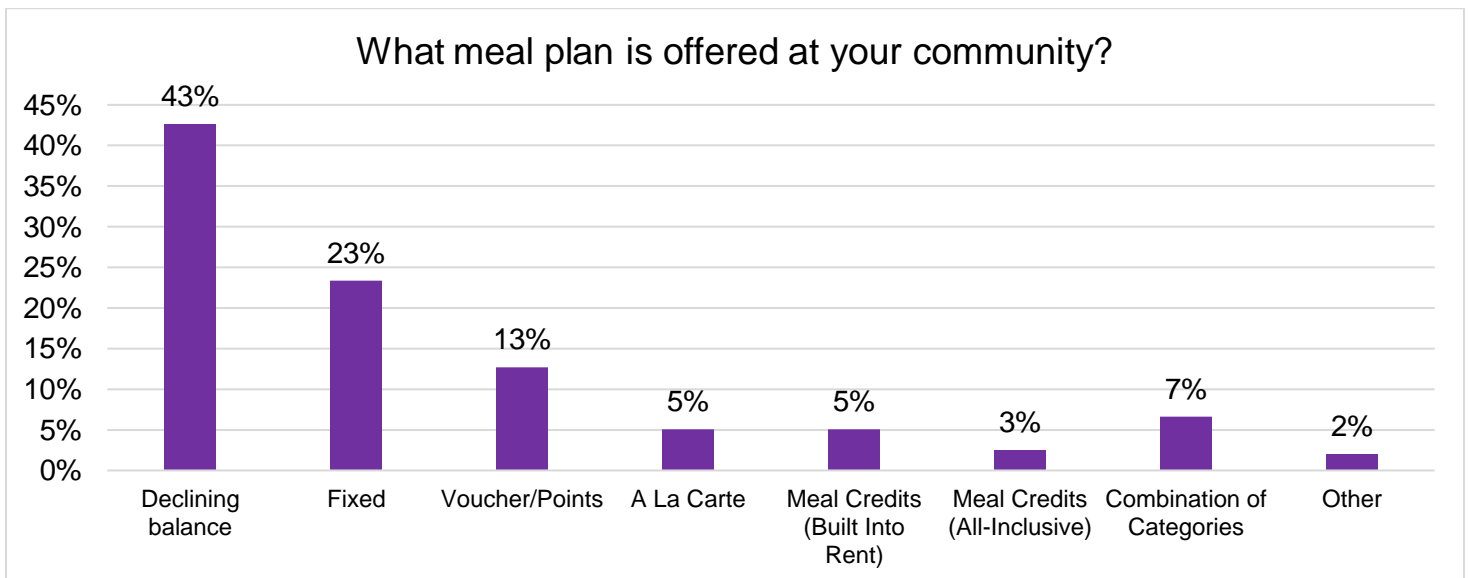# RESIDENT DINING CONTRACTS
ZIEGLER CFO HOTLINE[SM]

In May 2024 a *Ziegler CFO Hotline[SM]* survey gathered feedback related to Resident Dining Contracts. Nearly 200 organizations participated in the survey. The respondent pool is heavily weighted towards Not-for-Profit Life Plan Community organizations.

The first few questions asked what type of meal plan(s) (if any) were provided, and how they are managed and tracked.

The most common type of meal plan is a declining balance meal plan (43%), in which the resident allocates spending dollars monthly to be used on food throughout the community. The second most common meal plan type is a fixed meal plan (23%), in which the community sets the number of meals included. The chart below breaks down all meal plan types and, please note that 7% of respondents use a combination of two or more types of meal plans.

What meal plan is offered at your community?

