Survey of Nurse Employers in California

Fall 2012

April 10, 2013

Prepared by:
Tim Bates, MPP
Lela Chu, BS
Dennis Keane, MPH
Joanne Spetz, PhD
University of California, San Francisco
3333 California Street, Suite 265
San Francisco, CA 94118

This study is supported by The Gordon & Betty Moore Foundation, through the Betty Irene Moore Nursing Initiative. Any views presented in this report do not necessarily reflect the opinions or positions of the Foundation.

PREFACE

Survey Background

This report summarizes the findings of a survey conducted in fall 2012 of general acute care hospital employers of registered nurses (RNs) in California. This is the third annual survey of hospital RN employers; together these surveys provide an opportunity to evaluate overall demand for RNs in the state and changes in demand during the economic recovery. The survey also includes questions specific to the hiring of newly graduated nurses, because recent cohorts of nursing graduates 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, and the lack of positions available for newly graduated RNs. The data also reveal hospitals' interest in training and developing newly graduated nurses to address the lack of experienced nurses available to fill critically needed positions.

Summary of Findings

There is a clear indication that demand for registered nurses has grown stronger between fall 2010 and fall 2012. Hospitals were asked to describe the RN labor market in their area using a rank order scale of 1 to 5, where 1 indicated high demand for RNs and difficulty filling open positions, and 5 indicated the demand for RNs was much less than the available supply. In fall 2012, just over half (50.5 percent) of responding hospitals reported moderate to high demand for RNs relative to supply. This indicates a small increase in relative demand compared to one year prior, when 46 percent of hospitals indicated moderate to high demand, and a significant increase compared to fall 2010 when the share was 35 percent. In addition, the share of hospital facilities characterizing the RN labor market as demand being less than or much less than the supply of RNs available fell from 49.4 percent in fall 2010, to 44 percent in fall 2011, to just 29.4 percent in fall 2012. The overall vacancy rate remained approximately the same in fall 2012 (3.8 percent) compared to fall 2011 (4.0 percent).

Hospitals continued to report that it was more difficult in fall 2012 than in fall 2011 to fill RN positions that were not general staff nurse positions; these "other RN" positions require nursing experience and specialized clinical or managerial knowledge. In contrast, more than a quarter of all responding hospitals (28 percent) indicated that they found it easier to recruit for general staff RN positions as compared with the previous year. Together, these data indicate that demand for experienced nurses who can work outside a general staff RN role has increased since fall 2011, but that the supply of staff RNs is either in balance with demand or exceeds demand.

The data indicate that demand for registered nurses is weakest in the San Francisco Bay Area, which has been the case in all three years that this survey has been conducted. In most other areas, hospitals are experiencing more difficulty filling some positions, particularly in Central California and the Inland Empire regions.

More than 60 percent of hospitals reported that in the past year there have been new budget constraints, fewer-than-expected retirements, and a reduction in patient census. A large number of hospitals also reported greater RN staff retention, RN staff working more hours, and a decreased

use of contract and traveling RNs. Recently-hired RNs comprised 10.2 percent of all RNs employed in hospitals in fall 2012, which is slightly lower compared to fall 2011 (10.6 percent).

Approximately 27 percent of employers said they had increased employment of staff RNs between 2011 and 2012, while 24 percent indicated that staff RN employment declined. For non-staff RNs, 23 percent of hospitals reported increased employment, with 22 percent reporting that employment of non-staff RNs had declined. Finally, 34 percent of hospitals reported an increase in the hiring of new RN graduates between fall 2011 and fall 2012, while 28 percent indicated that new RN graduate hiring had declined.

The average quarterly vacancy rate for all registered nurses was 3.8 percent, which is slightly lower than one year prior (4.0 percent). Vacancy rates varied by position type: 7.1 percent for RN positions that are not general staff RN positions, 5.9 percent for new RN graduate positions, 4.9 percent for unlicensed aides/assistants, 3.7 percent for licensed vocational nurses (LVNs), and 2.9 percent for staff RNs. Hospitals indicated that they are experiencing greater difficulty recruiting nurses with experience in emergency departments (ED), intensive care units (ICU), and neonatal intensive care units (NICU). Survey respondents also reported strong demand for operating room (OR) nurses, labor & delivery (L&D) nurses, and those with expertise in telemetry. Other nursing positions for which demand is comparatively strong include clinical educators, case managers and positions in leadership.

Hospitals were asked about their expectations for hiring registered nurses in the next year. Approximately one-half of hospitals reported that they expect no difference in RN employment at their hospitals in 2013 as compared with 2012. However, nearly twice as many hospitals reported an expectation of increased employment of RNs (31 percent) in the next year, as reported an expectation that employment will be lower (17 percent).

Approximately 78 percent of hospitals reported having hired new RN graduates in 2012, and another 13 percent reported that they normally hire new RN graduates but did not this past year. The share of hospitals that reported an expectation that new RN graduate hiring would be higher in 2013 compared to 2012 was equal to the share of hospitals that indicated new RN graduate hiring would be lower next year (22.3 percent). The majority of hospitals (55.4 percent) reported an expectation that new RN graduate hiring would be the same in 2013 compared to 2012.

Availability of Data

All data presented in this report are also 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://futurehealth.ucsf.edu/SupplyDemand/Dashboard.html.

CONTENTS

BACKGROUND: NURSE DEMAND IN CALIFORNIA

In the late 1990s, empirical estimates of the supply and demand of the national registered nurse (RN) workforce have pointed to a significant short-term and long-term shortage.[1] In California, the shortage was documented as especially acute through most of the 2000s, with California ratio of RNs per capita among the lowest in the United States.[2] This spurred significant action to address the relatively low supply of RNs, resulting in successful growth of the overall RN workforce. Since 2002, the number of graduations from California nursing schools has more than doubled, reflecting concerted efforts by policymakers, educational institutions, funders, and employers of nurses to ensure an adequate supply of RNs.[3]

However, the economic recession that emerged in 2008 led to a change in the behavior of the RN workforce, significantly impacting projections of the timing and size of the nursing shortage when compared with previous estimates.[4] Employment rates of older California RNs rose notably between 2008 and 2010, while employment of younger RNs dropped.[5] Overall, the supply of RNs has 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 financial losses in many retirement portfolios.[6]

Additionally, the recession caused significant financial challenges for hospitals causing many hospitals to cut back on hiring new RN graduates due to the lack of vacant RN positions, reduced demand for healthcare services, and limited financial resources to pay for new graduate training programs or residencies. As a result of these identified trends, empirical analysis indicated that there was a short-term alleviation of the shortage in 2009 and that a gap between supply and demand of RNs would likely not emerge again nationally until 2018.[7] Nonetheless, with an aging RN population likely to transition to retirement soon and an aging U.S. population that will continue to drive increased demand for healthcare services, it is necessary for current RN graduates to be retained in the workforce in order to meet the projected demand for nurses in the future.[8]

To better understand the impact of these economic changes on new RN graduates' ability to find jobs in California, the Gordon and Betty Moore Foundation commissioned the California Institute for Nursing & Health Care (CINHC) in early 2009 to conduct a survey of healthcare facilities to

---

[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; 2011. http://www.rn.ca.gov/pdfs/forms/forecasts2011.pdf.

