The Nursing Shortage

The growing nursing shortage presents the most significant problem for health care executives today. An adequate supply of RNs is vital in ensuring access to and quality of health care now and to the delivery of patient cares in the future.

The nurse labor market has undergone significant changes during the last decade. In the early 1990s, there was a national shortage of RNs. By 1994, the shortage had disappeared and some began to think that there was now an oversupply of nurses. In the mid-1990s, many governmental and private health care agencies and researchers thought that the supply of nurses would be adequate for the near future. However, reports of hospital RN shortages began again throughout the nation in 1998. These shortages continue today and will be driven by fundamental shifts in the labor market that are not expected to reverse for several decades.

How Is This Shortage Different From Previous Ones?

This nursing shortage is more complex than previous ones and is projected to intensify in the coming decades. Several key factors make this shortage different from past ones.

- While the healthcare industry has been through cyclical nursing shortages before, this shortage is more structural and presents a long-term problem for the hospital industry. Though many hospitals also have difficulty filling other skilled healthcare positions such as pharmacists and radiological technologists, these shortages appear to be more cyclical and should not be as long-term in duration as the nursing shortage.
- This shortage is being driven more from a decreasing supply of nurses compared to previous shortages.
- Nursing work force is aging at an increasing rate.
- The demand for nurses is rapidly increasing as the baby boom generation approaches retirement age.
- Shortage is more global in nature. Nursing shortages are being reported in Canada, the Philippines, Australia, and western Europe, Africa, and South America.
- Shortages are more severe in high acuity specialty nursing fields.
- Image of the nursing profession has become more negative.
- There are more changes in managed care and other cost containment measures that affect nursing during this shortage.
- Nurses are becoming more dissatisfied with their work environment during this shortage.
How Bad Is the Nursing Shortage?

- Although there were nearly 2.7 million RNs in 2000, making up the largest group of health care professionals in the United States, the RN population is growing at its slowest rate in 20 years. The number of RNs increasing at a slow 1.3% annual rate from 1996 to 2000, compared to 2%-3% in earlier years.

- Only 58.5% of the RN population in 2000 worked full-time in nursing. A large 23.2% of RNs worked part-time, and 18.3% were not employed in nursing at all.

- 75% or 126,000 of the 168,000 unfilled U.S. hospital positions are for RNs.

- The vacancy rate of nurses in U.S. hospitals is 13%.

- Over 1 in 7 hospitals (15%) report a severe RN nursing shortage with more than 20% of their nursing positions vacant.

- 80%-85% of hospitals report that they have a nurse shortage.
Is the Nursing Shortage Getting Worse?

- This shortage is expected to intensify and affect the health care industry long term for at least the next 20 years.
- More than one million new nurses will be needed from 2000 to 2010 resulting in growth in the healthcare industry and replacement needs resulting from workers who leave the labor force or move to other occupations.
- Nearly two-thirds (60%) of hospitals report an increase in RN vacancies since 1999.

<table>
<thead>
<tr>
<th>Change in the Number of RN Vacancies Since 1999</th>
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<tbody>
<tr>
<td>No Change in Vacancies Since 1999</td>
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<tr>
<td>Decrease in Vacancies Since 1999</td>
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<tr>
<td>Increase in Vacancies Since 1999</td>
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</tbody>
</table>

- Hospitals report that demand for RNs has risen 8% since 1999.
- 75% of hospitals report more difficulty in recruiting nurses than last year.
- Tenure is decreasing among nurses. Almost one-third (32%) of hospitals report that the average years of tenure for RNs has decreased since 1999.
- Turnover is increasing among nurses. Almost half of hospitals (42%) report increased rates of RN turnover since 1999.

<table>
<thead>
<tr>
<th>Change in RN Turnover Rates Since 1999</th>
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<tbody>
<tr>
<td>Much Higher</td>
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<tr>
<td>Higher</td>
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<tr>
<td>Lower</td>
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<td>Much Lower</td>
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- 82% of hospitals report it is getting more difficult to recruit RNs.
• Even if demand does not increase, which is unlikely because of the aging of the baby boomer generation, RN vacancy rates are expected to exceed 15% in 2003.

• Over half of hospitals report expenses for RN recruitment and retention have increased since 1999.