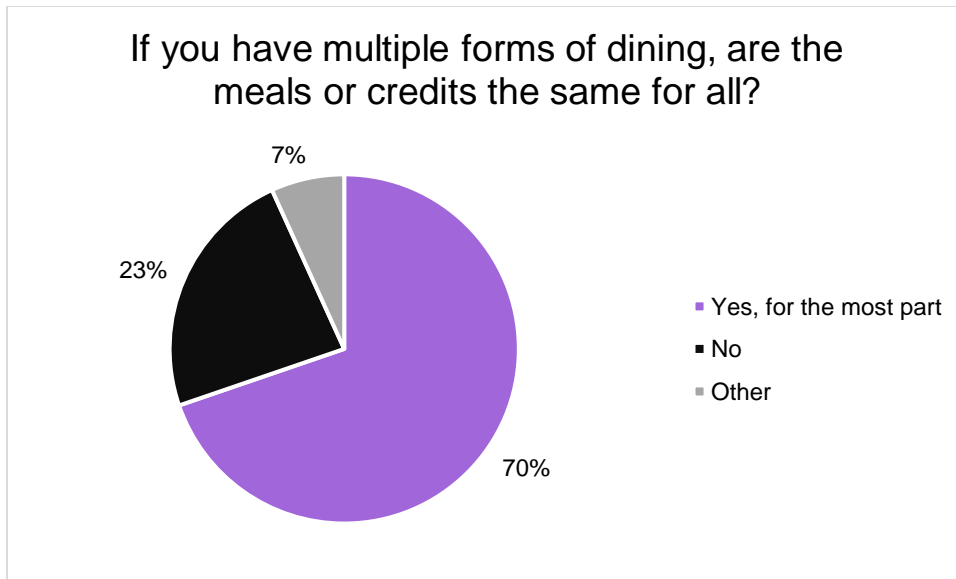| Meal Plan Type	Percentage
Declining balance	43%
Fixed	23%
Voucher/Points	13%
A La Carte	5%
Meal Credits (Built Into Rent)	5%
Meal Credits (All-Inclusive)	3%
Combination of Categories	7%
Other	2%

Nearly half (49%) of organizations track their residents' meal plans by dollar amount used. One in three (34%) track meals consumed. The remainder of providers use a point system, combination of multiple systems, or do not track at all. See the chart below for the complete breakdown.