[4] Buerhaus, Peter I., Auerbach, David I., and Staiger, Douglas O. "The Recent Surge In Nurse Employment: Causes And Implications." Health Affairs 28.4 (2009): w657-w668 (published online 12 June 2009).

[5] 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.

[6] 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.

[7] Buerhaus, Auerbach, and Staiger, 2009.

[8] Buerhaus, Auerbach, and Staiger, 2009.

identify their hiring plans for new RN graduates.[9] This survey demonstrated that approximately 40 percent of new California RN graduates may not find employment in California hospitals as only 65 percent of hospitals indicated they were hiring new graduates. Moreover, those that were hiring new graduates were doing so in smaller quantities when compared with previous years. These findings were corroborated by surveys the Moore Foundation commissioned USCF to conduct in 2010 and in 2011. This trend creates a significant challenge to develop and retain new RNs for the future, as hospitals have historically been the primary employer of new RN graduates.[10]

Continued slow economic growth in California is likely to make the lack of job opportunities for new RN graduates persistent, even though it is anticipated that many experienced RNs will reduce their hours or work or retire as the economy recovers. Thus, there is a continued need to understand the capacity of California hospitals to hire new RN graduates so that the state can identify risks and opportunities to preparing and maintaining a nursing workforce of the appropriate size to meet the needs of the population. This survey, supported by the Gordon and Betty Moore Foundation and conducted by the University of California, San Francisco, in collaboration with CINHC and the Hospital Association of Southern California (HASC), is designed to develop an accurate and up-to-date understanding of the demand for new RNs in California acute care hospitals.

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

[10] Health Resources and Services Administration, 2010.

SURVEY METHODS

Two survey instruments were used to provide data for this report, one fielded by UCSF and a second fielded by Allied for Health[11] and administered by the Hospital Association of Southern California (HASC). The UCSF survey was structured to collect information from chief nurse officers (CNO) and focused on perceptions of the labor market, expectations for hiring, and the qualities of new graduate training programs. The HASC survey was oriented toward human resources directors and used to collect staffing data, including current headcount, new employee hires, separations, and vacancies.

These surveys were based, in part, on the questionnaire used by CINHC in the 2009 New RN Hospital Survey, the 2010 UCSF Survey of Nurse Employers, and turnover and vacancy surveys developed by Allied for Health. A team of researchers from UCSF, Allied for Health, FutureSense, Inc., CINHC, and the Moore Foundation designed the 2012 instruments to meet the research goals of the Moore Foundation as well as optimize workforce planning and forecasting. The UCSF survey was posted online following approval by the UCSF Committee on Human Research and a review and endorsement by the California Hospital Association Executive Management Committee. Pre-notification emails were sent to all CNOs on a mailing list developed from the prior 2011 survey. The invitation from UCSF included a link to the web address of the online version of the survey. It also included fillable-PDF forms for each survey that could be completed by the respondent and returned by email, or faxed to UCSF. The HASC survey was administered online; the data were collected over a period of one month in October, 2012 and describe staffing patterns for the third quarter of the year (July 1 – September 30, 2012). For both surveys, facilities were contacted with follow-up emails and telephone calls in an effort to encourage participation.

Survey Participation and Data Analysis

The UCSF survey elicited 182 unique responses, representing 218 hospitals and 44,440 beds while the HASC survey elicited 164 unique responses, representing 205 hospitals and 44,409 beds. In both cases this is approximately 47 percent of the total number of beds at general acute care hospitals in California. In the USCF survey, 27 respondents reported data for multiple hospital facilities; in the HASC survey, 26 respondents reported data for multiple facilities.[12] A total of 114 facilities responded to both the USCF and HASC surveys.

Throughout the report we provide the number of facility responses (N) represented by the statistics found in the tables and figures. The number of responses reflects the fact that in some cases the data represent multiple hospitals.

Some data are used to describe differences in labor market conditions across different regions in California. The multi-hospital data are included in these analyses since they were reported for facilities that were all within the same region. The geographic regions used to group survey responses are based on those used to conduct the California Board of Registered Nursing, Survey

[11] Allied for Health is a joint project of the California Hospital Association, the Hospital Association of Southern California, the Hospital Council of Northern and Central California, and the Hospital Association of San Diego and Imperial Counties.

[12] Some respondents included data for nursing staff working in non-acute care hospital settings.

of Registered Nurses. 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 represents.

Table 1. Geographic regions and the counties they represent

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 distribution of hospitals that responded to each survey with the distribution of general acute hospitals (GAC) in California, across the geographic regions used in this report. It also includes the distribution of hospitals that responded to both the UCSF and HASC surveys. Respondents to the USCF survey of CNOs match closely the regional distribution of GAC hospitals across the state, with the exception that hospitals in the Los Angeles region are slightly underrepresented while hospitals in the Southern Border region are slightly overrepresented. The regional distribution of respondents to the HASC survey is less consistent with GAC hospitals in the state, overrepresenting facilities in the Sacramento/Northern California, San Francisco Bay Area, and Southern Border regions and underrepresenting facilities from the Los Angeles and Inland Empire regions.

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

	GAC hospitals in CA		UCSF survey		HASC survey		UCSF & HASC survey	
Region	#	%	#	%	#	%	#	%
Sacramento & North CA	60	12.8	28	12.8	35	17.1	27	14.0
SF Bay Area	91	19.5	45	20.6	55	26.8	19	23.7
Central CA	83	17.8	39	17.9	35	17.1	16	16.7
Los Angeles	157	33.6	65	29.8	49	23.9	34	29.8
Inland Empire	44	9.4	19	8.7	13	6.3	5	4.4
Southern Border	32	6.9	22	10.1	18	8.8	13	11.4
Total	467	100.0	218	100.0	205	100.0	114	100.0

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

Table 3 compares the distribution of survey respondents with GAC facilities in the state, based on facility size, measured as the total number of licensed beds. Hospitals with fewer than 100 beds are underrepresented in both the UCSF and HASC surveys. Hospitals with 400 beds or more are overrepresented in the UCSF survey, while hospitals with a total bed count ranging from 300 – 399 are overrepresented in the HASC survey.

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

	GAC hospitals in CA		UCSF Survey		HASC survey	
Total # of beds	#	%	#	%	#	%
Less than 100 beds	155	33.2	56	25.7	42	20.5
100 - 149 beds	84	18.0	36	16.5	32	15.6
150 - 199 beds	51	10.9	29	13.3	29	14.1
200 - 299 beds	70	15.0	28	12.8	35	17.1
300 - 399 beds	57	12.2	33	15.1	46	22.4
400 or more beds	50	10.7	36	16.5	21	10.2
Total	467	100.0	218	100.0	205	100.0

Table 4 compares the distribution of survey respondents with GAC facilities in the state, based on whether or not the geographic location of the facility is considered rural.[13] In general, the rural/non-rural distribution of survey respondents is similar to that of GAC hospitals in the state.