• The national unemployment rate for RNs is at its lowest level in more than a decade, continuing to decline from 1.5 percent in 1997 to 1.0 percent in 2000.

• The total number of full-time equivalent employed RNs is projected to peak around the year 2010 and decline steadily thereafter as large numbers of baby-boom generation RNs start to retire. By 2020, the full-time equivalent employed RN workforce is forecast to have declined to the point where it will be roughly the same as it is today and create a 20% shortage in the number of nurses needed in the United States. This translates into a shortage of more than 400,000 RNs nationwide.

• Total employment of RNs per capita declined 2 percent between 1996 and 2000, reversing steady increases since 1980. Between 1980 and 1996, the number of employed RNs per capital increased by 44 percent. As an increasing number of RNs retire, the number of full-time equivalent RNs per capita is forecast to peak around 2007, and decline steadily thereafter.

• The ratio of potential caregivers to the rising elderly population will decrease by 40% between 2010 and 2030 and may limit access to healthcare.
What Areas Are Affected by the Nursing Shortage?

- High nursing vacancy rates are being felt more in some regions than in others. One survey reports that the West has the highest RN vacancy rate at 15%. Another survey of acute care hospitals reported the West had the highest RN vacancy rates (12.2%), followed by the South with a 11.0% vacancy rate.

- A survey of acute care hospitals reported that RN vacancy rates were higher (13.4%) in large acute care hospitals, those that have 350 or more beds.

- A survey of acute care hospitals reported that RN vacancy rates are greater in suburban (12.7%) and urban areas (12.4%) than rural areas (8.4%).

- States with some of the highest managed care penetration including California, New York, and Florida, are being affected the most by the shortage. Surveys report that the statewide RN vacancy rate in California was 20% in 2000 and 16% in Florida in 2001.

- Acuity in hospitals has been rising rapidly. Hospitals are increasingly becoming large intensive care units. Consequently, skilled and specialized nurses are in greater demand, and hospitals report higher nurse vacancy rates in these areas. The shortage is more severe in high-acuity areas such as operating rooms, critical care, neonatal care, and emergency departments which require highly skilled nurses with considerable experience. A survey of acute care hospitals found that the average RN vacancy rates were highest in critical care (14.6%), operating room (14.1%), and emergency room care (11.7%).

- In addition to hospitals, the nursing shortage is affecting long-term care facilities. Nurse job dissatisfaction and low wages in long-term care facilities are driving nurses to find employment outside of long-term care facilities.
What Are the Underlying Causes of the Shortage

The increasing demand for nurses, because of the aging U.S. population, coupled with a decreasing supply of nurses has led to the shortage. As the supply of nurses continues to decline, demand for hospital services will continue to grow as the population ages.

Understanding how the various supply and demand variables are interrelated and contribute to the shortage is more complex. Changes in the general population and nursing demographics, nurse education, health delivery systems, nurse work environments, reimbursement, legislation, regulation, and technology advances, and others have contributed to the current shortage.

Demand for Nurses Is Increasing

- Demand depends on the care needs of the population. The demand for nurses to care for our aging population is expected to increase dramatically by 2010 as the first of the 78 million baby-boomer generation begins to retire and enroll in Medicare. As the population ages, patient acuity increases, and utilization of services and demand for nurses increases. This demand for health services will continue to grow in the coming decades as the population age 60 years and older is expected to double between 2000 to 2030. The number of persons age 60 and over is projected to nearly double from 45.5 million in 2000 to 89.2 million by 2030.

- Demand also depends on how providers decide to use nurses in delivering care. Providers have changed RN staffing patterns in the past, employing fewer or more RNs relative to other workers such as nurse aides. In addition, the structure, organization, and delivery of health care services in the U.S. changed significantly over the past 20 years, affecting the demand for nurses. Traditional hospital care was shifted to ambulatory or community-based settings, nursing facilities, or home health care settings created additional job opportunities and increased demand for nurses. At the same time, the overall acuity level of patients increased as the conditions of those patients, remaining in hospitals made them too medically complex to be cared for in another setting which created a demand for specialty nurses in intensive care. Also, advances in technology and greater emphasis on cost-effectiveness have affected the staffing structures of health care facilities.
The ratio of potential caregivers to the elderly population will decrease by 40% between 2010 and 2030. Access to health care may be limited unless the number of nurses and other caregivers grows in proportion to the rising elderly population.

