Survey of Nurse Employers in California, Fall 2015

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This study was conducted in collaboration with the Hospital Association of Southern California and HealthImpact. Any views presented in this report do not necessarily reflect the opinions or positions of the Hospital Association, or HealthImpact.

PREFACE

Survey Background

This report summarizes the findings from a survey of general acute care (GAC) hospital employers of registered nurses (RNs) in California conducted in fall 2015. This is the sixth annual survey of hospital RN employers; together these surveys provide an opportunity to evaluate overall demand for RNs in the state, and changes that have occurred as the economy in California has recovered from the economic recession that started in late 2007. The survey also collects information specific to the hiring of newly graduated nurses because they are at particular risk for unemployment during a weak labor market. The data obtained in this survey reveal ongoing variation in the demand for RNs across California, a preference for hiring experienced nurses, and consequently a lack of positions available for newly graduated RNs.

Summary of Findings

The fall 2015 survey results indicate continuing improvement in labor market conditions faced by California's registered nurses (RNs). Approximately 40 percent of hospitals reported a perception of high demand for RNs, and the share of hospitals reporting such conditions more than doubled in each of the past two survey years. In addition, 87 percent of hospitals reported at least moderate demand for RNs, which is an increase of 20 percentage points compared to the prior survey year, and a 45 percentage point increase compared to fall 2013. Only one in twenty hospitals reported the perception that the supply of available RNs was greater than demand.

There continues to be a sharp divide in demand for experienced RNs versus new RN graduates. Most hospitals across the state reported moderate to high demand for experienced RNs, particularly for the clinical areas of labor & delivery, critical care (both adult and neonatal/pediatric), emergency department (ED), and operating room. Hospitals also reported strong demand for nurse educators prepared at the master's and doctoral level. In contrast, demand for new RN graduates was described, on average, as less than the available supply. However, there are signs that labor market conditions for new graduates may be improving in parts of the state, including the Bay Area, Central California, Los Angeles, and Inland Empire regions. In fall 2015, the share of hospitals in each of these regions that reported demand for new RN graduates was either in balance with supply, or greater than the available supply, was substantially larger compared to fall 2014.

Sixty-three percent of responding hospitals reported that their employment of new RN graduates increased between fall 2014 and fall 2015, while half of hospitals reported that employment of experienced staff RNs increased. This is the second consecutive year in which at least 50 percent of hospitals reported increased employment of experienced staff RNs. The share of hospitals in the fall 2015 survey that reported increased employment over the past year of both temporary and traveler RNs was twice as large in comparison to fall 2014. Hospitals cited growth in the patient census, difficulty in filling open positions, the challenge of recruiting experienced RNs, and increased turnover in areas of specialty care as reasons for the employment increases.

Ninety percent of hospitals reported hiring new RN graduates in fall 2015. This is the second consecutive year in which the share of hospitals that reported hiring new graduates has increased. Only 3 percent of responding hospitals reported that they do not hire new RN graduates, which is a substantially smaller share in comparison to previous survey years. In fall 2015, forty-seven percent of hospitals reported an expectation that hiring of new graduates would increase in 2016, which is 12 percentage points higher compared to fall 2014. The most frequently reported reason for an expected *increase* in new graduate hiring was the lack of available experienced RNs. Hospitals also cited expectations of additional resources to support new graduate training programs and a desire to build an internal pipeline to advance younger RNs into specialty areas of nursing as reasons for an anticipated increase in the hiring of new RN graduates in 2016.

More than one-third of responding hospitals reported that new RN graduates are working non-RN positions; the share has increased each year since 2013. The most frequently reported scenario in which new graduates are working in a non-RN role involved incumbent employees who stay in their current non-RN jobs until they can be hired into a staff nursing position. Other reported scenarios involved RNs who haven't been able to secure a position in the hospital's competitive new graduate training program and so are hired into nursing support roles.

In fall 2015, 80 percent of hospitals reported a preference for hiring baccalaureate-trained RNs, which is approximately a 10 percentage point increase over previous survey years. However, the share of hospitals reporting that they *require* a baccalaureate degree for employment remains comparatively small (between 5 and 10 percent of hospitals in each of the past five survey years). The fall 2015 survey indicates that BSN-prepared nurses represent a larger share of current staff compared to prior year. One-third of hospitals reported that BSN-educated RNs account for at least 51 percent of current staff and 75 percent of hospitals reported having goals or plans in place to increase the number of baccalaureate-educated RNs on staff.

A comparatively small number of hospitals reported having a formal clinical residency program open to new RN graduates *who are not guaranteed* to be hired (approximately 20 percent of responding hospitals). Most of these programs were developed by either the hospitals themselves (56 percent) or in partnership with a school of nursing (32 percent). They typically take between 12 and 18 weeks to complete and the most common clinical areas in which training was provided included medical-surgical, emergency department, and critical care. Approximately two-thirds of these programs paid participating new graduates, and 83 percent of these programs hired between 75 and 100 percent of participants.

Approximately two-thirds of all hospitals reported expectations that RN employment would increase in 2016. This is first year since the survey has been conducted that most hospitals reported expectations of increased employment of RNs in the coming year. Less than 2 percent of responding hospitals reported expectations that RN employment would decrease in 2016. The most frequently reported reason for the expected employment increase was continued growth in the patient census. Other frequently reported reasons included persistently high vacancy rates, an increasing number of retirements, and expanded service lines.

As components of healthcare reform continue to be implemented, the population across the state grows older, and more nurses reach retirement age, the demand for RNs – including new graduates – will continue to rise. It is essential that programs be established and expanded through which new graduates can use and develop their knowledge and skills to ensure an adequate supply of RNs in the future. This may include expanded efforts by employers to develop the skills of new graduates and to fill positions that are normally reserved for experienced nurses. Without these efforts, California's strong investment in nursing education may be lost.

Availability of Data

All data presented in this report are shared through a dedicated website, which summarizes the data statewide and for each region of California. The goal of this project is to track changes in demand and supply over time and across regions, to better develop policy and employment strategies to ensure the state does not face serious nursing shortages in the future.

The project website is: **http://rnworkforce.ucsf.edu/demand-data/**

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BACKGROUND: NURSE DEMAND IN CALIFORNIA

In the late 1990s, forecasts of the supply and demand for the national registered nurse (RN) workforce pointed to a significant short-term and long-term shortage.[1] In California, the documented shortage was especially acute through most of the 2000s, with a ratio of employed RNs per capita among the lowest in the United States.[2] This spurred significant action to address the relatively low supply of RNs and, since 2002, the number of graduations from California nursing schools has more than doubled. A recently-published forecast of long-term supply and demand for RNs in California indicates that the number of RN graduates per year ensures an adequate overall supply through 2030.[3]

Although the California RN labor market appears to be balanced overall, there have been reports of both shortages and surpluses of RNs. During the economic recession that emerged in 2008, employment rates of older RNs in California rose notably, while employment of younger RNs dropped.[4] Overall, the supply of RNs increased through delayed retirements, nurses returning to work, and part-time nurses working full-time, likely due to the increased financial pressure the recession placed on families, and the financial losses in many retirement portfolios.[5] Additionally, the recession placed significant financial pressure on hospitals and other health care employers, with many cutting back on hiring new RN graduates due to the lack of vacant RN positions and limited financial resources to pay for new graduate orientation programs.

More recently, the implementation of the Affordable Care Act has spurred greater demand for health care services by the newly-insured. In addition, the growing number of older Americans is expected to increase demand for health care services. The RN workforce is aging and likely to transition to retirement soon, making it essential that new and recent RN graduates to be retained in the workforce in order to meet the projected demand for nurses in the future.[6]

To better understand the impact of these changes in the nursing labor market on new RN graduates' ability to find jobs in California, in 2009 The Gordon and Betty Moore Foundation commissioned HealthImpact (formerly the California Institute for Nursing and Health Care) to conduct a survey of healthcare facilities to identify their hiring plans for new RN graduates.[7] This survey revealed that

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[1] Buerhaus, Peter I., Staiger, Douglas O. and Auerbach, David I. "Implications of an Aging Registered Nursing Workforce." The Journal of the American Medical Association. 283 (2000):2948-2954.

[2] U.S. Health Resources and Services Administration. Findings from the 2008 National Sample Survey of Registered Nurses. Rockville, MD: 2010.

[3] Spetz J. Forecasts of the Registered Nurse Workforce in California. Sacramento, CA: California Board of Registered Nursing, October 2015.

[4] Spetz, J, Keane, D, Herrera, C. 2010 Survey of Registered Nurses. Sacramento, CA: California Board of Registered Nursing,; 2011. http://www.rn.ca.gov/pdfs/forms/survey2010.pdf.

[5] Staiger, Douglas O, Auerbach, David I., and Buerhaus, Peter I. "Registered Nurse Supply and the Recession – Are We In A Bubble?" New England Journal of Medicine, March 21, 2012.

[6] Buerhaus, Auerbach, and Staiger, 2012.

[7] Gordon and Betty Moore Foundation, Strategic Contribution to California Institute for Nursing and Health Care, Ref (#2239): New RN Job Survey. 17 Mar 2009.

approximately 40 percent of new California RN graduates may not find employment in California hospitals, because only 65 percent of hospitals indicated they were hiring new graduates. Moreover, the hospitals that were hiring new graduates were doing so in smaller numbers compared with previous years. Subsequent surveys conducted by the University of California, San Francisco (UCSF), in collaboration with HealthImpact and the Hospital Association of Southern California, have tracked changes in the demand for RNs from 2010 through 2014. This report presents data from the most recent survey, conducted in fall 2015, to understand how the economic recovery, implementation of the Affordable Care Act, and retirements of Baby Boomer RNs are affecting the RN labor market in California.

SURVEY METHODS

Two survey instruments were used to provide data for this report, one fielded by UCSF and a second fielded by the Hospital Association of Southern California (HASC). The UCSF survey was structured to collect information from chief nursing officers (CNOs) and focused on their perceptions of the labor market, expectations for hiring, and the characteristics of new graduate residency programs. The HASC Healthcare Workforce Survey was oriented toward human resources directors and was used to collect staffing data, including current headcounts, new employee hires, separations, and vacancies.

These surveys were based, in part, on several different surveys: the 2009 New RN Hospital Survey conducted by HealthImpact; the 2010 UCSF Survey of Nurse Employers; and turnover and vacancy surveys conducted quarterly by HASC. A team of researchers from UCSF, HASC, the California Hospital Association (CHA), FutureSense, Inc., and HealthImpact designed the 2015 instruments to optimize workforce planning and forecasting. The UCSF survey was posted online following approval by the UCSF Committee on Human Research. Pre-notification emails were sent to all CNOs using a mailing list updated from the previous year's survey (2014). The invitation from UCSF included a link to the online version of the survey, as well as fillable-PDF forms that could be completed by the respondent and returned to UCSF via email or fax. The HASC Healthcare Workforce Survey was administered online; the data were collected over a period of one month in September, 2015 and described staffing, turnover, and hiring patterns for the third quarter of the year (July 1 – September 31, 2015). For both surveys, facilities were contacted with follow-up emails and telephone calls to encourage participation.

Survey Participation and Data Analysis

The HASC Healthcare Workforce Survey elicited 158 unique responses, representing 188 general acute care hospitals and 41,580 beds, while the UCSF survey elicited 138 unique responses, representing 196 general acute care hospitals and 39,791 beds.[8] These survey respondents represent approximately 47 percent (HASC) and 45 percent (UCSF) of the total number of licensed beds at general acute care hospitals in California. [9] In the UCSF survey, 29 respondents reported data for multiple hospital facilities; in the HASC Healthcare Workforce Survey, 11 respondents reported data for multiple facilities. A total of 85 facilities responded to both the UCSF and HASC surveys.

Throughout the report we provide the number of facility responses (N) associated with the statistics in tables and figures. The number of responses reflects the fact that in some cases the data represent multiple hospital facilities.

[8] Some responding hospitals provided data that also described associated outpatient services, including behavioral health, as well as associated facilities including rehabilitation and long-term care sites. As a result, the number of facilities represented by the data may, in some cases, exceed the total number of general acute hospitals described here.

[9] General acute care hospitals were identified using the California Office of Statewide Health and Planning hospital listing database, and data made available by the Veterans Administration through a FOIA request.

The multi-hospital data are included in regional analyses if they were reported for facilities that were all within the same region; if the facilities crossed regional boundaries the data were excluded. The geographic regions used to group survey responses are based on those used by the California Board of Registered Nursing. However, due to the small number of survey responses for certain parts of the state, some regions were combined. Table 1 below lists the regions used in this report and the counties each region represents.