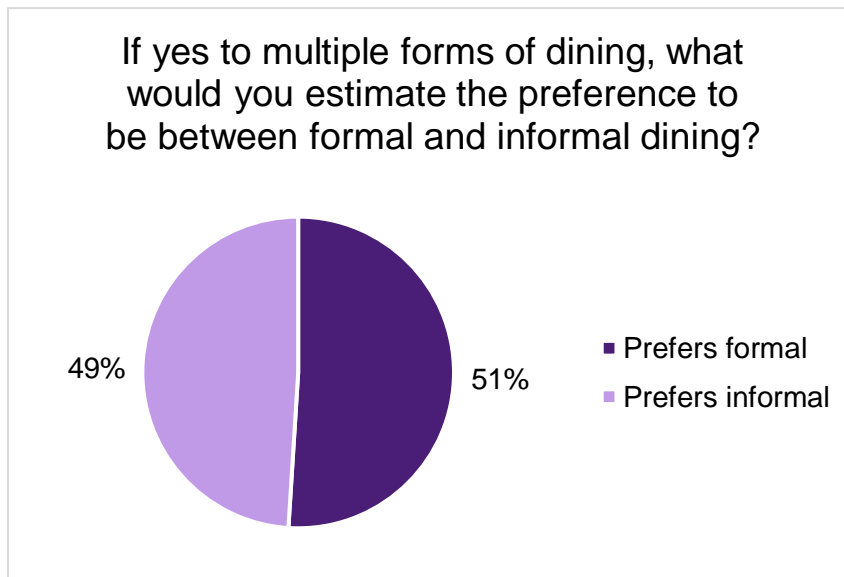## Which of the following best describes how your meal plan is quantified or tracked?
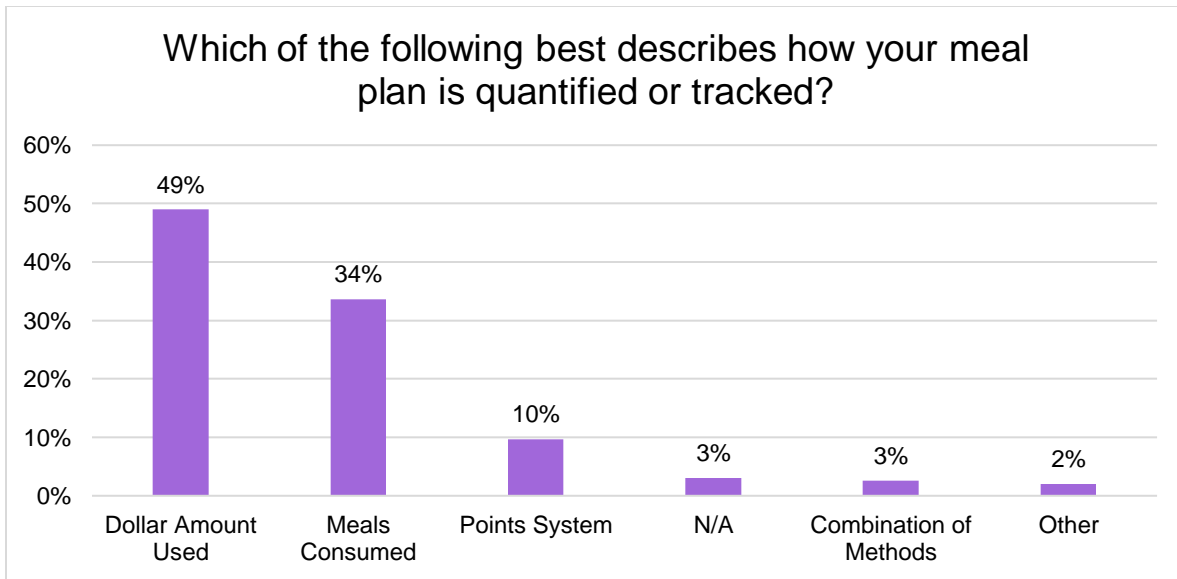
Further, most organizations (75%) use a software platform to track meal plans. The remaining 25% use either an in-house tracking system, or a third-party vendor.
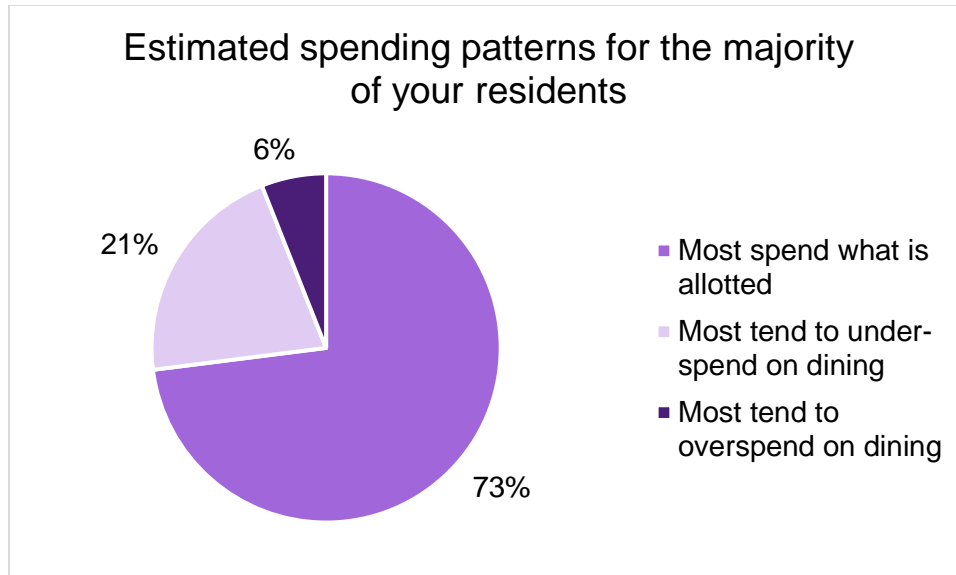
How do you track dining?
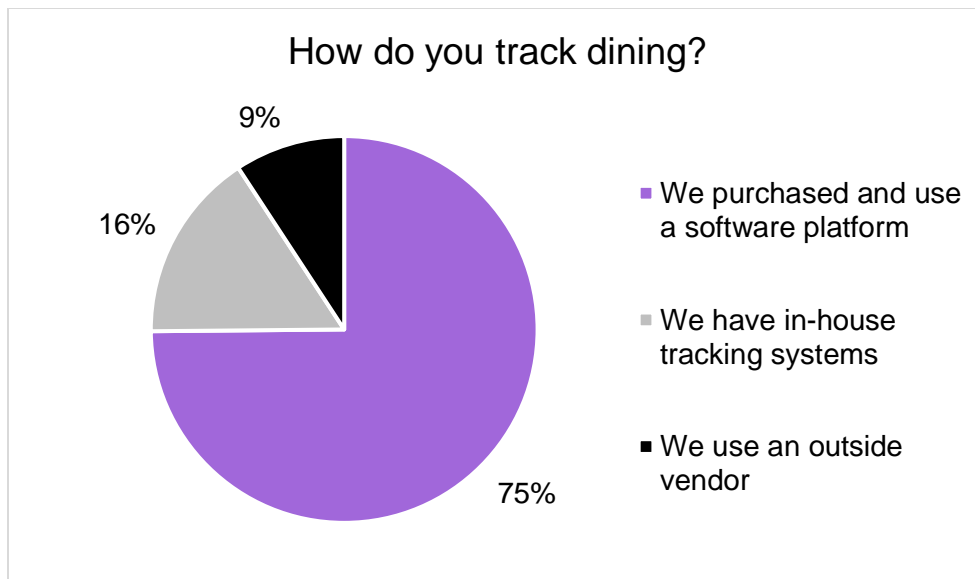
Of the organizations that utilize multiple forms of dining (for example, formal vs bistro vs café), the majority (70%) allow their residents to use their meals/points across all dining venues. Nearly a quarter (23%) do not allow this, and the remainder (7%) utilize a different system as prices may vary between forms of dining.