Supply of Nurses Is Decreasing

The diminishing supply of nurses is driving the nursing shortage, perhaps even more than the rising demand for health care services. The pipeline of new nurses is shrinking and more nurses are leaving. This trend is expected to not only continue, but to intensify. The impending acceleration of the decline in the nursing supply will come at a time when the first of 78 million baby boomers begin to retire and enroll in the Medicare program in 2010.

The decrease in supply of nurses was partly driven by many hospitals which restructured and redesigned in response to a need to reduce the high costs of healthcare. This often meant reducing RN staff. This occurred at a time when managed care increased, decreasing length of stay at hospitals and shifted care to non-hospital settings. By the mid-1990s, fewer nurses were being hired, new graduates could not find jobs in hospitals, school enrollments declined, and salary increases were not keeping pace with inflation. As hospitals reduced RN staff in the mid-1990s in response to the high cost of health care, they also began dismantling the infrastructures that supported the hiring and retention of nurses.

High-stress work environments increased nurses’ job dissatisfaction. Nurses began to withdraw from the inpatient workforce. More nurses chose to transfer to less stressful non-hospital positions, work part-time or retire early. Inadequacies in nurse education contributed to the growing shortage as enrollments are decreasing and vacancies in nurse faculty increase.

Less Enter Nursing Field

- A primary reason that has led to the aging of the RN workforce appears to be the decline in younger women choosing nursing as a career during the past two decades. Women graduating from high school in the 1990s were 35 percent less likely to become RNs than women who graduated in the 1970s.

- The nursing field has traditionally been composed of women, with men holding less than 6% of nursing positions. Over the past 20 years, opportunities for women outside of nursing have expanded, and fewer young women were choosing nursing as a career. This decline in young women entering nursing has resulted in a steadily aging RN workforce.

- Image of nursing has become more negative. Young people do not perceive nursing as a positive career choice because of working conditions and stagnant, inflation-adjusted salaries. Nurses also shape the image that others have, by discouraging others from a career in nursing. A recent survey found that 54.8 percent of RNs and LPNs would not recommend the nursing profession as a career for their children or friends, and 23 percent would actively discourage someone close to them from entering the profession.
• Although the total enrollment in all nursing programs leading to a baccalaureate degree in nursing in 2001 increased by 3.7% from the previous year, ending a six-year decline, the 106,557 enrollments are still down 17% from the 127,683 enrolled in 1995.

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<th>1995</th>
<th>2001</th>
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<td>Total</td>
<td>127,683</td>
<td>106,557</td>
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The number passing the national RN licensing exam is declining. The number of first-time, U.S. educated nursing school graduates who sat for the NCLEX-RN, the national licensure examination for all entry-level registered nurses, decreased by 25,046 students or 26% from 1995-2001.

A shortage of nursing school faculty is restricting nursing program enrollments. Nursing schools turned away 5,823 qualified applicants during the 2000-2001 school year. More than a third (38.8%) of schools point to faculty shortages as a reason for not accepting all qualified applicants into entry-level baccalaureate programs. A compounding factor is the nursing faculty is aging and many are approaching retirement. The average age of nurse faculty is 51 years. The average age of doctorate-level nursing professors is 56.3 years. Consequently, even if schools had more students, they may not have the faculty to teach them.
With Less Entering Nursing Field, the RN Workforce Is Aging

The RN workforce average age has climbed steadily for the past 20 years and is expected to continue aging in the coming decades. The nursing profession has been increasingly concerned about the impact of its aging workforce. A 1999 survey administered to nurse executives found that 83% believed that the aging of the RN workforce would result in serious shortages of RNs.

- The average age of nurses has increased by 8 years between 1983 and 2000, from age 37 to 45 years.
- Nearly 70% of nurses were over 40 years of age in 2000. In 1980, over one in four RNs (25.1%) were under age 30 compared to less than one in ten (9.1%) in 2000.