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

	GAC hospitals in CA		UCSF Survey		HASC survey	
Geographic location	#	%	#	%	#	%
Rural	72	15.4	39	17.9	29	14.1
Non-rural	395	84.6	179	82.1	176	85.9
Total	467	100.0	218	100.0	205	100.0

[13] The rural vs. non-rural status of a facility was determined using the 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 describe the RN labor market in their area using a rank order scale of 1 to 5, where 1 indicated high demand for RNs and difficulty filling open positions, and 5 indicated the demand for RNs was much less than the available supply. Table 5 compares the results from this year's survey with the results of the surveys conducted in fall 2010 and fall 2011. The share of hospitals reporting a perception of high demand for RNs (difficult to fill open positions) in each year is small, approximately 5 percent. However, these data demonstrate a declining share of hospital facilities characterizing the RN labor market as either "demand is less than the supply of RNs available, or "demand is *much* less than the supply of RNs available" (49.4 percent in fall 2010, but just 29.4 percent in fall 2012).

In both fall 2011 and 2012 the largest share of responding hospitals (43.6 percent) reported moderate demand for RNs relative to supply, with some difficulty filling open positions. However, a much larger share of hospitals in the fall 2012 survey reported the perception that demand for RNs was in balance with the available supply of RNs compared with previous years. It should be emphasized that the positions hospitals reported as difficult to fill are those requiring experience, not positions that could be filled with novice nurses.

Hospitals' responses indicate a widespread demand for RNs with experience in emergency departments (ED), intensive care units (ICU), and neonatal intensive care units (NICU). Survey respondents also reported strong demand for operating room (OR) nurses, labor & delivery (L&D) nurses, and those with expertise in telemetry. Other nursing positions for which demand is comparatively strong include clinical educators, case managers and positions in leadership.

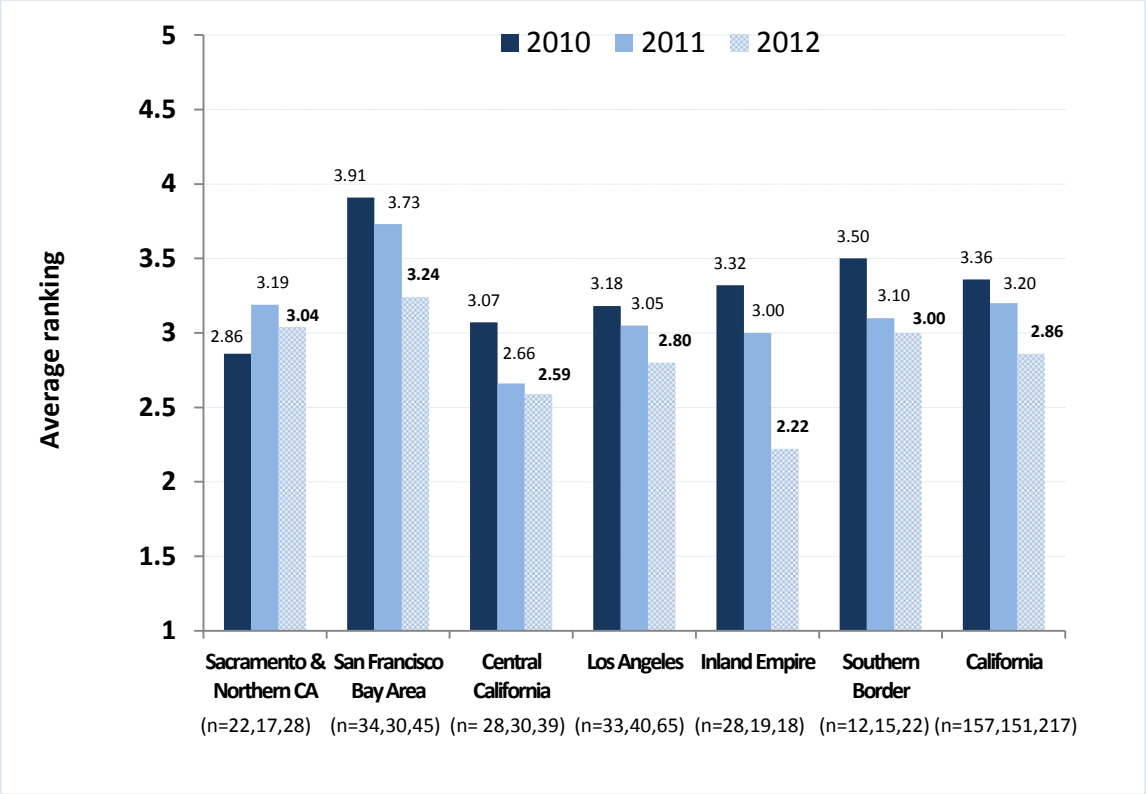
Table 5. RN labor market demand in California, 2010 – 2012

	2010		2011		2012	
Description	#	%	#	%	#	%
High demand: difficult to fill open positions	8	5.0	7	4.6	12	5.5
Moderate demand: some difficulty filling open positions	47	29.4	65	43.0	98	45.0
Demand is in balance with supply	18	11.3	10	6.6	43	19.7
Demand is less than supply available	41	25.6	35	23.2	37	17.0
Demand is much less than supply available	38	23.8	31	20.5	27	12.4
Other	8	5.0	3	2.0	1	0.5
Total	160	100.0	151	100.0	218	100.0

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

Figure 1 shows the average ranking of labor market conditions for registered nurses by region.[14] As in previous years, overall demand for registered nurses in fall 2012 was weakest among hospitals in the San Francisco Bay Area. The mean score of 3.24 corresponds to the perception that demand is somewhere between being in balance with the supply of RNs available, and demand being less than the supply of RNs available. Demand for registered nurses was strongest in the Inland Empire region where the mean score of 2.22 corresponds to a perception of moderate labor market demand, with hospitals having "some difficulty filling open positions." All regions in the state had a lower average score in fall 2012 compared to fall 2011, signaling an overall increase in demand compared to the previous year. However, it must be emphasized that hospitals reported difficulty filling positions for experienced RNs, not positions for newly graduated nurses.

Figure 1. Average ranking of labor market demand by geographic region, 2010 – 2012



Note: 1 indicates that demand is greater than supply; 5 indicates that supply is greater than demand. Thus, higher numbers indicate greater surplus of nurses.

[14] Hospitals reporting "other" labor market conditions were not included in the calculation of average rankings.

Table 6 shows the distribution of hospitals in each region according to how they characterized the labor market for registered nurses in fall 2012. These data underscore the perceptions of labor market demand presented in Figure 1. A majority of hospitals in the Inland Empire (79 percent) and Central California (59 percent) regions reported that demand was greater than the available supply of RNs, with at least some difficulty filling open positions. Data for the Southern Border region indicate a split in how hospitals described labor market conditions, with 50 percent indicating at least some difficulty filling positions, and 41 percent reporting that demand was less than the supply of RNs available.

