hypothesis: Knowing the demands (importance of location) and resources (human and economic capital) of consumers selecting a CCRC will help predict their satisfaction with the chosen CCRC and its characteristics.

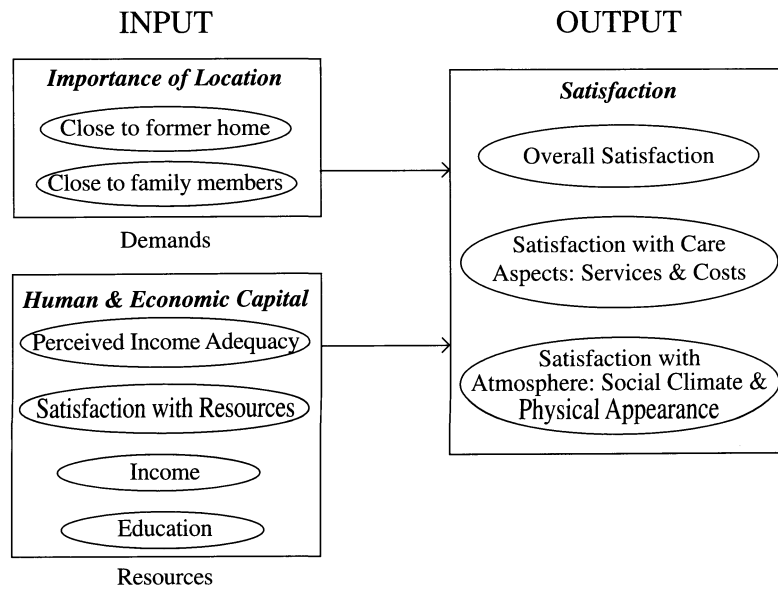


Figure 2. Proposed model of input factors predicting satisfaction with CCRC. Arrows represent hypothesized relationships.

Table 1. Factor loading for satisfaction with CCRC Characteristics.

Factors	Factor loading
Factor 1. Care aspects (services & costs): Satisfaction with	
Entrance fee	.874
Monthly maintenance fees	.845
Additional fees if nursing home care needed	.744
Health requirements for entry	.710
Availability of staff nearby	.642
Effectiveness of resident council	.578
Type of medical services available	.574
Type of services available to help one remain independent	.441
Eigenvalue	
7.03	
Proportion of variance explained	
.47	
Factor 2. Atmosphere (social climate and physical appearance):	
Satisfaction with	
Friendliness of staff	.895
Appearance of grounds	.828
Appearance of living quarters	.810
Friendliness of residents	.793
Home-like atmosphere	.671
Quality of food	.660
Availability of nursing home	.485
Eigenvalue	
1.59	
Proportion of variance explained	
.11	

That is, knowing the income, education, perceived income adequacy, and satisfaction with resources of consumers will help to predict their subsequent satisfaction with the chosen CCRC and its characteristics. Additionally, knowing the perceived importance of location of the CCRC close to the former home and close to family members will assist in predicting satisfaction.

Methodology

Approximately 900 retirement communities have been identified as CCRCs by the American Association of Homes for the Aging (Cassel, 1997). A nationwide random sample of 75 CCRCs, stratified by regions of the country, was drawn from AAHA's list of known CCRCs. Administrators of 22 of the drawn sample of CCRCs agreed to participate in the study by providing names and addresses of residents who had joined the facility within the previous year. Residents who had joined the participating CCRCs within the previous year and currently were residing in the independent living section were the targeted recipients of the mailed survey questionnaires.

The researchers designed an instrument to examine satisfaction with CCRC selection within the context of the Deacon and Firebaugh (1988) family resource management model. Dillman's (1978) "total design method" served as a foundation for the design and administration of the mail survey questionnaire. A pilot test of 26 CCRC residents who fit the criteria for the study resulted in an 85% response rate. The pilot study served three purposes: 1) a test of face validity of the instrument, 2) a test of the appropriateness of the proposed data collection method (mailed survey questionnaires with three follow-up mailings), and 3) a preliminary examination of the factors produced through factor analysis of the CCRC characteristics. Results from this exploratory factor analysis allowed refinement of the proposed model. A revision of the instrument followed the pilot test, with the incorporation of appropriate suggestions made by respondents.