- The average age of RN graduates increased from 24.3 years for the period, 1985 or earlier, to 30.9 years for the 1995-2000 period.
• The RN workforce will continue to age over the next two decades because the largest cohort of RNs that entered nursing in the 1970s will be age 50 to 69 years and will not be replaced with younger RNs. By 2010, the average age of employed RNs is forecast to increase 3.5 years over the current age with more than 40% of the RN workforce expected to be older than 50 years.

• Unless this trend is reversed, the aging of the RN workforce is expected to continue until 2010. At that time, the supply of RNs will stop growing and begin to shrink as the largest age group of RNs, those in their 50s and 60s, will begin to retire. At the same time, many forces will be accelerating the demand for nurses, especially the 78 million baby boomers who will reach 65 over the next 3 decades. The contraction in supply at the same time that demand for RNs increases is expected to intensify the nursing shortage. Consequently, the RN workforce is forecast to be 20% lower than what is needed by 2020.

More Leaving Nursing Behind

• Increased opportunities for women have expanded in other sectors of the health care industry, so hospitals are now competing for nurses with HMOs, pharmaceutical companies, and recruitment firms. At same time, opportunities for women have expanded outside the health care industry.

• One in two (50%) currently employed RNs have considered leaving the patient-care field over the past two years for reasons other than retirement. Nearly one in two (49%) direct care nurses would pursue a different career if they were just starting out.

• The health care profession faces the serious risk of losing one in five current nurses (21%) from the direct care setting for reasons other than retirement. These nurses not only said they have considered leaving nursing within the past two years for reasons other than retirement, but also expect to leave nursing within the next five years.

• Inadequate staffing, stress and heavy workloads, the increased use of overtime, and stagnant salaries are frequently cited as key areas of job dissatisfaction among nurses.

• The number of nurses leaving because of retirement will accelerate in the coming decades. The average age of nurses was 45.2 years in 2000. The largest age group of nurses are now in their 40s. Within the next 10 years 40% of the full-time equivalent RN workforce is expected to be more than 50 years old. In 15 years, 50% of all working nurses will reach retirement age.

What Are the Overall Effects of the Nursing Shortage?

The nurse shortages that are expected to continue for the next several decades are likely to jeopardize the financial stability of many hospitals, access to medical and surgical care, increase patient waiting times, and reduce quality of care and the ability of nurses to ensure desirable patient outcomes. If shortages linger, the public could lose confidence in hospitals and in the health care system’s ability to provide for their health care needs. Also, employers will have to prepare for an older and smaller RN workforce, educators will have to deal with smaller numbers of nursing students, and the nursing profession will have to cope with increasing demands placed on an older workforce.
• Rising personnel expenses associated with the shortage threaten to keep operating margins in check for the foreseeable future and are the most significant long-term problems plaguing hospitals. Hospitals that are currently experiencing financial strain, will continue to feel the pressures on profitability due to rising personnel expense coupled with a decrease in reimbursements. Employers are spending more on recruitment, supplemental staffing agencies, sign-on bonuses, and quality improvement initiatives to attract RNs such as increased salaries and benefits.

• Higher costs for direct care was the top impact of RN vacancies reported by 69% of acute care hospitals whose RN vacancy rates were at or above the national level.

• Hospitals reporting higher or much higher expenses (adjusted for inflation) compared to 1999 include higher expenses for base salary (89%), overtime pay (75%), premium pay (65%), agency fees (59%), bonuses (54%), and benefits (52%).

• The shortage is causing problems and forcing changes in hospital operations and patient care.

• Hospitals report the largest impact the nursing shortage has on operations includes emergency department overcrowding (38%), diverted emergency department patients (25%), reduced number of beds staffed (23%), increased waiting times for surgery (19%), and discontinued programs and reduced service hours (17%).

A survey of acute care hospitals reported similar findings with the largest impact of RN shortages included emergency department overcrowding (51%), diverted emergency department patients (26%), closed beds (25%), restricted admissions (23%), and exceeded 90% census at peak (20%).

• Other impacts included increased overtime, lower morale, higher stress, restricted expansion, increased waiting time for surgery, reduced or elimination of services, and others.