If you have multiple forms of dining, are the meals or credits the same for all?
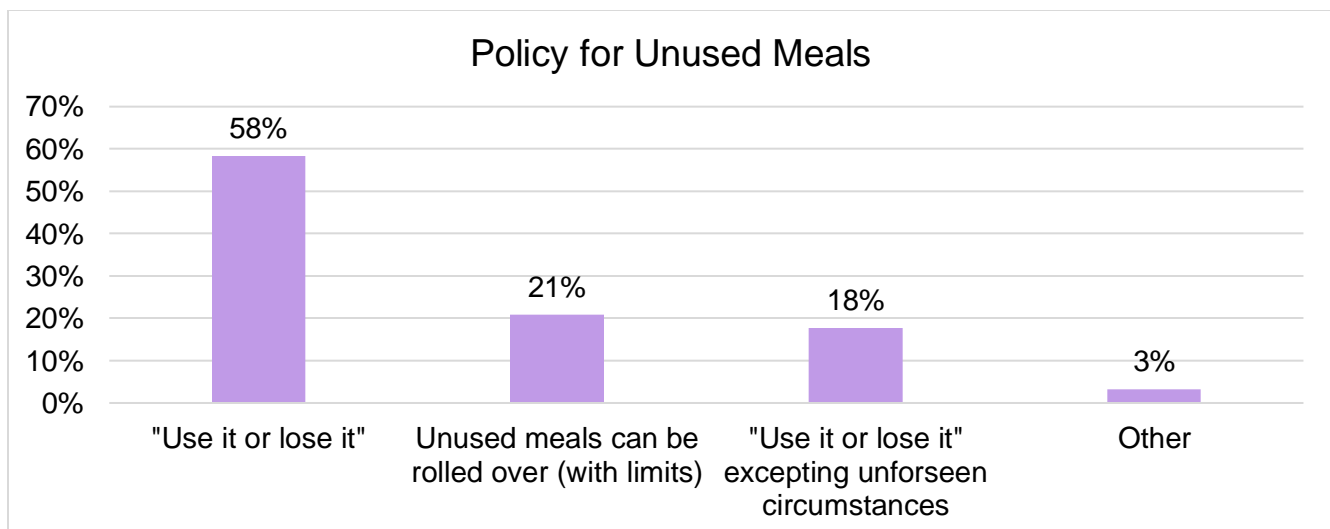
- Yes, for the most part
- No
- Other