After the initial mailing, the researchers implemented a follow-up sequence of three mailings as recommended by Dillman (1978). Of the 650 subjects sent questionnaires, 374 returned usable questionnaires (response rate = 58%). Participants in the study were assured anonymity.

Data Analyses

To determine if the hypothesized variables making up one of the dependent variables, satisfaction with CCRC characteristics, constituted a multidimensional construct, factor analysis was performed. Multivariate multiple regression tested for relationships between the entire group of independent variables (importance of location as well as human and economic capital) and the dependent variables (overall satisfaction and satisfaction with CCRC characteristics). Following the multivariate multiple regression, multivariate tests were performed to determine which of the individual components were related most strongly. Univariate tests assisted in the interpretation of the multivariate tests.

Results

Characteristics of the sample

The current study represents the responses of 374 residents of CCRCs nationwide. Seventy percent of the respondents were female, and all but one respondent reported their racial background as white. Nearly one-half of the sample (48%) were currently married, and approximately 40% had been widowed. These findings are similar to those of other researchers with respect to race and marital status (Sheehan & Karasik, 1995), as well as gender (Gupta & Galanos, 1996; Sheehan & Karasik, 1995).

Ages at entry into the CCRC ranged from 48 to 94 years. The mean age of the sample was 77.4 years, with the median age equal to 78 years. Other researchers have reported similar mean ages for CCRC residents (Gupta & Galanos, 1996; Sheehan & Karasik, 1995). And, like the CCRC residents studied by Sheehan and Karasik, these participants reported higher levels of education than the elderly population in general. Almost three-fourths of the respondents (72%) had completed at least some college

study, with 17% of the total sample holding undergraduate degrees, 8% having completed some post-graduate work, and approximately 29% holding post-graduate degrees. Total family incomes ranged from less than \$9,999 to more than \$120,000, with a mean income of \$55,000.

In comparison with the overall population of CCRC residents (AAHA and Ernst & Whinney, 1987), there were some demographic differences. The population sampled for the current study comprised CCRC residents who had joined within the previous year and currently were residing in the independent living section. Therefore, it was expected that, compared with CCRC residents overall, this sub-sample of “new joiners” would be younger. According to AAHA and Ernst & Whinney, the mean age for CCRC residents was 81.2 years for males and 80.3 years for females, as compared with a mean age of 77.4 years for participants in the current study. Women represent 65.5% of the CCRC population (AAHA and Ernst & Whinney), compared with 70% in the current study.

Descriptive Statistics for Input and Output Variables

Input. The input component comprised the resource variables represented by human and economic capital, and the demand variables represented by importance of location. Making up the construct “human and economic capital” were income, education, perceived income adequacy, and satisfaction with resources. To determine perceived income adequacy, a survey question was posed to the respondents asking how much their income provided. Response categories included “not even the basics,” “basics only,” “some wants,” “most things,” and “everything wanted.” Most respondents reported their incomes provided either “most things” (47%) or “everything wanted” (38%).

Four survey questions measured respondents’ satisfaction with their resources, which included “material things one has or uses,” “family’s net worth,” “current total family income,” and “resources available to meet a financial emergency.” The majority of respondents expressed satisfaction in each category. Response categories included: 1 = very dissatisfied to 5 = very satisfied. Median response for each item was 4.

The construct, importance of location, represented demands within the model. Respondents were asked to think back to when they were deciding among retirement communities, and indicate the importance of location close to family members and to their former homes. Fifty-eight percent of the respondents reported location close to family members as an important or very important consideration when they were deciding among retirement communities. Nearly half (49%) reported location close to their former home as either important or very important.

Output. The output component, satisfaction with CCRC, comprised two constructs: overall satisfaction, and satisfaction with CCRC characteristics. Seventy-one percent of the subjects reported they were “very satisfied” with the CCRC they selected. An additional 26% indicated they were “satisfied”. Satisfaction responses for CCRC characteristics (care aspects: services and costs, and atmosphere: social climate and physical appearance) also were, for the most part, positive, with the majority of responses either “very satisfied” or “satisfied” for every item.