### Service Impacts of the Workforce Shortage

- ED Overcrowding: 38%
- Diverted ED Patients: 25%
- Reduced Number of Staffed Beds: 23%
- Increased Wait Times to Surgery: 19%
- Discontinued Programs/Reduced Service Hours: 17%
- Delayed Discharge/Increased LOS: 12%
- Cancelled Surgeries: 10%
- Curtailed Acquisitions of New Technology: 8%
- Curtailed Plans for Facility Expansion: 7%
Shortages have an impact on all hospitals, but especially in urban hospitals that have a high number of patients including experiencing emergency department overcrowding (57% compared to 31% in rural settings), and exceeding 90% census at peak (55% in urban compared to 35% in rural settings).

The impact of the workforce shortage on access to care is getting worse with 30% of hospitals reporting increased emergency department overcrowding, and 24% reporting increases in exceeding 90% census at peak, compared to last year.

Quality of care has been affected by nursing shortages.

- Over one-third (34%) of hospitals report increased patient complaints or decreased patient satisfaction because of the shortages.

- RNs believe that the nursing shortage has been a major problem in the amount of time nurses have to devote to each of their patients (89%) and quality of patient care provided by nurses (76%), the ability of nurses to maintain patient safety (65%), and early detection of patient complications by nurses (62%).

- Three out of four (75%) nurses feel that the quality of nursing care has declined where they work in the past two years, and 41.5% would not want someone close to them to receive care at the place that they worked.

- Over half (56%) of nurses report that the time they have with patients has decreased.

- Nurses who reported that quality of care has declined in the past two years said the top reasons were inadequate staffing (24%), and decreased nurses’ satisfaction (21%).

- RNs who are in an inpatient work setting reported that in the past year they have witnessed the greatest negative impact on the quality of patient care from a greater number of patients per nurse (74%), an increase in the turnover of experienced RNs (73%), a more acutely ill patient population (71%), and an increase in overtime or double shifts for nurses (61%).
• Nurse dissatisfaction is rising and morale is decreasing because of the shortages. Increased job dissatisfaction is driving nurses to leave the profession. Key areas of job dissatisfaction related to the shortage include inadequate staffing, heavy workloads, and the use of overtime.

• Although 69.5% of nurses report being satisfied in their current position, this level of satisfaction is much lower than workers in other fields where 85% of workers in general and 90% of professional workers were satisfied with their jobs.

• Among current direct care nurses, 38% are just somewhat or not at all satisfied with their job overall. In addition, 68% of current direct care nurses rate the level of morale at their health care facility as being fair or poor, and 63% believe the situation facing nurses has been getting worse.

• The workload for nurses has increased as 79% of nurses report a rise in acuity of patients. At the same time, the number of hospital employees on staff for each patient decreased by 13% from 1990 to 1999.

• A majority of RNs who work as paid nurses agree that their job is often so stressful that they feel burned out (59%), and their job involves so many non-nursing tasks that little time remains for nursing (55%).

• Inadequate staffing levels to handle the number of patients during a shift was the top problem in the workplace today, reported by current nurses (66%).

• Current direct care nurses reported that the top two major problems of being a nurse were understaffing (39%) and the stress and physical demands of the job (34%).

<table>
<thead>
<tr>
<th>Major Problem With Being a Nurse</th>
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<tbody>
<tr>
<td>Understaffing</td>
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<tr>
<td>Stress/physical demands of the job</td>
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<tr>
<td>Not receiving support from administration</td>
</tr>
<tr>
<td>Unpredictable work schedule/long hours</td>
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<tr>
<td>Low pay and poor benefits</td>
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<tr>
<td>Few opportunities for advancement</td>
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</table>

• Among RNs who have considered leaving the patient care field for non-retirement reasons, the principal reason was to find a less stressful and physically demanding job (56%).

• Dissatisfaction is growing as 63% of current nurses and 78% of potential leavers say that the overall situation facing nurses where they work is getting worse.
What Is Being Done to Recruit and Retain Nurses?

Many healthcare administrators have focused on taking immediate costly short-term actions to fill vacancies. This shortage is structural and requires both short-term and long-term recruitment and retention strategies. Solutions to create a sustained improvement will need to be more radical than past shortages and must address many long-term issues. Hospitals that have been successful in addressing the shortage have adopted long-term solutions focusing on changing the fundamental nature of the nurses’ job and retaining staff.