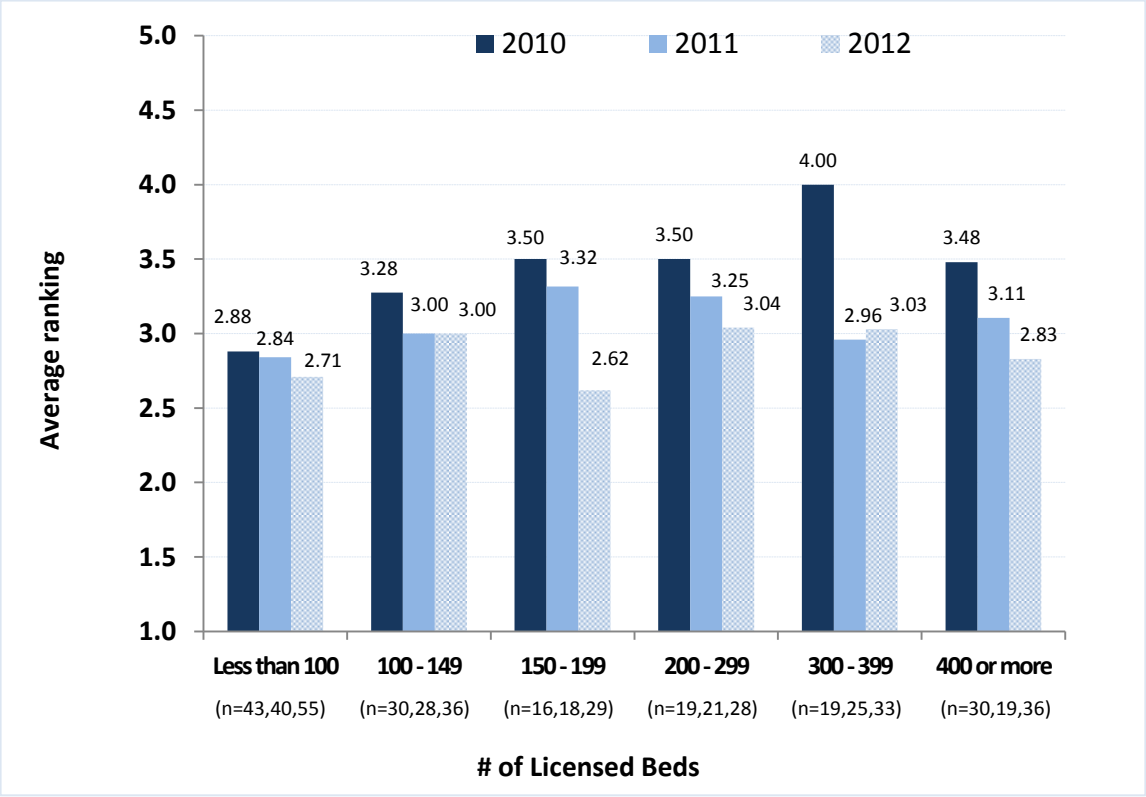
For the first time in the three years this survey has been conducted, the largest share of hospitals in all regions characterized the labor market demand for registered nurses as being moderately greater than the supply of available RNs. In addition, the combined share of hospitals reporting a perception of the labor market where demand is less than/much less than the supply of available RNs is the lowest it has been in three years across all regions, excepting the Southern Border region. These data reinforce a picture of California's RN labor market where demand for registered nurses has grown stronger in recent years. However, as noted above, the unmet demand for labor is focused on experienced nurses, not newly graduated nurses.

Table 6. RN labor market demand by geographic region, 2012

	Region					
	Sac/ North CA	SF Bay Area	Central CA	LA	Inland Empire	South Border
Description	%	%	%	%	%	%
High demand: difficult to fill open positions	3.6	0.0	2.6	9.2	15.8	4.5
Moderate demand: some difficulty filling open positions	35.7	33.3	56.4	44.6	63.2	45.5
Demand is in balance with supply	28.6	26.7	25.6	16.9	0.0	9.1
Demand is less than supply available	17.9	22.2	10.3	15.4	10.5	27.3
Demand is much less than supply available	14.3	17.8	5.1	13.8	5.3	13.6
Other	0.0	0.0	0.0	0.0	5.3	0.0
Total	28	45	39	65	19	22

Figure 2 compares the distribution of hospitals by total number of licensed beds according to how they characterized the labor market for registered nurses in each of the three years the survey was fielded. The biggest change in the mean score over the past three years is seen among hospital facilities that range in size from 150 – 199 total beds, and 300 – 399 total beds (despite the fact that hospitals in the latter category scored slightly higher in fall 2012 compared to fall 2011). On average, hospitals of all sizes reported labor market conditions as being somewhere between moderate demand with some difficulty filling open positions, and a labor market where supply and demand are in balance.

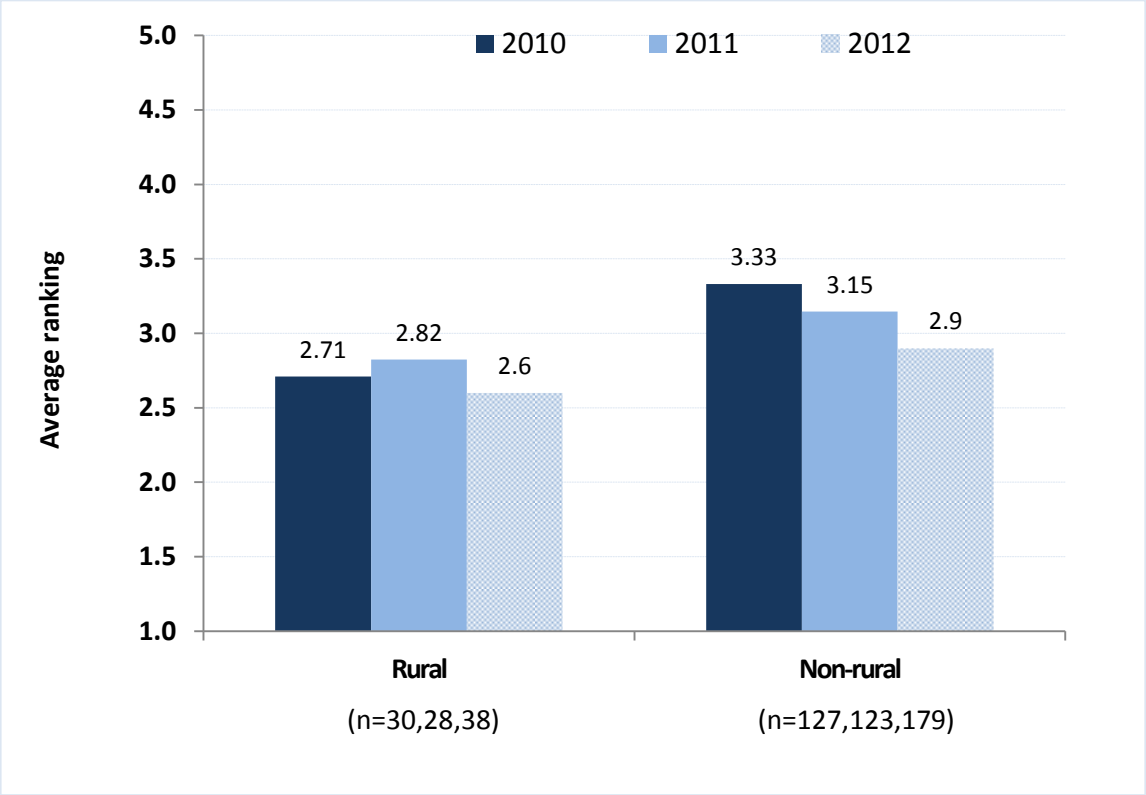
Figure 2. Average ranking of labor market demand by hospital bed-size, 2010 – 2012



Note: 1 indicates that demand is greater than supply; 5 indicates that supply is greater than demand. Thus, higher numbers indicate greater surplus of nurses.