Testing of the Model

A multistage method of analysis defined the proposed exogenous and endogenous variables at an individual level, and tested for relationships among such factors as they contributed to satisfaction with the chosen CCRC and its characteristics. The testing of the proposed model was executed in several phases, and the results are presented accordingly under the following headings: a) construct definition, and b) multiple regression analysis.

Construct Definition

The factor analysis performed for the group of satisfaction variables determined the multi-dimensionality of this output construct. Factor analysis not only provided insight among variables, but also ensured that when covariation (or lack of uniqueness) among variables was found, factor scores could then be generated to represent the values obtained on the composite measures. The resulting scores, rather than individual variables, then could be used to represent the constructs in a principal components regression model. Since factors were correlated greater than .3, the oblique solution (promax rotation) was used (Tabachnick & Fidell, 1983).

Two distinct factors emerged from the factor analysis of the satisfaction items dealing with CCRC characteristics. The first factor, satisfaction with care aspects, explained 47% of the variance. The second factor, satisfaction with aspects of atmosphere, explained 11% of the variance (see Table 1). Factor scores were generated for use in the regression modeling. Therefore, the model utilized three satisfaction variables: overall satisfaction, satisfaction with aspects of care, and satisfaction with aspects of atmosphere.

Multiple Regression Analysis

Multiple linear regression was used to study the input factors predicting overall satisfaction with CCRCs and their characteristics. Building of the regression model consisted of a series of analyses that served as the guide as to which variables to keep in the model. The overall goal was to explain more of the variability in the dependant variable component "satisfaction", using the smallest number of variables. That is, the simplest model that described the data accurately was sought.

Multivariate multiple regression was used to test the model. The composite set of input constructs (importance of location, and human and economic capital) served as independent variables, and the composite set of output variables (overall satisfaction, satisfaction with care, and satisfaction with atmosphere) represented the dependent variables.

Following the multivariate multiple regression involving composite sets of input and output variables, multivariate tests examined each component of the input constructs to determine which related most strongly to the dependent variables. Following each multivariate test, analyses were conducted to determine which of the independent variable components should be retained in the model. Univariate tests were performed with separate variables to assist in interpretation of the multivariate tests. Results of each of the multivariate tests and each of the univariate tests follow.

Table 2. Regression of overall satisfaction on composite set of input variables.

Variable	B	SE B	β
Human and Economic Capital			
Income	0.010	0.049	0.696
Education	0.006	0.019	0.310
Perceived income adequacy	-0.024	-0.032	-0.395
Satisfaction with current total family income	0.175	0.235	2.091*
Satisfaction with material things one has or uses	0.026	0.030	0.320
Satisfaction with resources to meet financial emergency	-0.205	-0.278	-2.318*
Satisfaction with net worth	0.158	0.211	1.833
Importance of Location			
Close to family members	-0.022	-0.052	-0.822
Close to former home	0.058	0.131	2.096*
Constant = 3.93			
$R^2 = .095$, Adj $R^2 = .062$			
$F(1,247) = 2.89$			
$p \leq .05$			

* $p \leq .05$.

It was hypothesized that knowing the demands (importance of location) and resources (human and economic capital) of consumers selecting CCRCs would help predict their satisfaction with the chosen CCRC and its characteristics. A multivariate test resulted in partial support for the hypothesis, as a relationship was found between the construct "human and economic capital" and the dependent variables "overall satisfaction with the CCRC" and "satisfaction with aspects of care and atmosphere", $F(21, 681) = 2.44$, $p < .001$.

Univariate tests helped interpret the results of the multivariate test. There was a relationship between overall satisfaction and both demands (importance of location) and resources (human and economic capital), Adj. $R^2 = .062$, $p < .05$. Specifically, overall satisfaction was positively related to importance of location close to former home. Overall satisfaction was positively related to satisfaction with current total family income, but negatively related to satisfaction with resources available to meet a financial emergency (Table 2).

Table 3. Regression of satisfaction with care aspects on input variables.