Employers that are best positioned to meet the shortage are those that have developed both short-term strategies to meet immediate staffing needs, as well as developing long-term practices for recruitment and retention. Both strategies include the hiring, training, and precepting of new graduates; training for specialty areas; developing partnerships with schools of nursing; and creating a more supportive work environment.

The aging and shrinking RN workforce and the increasing demand driven primarily by the expanding population of Medicare beneficiaries will soon collide. The forces driving the nursing shortages are so strong that assistance will be needed from many different resources including nursing professionals, others in the healthcare industry, policymakers, the public, and media to place the problem onto the national social agenda.

Recruiting Strategies

- Sign-on bonuses are increasingly used as a method of recruiting RNs with 41% of hospitals paying bonuses to RNs in 2001, up from 19% in 1999. Most hospitals paying sign-on bonuses (75%) are paying between $1,000 and $5,000 per RN. Some hospitals are offering $14,000 or more.

- Over half (56%) of hospitals are using agency or traveling nurses to fill vacant positions. A survey of acute care hospitals reported that the percentage of acute care hospitals using temporary staff or travelers was highest in critical care (53%), operating room (46%), and emergency room (34%). Agency or traveling nurses is more costly than staff nurses, and the use of agency nurses may indicate that other short-term methods are not enough to solve the underlying problems. To help decrease the use of these external sources, some hospitals have created in-house staffing agencies.

- Recruiting foreign nurses is through the Labor Department’s Hi-C visa program. The heaviest recruitment is from the Philippines and England, but is also occurring in Canada and throughout Asia.

- A survey of healthcare organizations recognized for their innovative and successful recruitment and/or retention strategies found:

  - Recruitment methods mentioned by organizations that have been the most successful in the past three years include affiliation with schools in nursing and outreach to new graduates (38%), highly personal approach at open houses and job fairs (24%), internships, externships, perceptor programs (21%), direct mail campaigns (16%), and Internet recruiting (9%).

  - Recruitment outreach methods mentioned by organizations that are used the most include newspaper advertising (98%), collaboration with professional schools (97%), and posting on the Internet (90%).
Recruitment Outreach Methods
Used by Respondents

- Advertising in Newspapers: 98%
- Collaboration with Professional Schools: 97%
- Posting on the Internet: 90%
- Advertising in Journals: 83%
- Conventions: 66%
- Direct Mail: 59%
- Recruiting Firms: 48%
Recruitment strategies reported by hospitals to be very or most effective in recruiting nurses include:

- Financial incentives-- loan forgiveness (63%), seasonal bonus (55%), short staff/critical vacancy bonus (52%), and incentives for recruiters (50%).

- Job design or workplace related options-- specialty area internships (72%), weekend option staffing (67%), and flextime scheduling (59%).

- Advertising strategies-- include advertising job openings on the hospital’s own website (67%), using an Internet job web site (53%), job fairs (51%), and local newspaper advertising (51%).

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Effectiveness of Various Advertising Methods in Recruiting Nurses (% Rating Effective)

<table>
<thead>
<tr>
<th>Advertising Method</th>
<th>Effectiveness</th>
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<tbody>
<tr>
<td>Hospital's own home page</td>
<td>67%</td>
</tr>
<tr>
<td>Internet - job posting site</td>
<td>53%</td>
</tr>
<tr>
<td>Local newspapers</td>
<td>51%</td>
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<tr>
<td>Job fairs</td>
<td>51%</td>
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<tr>
<td>Prof. Assoc. newsletter</td>
<td>39%</td>
</tr>
<tr>
<td>Direct mail advertising</td>
<td>39%</td>
</tr>
<tr>
<td>Radio/TV advertising</td>
<td>35%</td>
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<tr>
<td>Professional journals</td>
<td>32%</td>
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<tr>
<td>Head hunters</td>
<td>31%</td>
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<tr>
<td>Cust. Advertising to diff. Age categ.</td>
<td>29%</td>
</tr>
<tr>
<td>Non-health care magazines</td>
<td>16%</td>
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<tr>
<td>Billboards</td>
<td>15%</td>
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</tbody>
</table>

Retention Strategies

- Retention strategies reported by hospitals to be very or most effective in retaining nurses include:

  - Financial incentives--no cap on pay grade (73%), market adjustments throughout the year (67%), and shift differentials based on percent of pay (66%).