Table 1. Geographic regions and the counties they represent, 2015

Region	Counties
Sacramento & Northern California	Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Siskiyou, Sierra, Tehama, Trinity, El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba
San Francisco Bay Area	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma
Central California	Alpine, Amador, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, Tulare, Tuolumne, Monterey, San Benito, San Luis Obispo, Santa Barbara
Los Angeles	Los Angeles, Ventura
Inland Empire	Orange, Riverside, San Bernardino
Southern Border	Imperial, San Diego

Table 2 compares the geographic distribution of hospitals that responded to each survey, and both surveys, with the distribution of general acute hospitals in California. Respondents from both surveys are generally representative of general acute care hospitals in the state. In the UCSF survey, hospitals in the Bay Area region are overrepresented while hospitals in the Los Angeles region are underrepresented. In the HASC survey, hospitals in the Los Angeles region are overrepresented, while hospitals in the Inland Empire region are underrepresented.

Table 2. Distribution of responding hospitals vs. GAC hospitals in California, by region, 2015

	GAC hospitals in CA		UCSF survey		HASC survey		UCSF & HASC survey	
Region	#	%	#	%	#	%	#	%
Sacramento & North CA	58	13.2	29	14.8	26	13.8	17	20.0
SF Bay Area	88	20.0	49	25.0	38	20.2	19	22.4
Central CA	73	16.6	37	18.9	32	17.0	16	18.8
Los Angeles	112	25.4	38	19.4	54	28.7	18	21.2
Inland Empire	83	18.8	30	15.3	26	13.8	12	14.1
Southern Border	27	6.1	13	6.6	12	6.4	3	3.5
Total	441	100	196	100.0	188	100	85	100.0

Note: Percentages may not sum to 100% due to rounding

Table 3 compares the distribution of survey respondents and GAC facilities by number of licensed beds. The UCSF survey respondents are generally representative of hospitals in the state, although hospitals with 300 – 399 beds are overrepresented. In the HASC survey, very small hospitals (fewer than 100 beds) are underrepresented, while hospitals with 300 or more beds are overrepresented.

Table 3. Distribution of responding hospitals vs. GAC hospitals in California, by bed size, 2015

	GAC hospitals in CA		UCSF survey		HASC survey	
Total # of beds	#	%	#	%	#	%
Less than 100 beds	134	30.4	55	28.1	43	22.9
100 - 199 beds	130	29.5	57	29.1	54	28.7
200 - 299 beds	76	17.2	36	18.4	34	18.1
300 - 399 beds	47	10.7	27	13.8	29	15.4
400 or more beds	54	12.2	21	10.7	28	14.9
Total	441	100.0	196	100.0	188	100.0

Table 4 compares the rural versus non-rural distribution of survey respondents with GAC facilities in the state.[10] Hospitals in both surveys are generally representative of the rural versus non-rural distribution of GAC hospitals in California.

Table 4. Distribution of responding hospitals vs. GAC hospitals in California, by rural/non-rural geographic location, 2015

	GAC hospitals in CA		UCSF survey		HASC survey	
Geographic location	#	%	#	%	#	%
Rural	61	13.8	30	15.3	22	11.7
Non-rural	380	86.2	166	84.7	166	88.3
Total	441	100.0	196	100.0	188	100.0

[10] The rural vs. non-rural status of a facility was determined using the 2010 Rural-Urban Commuting Area codes and the hospital's zip code. For more information see: http://depts.washington.edu/uwruca/

FINDINGS

Perception of Labor Market Conditions

Hospitals were asked to report their perception of labor market conditions for registered nurses in their region overall, as well as for experienced RNs and for new RN graduates, using a rank order scale of 1 to 5. A score of "1" indicated that demand for RNs was "much less than the available supply", while a score of "5" indicated "high demand for RNs and difficulty filling open positions."[11] Table 5 below compares overall RN labor market conditions from all survey years (2010 – 2015).[12]

More than 40 percent of hospitals reported a perception of high demand for RNs (difficult to fill open positions), which is double the share in 2014. The trend has been toward greater demand for RNs in recent years, but this year's data measure a substantial increase. The share of hospitals reporting moderate demand for RNs also remained very high. In combination, 87 percent of hospitals reported demand for RNs being greater than the available supply. This is nearly 20 percentage points higher than was reported in the previous survey year, and more than 45 percentage points higher than the survey conducted two years ago.

The increase in the share of hospitals reporting high demand ("difficult to fill open positions") reinforces the perception that labor market demand for registered nurses has increased substantially in recent years. Further evidence of this is illustrated by the declining share of facilities reporting that demand is "much less than supply" or "less than supply". In the first year the survey was conducted (2010), more than half of all respondents indicated that the supply of registered nurses exceeded demand; in 2015, the share was only 6 percent.

[11] Data collected between 2010 and 2012 were reported on a scale of 1 to 5, where 1 indicated high demand and 5 indicated low demand. These data have been recoded to match the rank order scale used in 2013, 2014 and 2015.

[12] Surveys fielded between 2010 and 2012 gave respondents the option to report labor market conditions as "other" and write-in a description. This option was excluded beginning with the fall 2013 survey. The 2010 – 2012 survey data included in Table 5 have been adjusted to exclude "other" response values to allow for comparison across survey years.

Table 5. Overall RN labor market demand in California, 2010 – 2015

	2010		2011		2012		2013		2014		2015[13]	
Description	#	%	#	%	#	%	#	%	#	%	#	%
High demand	8	5.3	7	4.7	12	5.5	17	8.6	38	18.4	71	40.1
Moderate demand	47	30.9	65	43.9	98	45.2	64	32.3	101	49.0	83	46.9
Demand in balance with supply	18	11.8	10	6.8	43	19.8	37	18.7	27	13.1	12	6.8
Demand less than supply	41	27.0	35	23.6	37	17.1	53	26.8	26	12.6	10	5.6
Demand much less than supply	38	25.0	31	20.9	27	12.4	27	13.6	14	6.8	1	0.6
Total	152	100	148	100	217	100	198	100	206	100	177	100

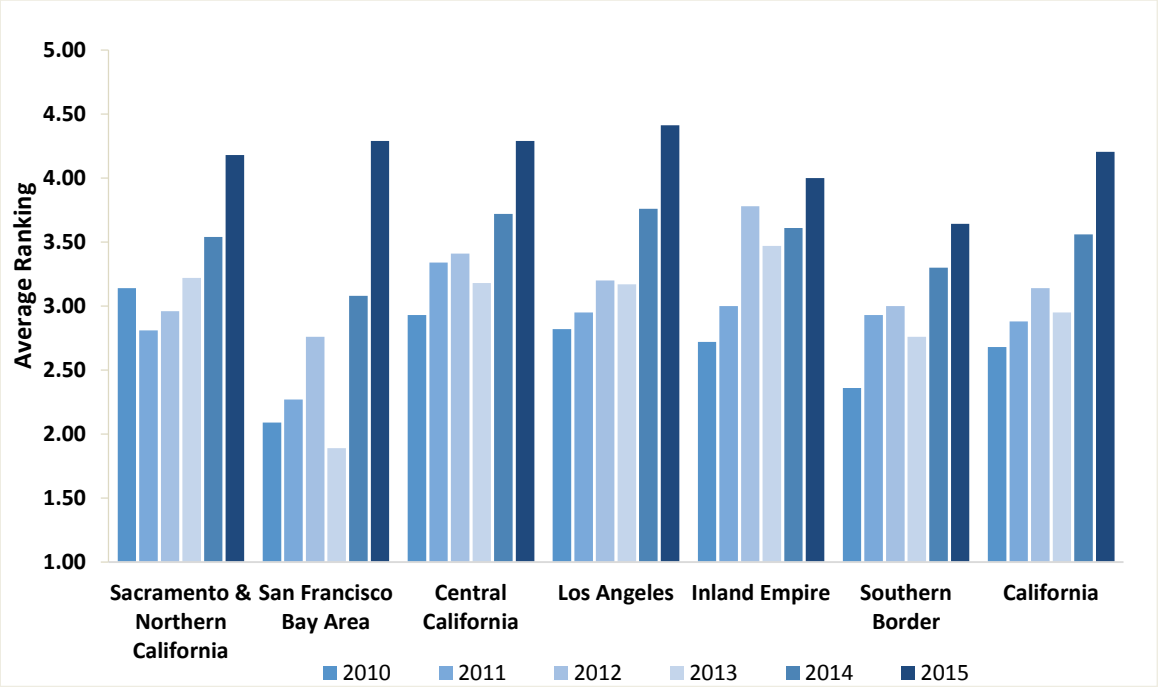
Note: percentages may not sum to 100% due to rounding.

Hospitals were asked to describe the types of RN positions that have been difficult to fill. Overall, there was very strong demand for experienced RNs across numerous clinical practice areas. Survey respondents reported that it is particularly difficult to recruit experienced RNs for positions in labor & delivery, critical care (both adult and neonatal/pediatric), emergency department (ED), and the operating room. Survey respondents also reported strong demand for nurse educators prepared at the master's and doctoral level.

Figure 1 shows the average ranking of overall labor market conditions for registered nurses by region between 2010 and 2015. In every region, overall demand for registered nurses in fall 2015 was stronger in comparison with the previous year. This is the second consecutive year in which overall demand was higher across all regions in the state. With the exception of facilities in the Southern Border region, demand for registered nurses was reported somewhere between "moderate" and "high". The largest increase in RN demand compared to one year ago was reported by hospitals in the Bay Area, where the mean score increased from 3.08 to 4.29.

[13] The 2015 total has been adjusted to exclude survey respondents that reported data for facilities across multiple regions.

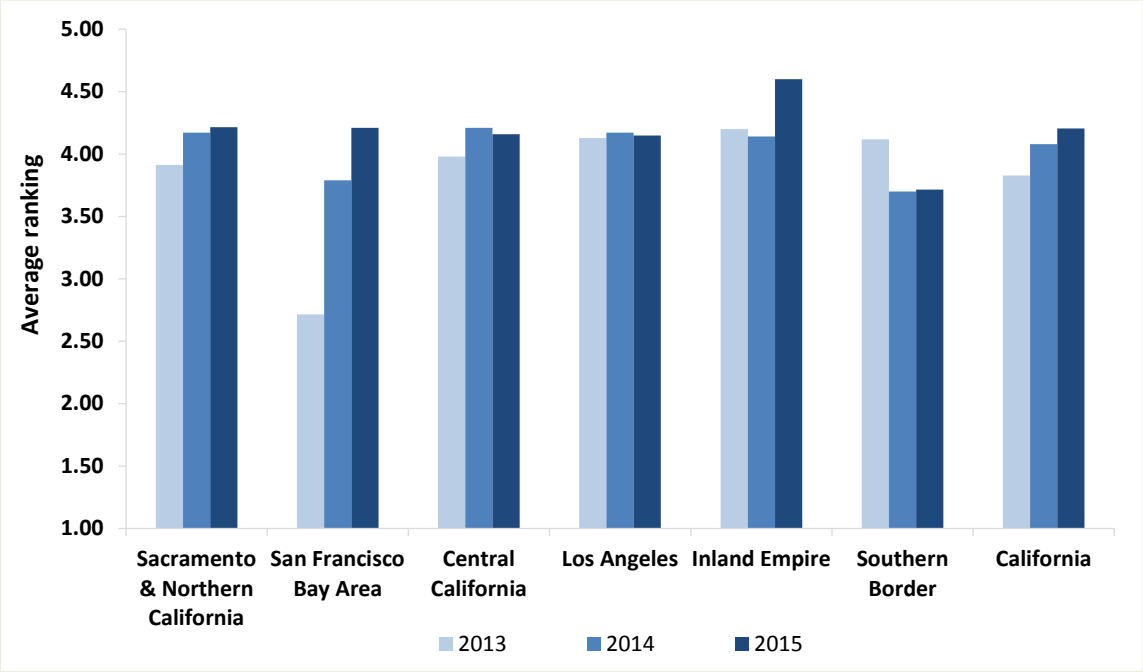
Figure 1. Average ranking of overall labor market demand by geographic region, 2010 – 2015



Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

In each of the past three survey years, hospitals were asked to distinguish the labor market for experienced RNs versus new RN graduates. Figures 2 compares the average demand score across regions for experienced RNs. These data show that demand for experienced RNs has been consistently strong. As with overall demand, the biggest change in 2015 compared to one year prior was the increased demand reported by hospitals in the San Francisco Bay Area. In 2014, hospitals in this region described the labor market as somewhere between balanced and moderate demand. In 2015, Bay Area hospitals reported moderate demand for experienced RNs, with some difficulty filling open positions.