Figure 3 compares the distribution of hospitals by whether or not the hospital is located in a geographically rural area. The average score among rural hospitals varies over time, but the data indicate that these hospitals reported stronger overall demand for RNs in fall 2012 compared to fall 2011. The change in reported labor market demand for RNs over the past three years has been more pronounced among non-rural hospitals, dropping from an average score of 3.33 in fall 2010 to 2.9 in fall 2012.

Figure 3. Average ranking of labor market demand by rural/non-rural hospital location, 2010 – 2012



Note: 1 indicates that demand is greater than supply; 5 indicates that supply is greater than demand. Thus, higher numbers indicate greater surplus of nurses.

Nurse recruitment: Comparison with last year

Hospitals were asked whether the recruiting of RNs, LVNs, and unlicensed assistants/aides was currently "more difficult", "about the same", or "less difficult" than it was last year. Table 7 shows that a majority of hospitals reported that difficulty recruiting for all nursing positions in fall 2012 was about the same as it was in fall 2011. The share of hospitals reporting that recruiting (across all positions) was less difficult in fall 2012 compared to the previous year is similar to what was reported in the survey conducted in fall 2011. For example, in the fall 2011 survey (data not shown here), 32 percent of hospitals indicated that recruiting of staff RNs was less difficult than the previous year; in this year's survey, 28 percent of hospitals felt that it was less difficult. In the fall of 2011, 11 percent of hospitals reported that recruiting non-staff RNs was less difficult compared to the previous year and in this year's survey that share was the same (11 percent).

Non-staff RN positions remain the most difficult positions to recruit for. Table 7 shows that 26 percent of hospitals reported that recruiting for non-staff RN positions was more difficult in fall 2012 than it was one year ago, which is close to what was reported in the fall 2011 survey (when the share was 28 percent). Approximately 10 percent of hospitals reported that recruitment of staff RNs was more difficult in fall 2012 than it was one year ago. This represents an increase compared with the fall 2011 survey (when the share was only 6 percent of hospitals).

Table 7. Difficulty recruiting compared to last year, by position, 2012

	Difficulty Recruiting Compared to Last Year						
	More difficult		No change		Less difficult		Responses
Position	#	%	#	%	#	%	#
Staff RN	22	10.4	130	61.6	59	28.0	211
Other RN	54	26.2	128	62.1	24	11.7	206
LVN	1	0.6	124	72.1	47	27.3	172
Unlicensed Aide/Assistant	9	4.6	139	71.6	46	23.7	194

Current Employment of Nurses[15]

Responding hospitals reported total current employment[16] of 85,886 registered nurses (Table 8). Hospitals were asked to differentiate between staff RNs and other RNs (including managers), and asked to describe the types of position titles represented by the data reported for "other" RNs. According to survey responses, these data describe RNs who work as directors, managers, or supervisors; case managers, coordinators and educators; and specialty nurses, including advanced practice RNs.

Staff RNs[17] represent 93 percent of full-time registered nurses, 98 percent of part-time registered nurses, and 95 percent of the reported total number of registered nurses employed. Table 8 below shows there are differences in the full-time/part-time composition of staff RNs and non-staff RNs. More than one-third of those employed as a staff RN work part-time, compared to just 16 percent of non-staff RNs. The 2012 full-time/part-time distribution of staff RNs is comparable to that reported in fall 2011. However, the 2012 full-time/part-time distribution of non-staff RNs has shifted toward part-time employees (8 percent part-time in fall 2011 versus 16 percent part-time in fall 2012). New RN graduates are almost exclusively (94 percent) full-time employees.

Hospitals were also asked about their current employment of Licensed Vocational Nurses (LVNs) and unlicensed aides/assistants. Survey respondents reported employment of 3,402 LVNs, which is approximately 1 LVN for every 24 Staff RNs. Full-time LVNs accounted for 77 percent of all LVN positions reported. Hospitals also reported employment of 7,979 unlicensed aides/assistants, which is approximately 1 aide/assistant for every 10 Staff RNs. Full-time unlicensed aides/assistants also accounted for 76 percent of all aide/assistant positions reported.

Table 8. Number of current staff (headcount) by position, 2012 (Quarter 3)

	Full-time		Part-time		
Description	Headcount	% of total	Headcount	% of total	Total
All Registered Nurses	55,552	64.7	30,334	35.3	85,886
Staff RNs	50,539	63.6	29,520	36.4	80,059
Other RNs	3,725	83.6	733	16.4	4,458
New RN Graduates	1,288	94.1	81	5.9	1,369
Licensed Vocational Nurses	2,616	76.9	786	23.1	3,402
Aides/Assistants	6,045	75.8	1,934	24.2	7,979

[15] 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, 2012 to September 30, 2012.

[16] Current employment refers to the number of employees as of the pay period closest to September 30, 2012.

[17] Staff RNs include "new RN graduates", who are defined as registered nurses with less than six months of nursing experience.

Per Diem, Contract & Agency Employment

Tables 9 and 10 show hospital use of per diem, contract, and agency employees by position type. Among registered nursing staff, the rate of per diem employee use is much higher for experienced staff RNs (15.2 percent) compared with either non-staff RNs (8.2 percent) or new RN graduates (7.2 percent). The 2012 share of all registered nurses who work as per diem employees is slightly higher in comparison with previous years. The rate of LVN per diem employee use (15.2 percent) was comparable to that of staff RNs, and was highest for unlicensed aides/assistants (18.1 percent). Historical data shows that use of per diem employees for LVN staff has fluctuated year-to-year, and has been consistently high for unlicensed aides/assistants.

Contract and agency employees were far less frequently reported as compared with per diem employees. The historical data show their use has fluctuated across all position types. Compared to 2011, the share of current registered nurses working as contract employees declined substantially. The share of LVN contact nurses increased from 0.1 percent in fall 2011 to 1.2 percent of current staff in fall 2012. Similarly, the share of unlicensed aides/assistants working as agency employees in fall 2012 increased by a factor of five compared to the previous year. However, for all position types, contract and agency nursing staff represent no more than 1.5 percent of current staff.