  - Benefits-- matching programs for retirement (69%), health benefits (66%), tuition reimbursement (66%), continuing education opportunities (62%), and retirement plans (60%).

  - Job design or work environment-- retention bonuses (62%), self-scheduling (71%), nurse/patient ratios (61%), and shared governance model (59%).

  - New retention strategies and incentives-- mentoring programs (69%), increased salaries to stay competitive (68%), permanent shift assignments (58%), and career growth and advancement opportunities (56%).
A survey of healthcare organizations recognized for their innovative and successful recruitment and/or retention strategies found that the retention methods most mentioned by organizations that have been most successful in the past three years includes offering opportunities for continuing education and professional development (22%), opportunity for advancement and mobility within the hospital or system (19%), management support, and good communication between management and staff (17%), offering competitive compensation (16%), flexible benefits (16%), flexible scheduling (16%), and recognition efforts by management (12%).

What Nurses Say They Want

When current direct care nurses were asked what were the most severe problems in being a direct care nurse, the largest percentage cited understaffing (39%) and the stress and physical demands of their job (34%). These were also the most-cited responses of former direct nurses.

Changes that direct care nurses would like to see to improve their jobs are increased staffing levels (43%), less paperwork and administrative duties (34%), and higher wages and better health care benefits (27%).

![Changes that Would Do the Most to Improve Nursing Job](chart)

Current direct care nurses who have considered leaving patient care for non-retirement reasons are the need for a less stressful or physically demanding job (56%), regular hours and schedule (22%), and more money (18%).

Nearly three out of four (74%) potential leavers, direct care nurses that not only said they have considered leaving direct care nursing within the past two years for reasons other than retirement, but also expect to leave direct care nursing within the next five years, said that they would consider continuing in patient care for longer if conditions at their job improved.

Potential leavers said that the job improvements that could be made to make them more likely to continue working as a direct care nurse include more pay (42%), more staff (36%), better hours and schedules (21%), more respect (12%), more voice in decisions (11%), and more support from management (11%). These were also the most-cited responses of former nurses when asked what would cause them to consider returning to nursing.
• In another survey that asked RNs who planned on leaving their present position in the next three years what would be very likely to cause them to reconsider, the top responses were: 58% higher wages and benefits, 50% more respect from management, and 48% better staffing.

<table>
<thead>
<tr>
<th>What Would Be Very Likely to Cause RNs to Reconsider Plans to Leave Present Position</th>
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<tr>
<td>Higher salary or benefits</td>
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<tr>
<td>More respect from management</td>
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<tr>
<td>Better staffing</td>
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<tr>
<td>Base: Plans to Leave Present Position Within Next Three Years</td>
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• A survey that asked RNs not currently working as a paid nurse, what would be very likely to cause them to consider returning to work as a nurse, the highest responses were: 45% less stressful work environment, 29% higher wages, and 28% better hours.

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<thead>
<tr>
<th>What Would Be Very Likely to Cause RN’s to Consider Returning to Work as a Nurse</th>
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<tbody>
<tr>
<td>A less stressful work environment</td>
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<tr>
<td>Higher wages</td>
</tr>
<tr>
<td>Better hours</td>
</tr>
<tr>
<td>Base: Does Not Currently Work As A Paid Nurse</td>
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• The most mentioned reasons nurses were no longer working in nursing positions include: find current position more rewarding professionally (25.0%), better salaries available in current position (20.1%), hours more convenient in current position, and concern about safety in healthcare environment (17.6%).

• Current direct care nurses said that the most enjoyable part of their job was in helping patients and their families (62%). However, an increasing number are finding their roles changing to organizer and coordinator of care. Nurses are spending more time on administrative duties and paperwork than with patients. When current nurses were asked what changes would do the most to improve their job, the second largest response was less paperwork and administrative duties (34%).

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The highest response among RNs when asked what would help a great deal to solve the nursing shortage were: improved working conditions (83%), improved wages and benefits (79%), and higher status of nurses in the hospital environment (70%).

When potential direct care leavers were asked what would be the most effective way to improve the recruiting and retention of quality nurses, they responded with better staffing ratios (87%), more time with patients (81%), more input in decisions (79%), increased salaries (76%), performance bonuses (71%), and flexible schedules (69%).