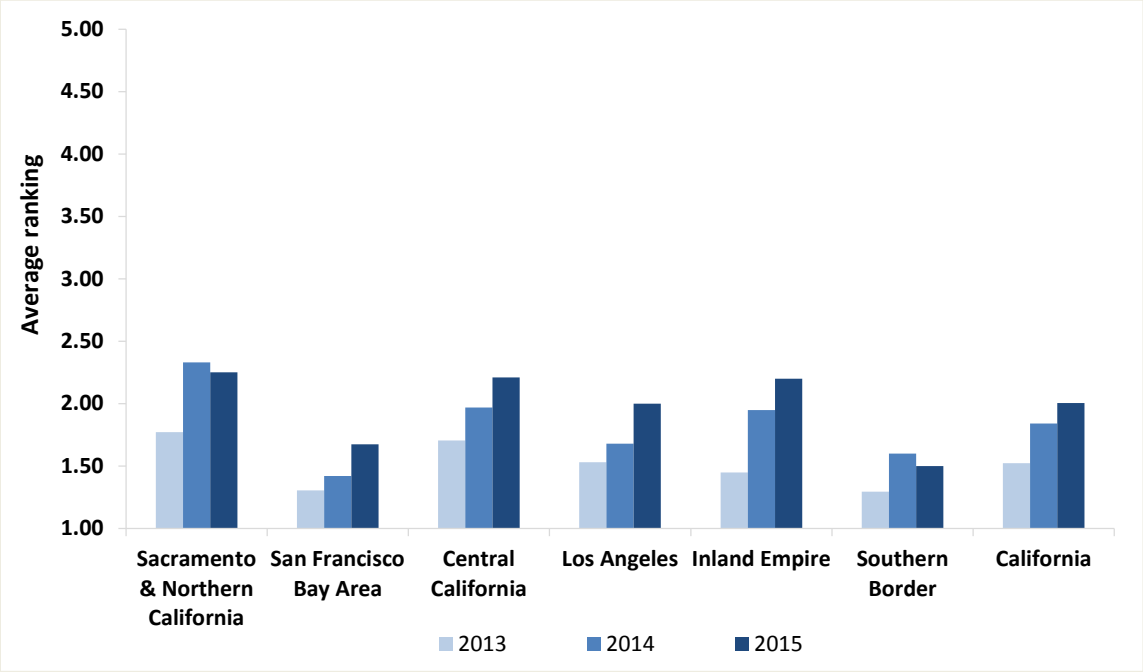
Figure 2. Average ranking of labor market demand for experienced RNs by geographic region, 2013 – 2015



Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

Figure 3 compares differences in regional demand for new RN graduates between 2013 and 2015. It is clear that demand for new RN graduates continues to be weak in comparison to RNs with experience. Overall, hospitals reported that demand for new graduates was less than the available supply. However, some regions showed an improving labor market for new graduates in comparison with previous years, including the Bay Area, Central California, Los Angeles, and the Inland Empire.

Figure 3. Average ranking of labor market demand for new RN graduates by geographic region, 2013 – 2015



Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

Table 6 shows the distribution of hospitals in each region according to how they characterized the labor market for registered nurses overall, for experienced RNs, and for new graduates in fall 2015. These data illustrate the variation in perceptions of labor market conditions across regions of the state. For example, very few hospitals in the Southern Border region reported overall demand for RNs being much greater than the available supply in comparison to other regions. Similarly, the share of hospitals reporting labor market conditions where demand for RNs was less than or much less than the available supply was near zero across all regions except the Inland Empire and the Southern Border. In general, the data reinforce the perception that overall demand for RNs is very strong across the state.

The data describing demand for experienced RNs also show some regional variation. Nearly 70 percent of hospitals in the Inland Empire region reported that demand for experienced RNs was much greater than the available supply. This is a much larger proportion of hospitals by comparison with other regions. The Southern Border region had the largest share of hospitals indicating that demand was less than the available supply; few hospitals reported such conditions in other regions of the state. Overall, these data underscore the fact that open positions requiring experience remain challenging to fill for hospitals across the state.

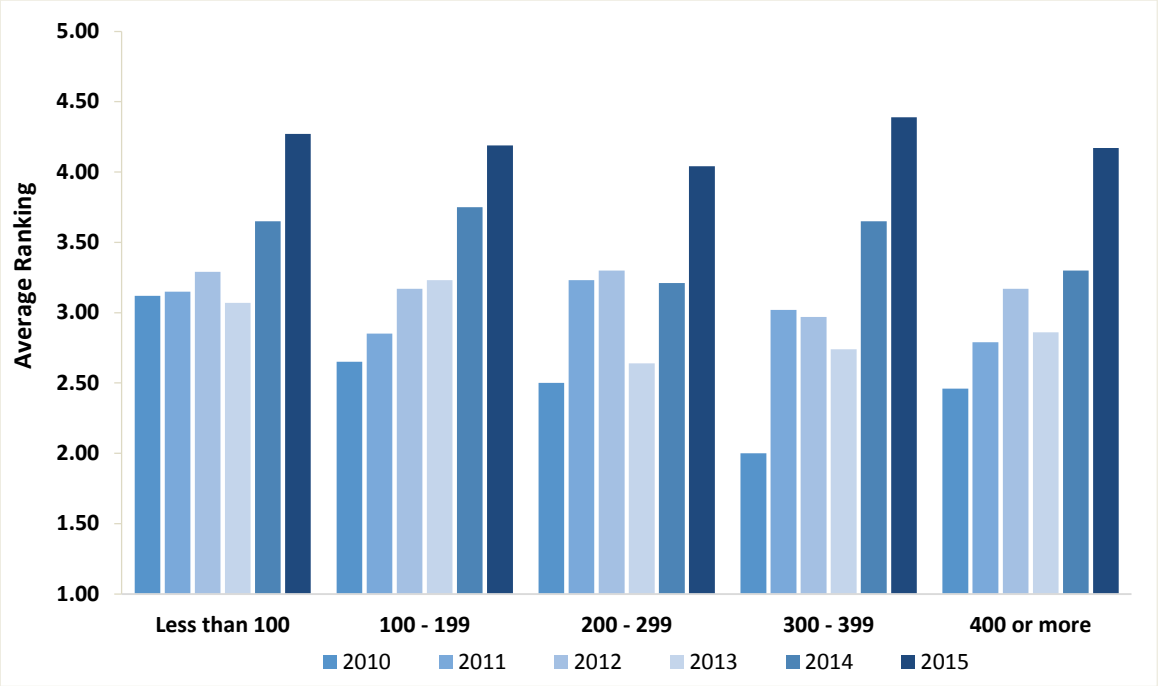
Table 6. RN labor market demand by geographic region, 2015

	Regions					
Overall RN labor market	Sac/ North CA (%)	SF Bay Area (%)	Central CA (%)	LA (%)	Inland Empire (%)	Southern Border (%)
High demand	35.7	42.1	39.5	50.0	48.0	7.1
Moderate demand	50.0	50.0	50.0	44.1	28.0	64.3
Demand in balance with supply	10.7	5.3	10.5	2.9	0.0	14.3
Demand less than supply	3.6	0.0	0.0	2.6	24.0	14.3
Demand much less than supply	0.0	2.6	0.0	0.0	0.0	0.0
Total facilities	28	38	38	34	25	14
Experienced RN labor market						
High demand	39.3	34.2	43.2	29.4	68.0	21.4
Moderate demand	50.0	52.6	45.9	58.8	24.0	50.0
Demand in balance with supply	3.6	13.2	8.1	8.8	8.0	7.1
Demand less than supply	7.1	0.0	0.0	2.9	0.0	21.4
Demand much less than supply	0.0	0.0	2.7	0.0	0.0	0.0
Total facilities	28	38	37	34	25	14
New RN graduate labor market						
High demand	10.7	0.0	2.7	0.0	0.0	0.0
Moderate demand	7.1	2.7	2.7	3.1	12.5	7.1
Demand in balance with supply	17.9	13.5	32.4	28.1	29.2	0.0
Demand less than supply	25.0	32.4	43.2	34.4	33.3	28.6
Demand much less than supply	39.3	51.4	18.9	34.4	25.0	64.3
Total facilities	28	37	37	32	24	14

Demand for new RN graduates continues to be weak across the state. However, there are signs that labor market conditions may be improving. In the Bay Area, Central California, Los Angeles, and Inland Empire regions, the share of hospitals reporting that demand for new RN graduates in fall 2015 was either in balance with supply, or greater than the available supply, was substantially larger than the previous year (comparison data not shown here). Conditions remained stable in the Sacramento/Northern California region.

Figure 4 compares average overall demand for RNs by hospital size (total number of licensed beds), for each of the six years the survey has been conducted. Overall demand for RNs in fall 2015 increased among hospitals of all sizes compared with the previous year. These data also indicate that variation in demand scores across hospitals of different sizes was smaller in 2015 compared with previous years, suggesting that hospitals of all sizes are finding it difficult to fill open positions.

Figure 4. Average ranking of overall labor market demand by hospital bed-size, 2010 – 2015

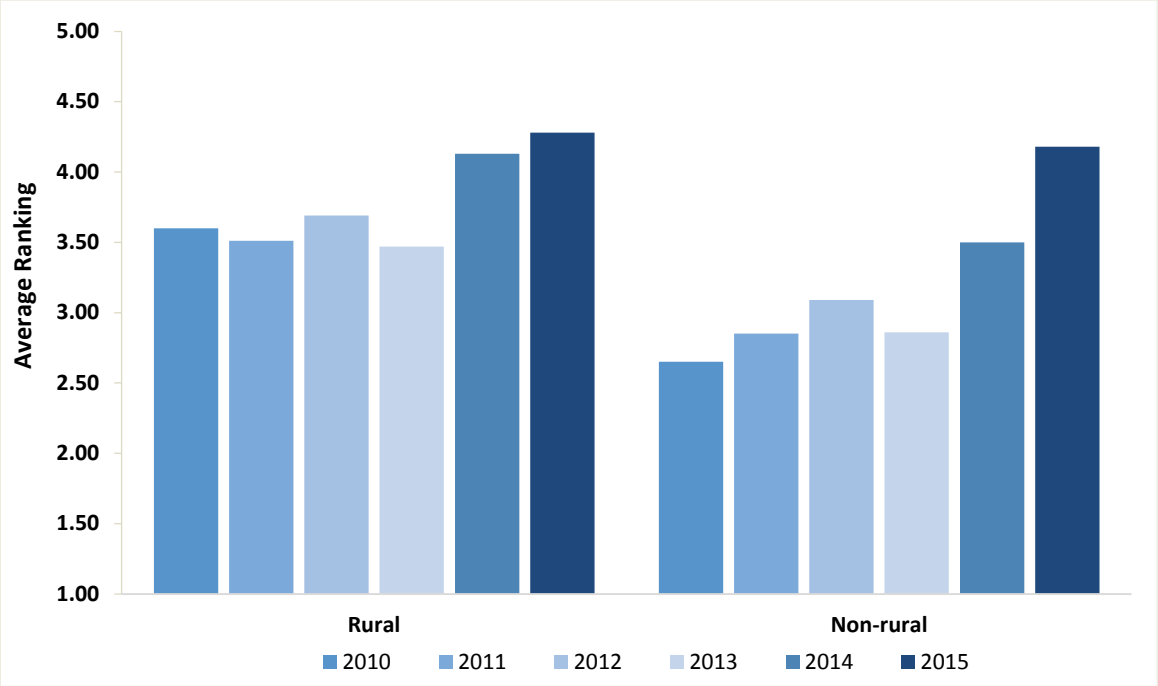


Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

The differences in demand for experienced RNs compared to new RN graduates, by hospital size, are consistent with data describing regional differences (Figures 2 and 3, and Table 6). For experienced RNs, the average demand scores ranged from 4.0 to 4.5, indicating moderate to high demand with some difficulty filling open positions. Larger hospitals reported perceptions of slightly stronger demand in comparison with smaller hospitals. Demand for new RN graduates was weak among hospitals of all sizes. The average demand scores ranged from 1.7 to 2.1 indicating a general perception of demand being less than or much less than the available supply of new RN graduates. Smaller hospitals reported marginally stronger demand for new graduates in comparison with larger hospitals.

Figure 5 compares average overall demand for RNs by whether or not the hospital is located in a geographically rural area. Hospitals in non-rural locations reported a substantial increase in average demand compared with previous years; the year-over-year increase among rural hospitals was smaller. Although demand remained higher among rural hospitals, the rural versus non-rural difference in demand scores was the smallest it has been in the six years this survey has been fielded.