Variable	B	SE B	β
Human and Economic Capital			
Income	0.023	0.069	0.969
Education	0.010	0.020	0.314
Perceived income adequacy	0.077	0.062	0.761
Satisfaction with current total family income	0.058	0.046	0.408
Satisfaction with material things one has or uses	0.350	0.239	2.515*
Satisfaction with resources to meet financial emergency	-0.159	-0.129	-1.068
Satisfaction with net worth	0.023	0.018	0.159
Importance of Location			
Close to family members	0.004	0.006	0.095
Close to former home	0.053	0.072	1.136
Constant = -1.87 R ² = .081, Adj R ² = .047 F(1,247) = 2.40 p ≤ .05			

*p ≤ .05.

Univariate tests detected a relationship between human and economic capital and satisfaction with care aspects, Adj. R² = .047, $p < .05$. Specifically, satisfaction with the material things one has and uses was positively related to satisfaction with care aspects (see Table 3).

There was a relationship between the variable "human and economic capital" and satisfaction with atmosphere, Adj. R² = .066, $p < .01$. In particular, total family income was negatively related to satisfaction with atmosphere (see Table 4).

Multivariate tests were conducted to determine if both "human and economic capital" and the "importance of location" should be retained in the model to predict each of the three individual satisfaction variables. "Human and economic capital" was useful as a predictor of all three facets of satisfaction. Importance of location of the CCRC, however, was not helpful in the prediction of overall satisfaction or satisfaction with aspects of either care or atmosphere. So, despite the univariate relationship between

Table 4. Regression of satisfaction with atmosphere on input variables.

Variable	B	SE B	β
Human and Economic Capital			
Income	-0.061	-0.179	-2.597*
Education	-0.028	-0.054	-0.868
Perceived income adequacy	0.046	0.037	0.465
Satisfaction with current total family income	0.136	0.109	0.975
Satisfaction with material things one has or uses	0.075	0.051	0.547
Satisfaction with resources to meet financial emergency	-0.014	-0.012	-0.097
Satisfaction with net worth	0.209	0.167	1.467
Importance of Location			
Close to family members	-0.005	-0.007	-0.110
Close to former home	0.024	0.033	0.526
Constant = -1.33 R ² = .091, Adj R ² = .066 F(1,247) = 3.57 $p \leq .01$			

* $p \leq .05$.

importance of location close to former home and overall satisfaction, multivariate testing determined that the location variable was not a strong enough predictor to be retained in the overall model (see Figure 3).

Conclusions and Discussion

The overall model depicted in Figure 3 illustrates that “human and economic capital” is a useful predictor of satisfaction with continuing care retirement communities and their characteristics. Note that although many elders consider locations close to their former homes and to their families to be important factors during the selection process, the importance of location cannot be used to predict satisfaction with the actual facility chosen. The following discussion addresses the new information that emerged from the study.

There was a positive relationship between satisfaction with current total family income and overall satisfaction with the CCRC. That is, the more satisfied CCRC residents were with their income, the more satisfied they were with the CCRC. The finding was somewhat supportive of past research, since Lawton (1980) found residential satisfaction among the elderly to be positively related to level of living (a measure of per capita income adjusted for household size and age). It also should be noted that the retirement income of CCRC residents is not representative of the elderly population in general. Approximately 60% of the participants reporting earnings had incomes of more than \$40,000. Over half of these reported retirement incomes of \$60,000 or more. It seems logical that couples and individuals with higher incomes have more housing options than those whose incomes are not enough to satisfy their wants and needs. Those dissatisfied with their current incomes are more likely to have “settled” for what they perceived as less than optimum housing in retirement.

Satisfaction with resources available to meet a financial emergency was negatively related to overall satisfaction with the CCRC. That is, the less satisfied individuals were with resources available to meet a financial emergency, the more satisfied they were with the CCRC. The concept of the CCRC encompasses the guarantee of protection against the high costs of health services and long-term care. In some instances, CCRCs continue to provide care after residents’ funds are depleted. It follows, then,

