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### Day Care Centers/Adult

**SIC:** 8322**NAICS:** 624120**Number of Businesses / Units:** 3,500

This industry comprises establishments primarily engaged in providing nonresidential social assistance services to improve the quality of life for the elderly, persons diagnosed with mental retardation, or persons with disabilities. These establishments provide for the welfare of these of individuals in such areas as day care, nonmedical home care or homemaker services, social activities, group support, and companionship.

#### Rules of Thumb

70 to 75 percent of annual sales

#### General Information

"At the center, clients receive a light breakfast, lunch and an afternoon snack. Amenities include a library, arts-and-crafts area, beauty salon and barber shop, bathing area and therapeutic spa. Regular activities and special programs are organized for participants, who pay \$60 a day to attend, not including transportation. They offer extended hours."  
Source: *The New York Times*, March 29, 2007

#### Pricing Tips

"He said he had invested about \$345,000, and although he did not expect to see a profit for a couple of years, he said that he anticipated operating returns of about 25 percent eventually. He has committed to developing several more SarahCare centers in the Allentown area."  
Source: *The New York Times*, March 29, 2007

#### Benchmarks

"Nearly 78 percent of adult day centers are operated on a nonprofit or public basis and the remaining 22 percent are for profit."

"The average age of the adult day consumer is 72, and two-thirds of all participants are women."

"Daily fees for services are almost always less than a home health visit and about half the cost of a skilled nursing facility. Daily fees for adult day services vary depending upon the services provided. Average cost across the country is approximately \$56."  
Source: National Adult Day Services Association, July 16, 2007, [www.nadsa.org](http://www.nadsa.org)

#### Industry Trend

"And although most adult day care centers are still operated as part of a larger organization like a skilled nursing home or medical center, they are gaining in popularity with entrepreneurs, as well as companies that are developing chains.

"A look at the numbers helps to explain why. Although there are more than 3,500 adult day centers providing care for 150,000 people, the National Adult Day Services Association estimates that more than 5,400 are needed.

#### Additional Resources

"With the portion of the population 65 and over expected to grow to 20 percent by 2030 from 12.4 percent, demand is projected to skyrocket."  
Source: *The New York Times*, March 29, 2007

Associations

- ▶ [National Adult Day Services Association](#)

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