Figure 5. Average ranking of RN labor market demand by geography, 2010 – 2015

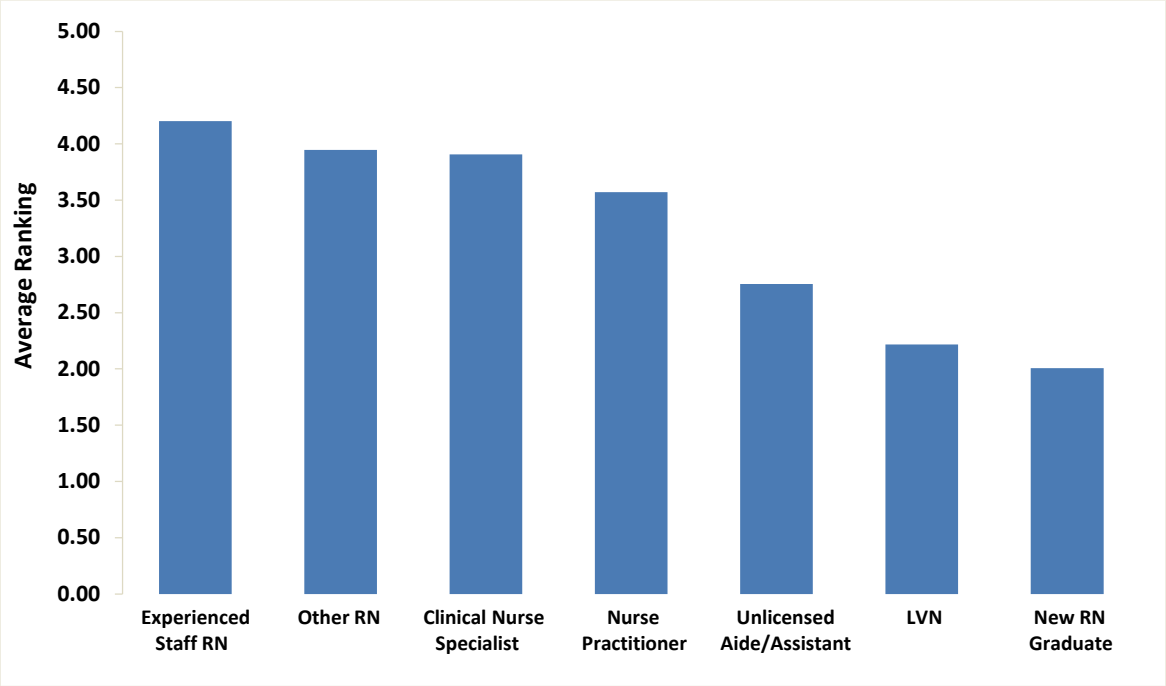


Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

The differences in the labor market conditions for experienced RNs compared to new RN graduates by rural versus non-rural geography are generally consistent with data presented previously. For experienced RNs, the average demand scores for both rural and non-rural hospitals indicated moderately high demand, with some difficulty filling open positions; the average score for non-rural hospitals was slightly higher by comparison. There is a bigger rural versus non-rural difference in the demand scores for new RN graduates. Among non-rural hospitals, the average demand score indicated a general perception of demand being less than the available supply of new RN graduates (1.97). Rural hospitals reported stronger demand for new RN graduates by comparison. The average score (2.48) is at the midpoint between a labor market where demand is less than the available supply and a labor market that is balanced.

Figure 6 compares the average demand in fall 2015 by type of nursing position. Survey respondents indicated that, along with experienced staff RNs, there was some difficulty in filling open positions for "other RNs" (non-staff RNs, which include directors, managers, supervisors, educators, care coordinators, and case managers) and clinical nurse specialists. The labor market for nurse practitioners can be described as between balanced and moderately undersupplied. Respondents indicated that the supply of unlicensed aides/assistants is mostly in balance with demand, while LVNs and new RN graduates are oversupplied.

Figure 6. Average ranking of RN labor market demand by position, 2015



Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

Current Vacancies[14]

Table 7 presents reported vacancy rates by position for the third quarter of 2015. The overall vacancy rate for registered nursing positions was 6.9 percent, but there are differences in the rate depending on the type of nursing position (including full-time versus part-time). Among registered nurses, non-staff RNs and new graduates had considerably higher overall vacancy rates in comparison with staff RNs. As previously noted, hospitals don't employ many nurse anesthetists or clinical nurse specialists. Because of this, a small number of vacant positions can result in a high vacancy rate. For example, 8 total openings for nurse anesthetists resulted in an overall vacancy rate of 11 percent; 28 total openings for clinical nurse specialists resulted in a vacancy rate of 15 percent. Nurse practitioners, however, represent a larger pool of hospital employees; thus the vacancy rate is less sensitive to small changes. The vacancy rate of nearly 15 percent for full-time NPs suggests there is high demand for nurse practitioners among hospitals in California. Table 7 also illustrates that new RN graduates are predominantly hired into full-time positions; there were more than ten times as many full-time vacancies as part-time vacancies for new graduates.

[14] Vacancy data are derived from the quarterly HASC Healthcare Workforce Survey and represent openings as of the pay period closest to September 31, 2015.

Table 7. Current vacancy rates by position, 2015[15]

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	4,506	7.5	1,069	5.1	5,575	6.9
Staff RNs	3,822	6.8	1,001	5.0	4,823	6.3
Other RNs	461	11.3	46	7.0	507	10.7
New RN Graduates	223	9.5	22	13.3	245	9.8
Case Manager	114	10.9	24	10.6	138	10.8
Nurse Anesthetist	8	12.9	0	0.0	8	11.0
Clinical Nurse Specialist	26	17.3	2	5.9	28	15.2
Nurse Midwife	0	0.0	0	0.0	0	0.0
Nurse Practitioner	120	15.1	26	9.9	146	13.8
Licensed Vocational Nurses	173	6.4	41	7.2	214	6.6
Certified Nurse Assistant	218	4.2	84	6.6	301	4.6
Home Health Aide	18	13.2	3	9.1	21	12.4
Aides/Assistants	312	7.1	106	9.7	418	7.6

Table 8 shows that the 2015 average quarterly vacancy rate[16] for registered nurses is the highest it has been in the six years survey data have been reported. This underscores findings that overall demand for RNs has increased, and that hospitals are finding it more difficult to recruit for open RN positions compared to recent years.

Table 8. Average quarterly vacancy rate for registered nurses, 2010 – 2015

	Average Quarterly Vacancy Rate (%)					
Description	2010	2011	2012	2013	2014	2015
All Registered Nurses	3.4	4.0	3.7	4.2	4.6	5.8

Changes Experienced In the Past Year

Hospitals were asked about changes in RN employment levels during the past year, including nurse practitioners and clinical nurse specialists. Table 9 shows that for new RN graduate, experienced staff RN, and nurse practitioner positions, the most frequent response was that overall employment had increased. For the other positions, most hospitals reported no change in overall employment between fall 2014 and fall 2015. Fifty percent of responding hospitals reported that employment of experienced

[15] Vacancy rate is calculated as follows: (number of vacancies reported as of the pay period closest to September 31, 2015)/((headcount as of the pay period closest to September 31, 2015) + (number of vacancies reported as of the pay period closest to September 31, 2015))

[16] Linear regression was used to forecast a rate for the fourth quarter of 2015, which was then used to calculate the average quarterly rate for 2015.

staff RNs had increased over the past year, which is two consecutive years in which at least half of hospitals reported an increase in the employment of experienced staff RNs. More than 60 percent of responding hospitals reported that employment of new RN graduates increased between fall 2014 and fall 2015. This is largest share of hospitals to report an increase in employment for any nursing position over the five year period this survey has been conducted.

Table 9. Employment of RNs in the past year, by position, 2015

	Increased Employment		Decreased Employment		No Change		Total
Position	#	%	#	%	#	%	#
New RN Graduate	122	62.9	15	7.7	57	29.4	194
Experienced Staff RN	102	50.0	29	14.2	73	35.8	204
Other RN	45	23.0	14	7.1	137	69.9	196
Nurse Practitioner	62	56.9	4	3.7	43	39.4	109
Clinical Nurse Specialist	9	7.7	6	5.1	102	87.2	117
LVN	22	16.1	18	13.1	97	70.8	137
Unlicensed Aide/Assistant	60	30.5	9	4.6	128	65.0	197

Table 10 highlights differences among hospitals regarding the utilization of temporary and travelling nurses over the past year. For both agency and traveler RNs, the share of hospitals reporting increased employment over the past year was three to four times as large as the share reporting decreased employment. Hospitals indicated that greater utilization of both agency and traveler RNs was driven by an increased patient census, difficulty in filling open positions, the challenge of recruiting experienced RNs, and increased turnover in areas of specialty care. Many of the hospitals that reported decreased utilization of agency and traveler RNs over the past year indicated that the reason for doing so was due to high demand for these RNs; there is a smaller pool of available agency and traveler nurses.

Table 10. Employment of temporary and travelling nurses, 2015

	Increased Employment		Decreased Employment		No Change		Total
Position	#	%	#	%	#	%	#
Temporary (agency nurse)	75	59.1	18	14.2	34	26.8	127
Traveling nurse	100	57.8	29	16.8	44	25.4	173

Table 11 presents hospital responses describing shifts in hiring patterns over the past year, by care setting: ambulatory care, home health care, long-term care, as well as case management (including care navigation and care coordination). Home health care and case management stand out for the fact that nearly three-quarters of responding hospitals reported increased hiring in the past year. Long-term care was the only setting in which the majority of hospitals did not report an increase in hiring. Across all settings, very few hospitals reported that hiring decreased between fall 2014 and fall 2015.

Table 11. Change in RN hiring in the past year, by care setting, 2015

	Increased hiring		Decreased hiring		No change		
Description	#	%	#	%	#	%	Total
Ambulatory care	88	55.3	2	1.3	69	43.4	159
Home health care	59	72.8	0	0.0	22	27.2	81
Long-term care	31	46.3	0	0.0	36	53.7	67
Case management	135	74.2	10	5.5	37	20.3	182

Table 12 compares hospital responses describing shifts in hiring, by care setting, for the past three survey years. Hiring between fall 2014 and fall 2015 increased dramatically across all settings; almost no hospitals reported that hiring had declined in the past year.

Table 12. Change in RN hiring in the past year, by care setting, 2013 – 2015

	Increased hiring (%)			Decreased hiring (%)			No change (%)		
Description	2013	2014	2015	2013	2014	2015	2013	2014	2015
Ambulatory care	19.4	33.9	55.3	11.3	4.8	1.3	69.4	61.3	43.4
Home health care	12.4	14.8	72.8	3.5	14.1	0.0	84.1	71.1	27.2
Long-term care	8.9	8.0	46.3	9.8	6.2	0.0	81.3	85.8	53.7

Note: Case management not included here because 2015 survey was first year data were collected.

Hospitals were asked about environmental changes experienced over the past year. More than 60 percent of responding hospitals reported an increase in patient census, and nearly half reported an increase in patient acuity. Forty percent of hospitals reported greater turnover of staff compared to prior years, and one-quarter of responding hospitals indicated that more RNs had retired than expected. In contrast with previous survey years, only 20 percent of hospitals faced budget constraints; it had been the most frequently reported environmental issue in each of the past three survey years.

Current Employment of Nurses[17]

Responding hospitals reported total current employment[18] of 75,685 registered nurses (Table 13). Hospitals were asked to differentiate between staff RNs,[19] who accounted for more than 97 percent of all employed registered nurses in the survey data, and non-staff RNs ("Other RNs", in Table 10 below). Hospitals also were asked to describe the position titles associated with the data reported for "other" RNs. According to survey responses, these data describe RNs who work as directors, managers, or

[17] Staffing data are derived from the HASC Healthcare Workforce Survey, which is conducted quarterly. The data used in this report refer to the period from July 1, 2015 to September 31, 2015.

[18] Current employment refers to the number of employees as of the pay period closest to September 31, 2015.

[19] These data also distinguish "new RN graduates", who are defined as staff registered nurses with less than six months of nursing experience.

supervisors; care coordinators and educators; and specialty nurses, including infection control and wound care, quality specialists and informaticists.

Table 13 presents total current employment by nursing position and the distribution of employment by full-time versus part-time status. There is wide variation in full-time versus part-time employment across the different types of nursing positions. Experienced staff RNs are more likely to work part-time in comparison to new RN graduates or "other" non-staff RNs. Very few hospitals reported employment of nurse midwives, and these nurses are almost equally likely to work part-time as full-time.

Full-time employment of staff RNs (not including new graduate RNs) increased in comparison with the previous year. In fall 2015, hospitals reported that 73 percent of employed staff RNs worked in full-time positions, compared to just 64 percent in 2014. It is not known if this is due to changing demand for full-time versus part-time employees, or due to changing preferences of RNs to work full-time. The ratio of full-time to part-time employees for the other types of nursing positions remained consistent with the previous year's survey, with some exceptions. In the fall 2015 survey data, both clinical nurse specialists and certified nurse assistants were more likely to work in full-time positions compared with the previous year.

Table 13 also demonstrates how few advanced practice RNs (nurse anesthetist, nurse midwife, nurse practitioner, and clinical nurse specialist) are employed by hospitals. Nearly 110,000 employees across the different types of nursing positions are detailed in Table 13. Advanced practice RNs accounted for just over 1 percent of the total number employed.