Table 9. Per diem, contract, and agency staff as share of current staff, 2012 (Quarter 3)[18]

Per Diem Employees	# of positions	% of current staff
All Registered Nurses	12,598	14.7
Staff RNs	12,132	15.2
Other RNs	367	8.2
New RN Graduates	99	7.2
Licensed Vocational Nurses	518	15.2
Aides/Assistants	1,446	18.1
Contract Employees		
Registered Nurses	730	0.8
Licensed Vocational Nurses	40	1.2
Aides/Assistants	11	0.1
Agency Employees		
Registered Nurses	481	0.6
Licensed Vocational Nurses	4	0.1
Aides/Assistants	122	1.5

[18] The per diem, contract, and agency share of current staff is calculated as follows: (number of per diem/contract/agency positions as of the pay period closest to September 30, 2012) / (number of regular staff positions as of the pay period closest to September 30, 2012)

Table 10. Per diem, contract, and agency staff as share of current staff, 2010 – 2012

	% of Current Staff		
Per Diem Employees	2010	2011	2012
Registered Nurses	12.8	12.4	14.7
Licensed Vocational Nurses	16.9	8.6	15.2
Aides/Assistants	17.1	14.0	18.1
Contract Employees			
Registered Nurses	1.6	2.7	0.8
Licensed Vocational Nurses	0.4	0.1	1.2
Aides/Assistants	0.3	0.0	0.1
Agency Employees			
Registered Nurses	1.0	0.2	0.6
Licensed Vocational Nurses	1.0	0.3	0.1
Aides/Assistants	1.5	0.3	1.5

Staff Separations by Position

Table 11 describes nurses who left their position in the third quarter of 2012. Total separation rates were highest for new RN graduates, LVNs and unlicensed aides/assistants, and lowest for non-staff RNs. A comparison of full-time versus part-time data shows that separation rates were generally higher for full-time positions, with the exception of part-time new RN graduates, and unlicensed aides/assistants. Table 12 presents annualized separation rates[19] for the period 2010 – 2012 for registered nurses. The data indicate that total RN separation rate has increased each year since 2010.

Table 11. Separations (turnover) as a share of current staff, by position, 2012 (Quarter 3)[20]

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	1,425	2.6	690	2.3	2,115	2.5
Staff RNs	1,329	2.6	675	2.3	2,004	2.5
Other RNs	96	2.4	15	2.0	111	2.4
New RN graduates	35	3.4	6	10.9	41	3.8
Licensed Vocational Nurses	106	4.0	20	2.6	126	3.7
Aides/Assistants	191	3.2	79	4.4	270	3.5

[19] Data were reported on a quarterly basis in their original form. We have annualized the rate by multiplying the quarterly average by a factor of four. We used linear regression to predict the rate for the fourth quarter of 2012 in order to calculate the annual quarterly average.

[20] The separation rate was calculated as follows: (number of positions at the start of the quarter beginning July 1, 2012) / (number of separations occurring during the quarter July 1, 2012 – September 30, 2012).

Table 12. Separations (turnover) as a share of current staff, by position, 2010 – 2012

	Total Separation Rate (%)		
Description	2010	2011	2012
All Registered Nurses	8.2	8.5	8.8

New Employee Hiring by Position

Table 13 describes nurses who were hired as new employees in the third quarter of 2012. Unlicensed aides/assistants had the highest overall hiring rate in the quarter, followed by staff RNs. As with the separation data presented in Table 11, full-time positions were filled at a greater rate compared with part-time positions, with the exception of part-time unlicensed aides/assistants. Table 14 presents annualized hiring rates[21] for the period 2010 – 2012 for registered nurses. The data indicate that total RN hiring rate increased by nearly 2 percent between 2010 and 2011, but declined by half a percentage point in 2012.

Table 13. Reported new employees as a share of current staff, by position, 2012 (Quarter 3)[22]

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	1,950	3.6	426	1.4	2,376	2.8
Staff RNs[23]	1,860	3.7	418	1.4	2,278	2.9
Other RNs	90	2.3	8	1.0	98	2.1
Licensed Vocational Nurses	40	1.5	13	1.7	53	1.5
Aides/Assistants	157	2.6	134	7.4	291	3.7

Note: Staff RNs include new RN graduates

Table 14. Reported new employees as a share of current staff, by position, 2010 – 2012

	Total Hiring Rate (%)		
Description	2010	2011	2012
All Registered Nurses	9.1	10.8	10.2

[21] Data were reported on a quarterly basis in their original form. We have annualized the rate by multiplying the quarterly average by a factor of four. We used linear regression to predict the rate for the fourth quarter of 2012 in order to calculate the annual quarterly average.

[22] The hiring rate was calculated as follows: (number of positions at the start of the quarter beginning July 1, 2012) / (number of new employees hired during the quarter July 1, 2012 – September 30, 2012)

[23] New RN graduates are included with Staff RNs in this table because of the comparatively small number of current staff identified as new RN graduates. 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.

A comparison of the separation rates and hiring rates presents a mixed picture. Full-time staff RNs had a hiring rate 3.7 percent versus a 2.6 percent separation rate, compared with part-time staff RNs who had a hiring rate of 1.4 percent versus 2.3 percent separation rate.[24] The separation rates for both full-time and part-time non-staff RNs were greater than their hiring rates, which was also true for LVNs. The separation rate was greater for full-time unlicensed aides/assistants, but the hiring rate was greater for part-time aides/assistants. In general, the greatest margins between separation and hiring rates are observed among full-time LVNs and part-time unlicensed aides/assistants.

Approximately 78 percent of hospitals reported hiring new RN graduates in 2012. Table 15 shows that in each year since 2010 the share of hospitals reporting having hired new RN graduates has declined. Conversely, the share of hospitals reporting that they normally hire new RN graduates, but did not this year, has increased in each survey year. Similarly, the 9.8 percent of hospitals in the fall 2012 survey that reported they do not ever hire new RN graduates also represents an increase compared to the previous year.

Table 15. Hiring of new RN graduates, 2010 – 2012

	2010		2011		2012	
Description	#	%	#	%	#	%
Hired this year	88	84.6	123	82.6	166	77.6
Normally hire – not this year	7	6.7	14	9.4	27	12.6
Do not hire	9	8.7	12	8.0	21	9.8
Total	104	100.0	149	100.0	214	100.0

Table 16 shows that approximately one full-time new RN graduate was hired for every 3 full-time staff RNs hired during the quarter, and overall the ratio was one new RN graduate for every four staff RNs hired. For part-time positions, new RN graduate hiring was limited: approximately one new RN graduate hired for every eighteen part-time staff RN hired during the quarter.

Table 16. Ratio of new RN graduates hired to staff RNs hired, 2012 (Quarter 3)

	Full-time		Part-time		Total	
Description	Number	Ratio	Number	Ratio	Number	Ratio
New RN Graduates hired	447	.32	22	.06	469	.26

Very few of the hospitals who reported they do not hire new RN graduates suggested that there were conditions, if met, which would cause them to consider hiring new graduates. They cited a lack of patient volume necessary to provide adequate training, acuity levels that prevented them from feeling comfortable hiring inexperienced nurses, or simply the cost and time involved in

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

providing mentors/preceptors to train new graduates. Those hospitals who indicated a willingness to consider hiring new graduates reported a need for institutional commitment to support new graduate development as nurses, financial support to cover the costs of training, and a desire that new graduates have completed a comprehensive post-graduate internship.

Hospitals were asked whether they have a hiring policy regarding RNs who do not have experience in an acute care setting. Table 17 shows the distribution of responses from the past three survey years. Fifty-nine percent of hospitals reported that they do hire registered nurses who do not have acute care experience, though approximately 40 percent indicated that these RNs would be hired into positions for recent or new graduates. This is roughly consistent with previous years.