When asked whether their residents tend to prefer formal vs informal dining, those who have multiple forms of dining were split 50/50, but it is worth noting most individual responses had a split of about 70/30 in either direction. When looking at averages, formal dining has a slight edge (51%) over informal dining (49%) as shown in the chart below.

If yes to multiple forms of dining, what would you estimate the preference to be between formal and informal dining?
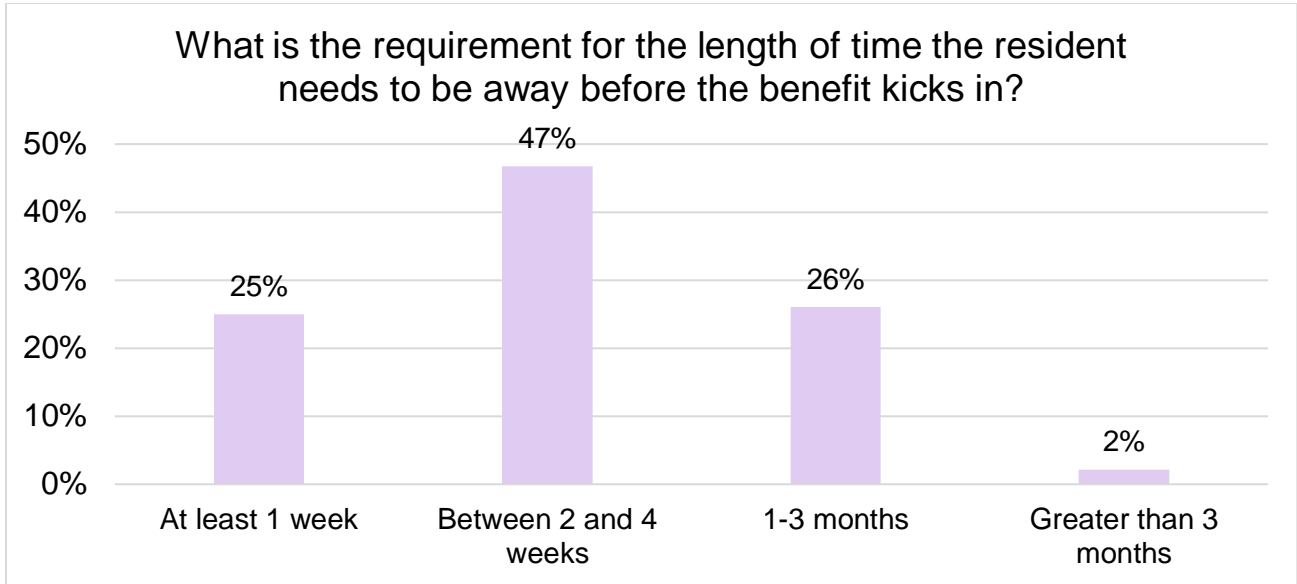
- Prefers formal
- Prefers informal

All residents have different spending habits, but when respondents were asked to estimate for their residents overall, most organizations (73%) indicated the majority of their residents spend their allotted meal credits. A smaller number of organizations say their residents tend to underspend on dining (21%), while a small percentage reported their residents tend to overspend.

Estimated spending patterns for the majority of your residents

- 6%
- 21%
- 73%

Legend:
- Most spend what is allotted
- Most tend to under-spend on dining
- Most tend to overspend on dining

Organizations have different approaches to residents not using up all their allotted meals or points. The most common (58%) is a "use it or lose it" approach. About one in five (21%) allow unused meals to be "rolled over" though it is worth noting several providers mentioned capping to rollovers such as "6 months" or "$50." A similar number of organizations employ "use it or lose it" but make exceptions for unforeseen circumstances such as hospitalization. The small remainder (3%) have methods not otherwise mentioned.