Table 13. Number of current staff (headcount) by position, 2015

	Full-time		Part-time		
Description	Headcount	% of total	Headcount	% of total	Total
All Registered Nurses	55,969	73.9	19,716	26.1	75,685
Staff RNs	52,353	73.3	19,108	26.7	71,461
Other RNs	3,616	85.6	608	14.4	4,224
New RN Graduates	2,121	93.6	144	6.4	2,265
Case Manager	932	82.2	202	17.8	1,134
Nurse Anesthetist	54	83.1	11	16.9	65
Clinical Nurse Specialist	124	79.5	32	20.5	156
Nurse Midwife	10	47.6	11	52.4	21
Nurse Practitioner	673	74.0	237	26.0	910
Licensed Vocational Nurses	2,517	82.6	529	17.4	3,046
Certified Nurse Assistant	5,009	80.8	1,190	19.2	6,199
Home Health Aide	118	79.7	30	20.3	148
Unlicensed Aides/Assistants	4,071	80.4	991	19.6	5,062

Table 14 shows that hospitals predominantly use twelve-hour shifts when scheduling nursing staff (73 percent of all respondents). Approximately one-quarter of the survey respondents reported eight-hour

shifts as the most commonly employed. This is a change compared to fall 2014, when the distribution was reported as 86 percent utilizing a 12-hour shift and 14 percent an 8-hour shift.

Table 14. Dominant shift lengths in scheduling, 2014 – 2015

	2014		2015	
Description	#	%	#	%
12-hour shifts	184	86.4	152	73.4
8-hour shifts	29	13.6	55	26.6
Unique hospital responses	213	100	207	100

Per Diem, Contract & Agency Employment

Table 15 presents current hospital use of per diem, contract, and agency employees, by position type. These data demonstrate there is a lot of variation in the use of per diem employees across the different types of nursing positions. As in fall 2014, nurse midwives, home health aides, and nurse anesthetists were the most likely to be reported as per diem staff. However, for nurse midwives and home health aides, the share of current staff represented by per diem employees in 2015 was much smaller compared to one year ago. It's important to keep in mind that the actual number of employees represented is very small for these positions.

Among registered nurses, the rate of per diem use is much higher for experienced staff RNs (15 percent) compared with either non-staff RNs (10 percent) or new RN graduates (2 percent). Registered nurses and certified nurse assistants are equally likely to be per diem employees; by comparison, LVNs are more likely to be per diem employees. Table 15 also shows registered nurses are slightly more likely to work as a contract employee than as an agency employee; LVNs and unlicensed aides/assistants are much more likely to work as agency employees than as contract employees.

Table 15. Per Diem, contract, and agency staff as share of current staff, 2015[20]

	# of positions	Share of current staff (%)	
Per Diem Employees	2015	2015	2014
All Registered Nurses	11,088	14.7	12.2
Staff RNs	10,605	14.8	12.5
Other RNs	435	10.3	9.5
New RN Graduates	48	2.1	5.8
Case Manager	242	21.3	**
Nurse Anesthetist	22	33.8	36.5
Clinical Nurse Specialist	6	3.8	2.5
Nurse Midwife	11	52.4	94.4
Nurse Practitioner	133	14.6	13.3
Licensed Vocational Nurses	612	20.1	16.5
Certified Nurse Assistant	931	15.0	17.9
Home Health Aide	47	31.8	73.6
Aides/Assistants	827	16.3	14.9
Contract Employees			
Registered Nurses	1,569	2.1	1.8
Licensed Vocational Nurses	4	0.1	0.6
Aides/Assistants	24	0.5	0.7
Agency Employees			
Registered Nurses	1,157	1.5	1.1
Licensed Vocational Nurses	96	3.2	8.7
Aides/Assistants	451	8.9	4.6

**Data not collected.

Table 16 shows that the downward trend in the use of per diem nursing staff since 2012 was reversed in fall 2015. After consecutive years of decreasing use of per diem RNs, LVNs and aides/assistants, hospitals reported higher overall utilization in fall 2015. The use of contract RNs has increased slightly every year since 2012, while the use of agency RNs has been increasing since 2011. The use of contract LVNs appears to be declining in recent years, while the use of agency LVNs shows no consistent pattern over time. The use of unlicensed aides/assistants as contract employees has been stable in recent years, while the utilization of aides/assistants who are agency employees has increased every year since 2011. There does not appear to be any pattern in the relationship between per diem, contract, and agency nursing staff in terms of overall utilization rates.

[20] The per diem, contract, and agency share of current staff is calculated as follows: (number of per diem/full-time contract/full-time agency positions as of the pay period closest to September 31, 2015) / (number of regular staff positions as of the pay period closest to September 31, 2015)

Table 16. Per diem, contract, and agency staff as share of current staff, 2010 – 2015

	% of Current Staff					
Per Diem Employees	2010	2011	2012	2013	2014	2015
Registered Nurses	12.8	12.4	14.7	13.6	12.2	14.7
Licensed Vocational Nurses	16.9	8.6	15.2	19.5	16.5	20.1
Aides/Assistants	17.1	14.0	18.1	20.0	14.9	16.3
Contract Employees						
Registered Nurses	1.6	2.7	0.8	1.3	1.8	2.1
Licensed Vocational Nurses	0.4	0.1	1.2	3.6	0.6	0.1
Aides/Assistants	0.3	0.0	0.1	0.7	0.7	0.5
Agency Employees						
Registered Nurses	1.0	0.2	0.6	0.6	1.1	1.5
Licensed Vocational Nurses	1.0	0.3	0.1	3.3	8.7	3.2
Aides/Assistants	1.5	0.3	1.5	2.0	4.6	8.9

Staff Separations by Position

Table 17 presents data describing nurses who left their positions in the third quarter of 2015. Total separation rates were highest for LVNs, and nurse practitioners (NP), although the difference in rates across the different nursing positions was not very large. A comparison of full-time versus part-time separation rates presents a mixed picture. For staff RNs, the rates were nearly the same; the other nursing positions show more variation in terms of which separation rate was higher.

Table 17. Separations (turnover) as a share of current staff, by position, 2015[21]

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	1,809	3.3	615	3.1	2,424	3.2
Staff RNs*	1,693	3.3	600	3.2	2,293	3.2
Other RNs	115	3.3	15	2.5	131	3.1
Case Manager	32	3.5	5	2.5	37	3.3
Nurse Anesthetist	1	1.8	0	0.0	1	1.5
Clinical Nurse Specialist	0	0.0	1	3.2	1	0.6
Nurse Midwife	0	0.0	0	0.0	0	0.0
Nurse Practitioner	23	3.5	10	4.3	33	3.8
Licensed Vocational Nurses	85	3.3	22	4.2	107	3.5
Certified Nurse Assistant	172	3.5	23	1.9	195	3.2
Home Health Aide	2	1.7	0	0.0	2	1.4
Aides/Assistants	134	3.3	38	3.8	172	3.4

*Staff RNs include new RN graduates. New RN graduates are defined as Staff RNs having less than 6 months of experience.[22]

Table 18 presents annualized separation rates[23] for the period 2010 – 2015 for registered nurses (staff RNs, non-staff RNs, and new RN graduates). These data indicate that the annual separation rate for RNs has increased each year since 2010, and that the year-over-year difference between fall 2015 and fall 2014 was substantially larger by comparison with previous survey years.

Table 18. RN separations (turnover) as a share of current staff, 2010 – 2015

	Annual Separation Rate (%)					
Description	2010	2011	2012	2013	2014	2015
All Registered Nurses	8.2	8.5	8.6	8.8	9.2	11.2

[21] The separation rate was calculated as follows: (number of separations occurring during the quarter July 1, 2015 – September 31, 2015) / (number of positions at the start of the quarter beginning July 1, 2015).

[22] New RN graduates are included with staff RNs in this table because they account for a comparatively small share of current RN staff. Since new graduates are defined as having less than six months experience, a quarterly separations rate isn't a useful measure of labor market conditions faced by new graduates.

[23] Data were reported on a quarterly basis in their original form. Linear regression was used to predict an average rate for the fourth quarter of 2015 and an annualized rate was calculated by multiplying the quarterly average by a factor of four.

New Employee Hiring by Position

Table 19 describes nursing personnel who were hired as new employees in the third quarter of 2015. The total hiring rate[24] for nurse midwives was very high, but it's important to point out that this is the result of there being such a small number of nurse midwives employed by hospitals. Otherwise, hiring rates were highest for staff RNs, CNAs, home health aides, and NPs. In contrast, LVNs, and other non-staff RNs had comparatively low hiring rates. A comparison of full-time versus part-time data indicates that the full-time rate was consistently higher across all positions with the exception of LVNs and home health aides.

Table 19. Reported new employees as a share of current staff, by position, 2015

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	3,309	6.0	535	2.7	3,844	5.1
Staff RNs*	3,209	6.4	526	2.8	3,735	5.4
Other RNs	100	2.8	9	1.5	109	2.6
Case Manager	39	4.3	1	0.5	40	3.6
Nurse Anesthetist	1	1.8	0	0.0	1	1.5
Clinical Nurse Specialist	4	3.2	0	0.0	4	2.6
Nurse Midwife	3	42.9	0	0.0	3	15.8
Nurse Practitioner	38	5.9	8	3.5	46	5.2
Licensed Vocational Nurses	52	2.0	16	3.0	68	2.2
Certified Nurse Assistant	280	5.6	61	5.1	341	5.5
Home Health Aide	4	3.4	2	6.9	6	4.1
Aides/Assistants	251	6.3	45	4.5	296	5.9

*Staff RNs include new RN graduates. New RN graduates are defined as Staff RNs having less than 6 months of experience.25

Table 20 presents annualized hiring rates[26] for the period 2010 – 2015 for registered nurses (staff RNs, non-staff RNs, and new RN graduates). The annual hiring rate shows some variation over time, but it has been increasing since 2012, and the increase between 2014 and 2015 is the highest recorded in the six years of this survey.

[24] The hiring rate was calculated as follows: (number of new employees hired during the quarter July 1, 2015 – September 31, 2015) / (number of positions at the start of the quarter beginning July 1, 2015).

[25] New RN graduates are included with Staff RNs in this table because they account for a comparatively small share of current RN staff. Since new graduates are defined as having less than six months experience, a quarterly hiring rate isn't a useful measure of labor market conditions faced by new graduates.

[26] Data were reported on a quarterly basis in their original form. Linear regression was used to predict an average rate for the fourth quarter of 2015 and an annualized rate was calculated by multiplying the quarterly average by a factor of four.

Table 20. Reported new employees as a share of current staff, by position, 2010 – 2015

	Annual Hiring Rate (%)					
Description	2010	2011	2012	2013	2014	2015
All Registered Nurses	9.1	10.8	9.8	10.2	11.0	16.5

Taken together, the separation rate and hiring rate data presented in Tables 17 through 20 indicate that total hiring rates were generally higher than separation rates.[27] Exceptions to this were other non-staff RNs, LVNs, and nurse anesthetists (keeping in mind that hospitals employ very few nurse anesthetists). Historically, the annual hiring rate for all registered nurses has been greater than the annual separation rate.

Recruitment of Foreign-trained RNs

Table 21 shows that approximately 5 percent of hospitals reported they were recruiting foreign-educated RNs to fill open staff positions in fall 2015. This is slightly higher compared with the previous year, and the share has increased slightly in each of the past three years. However, it is still below the 6.7 percent that reported foreign recruitment in 2010, which was the highest in the six years this survey has been conducted.

Table 21. Current recruitment of foreign-trained registered nurses, 2010 – 2015

	2010		2011		2012		2013		2014		2015	
Description	#	%	#	%	#	%	#	%	#	%	#	%
Recruiting foreign-trained RNs	7	6.7	6	4.0	4	1.9	5	2.6	9	4.2	11	5.3
Not recruiting foreign-trained RNs	97	93.3	143	96.0	211	98.1	185	97.4	205	95.8	197	94.7
Total	104	100	149	100	215	100	190	100	214	100	208	100

New RN Graduates

Approximately 90 percent of hospitals reported hiring new RN graduates in fall 2015. Table 22 shows that in each year between 2010 and 2013 the share of hospitals that reported they hired new RN graduates in the previous year declined. During this same period, the share of hospitals that reported they do not ever hire new RN graduates increased. Fall 2015 is the second consecutive year in which these trends have been reversed.

Among the small number of hospitals that never hire new RN graduates, the reported reasons for not doing so included a lack of open positions, a work environment that requires nurses to have already developed strong clinical skills and critical thinking, and an inability to offer new graduates the kind of

[27] The hiring and separation rates for staff RNs are unaffected by the addition of new RN graduates; because of the small total number of employees considered to be new RN graduates, these rates are the same whether or not they are included.

structured support needed to ensure their success (i.e. a lack of preceptors or adequate training program).

Table 22. Hiring of new RN graduates, 2010 – 2015

	2010		2011		2012		2013		2014		2015	
Description	#	%	#	%	#	%	#	%	#	%	#	%
Hired this year	88	84.6	123	82.6	166	77.6	146	76.0	179	82.9	187	90.3
Normally hire – not this year	7	6.7	14	9.4	27	12.6	15	7.8	14	6.5	13	6.3
Do not hire	9	8.7	12	8	21	9.8	31	16.1	23	10.6	7	3.4
Total	104	100	149	100	214	100	192	99.9	216	100	207	100

Table 23 shows that new RN graduates were far more likely to be hired into full-time rather than part-time positions. Including both full-time and part-time positions, hospitals hired approximately one new RN graduate for every three staff RNs in the third quarter of 2015.