Table 17. Hiring of registered nurses who do not have acute care experience, 2010 – 2012

	2010		2011		2012	
Description	#	%	#	%	#	%
Hire into experienced positions	19	22.3	23	15.8	41	19.3
Hire into new graduate positions	36	42.4	65	44.5	84	39.6
Do not hire	30	35.3	58	39.7	87	41.0
Total	85	100.0	146	100.0	212	100.0

Hospitals that hire registered nurses who have no acute care experience were asked whether they have a training or bridge program designed for these RNs. Sixty-two percent of hospitals that hire RNs with no acute care experience reported having some kind of program designed to train them. Descriptions of these programs included having an assigned preceptor or mentor, completing an extended version of the regular orientation for new hires, and participation in the new RN graduate training program (or a modified version of it).

Requirements for RN Employment

Table 18 shows responses from hospitals regarding different types of requirements they have as a condition for employment as a registered nurse for both the current survey (2012) and the survey conducted one year ago. In general, the share of hospitals reporting specific requirements for employment remained consistent. Just over half of hospitals (53.7 percent) reported having a minimum professional experience requirement as a condition for RN employment. Hospitals were asked to specify the number of months of experience required and responses ranged from 3 months to 2 years. Approximately 69 percent of hospitals reported 12 months as the minimum amount of required experience.

Just over two-thirds (68 percent) of hospitals reported a preference for hiring RNs trained at the baccalaureate level, which is similar to fall 2011. Approximately 7 percent indicated that possession of a baccalaureate is a *requirement* for employment, which is a slight increase from the 4.6 percent reported in 2011.

Table 18. Requirements for registered nursing employment, 2011 – 2012

	2011		2012	
Description	#	%	#	%
Minimum experience requirement	79	52.3	117	53.7
Baccalaureate degree preferred	105	69.5	148	67.9
Baccalaureate degree required	7	4.6	16	7.3
Specific experience requirement	79	52.3	121	55.5
No experience required for employment	32	21.2	47	21.6
Total	151	--	218	--

Approximately 56 percent of all hospitals reported having a requirement of previous experience in a specific hospital unit or type of care as a condition for registered nursing employment. Hospitals that reported such a requirement were asked to specify the unit or type of care. Table 19 shows the frequency with which different hospital units or types of care were reported. The most frequently reported type of care for which prior experience was required was critical care. Emergency room and operating room/surgery/recovery room units were also frequently reported.

Table 19. Type of care experience required for registered nursing employment, 2012

Description	# of responses
Critical Care (ICU, NICU, PICU)	64
Emergency Department	41
Operating Room/Surgery/Recovery	35
Labor & Delivery	21
Medical-Surgical	19
OBGYN/Women's Health	13
Telemetry	11
Other*	21
All specialty units require experience	21

Note: Other included oncology, cath lab, rehabilitation, progressive, psychiatry and home health

Formal New Graduate Training Programs

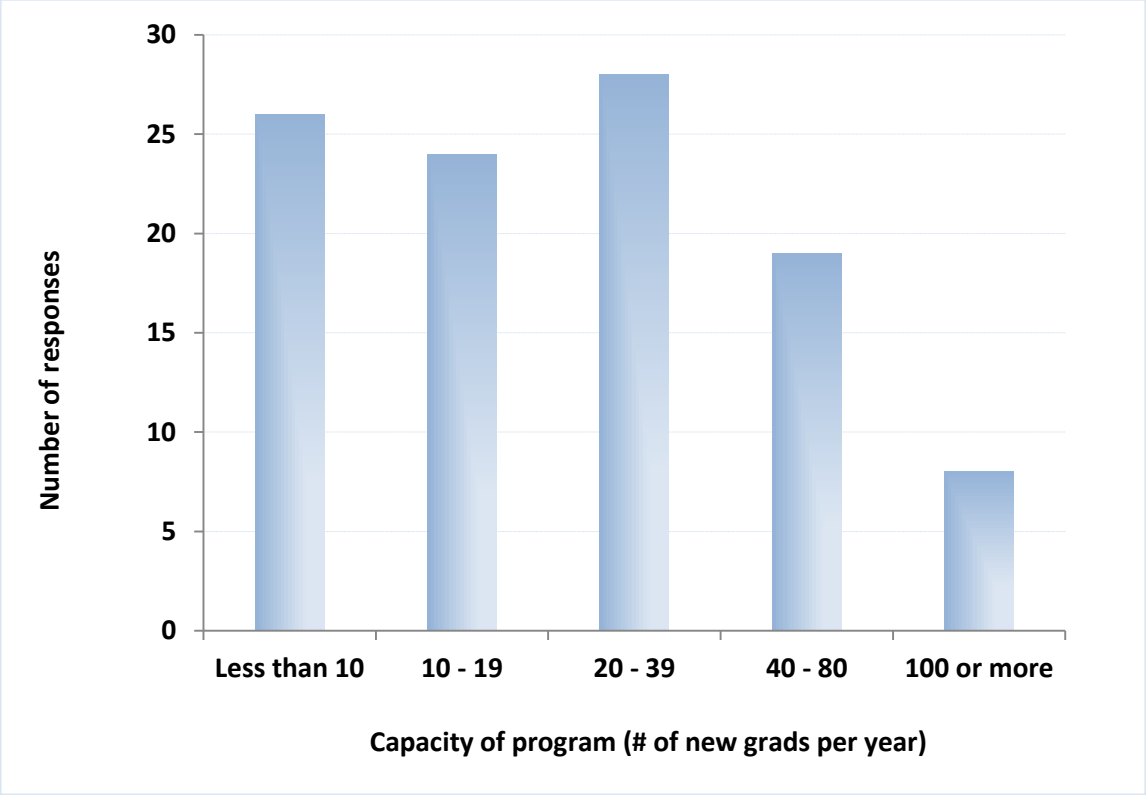
Approximately 71 percent of responding hospitals reported having a formal training program (residency) for new RN graduates. Table 20 shows that this share has fluctuated among responding hospitals in the three years the survey has been conducted. The share of hospitals reporting a residency program this year is higher than reported in 2011 and 2010, but these differences should be interpreted with caution because different hospitals have responded to the survey in each year.