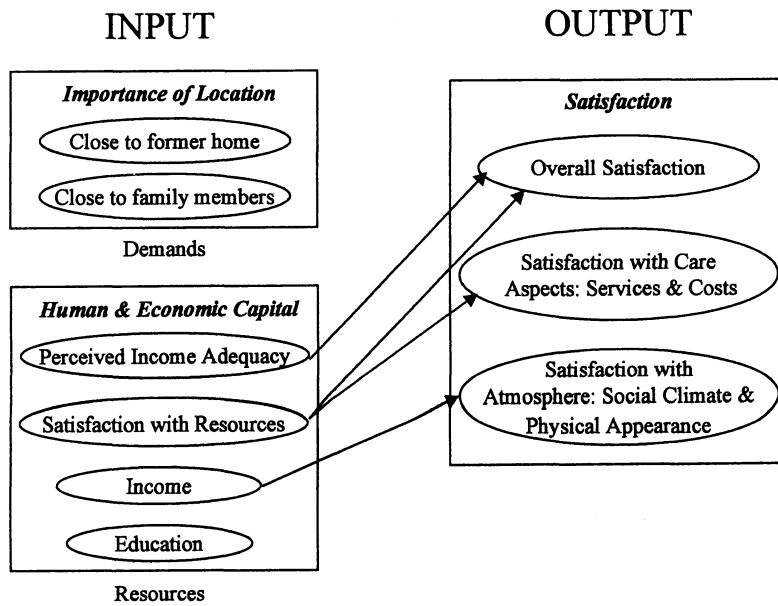


Figure 3. Proposed model of input factors predicting satisfaction with CCRC. Arrows represent significant relationships found through regression analysis.

that elderly persons concerned about adequate resources for emergencies, such as expensive health care services, would be more satisfied with a housing situation that offers security against such expenses. Indeed, researchers have found that the most important reason for joining such a community was the health care guarantee embodying both access to care and insurance for care (Cohen et al., 1988; Golant, 1998; Kichen & Roche, 1990).

With respect to the input variables helpful in predicting satisfaction with care aspects, satisfaction with material things one has or uses was positively related to satisfaction with care aspects. Specifically, the more satisfied CCRC residents were with the material things they had or used, the more satisfied they were with the care aspects (services and costs) of the chosen CCRC. Conversely, those less satisfied with their possessions also were less satisfied with the services and costs of the CCRC. The concept of opportunity cost may have come into play for these consumers. Opportunity cost, or the next best alternative use of a resource, is at the heart of consumer choice. Given that consumers' unlimited desires are constrained by scarce resources having several uses, consumers must choose among alternatives (Eastwood, 1997). Looking back on their decision to join the CCRC, those now struggling to purchase things they need or want may perceive that if CCRC fees were lower, they would have more disposable income. Since the monthly maintenance fee for the CCRC likely represents residents' largest monthly expense, the perception may be that they are unable to purchase other things they need or want because of this expense. On the other hand, those who can purchase things they want may be concerned less with the cost of care and therefore more satisfied with the fees charged for the services they receive.

An inverse relationship existed between satisfaction with the atmosphere of the CCRC and residents' total family income. That is, the lower the income of the CCRC residents, the greater their satisfaction with the chosen CCRC. Apparently, these consumers perceived they had "gotten their money's worth." It is conceivable that the atmosphere aspect of their present living conditions, including both the social climate and the physical appearance of the CCRC, could be more favorable than their former housing situation. For example, an elderly homeowner with limited mobility and funds may have had restricted access to social opportunities and limited resources to perform needed home maintenance. In such cases, elders may have found CCRC living more satisfying than their previous situation.

In the proposed model, importance of location of the CCRC represented a demand that could limit choices among retirement communities. In the current study, nearly one half (49%) considered location close to former home to be "important" or "very important". Although univariate tests revealed a positive relationship between overall satisfaction with the CCRC and importance of location close to former home, the location variable was not a strong enough predictor of satisfaction to be retained in the final model.

In summary, one can conclude the following from the findings of the current study. First, for most residents, the realities experienced after moving to the CCRC match the expectations they formed prior to the move, resulting in satisfaction with the chosen

community. Satisfaction was particularly evident when financial resources were perceived to be adequate. Sufficient economic resources are crucial if older adults expect the CCRC arrangement to be an option at all. And, although proximity to family and former home is a consideration for many, the importance of location is not nearly as useful a predictor of satisfaction with a CCRC and its characteristics as are economic considerations. Specifically, those with higher incomes will be more satisfied with the CCRC in general than will those with lower incomes. Those who are less satisfied with the material things they have and use will also be less satisfied with care aspects of the CCRC, including costs of such care. And finally, those less satisfied with resources available to meet a financial emergency will be more satisfied overall with the CCRC they have chosen. Since CCRCs by nature are “life care” communities, those worried about future financial woes likely will be more satisfied with a living arrangement that guards against anticipated expensive health care services.