Table 23. Ratio of new RN graduates hired to staff RNs hired, 2015

	Full-time		Part-time		Total	
Description	#	Ratio	#	Ratio	#	Ratio
New RN Graduates hired	788	0.33	87	0.2	875	0.31

Table 24 shows that the share of new RN graduates among all RNs hired declined from 34 percent in 2012 to 29 percent in 2014, but increased to 31 percent in 2015.

Table 24. Ratio of new RN graduate hired to staff RNs hired (full-time), 2012 – 2015[28]

Description	2012	2013	2014	2015
Hiring ratio: FT new grads to FT staff RNs	0.34	0.32	0.29	0.31

Hospitals were asked whether they employ new RN graduates in non-RN roles. Table 25 shows that in fall 2015, more than one-third of responding hospitals utilized new RN graduates in non-RN positions. This share has increased in each of the past two survey years. The most frequently reported scenario in which new graduate RNs are working in a non-RN role involved incumbent employees who stay in their current non-RN jobs until they can be hired into a staff nursing position. The other frequently reported scenario involved new graduate RNs who haven't been able to secure a position in the hospital's competitive new graduate training program and so are hired into nursing support roles.

[28] These are hiring ratios for the quarter in which data were reported: the third quarter of 2012, the fourth quarter of 2013, the third quarter of 2014, and the third quarter of 2015.

Table 25. Hiring of new graduates into non-RN roles, 2013 – 2015

	2013		2014		2015	
Description	#	%	#	%	#	%
Yes – new graduates work in non-RN roles	55	28.6	66	31.7	71	36.6
No – new graduates do not work in non-RN roles	137	71.4	142	68.3	123	63.4
Responses	192	100	208	100	194	100

Table 26 outlines expectations for new RN graduate hiring in the upcoming year. In each survey year, the share of facilities that reported an expectation of increased hiring of new RN graduates has grown. In each of the past two survey years, the share has increased by more than 10 percentage points. In previous survey years, the majority of hospitals reported an expectation that new graduate hiring would not change in the upcoming year. In contrast, the share of hospitals in fall 2015 that reported an expectation of increased hiring in the upcoming year was nearly the same as the share that reported an expectation of no change. Very few hospitals reported an expectation that new RN graduate hiring would decrease in 2016.

Table 26. Expectations for new graduate hiring in the next year, 2011/12 – 2015/16

	2011/12		2012/13		2013/14		2014/15		2015/16	
Description	#	%	#	%	#	%	#	%	#	%
Increase hiring of new graduates	30	21.6	43	22.3	39	24.1	68	35.1	96	47.3
Decrease hiring of new graduates	26	18.7	43	22.3	24	14.8	15	7.7	7	3.5
No difference in new graduate hiring	83	59.7	107	55.4	99	61.1	111	57.2	100	49.2
Total	139	100	193	100	162	100	194	100	203	100

Hospitals were asked to cite reasons for why they expected hiring of new graduate registered nurses in 2016 to be different from 2015. The most frequently reported reason for an expected *increase* in new graduate hiring was the lack of available, experienced RNs. Some hospitals reported that they anticipated a greater number of retirements and expected to hire more new RN graduates as a result. Other reasons for increased hiring included the expansion of service lines, growth in the patient census, additional resources to support a new graduate training program, and a desire to build an internal pipeline to advance younger RNs into specialty areas of nursing.

Hospitals that reported they do not hire new RN graduates were asked whether there were conditions, if met, which would cause them to consider hiring new graduates. The most frequently reported barrier to hiring new RN graduates was a lack of capacity to train them, either because of budget constraints or insufficient staff to act as mentors and preceptors. Other reasons included the perception that new graduates were simply not well enough prepared to meet the expectations of the job, and the inability to retain new RN graduates beyond a year, at which point many leave to look for a better paying job. In all cases, these hospitals would consider hiring new graduates whom they've had the opportunity to evaluate on the job, as in a transition to practice program.

Requirements for RN Employment

Table 27 compares survey responses between 2011 and 2015 regarding requirements for an RN to be hired into a general staff nursing position. These data reveal two important findings. First, an increasing number of hospitals reported that they have a minimum experience requirement. The first year this survey was conducted, approximately half of responding hospitals reported having a minimum experience requirement. In fall 2015, more than two-thirds of respondents reported having one, and approximately 75 of percent hospitals indicated that the minimum amount of experience to be hired into a staff RN position was 12 months. Some hospitals reported that the minimum experience requirement was dependent on whether the RN had been educated at the baccalaureate or associate degree level.

The second important finding from these data is that hospitals reported a strong preference for hiring RNs educated at the baccalaureate level. In each of the previous survey years, approximately 70 percent of hospitals reported a preference for hiring baccalaureate-trained RNs. In fall 2015, the share increased to 80 percent. At the same time, very few hospitals reported that a bachelor's degree in nursing is required for employment. Between 2010 and 2014, the share of hospitals requiring a BSN increased. In fall 2015, however, the 5 percent of hospitals reporting such a requirement was the same as it had been in 2010. In each survey year, the share of hospitals that have reported possession of a BSN degree as a requirement for employment has been small. It is possible that any changes are the result of differences in the set of hospitals that have responded to the survey in each year, rather than a true change in hiring requirements.

Table 27. Requirements for registered nursing employment, 2011 – 2015

	2011		2012		2013		2014		2015	
Description	#	%	#	%	#	%	#	%	#	%
Minimum experience requirement	79	52.3	117	53.7	124	63.9	130	60.5	142	67.6
Baccalaureate degree preferred	105	69.5	148	67.9	140	72.2	152	70.7	169	80.5
Baccalaureate degree required	7	4.6	16	7.3	16	8.2	21	9.8	10	4.8
Second language preferred	*	*	*	*	*	*	86	40.0	53	25.2
Second language required	*	*	*	*	*	*	0	0.0	0	0.0
Other requirements for employment	*	*	*	*	*	*	77	35.8	93	44.3
No specific requirements	32	21.2	47	21.6	24	12.4	32	14.9	41	19.5
Total	151	--	218	--	194	--	215	--	210	--

*These questions were added in 2014

Table 27 also shows other types of requirements for employment as a staff RN reported by hospitals, including second language capability. In fall 2015, approximately one-quarter of survey respondents reported a preference for RNs who speak a second language, which represents a decline from 40 percent in fall 2014. For the second consecutive year, no hospitals reported requiring RNs speak a second language as a condition for employment. Of the hospitals that reported a preference for second language capability, nearly all of them reported Spanish as the preferred language. Other languages reported included Vietnamese, Cantonese or other Chinese dialects, Tagalog, and Russian.

Hospitals were given the opportunity to report other types of requirements or preferences for employment in a staff RN position. Most of these write-in responses reported requiring BLS, ALS, and PALS certification, or a technical certification related to a specialty clinical practice area. Approximately one-quarter of these hospitals reported a requirement that newly hired RNs without a BSN degree complete one within a specific period of time. Approximately 20 percent of hospitals had no specific requirements for employment in a staff nursing position.

Baccalaureate-prepared Nurses

Respondents were asked to report the share of currently employed RNs in their hospital who are educated at the BSN level. Table 28 indicates that in fall 2015, BSN-prepared RNs represented a larger share of all RNs employed by hospitals compared to the prior year. In fall 2014, 30.7 percent of hospitals reported that more than half of their currently employed RNs were educated at the baccalaureate level; in fall 2015, the share increased slightly to 33.4 percent. Conversely, the share of hospitals reporting that BSN-prepared nurses accounted for 25 percent or less of their currently employed RNs dropped from 25 percent in fall 2014 to 21.5 percent in fall 2015.

Table 28. Currently employed BSN-prepared registered nurses, 2014 – 2015

	2014		2015	
Percent of employed RNs with a BSN	#	%	#	%
10 or less	10	5.2	7	4.2
11 – 25	38	19.8	29	17.3
26 – 50	85	44.3	76	45.2
51 – 75	49	25.5	49	29.2
76 – 100	10	5.2	7	4.2
Total	192	100	168	100

Hospitals were asked to report whether they had goals or plans in place to increase the share of baccalaureate-trained nurses on staff. Table 29 shows that the share of hospitals planning to do so has increased in each survey, reaching 75 percent in 2015.

Table 29. Plans to increase BSN-prepared nurses, 2013 – 2015

	2013		2014		2015	
Description	#	%	#	%	#	%
Plan to increase the share of BSN-prepared RNs	126	66.0	152	71.4	154	75.1
No plan to increase share of BSN-prepared RNs	65	34.0	61	28.6	51	24.9
Total	191	100	213	100	205	100

RNs educated below the baccalaureate level represent a substantial share of California's nursing workforce. Hospitals were asked whether new hires without a bachelor's degree are required to complete a BSN degree and, if so, how much time they have to complete it. Table 30 shows that very few hospitals required newly hired employees that don't already hold a BSN to obtain one, and that this

has not changed over the past two years. For those few hospitals that indicated having this requirement, it was commonly reported that new hires have 2 to 4 years to obtain the BSN degree.

Table 30. Requirements for new hires to complete a BSN degree within a certain time, 2013 – 2015

	2013		2014		2015	
Description	#	%	#	%	#	%
Requirement that new hires complete BSN	21	11.1	25	11.8	18	8.7
No requirement	168	88.9	186	88.2	190	91.3
Total	189	100	211	100	208	100

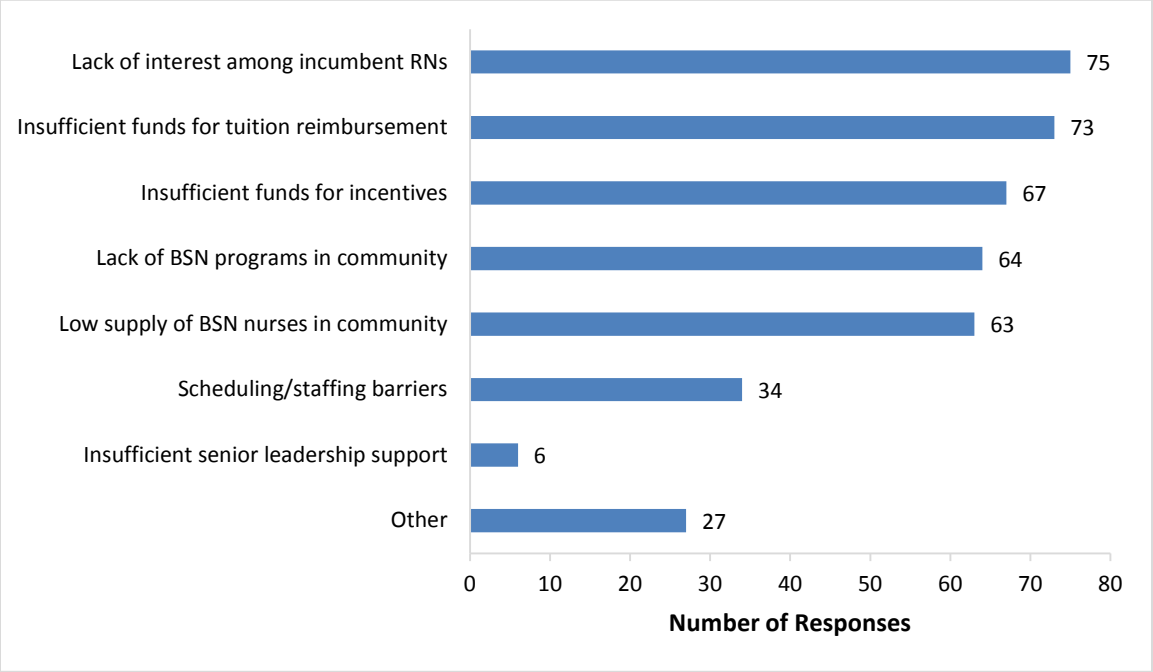
Hospitals were also asked whether RNs who do not have a BSN degree face limitations to being promoted beyond the level of a staff nurse. The fall 2015 data (Table 31) indicate a substantial drop in the share of hospitals reporting that RNs educated below the baccalaureate level face limitations in terms of promotional opportunities. Previous years' data suggested that it may be becoming more difficult for these nurses to be promoted, but the fall 2015 data contradict this. Interestingly, 27 hospitals that reported in fall 2014 that a lack of a BSN limits promotional opportunities reversed their position in the fall 2015 data. At these hospitals, the data indicate that the lack of a BSN degree no longer presents a barrier to being promoted beyond the level of staff RN.