How To Improve Retention and Recruitment

<table>
<thead>
<tr>
<th>Potential leavers who say each would be very effective in recruiting/retaining quality nurses</th>
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<td>Better staffing ratios</td>
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<td>Flexible schedules</td>
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<td>More part-time options</td>
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<td>Continuing education $$</td>
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<td>Better health coverage</td>
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88% of RNs said that health and safety concerns are important in influencing their decisions to remain in the nursing field. Nearly three out of four nurses (70.5%) report that the acute and chronic effects of stress and overwork were their top health and safety concerns. More than two-thirds say they work some type of unplanned overtime every month.

What Still Needs To Be Done?

Use diverse and personalized methods of recruitment, such as outreach to new graduate nurses, internships, externships and career path programs, partnerships with state colleges as well as specialty nurse training courses in critical care, emergency, surgery and maternity, and interactive open houses.

The size of the RN workforce during the next 20 years will largely be determined by the size of cohorts that have already entered the labor market, and changes in the size of entering cohorts will be felt only gradually. Therefore, the healthcare industry will need to develop ways to use scarce RNs better, prepare RNs for their future roles, prepare for an older RN workforce, and develop ways to keep older RNs in the workforce.

Develop an appropriate response to the implications of a rapidly aging RN workforce. This includes restructuring patient care delivery and initializing new technology that is more sensitive to older RNs who are susceptible to injuries and have less capacity to perform certain physical tasks. Also, older and experienced RNs may have higher expectations of working conditions and require greater autonomy and respect than currently.

Address the underlying problem of the nursing profession’s dissatisfaction with its day-to-day job, including adequate and flexible staffing protocols that allow nurses to spend appropriate time with patients while balancing their personal and professional lives.
professional lives, input and participation in decision-making that affects nursing practice, support for continuing education and professional practice development, ongoing respect and recognition for nurses, and improve communication between management and staff.

- Offer competitive compensation and flexible benefits including quality of life benefits such as flexible scheduling. However, hospitals can afford to increase nursing salaries only slightly, because most hospitals perform at a break-even profitability already. If salaries were increased substantially, almost all hospitals would be unprofitable.

- Do strategic planning for the future to further identify issues and develop strategies to meet the shortages. Though most of the organizations acknowledge that the continuing nurse shortage is a significant problem, the majority (53%) has not prepared for responding to the shortage.

- Prepare for smaller enrollments while working on ways to improve enrollment in nursing programs, including increased legislation on both federal and state levels to support tax benefits and loan forgiveness for people entering the nursing field.

- Enhance image of nursing as a career. To ensure a continuous pool of nursing students, children ages 12 to 18 must be reached through schools, youth organizations and other sources to develop an early positive image of nurses and actively promote the features, benefits, and rewards of the nursing profession. Also, eliminate stigmas and barriers facing men and minorities.

- Revise policy issues that may contribute to the shortage by causing nurses to leave or act as barriers for recruiting nurses, including decreasing the amount and complexity of documentation resulting from regulatory agencies and reimbursement industry, regulations mandating minimum hospital staffing levels and ratios increasing Federal and state funding to support nursing programs to increase enrollment such as the Title VIII of the Public Health Service Act, changing federal policy that is a barrier for employment of foreign nurses, and other state and federal laws, regulations by accreditation/certification organizations, and licensure and nursing practice acts that have restricted the supply of nurses.

- Develop ways to increase the visibility of and policy interest in the RN workforce, including conducting research on the nursing workforce and on nursing impact on quality of care, convening an Institute of Medicine study or special government commission, conducting studies documenting the impact of nursing on quality and by broadly disseminating findings, and capitalizing on the positive public opinion of nursing.

- Allow more foreign educated RNs in the United States. This strategy will be more effective in the short-term and is not a long-term solution to the problem because many of these countries have nursing shortages of their own. For example, 14,000 of Canada’s 81,000 nurses will be due to retire by 2004, Poland is only graduating 3,000 new nurses annually, compared to 10,000 ten years ago, and out of 18,000 nurses in Chile, only 8,000 are working in the nursing field. Also, this is an option for only a small number of hospitals because the Labor Department limits the number of visas issued in a year, and the initial investment makes it prohibitive for financially struggling institutions.