Policy for Unused Meals

Policy	Percentage
"Use it or lose it"	58%
Unused meals can be rolled over (with limits)	21%
"Use it or lose it" excepting unforseen circumstances	18%
Other	3%

Below is the breakdown of "use it or lose it" policies that providers' require for reimbursement or rollovers to kick in. The largest percentage (47%) require the resident to be absent for at least 2-4 weeks. About one-quarter of respondents require only a week (25%), or up to 1-3 months (26%). The remaining 2% require a resident be absent for over three months before their meals are reimbursed or rolled over.

What is the requirement for the length of time the resident needs to be away before the benefit kicks in?
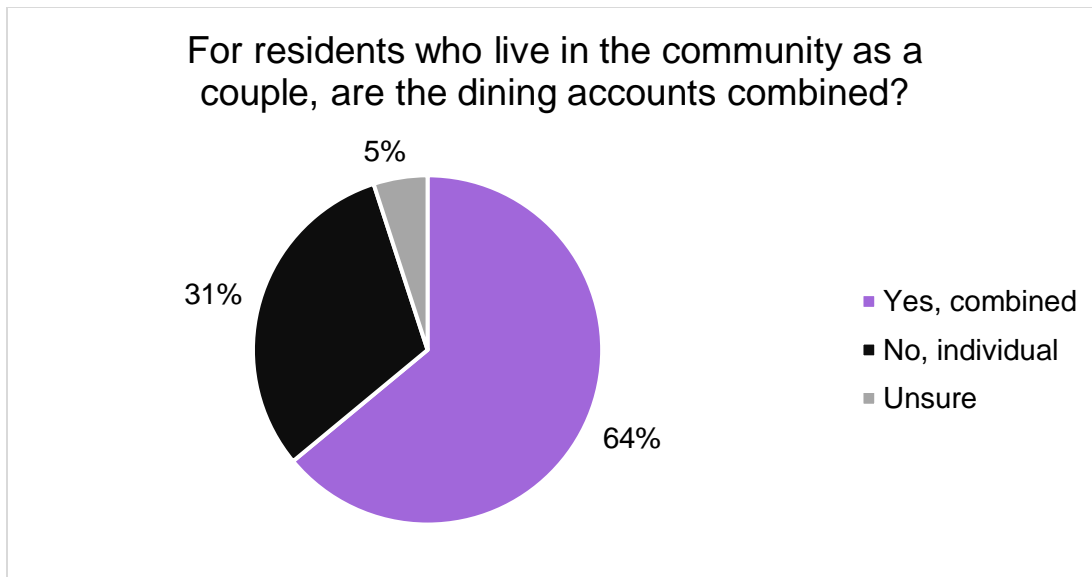
Only a quarter of respondents (25%) allow meal points to be used in other areas of the community, such as a convenience store, bistro, or hair salon. Nearly two-thirds (64%) do not allow this. Note that 11% indicated they have no such stores, so this policy is not applicable.