Table 31. Impact of BSN on promotion, 2013 – 2015

	2013		2014		2015	
Description	#	%	#	%	#	%
Lack of BSN will limit promotions	91	47.9	118	55.1	80	39.0
Lack of BSN has no impact	99	52.1	96	44.9	125	61.0
Total	190	100	214	100	205	100

Approximately 86 percent of all respondents reported facing at least one barrier to increasing the number of baccalaureate-trained nurses on staff (Figure 7). The most frequently reported barriers were a lack of interest in BSN education on the part of incumbent RNs, and insufficient funding to offer tuition reimbursement. However, insufficient funding to provide incentives (e.g. promotion, pay differential, or bonus) for incumbent RNs to complete a baccalaureate degree program, a lack of BSN education programs in the community, as well a low supply of BSN-educated nurses were also frequently reported. Compared to the previous year's survey, these data suggest that a lack of access to BSN education has become a more prominent barrier to increasing the number of baccalaureate-trained nurses on staff. Other barriers reported by hospitals, not detailed in the survey questionnaire, included bargaining unit restrictions, and the general challenge of balancing the demands of the workplace and personal life while earning a degree.

Figure 7. Barriers to increasing the number of BSN-prepared nurses, 2015



Note: 181 hospitals reported at least one barrier to increasing number of BSN-prepared nurses.

Hospitals were asked about whether they differentiate RN salaries based on the type of nursing degree held. Table 32 indicates that in each of the past two survey years, approximately one-third of hospitals reported that they differentiate earnings based on the type of degree held (e.g. ADN vs BSN vs MSN).

Table 32. Organization differentiates RN salaries by degree, 2014 – 2015

	2014		2015	
Description	#	%	#	%
Organization differentiates salary	69	32.9	66	31.6
Organization does not differentiate salary	141	67.1	143	68.4
Total	210	100	209	100

In addition to differentiating RN salaries based on the type of degree held, hospitals were also asked about salary differentiation based on advanced certifications (e.g. critical care, peri-operative, oncology). Table 33 shows that in fall 2015, the share of hospitals reporting differentiation of RN salaries based on advanced certification was substantially smaller in comparison with fall 2014 (less than one-third of respondents). Twenty-four hospitals that reported salary differentiation based on certification in fall 2014 reversed their position in the fall 2015 survey. If the hospital offered a salary differential or bonus based on advanced certification, it is very rare for one specific credential to be recognized and not another.

Hospitals described several scenarios in which a certification is recognized. In some cases, the base salary is increased by a specific percentage; in other cases, certification is rewarded by a one-time bonus, which is sometimes augmented by a specific dollar amount increase in salary (as opposed to a

percentage increase). Many hospitals described a clinical ladder program that requires RNs to obtain national certification (or obtain a more advanced nursing degree) to be promoted in their clinical track.

Table 33. Organization differentiates RN salaries by advanced certification, 2014 – 2015

	2014		2015	
Description	#	%	#	%
Organization differentiates salary	104	48.4	63	30.9
Organization does not differentiate salary	111	51.6	141	69.1
Total	215	100	204	100

Table 34 details the types of support hospitals provide to employed RNs who are enrolled in a degree program, or working toward advanced certification. In fall 2015, approximately 73 percent of respondents reported offering tuition reimbursement in support of employed RNs seeking an additional degree, which is 12 percentage points lower by comparison with one year ago. Half of all hospitals reported offering tuition reimbursement to RNs working toward advanced certification. This is 8 percentage points lower compared to fall 2014.

Less common is the provision of paid time off for education, either for a degree program or certification. However, in fall 2015, a much larger share of hospitals reported doing so compared to the previous survey year. It may be that some hospitals have shifted to a policy of offering paid time off as an incentive to pursue post-licensure education in lieu of tuition reimbursement. Offering unpaid time off in support of post-licensure education is about as common as the provision of paid time off. The fall 2015 data indicate there wasn't much change in the share of hospitals with a policy of providing support in the form of unpaid time-off, for either the pursuit of a degree or certificate, compared to the previous year.

Approximately 10 percent of responding hospitals reported some other form of support for the pursuit of post-licensure education, which is nearly 10 percentage points lower in comparison to fall 2014. The most commonly reported forms of "other" support were flexible scheduling, scholarships, and the provision of courses to help prepare for certification exams.

Table 34. Support for RNs working toward post-licensure degrees or certification, 2014 – 2015

	2014		2015	
Description	#	%	#	%
Tuition reimbursement				
Post-licensure degree(s)	182	85.0	151	72.6
Certification(s)	125	58.4	104	50.0
Paid time off for coursework				
Post-licensure degree(s)	54	25.2	80	38.5
Certification(s)	59	27.6	75	36.1
Approved use of unpaid time off for coursework				
Post-licensure degree(s)	99	46.3	89	42.8
Certification(s)	83	38.8	76	36.5
None	12	5.6	17	8.2
Other	41	19.2	20	9.6
Total responses	214	--	208	--

Hospitals that provide tuition reimbursement were asked about the maximum benefit paid per full-time RN, and whether that amount was paid per annum or per program. Table 35 shows that the most common maximum amount of tuition reimbursement, paid annually, fell between $1,500 and $3,000, and that more than 90 percent of responding hospitals reported a maximum annual amount of less than $5,000. Fewer hospitals reported payment of tuition reimbursement on a per program basis. For hospitals that reimburse in this manner, Table 35 indicates a bimodal distribution in terms of the maximum amount. An approximately equal share of hospitals reported total reimbursement in the range of $5,000 - $7,499 as reported a maximum amount of $10,000 or more. Among those hospitals that reported per program reimbursement amounts of $10,000 or more, the range extended as high as $38,000.

Table 35. Tuition reimbursement benefits per RN per year, and per completed program, 2015

	Annual		Per program	
Description	#	%	#	%
$0 - $1,499	37	27.3	1	6.3
$1,500 - $2,999	67	46.9	1	6.3
$3,000 - $4,999	26	18.2	0	0.0
$5,000 - $7,499	8	5.6	7	43.8
$7,500 - $9,999	0	0.0	0	0.0
$10,000+	3	2.1	6	37.5
Total	143	100	16	100

Hospitals were asked to report the types of on-site nursing education programs they offer (other than continuing education). Table 36 indicates a substantial decline in the availability of on-site LVN to RN education in fall 2015 compared to the previous survey year, and a more modest decline in the availability of on-site RN to BSN programs.

The RN to BSN program was offered by 54 percent of hospitals that reported some type of on-site education program. As in fall 2014, it was the most commonly reported type of on-site education program. If the hospital offered a specialty certification program onsite, it was very rare for one specific credential to be offered and not another. Whether or not a program was offered was determined by need, and hospitals reported that they will coordinate with other local hospitals when making decisions about what to offer. Hospitals that reported "other" types of on-site education described transition-to-practice programs, RN residency programs, specialty care residencies, and certified nurse assistant programs.

Table 36. Programs available for on-site education, 2014 – 2015

	2014		2015	
Description	#	%	#	%
LVN to RN	17	25.4	4	6.3
RN to BSN	41	61.2	34	54.0
MSN	20	29.9	19	30.2
Specialty certification	19	28.4	15	23.8
Other	6	9.0	11	17.5
Total responses	67	--	63	--

Clinical Residency Programs for New RN Graduates

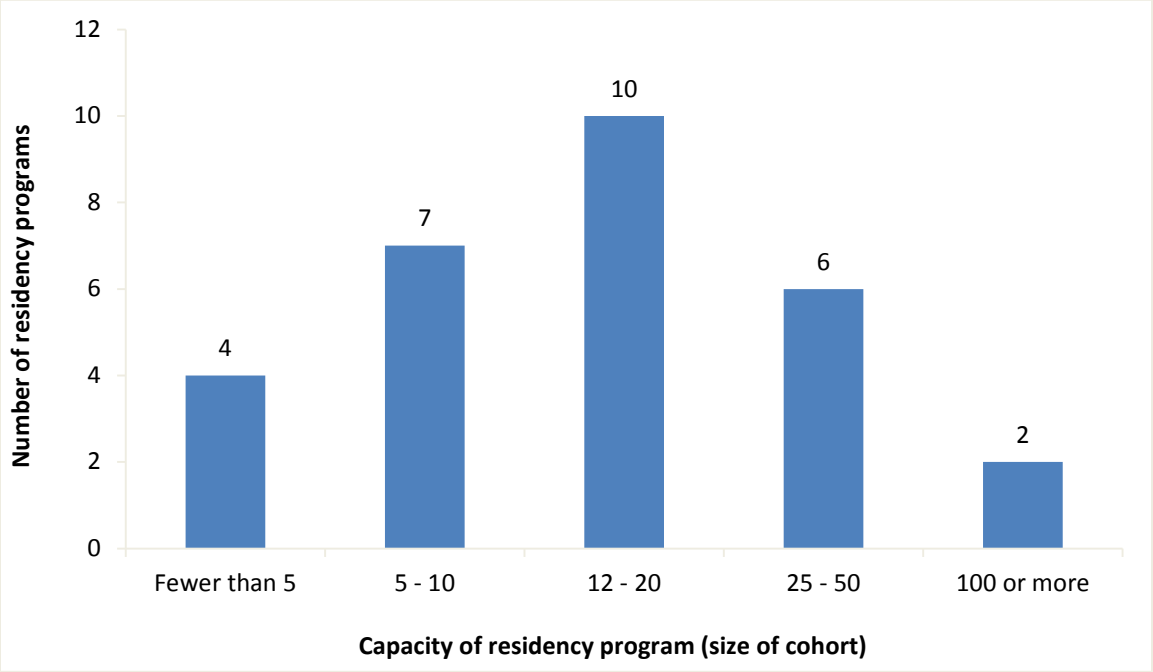
Hospitals were asked whether they sponsor clinical residency programs for new graduates *who are not guaranteed to be hired*.[29] These residency programs are distinct from typical onboarding programs for newly hired RNs. The number of residency programs may be increasing. In fall 2015, 41 hospitals reported having a clinical residency program, which is two more than the 39 programs reported in fall 2014.[30]

Hospitals with residency programs for new RN graduates were asked to report the capacity of their program (number of new RN graduates trained per cohort). Figure 8 shows that residency programs ranged in size from those that educate fewer than 5 new graduates per cohort to programs educating as many as 100-plus new graduates per cohort.

[29] This question was restructured in 2014 to distinguish on-boarding programs used to educate new RN graduate employees from programs that offer with no promise of employment. Thus, comparisons with prior years cannot be made.

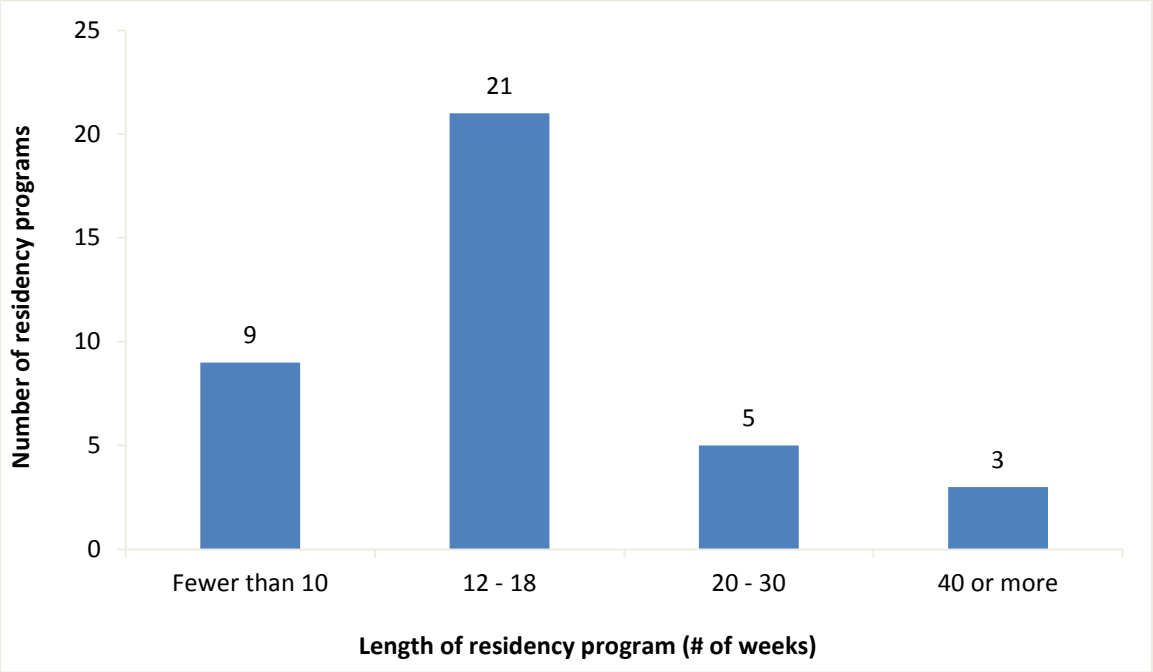
[30] The number of clinical residency programs may be larger than reported. Two respondents in the fall 2015 survey were reporting information for an entire health system comprising a significant number of hospitals. Because we were not able to confirm that each hospital represented by the system-wide survey responses actually sponsors a residency program, as defined, we counted each survey response as representing a single clinical residency.