Implications

Consumers are becoming more aware of the importance of saving money for retirement. Elders in America are living longer, due to such factors as healthier choices with respect to diet and exercise, and access to sophisticated medical technology. With longer lives, however, comes the need to plan financially so that retirees do not outlive their monetary resources.

Increasingly, marketers are responding to the demand for elderly housing choices to meet the needs of an aging society. But Gibler et al. (1997) made it clear that consumers are unaware of the variety of housing options available to older Americans. Thus, it is likely they also are uninformed about the costs associated with such options.

Some individuals are anticipating the likelihood of needing more health care services in their golden years. The “sandwich generation,” those adult children caring for elderly parents while raising their own families, is facing such realities. Thus, a number of consumers are realizing that a plan for income during retirement may not be enough—there must be a plan for care as well. Increasing numbers of older adults are joining CCRCs to “avoid being a burden” to their adult children (Cohen et al., 1988). In the current study, 97% of CCRC residents reported they were satisfied or highly satisfied with the retirement community they chose. This finding suggests that aging consumers exploring retirement options should look into the CCRC concept as an option. However, income reported by respondents was not representative of that of the general population of older adults, for the mean retirement income of participants was \$55,000. The implication, then, is that effective financial planning opens the door to increased retirement housing options, including the CCRC arrangement. Those without access to adequate retirement income likely will be unable to fund even a lower-priced CCRC living arrangement.

Those in the position to help consumers explore housing options in the process of “looking ahead” will find the results of this study helpful. Although a number of elderly consumers manage to spend their declining years in their own homes, some elders and their caregivers must seek other options. Anticipating a possible need for alterna-

tive housing as well as health care during retirement, and exploring options in advance of the need, are first steps in successful planning. The CCRC is an option for individuals and couples who anticipate rather than currently need, long-term care services. So, although the CCRC is a useful option for some, it is not available to those constrained by financial and significant current health care needs. Therefore, consumers should be aware of all housing options and resources available as well as the costs of those services. Such information promotes informed consumer decision making.

As stated previously, researchers are finding that elders considering housing alternatives are not well informed about the variety of housing and service options available (Gibler et al., 1997). The continuing care retirement community is one option available, but the decision to join a CCRC should be made carefully, as such a move represents a change in lifestyle as well as in assets. According to Sheehan and Karasik (1995), CCRC residents spend a long period of time making the decision to join a CCRC. Any move involving a large financial investment and a drastic lifestyle change *should* be considered carefully. In the current study, most residents were satisfied with their choice of CCRCs. It should be noted, however, that those with more retirement income were more satisfied with their choice of CCRCs. It is clear, then, that a plan for adequate retirement income to meet housing and health needs is crucial to subsequent satisfaction if one chooses the CCRC option.

Professionals assisting consumers with financial decisions related to the accumulation and spending of retirement income can be important facilitators for those planning ahead. The amount of retirement income consumers had and their perceptions about its adequacy were predictors of satisfaction. For example, those who were satisfied with their retirement incomes tended to be satisfied in general with the CCRC they chose. Accumulation of wealth, therefore, could be stressed to those consumers concerned about housing needs and declining health in the retirement years. Those with lower incomes were more satisfied with the social climate and physical appearance of the CCRC, indicating they perceived they had received their money's worth. Such findings can be useful in guiding elderly consumers in the effective spending of retirement income.

Indeed, the clearest message emerging from the study is the need for planning and saving in advance. Montague and Pitman (1995) point out that many of those living longer have neither saved enough nor explored possible future housing options. The majority of those considered "at risk" have not talked with family or friends about the feasibility of joining a CCRC (Montague & Pitman) and a number of older adults are unaware of this or other options available to them (Gibler et al., 1997). Additionally, most of those at risk for needing nursing home services are unprepared financially for even one year of long-term care (Montague & Pitman). Since families typically do not help fund aging relatives' care, heeding the advice to plan ahead is imperative.

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