Do you allow meal points or dollars to be used in areas/stores the community?
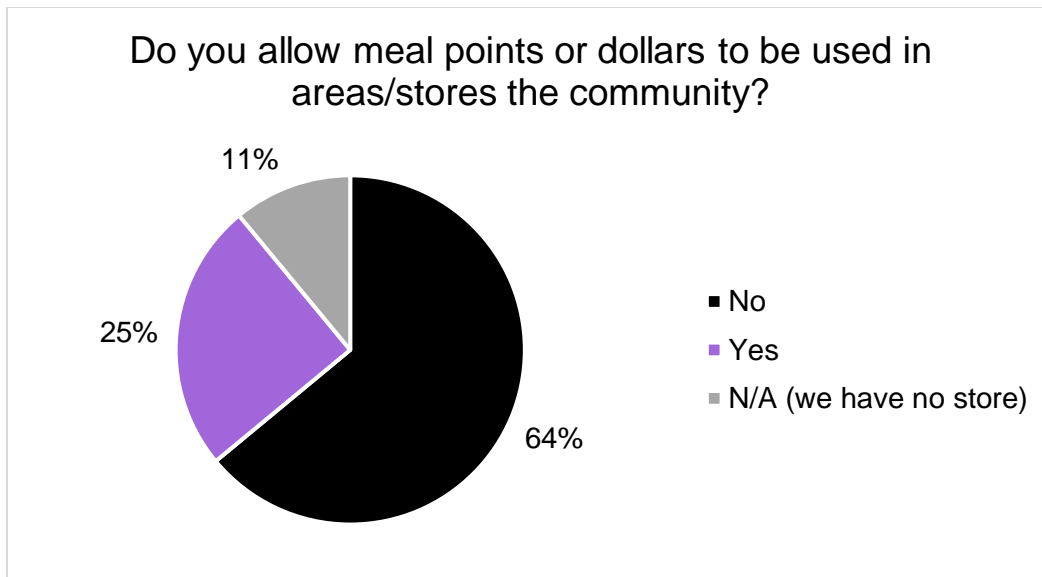
Most communities (65%) allow meal points or dollars to be used for guests dining with a resident of the community. For fewer communities (31%), this is not the case. A small remainder of respondents (4%) indicated they were unsure of their organizations policies on this.

Do you allow meal points or dollars to be used for guests?

- Yes — 65%
- No — 31%
- Unsure — 4%
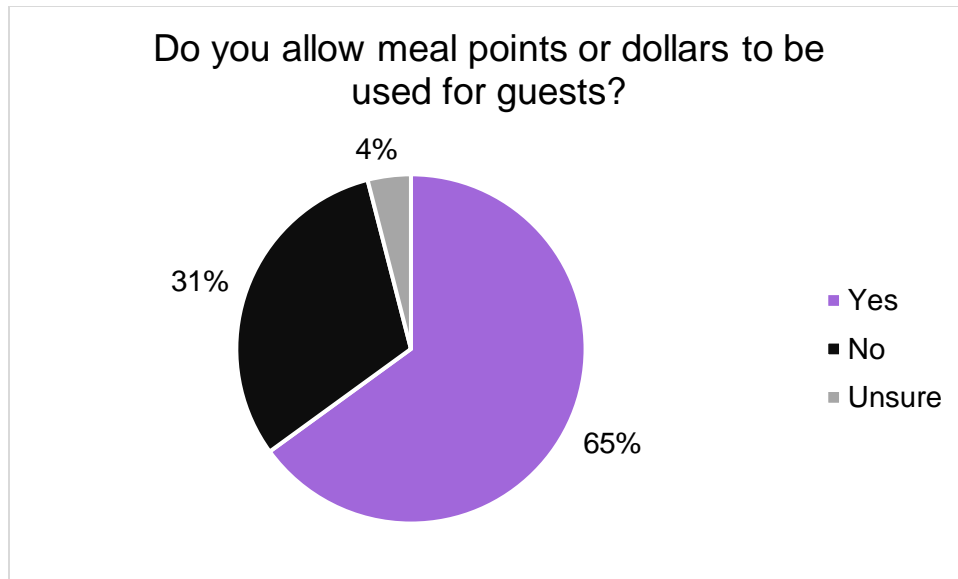
Most organizations (64%) allow couples who live together to have a combined dining account. Nearly one-third (31%) however indicated the meals, dollars, or credits used are individual and cannot be used interchangeably. A small remainder (5%) are unsure of their community's policy regarding shared meal plans between couples.

For residents who live in the community as a couple, are the dining accounts combined?