Figure 8. Capacity of clinical residency program, 2015



Hospitals with residency programs for new RN graduates were asked to report the program's length of time to completion. The most frequently reported program length of was 12 – 18 weeks (Figure 9), and more than three-quarters of all residency programs took fewer than 18 weeks to complete. Approximately 80 percent of all reported residency programs were offered once or twice per year; a small number were offered three times per year. An even smaller number of hospitals reported that the residency program was offered either continuously, or simply as needed.

Figure 9. Length of clinical residency program, 2015



Hospitals with residency programs for new RN graduates were asked whether their program had been developed internally, by an external organization, or in partnership with a school of nursing. Table 37 shows that, in each of the past two years, the most common arrangement was for a hospital to develop its own residency program.

Table 37. Clinical residency programs for new graduates by type of design, 2014 – 2015

	2014		2015	
Description	#	%	#	%
Externally developed	3	7.9	5	12.2
Internally developed	24	63.2	23	56.1
Partnership with school of nursing	11	28.9	13	31.7
Total	38	100	41	100

Table 38 describes whether or not new graduates completing these formal residency programs are paid for their time. In each of the past two survey years, nearly 70 percent of hospitals that sponsor clinical residency programs reported that participating new RN graduates were paid for their time.

Table 38. Paid versus unpaid residency programs, 2014 – 2015

	2014		2015	
Description	#	%	#	%
Paid residency	25	69.4	28	68.3
Unpaid residency	11	30.6	13	31.7
Total	36	100	41	100

Hospitals with residency programs for new RN graduates were asked to report the different clinical practice areas the programs cover. Table 39 shows the frequency with which each practice area was reported in each of the past two survey years. Almost all programs included a medical-surgical component, and approximately 70 percent included emergency department coverage. There was a small shift in the other clinical areas between fall 2014 and fall 2015. In the current survey year, fewer hospitals reported coverage of critical care, delivery room/postpartum/newborn nursery, and OR/peri-operative, while more hospitals reported coverage of rehabilitation, psychiatry, and skilled nursing. Other clinical areas reported by hospitals with residency programs included telemetry.

Table 39. Reported clinical practice areas for new graduate residency programs, 2014 – 2015

	2014		2015	
Clinical Practice Area	#	%	#	%
Medical-Surgical	39	100	40	97.6
Emergency Department	28	71.7	28	68.3
Critical Care	24	61.5	23	56.1
Delivery Room/Postpartum/Newborn Nursery	21	53.8	18	43.9
OR/Peri-operative	17	43.6	15	36.6
Pediatrics/Neonatal	8	20.5	8	19.5
Ambulatory Care	6	15.4	6	14.6
Rehabilitation	3	7.7	6	14.6
Psychiatry	2	5.1	5	12.2
Skilled Nursing	1	2.6	4	9.8
Home Health	0	0.0	1	2.4
Other	5	12.8	4	9.8
Total responses	39	--	41	--

Table 40 indicates that most new RN graduates who are accepted into a formal residency program were hired by the hospital. In each the past two survey years, approximately 80 percent of responding hospitals reported that they hired between 75 and 100 percent of the graduates in their residency programs.

Table 40. Percentage of graduates in residency program hired last year, 2014 – 2015

	2014		2015	
Percent of new graduates hired	#	%	#	%
0 – 24	5	14.3	3	8.3
25 – 49	0	0.0	0	0.0
50 – 74	3	8.6	3	8.3
75 – 100	27	77.1	30	83.3
Total responses	35	100	36	100

Although comparatively few hospitals reported formal residency programs (in which new graduates are not guaranteed to be hired), almost all hospitals had some kind of orientation program for newly hired RNs. Table 41 shows a shift toward shorter periods of orientation in fall 2015, compared to the previous survey year. Nearly half of responding hospitals reported onboarding programs that last 4 weeks or less, compared to just 28 percent in fall 2014. Hospitals frequently reported that the length of time to orient newly hired RNs depended on the unit into which the nurse was being hired, and the amount of previous nursing experience.

Table 41. Orientation/onboarding program for recent hires, 2014 – 2015

	2014		2015	
Description	#	%	#	%
Have an onboarding program	207	96.7	202	96.2
Don't have an onboarding program	7	3.3	8	3.8
Total	214	100	210	100
Length of program (in weeks)	#	%	#	%
4 weeks or fewer	50	28.1	71	47.0
5 – 8 weeks	33	18.5	39	25.8
10 – 15 weeks	69	38.8	36	23.8
16 – 24 weeks	22	12.4	5	3.3
24 weeks or more	4	2.2	0	0.0
Total	178	100	151	100

Employment Expectations for the Next Year

Hospitals were asked to report on expectations for RN employment in the coming year. Table 42 compares hospitals' expectations for each year the survey has been conducted. The share of hospitals reporting expectations of increased RN employment has grown each year beginning with the fall 2012 survey. Fall 2015 marks the first survey year in which most hospitals reported expectations of increased employment of RNs in the coming year, compared to either "no change" or "decreased" employment. Less than 2 percent of responding hospitals reported expectations that RN employment would decrease in 2016. By far the most frequently reported reason for an expected increase in RN employment was that hospitals anticipate patient census growth. Other frequently reported reasons for expected RN employment growth included persistently high vacancy rates, an increasing number of retirements, and expanded service lines.

Table 42. Expectations for RN employment in the next year, 2010/11 – 2015/16

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Description	(%)	(%)	(%)	(%)	(%)	(%)
Increased employment	31.4	23.5	31.2	35.1	47.7	65.3
No change in employment	50.0	67.8	51.6	50.0	48.1	33.2
Decreased employment	18.6	8.7	17.2	14.9	4.2	1.5
Total responses	102	149	215	100	216	205

Table 43 presents hospital responses about anticipated shifts in hiring patterns over the coming year, by care setting: ambulatory care, home health care, long-term care, as well as case management (including care navigation and care coordination). As with past year hiring (Table 40 above), case management is the setting in which the largest share of hospitals reported expectations that employment would increase over the next year. However, with the exception of long-term care, the shares of hospitals reporting that they anticipate hiring over the next year to increase are smaller than the shares of

hospitals that reported increased hiring over the prior year. This would indicate that hospitals are expecting hiring across these settings to slow somewhat compared to the previous year.

Table 43. Expectations for RN hiring in the next year, by care setting, 2015/16

	Increased hiring		Decreased hiring		No Change		
Description	#	%	#	%	#	%	Total
Ambulatory care	82	50.3	0	0.0	81	49.7	163
Home health care	50	41.7	0	0.0	70	58.3	120
Long-term care	35	51.5	0	0.0	33	48.5	68
Case management	106	62.0	2	1.2	63	36.8	171

CONCLUSIONS

Labor market conditions faced by registered nurses are improving; the fall 2015 survey data indicate that overall demand for registered nurses is very strong. However, the labor market is sharply divided between experienced RNs and new RN graduates. Hospitals characterized demand for experienced RNs as moderate to high, particularly for the clinical areas of labor and delivery, critical care (both adult and neonatal/pediatric), emergency department (ED), and operating room. While conditions continue to be challenging for newly graduated nurses, there are signs that demand may be growing stronger in parts of the state, including the Bay Area, Central California, Los Angeles, and Inland Empire regions. In fall 2015, the share of hospitals in each of these regions that reported demand for new RN graduates was either in balance with supply or greater than the available supply was substantially larger compared to fall 2014.

The lack of jobs for newly graduated nurses is concerning. They cannot easily obtain the experience needed to compete in the labor market if they are unable to find entry-level positions or participate in a residency program. New graduates often have student loan debt and need to begin paid work as soon as possible to meet their financial obligations. Many have returned to school to pursue a nursing career and have families to support. In addition, the skills and knowledge of new graduates may deteriorate while they are out of work; obtaining RN positions and regaining their skills in the future may prove challenging.

Several potential solutions to this problem have been proposed, including the expansion of residency programs, encouraging new graduates to continue their education for a higher degree, and supporting employment opportunities in long-term care and other sectors. More than one-third of responding hospitals reported that new RN graduates are working non-RN positions; this share has increased each year since 2013. Many of these new graduates are incumbent employees that have remained in their non-RN role while they wait for a staff RN position to open up. Hospitals also reported that new RN graduates are hired into non-RN support positions until they can gain entry into the hospital's competitive new graduate training program.

Approximately 90 percent of hospitals reported hiring new RN graduates in fall 2015, marking the second consecutive year in which the share of hospitals that reported hiring new graduates has increased. In addition, 47 percent of hospitals reported an expectation that hiring of new graduates would increase in 2016, which is 12 percentage points higher compared to fall 2014. Increased employment will be driven by continued growth in the patient census, as well as by persistently high vacancy rates, an increasing number of retirements, and expanded service lines.

At some point the perceived surplus of new graduate RNs may vanish, as components of healthcare reform continue to be implemented, the population across the state grows older, and more nurses reach retirement age. In the interim, it is essential that programs be established (either in the private or public sector) in which new graduates can use and develop their knowledge and skills to ensure an adequate supply of RNs in the future. This may include expanded efforts by employers to develop the skills of new graduates and to fill positions that are normally reserved for experienced nurses. Without these efforts, California's strong investment in nursing education may be lost.

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APPENDIX

Appendix Table A1. Overall demand scores by region, 2010 – 2015

Region	2010	2011	2012	2013	2014	2015
Sacramento & Norther California	3.14	2.81	2.96	3.22	3.54	4.18
San Francisco Bay Area	2.09	2.27	2.76	1.89	3.08	4.29
Central California	2.93	3.34	3.41	3.18	3.72	4.29
Los Angeles	2.82	2.95	3.20	3.17	3.76	4.41
Inland Empire	2.72	3.00	3.78	3.47	3.61	4.00
Southern Border	2.36	2.93	3.00	2.76	3.30	3.64
California	2.68	2.88	3.14	2.95	3.56	4.20

Appendix Table A2. Experienced RN demand scores by region, 2013 – 2015

Region	2013	2014	2015
Sacramento & Norther California	3.91	4.17	4.21
San Francisco Bay Area	2.71	3.79	4.21
Central California	3.98	4.21	4.16
Los Angeles	4.13	4.17	4.15
Inland Empire	4.20	4.14	4.60
Southern Border	4.12	3.70	3.71
California	3.83	4.08	4.20

Appendix Table A3. New RN graduate demand scores by region, 2013 – 2015

Region	2013	2014	2015
Sacramento & Norther California	1.77	2.33	2.25
San Francisco Bay Area	1.31	1.42	1.68
Central California	1.70	1.97	2.21
Los Angeles	1.53	1.68	2.00
Inland Empire	1.45	1.95	2.20
Southern Border	1.29	1.60	1.50
California	1.52	1.84	2.01

Appendix Table A4. Overall demand scores by hospital bed-size, 2010 – 2015

Number of beds	2010	2011	2012	2013	2014	2015
Less than 100 beds	3.12	3.15	3.29	3.07	3.65	4.27
100 – 199 beds	2.65	2.85	3.17	3.23	3.75	4.19
200 – 299 beds	2.50	3.23	3.30	2.64	3.21	4.04
300 – 399 beds	2.00	3.02	2.97	2.74	3.65	4.39
400 beds or more	2.46	2.79	3.17	2.86	3.30	4.17

Appendix Table A5. Overall demand scores by geography, 2010 – 2015

Geographic location	2010	2011	2012	2013	2014	2015
Rural	3.60	3.51	3.69	3.47	4.13	4.28
Non-rural	2.65	2.85	3.09	2.86	3.50	4.18

Appendix Table A6. Overall demand scores by position, 2015

Geographic location	2015
Experienced Staff RN	4.23
Other RN	3.95
Clinical Nurse Specialist	3.91
Nurse Practitioner	3.57
Unlicensed Aide/Assistant	2.75
LVN	2.22
New RN Graduate	2.01

Appendix Table A7. Number of facilities, 2010 – 2015

Region	2010	2011	2012	2013	2014	2015
Sacramento & Norther California	22	17	28	23	24	28
San Francisco Bay Area	34	30	45	36	31	38
Central California	28	30	39	45	44	38
Los Angeles	33	40	65	47	58	34
Inland Empire	28	19	18	30	46	25
Southern Border	12	15	22	17	16	14
California	157	151	217	198	219	177
Hospital bed-size						
Less than 100 beds	43	40	55	45	49	52
100 – 199 beds	46	46	55	56	66	47
200 – 299 beds	19	21	28	36	37	23
300 – 399 beds	19	25	33	27	22	23
400 beds or more	30	19	36	37	32	18
Geographic location						
Rural	30	28	38	32	16	29
Non-rural	127	123	179	166	203	147