- Yes, combined — 64%
- No, individual — 31%
- Unsure — 5%

Slightly more than one-quarter of organizations (26%) indicated they use robots at some point in the dining process.
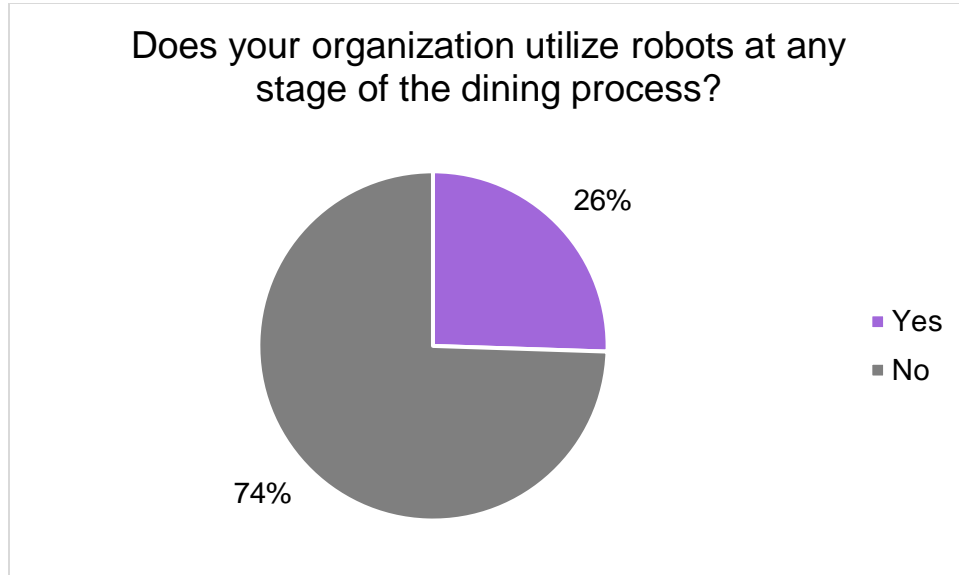
Respondents were asked how, if applicable, those robots were used. The majority (76%) of those who indicated they did use robots said they were used for the delivery or serving of meals. The other major use for dining robots was bussing tables, which was mentioned by 43% of robot users. Others mentioned less frequent uses were serving drinks and seating residents. Note that respondents could list more than one use for robots.

Lastly, the survey allowed for open-ended comments regarding Resident Dining Contracts. Below is a sampling of these comments, which may be edited for length or minor grammatical errors.

- *Very challenging part of the overall service package.*
- *We need to move to a dollar/points system and add an option for a reduced meal plan - we're behind.*
- *We currently use a dining management company but are considering bringing in-house to save on management fees.*
- *We have never had a formal dining program. All our on-campus dining options are fully a la carte.*
- *Evolving to less formal as well as variety increasing for meal and food options. Grab and go a big win.*
- *Resident to-go orders have continued to be high even after the pandemic.*
- *Residents like the kids taking the orders and serving the food, but eventually the residents will have to decide if they want lower costs or the kids.*
- *We also permit alcohol to be meal plan eligible.*
- *All residents get three meals a day that are built into their monthly rent. It is up to the resident if they want to eat in the dining room or not. We do offer meal delivery to their room for an additional charge.*
- *Members are requesting a half meal program to allow for them to cook at home more.*
- *Residents are very careful not to overspend their points. What we thought would be a money maker is not. We allow residents to use their points for a limited number of grocery items. The most popular is wine. Grocery items cost the community money because we need to purchase the requested items. While we prefer residents socialize and eat in the dining room, we are finding that many new residents would prefer to carry their food to their apt/cottages and not dine communally.*
- *Dining is such a hot button topic.*
- *We've considered wiping out the declining balance program, reducing the monthly fees and letting residents only spend as they incur dining fees. The concern is for those that are on a budget might try to spend less that they would under a declining meal program (this is our social worker's concern). It would, however, make all meals taxable where they are not today. And in our healthcare venue we have to serve 3 meals to residents by statute so that added cost may surprise people and make their time with us less enjoyable. At this point no change is expected but gaming and horse trading between residents complaining about charging errors or wanting to share points absorbs an incredible amount of time in Accounting and Dining.*
- *We will be interested to hear the results of the survey, since we may be looking at different options soon.*

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