Table 20. Formal training programs (residency) for new graduates, 2010 – 2012

	2010		2011		2012	
Description	#	%	#	%	#	%
Residency	64	67.4	86	61.4	140	70.7
No residency	31	32.6	54	38.6	58	29.3
Total	95	100.0	140	100.0	198	100.0

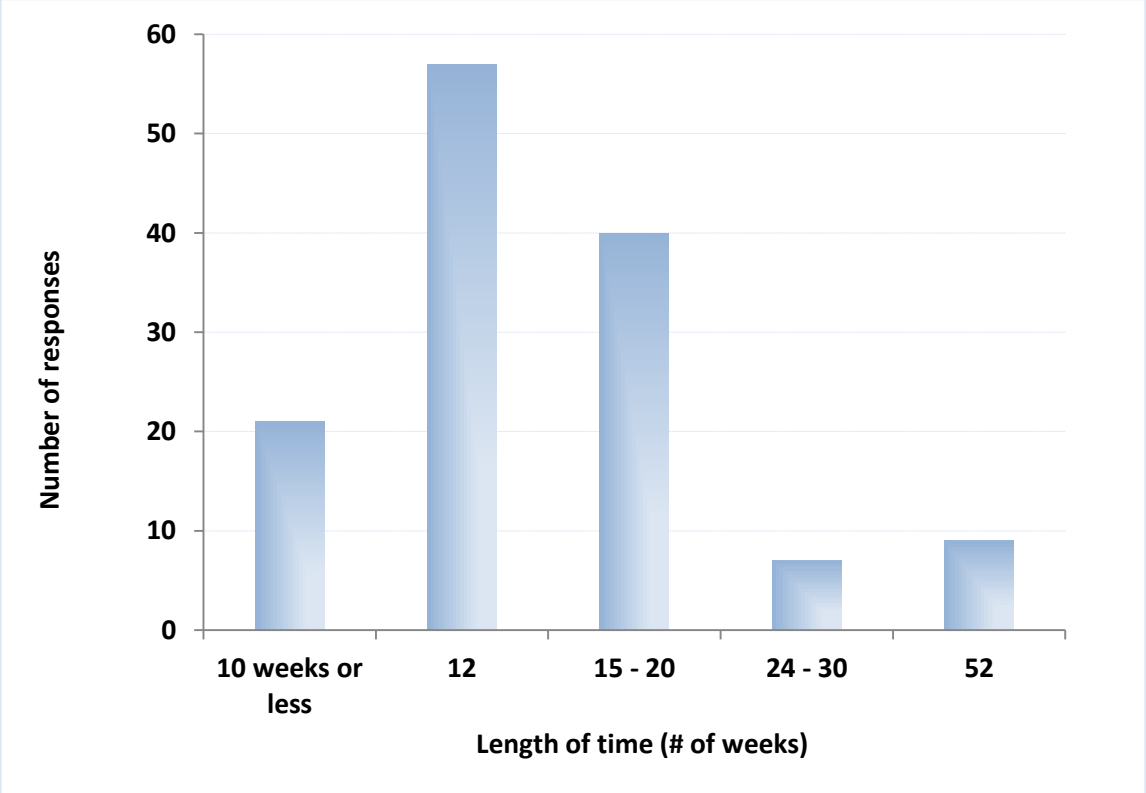
Hospitals with residency programs for new RN graduates were asked to report the capacity of their program (number of new RN graduates trained per year). Figure 4 presents hospitals responses grouped into categories that express a range in capacity. Programs training fewer than 40 new graduates per year represent 75 percent of all programs. A small number of programs reported the capacity to train 100 or more new RN graduates per year.

Figure 4. Capacity of new graduate training program, 2012



Hospitals with residency programs for new RN graduates were asked to report the program's length of time to completion. The most frequently reported length of time to completion was a program taking 12 weeks to complete (Figure 5). Approximately 88 percent of hospitals reported residency programs taking less than 20 weeks to complete. A small number of hospitals reported residency programs lasting for an entire year.

Figure 5. Length of new graduate training programs, 2012



Hospitals with residency programs for new RN graduates were asked whether their program had been developed by an external organization or had been designed internally. Table 21 compares responses from the past three survey years. In 2012, more than 80 percent of hospitals reported that their new graduate training program was designed internally, rather than by an external vendor. This share has fluctuated, but the changes are most likely the result of different samples of hospitals in different survey years.

Table 21. Internal vs. External design of new graduate training program, 2010 – 2012

	2010		2011		2012	
Description	#	%	#	%	#	%
Program designed by external vendor	11	19.6	11	13.0	25	18.1
Program designed internally	45	80.4	74	87.0	113	81.9
Total	56	100.0	85	100.0	138	100.0

Hospitals with residency programs for new RN graduates were asked to report on the different clinical practice areas the programs cover. Table 22 shows the frequency with which each practice area was reported. The most frequently reported clinical practice areas were emergency department and critical care. Delivery room/postpartum/newborn nursery training was also frequently reported, as were operating room/peri-operative, medical-surgical and pediatrics/neonatal training.

Table 22. Reported clinical practice areas for new graduate training programs, 2012

Clinical Practice Area	#
Emergency Department	84
Critical Care	81
Delivery Room/Postpartum/Newborn Nursery	68
Operating Room/Peri-operative	56
Medical-Surgical	51
Pediatrics/Neonatal	44
Ambulatory Care	22
Psychiatry	19
Rehabilitation	17
Telemetry	13
Skilled Nursing	10
Home Health	0
Other*	9

Note: Other included oncology, dialysis, cath lab, and progressive care.

Hospitals with residency programs for new RN graduates were asked to report the time in the calendar year their program is offered (which may be several times per year). As seen in Table 23, programs occurring in the summer were most frequently reported, while programs delivered in the fall and in the winter were also frequently reported. Nearly one-third (31 percent) of hospitals reported residency programs delivered on an “as needed” basis. In general, these data indicate that residency programs are offered continuously throughout the year.

Table 23. Timing of new graduate training program, 2012

Timing of program	#
Summer	59
Fall	52
Winter	47
Spring	38
As needed	44
Hospitals with residencies	140

Current Vacancies[25]

Table 24 presents reported vacancy rates by position for the third quarter of 2012. The overall vacancy rate for registered nursing positions was 3.2 percent, but there are differences in rate depending on the nursing position. Non-staff RN vacancy rates were considerably higher than staff RN rates, for both full-time and part-time positions. Similarly, vacancy rates for positions open to new RN graduates were much higher by comparison with staff RNs. Both LVNs and unlicensed aides/assistants had high vacancy rates relative to staff RNs as well.

These data underscore the finding that non-staff RN positions are difficult to fill, as seen in the data describing perceptions of demand and the challenge of recruiting. These data also underscore that new RN graduates are predominantly hired into full-time positions (there were ten times as many full-time vacancies as part-time vacancies for new graduates). Table 25 shows the average quarterly vacancy rate for registered nurses from 2010 to 2012. This year's average vacancy rate is slightly lower by comparison with last year, but still higher than the 2010 rate.

Table 24. Current vacancy rates by position, 2012 (Quarter 3)[26]

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	2,185	3.8	645	2.1	2,830	3.2
Staff RNs	1,840	3.5	561	1.9	2,401	2.9
Other RNs	266	6.7	77	9.5	343	7.1
New RN Graduates	79	5.8	7	8.0	86	5.9
Licensed Vocational Nurses	111	4.1	21	2.6	132	3.7
Aides/Assistants	300	4.7	108	5.3	408	4.9

Table 25. Average quarterly vacancy rate for registered nurses, 2010 – 2012

	Average quarterly vacancy rate (%)		
Description	2010	2011	2012
All Registered Nurses	3.4	4.0	3.8

[25] Vacancy data are derived from the quarterly HASC Healthcare Workforce Survey and represent openings as of the pay period closest to September 30, 2012.

[26] The 2012 vacancy rate is calculated as follows: (number of vacancies reported as of the pay period closest to September 30, 2012) / ((headcount as of the pay period closest to September 30, 2012) + (number of vacancies reported as of the pay period closest to September 30, 2012))

Recruitment of Foreign RNs

Hospitals were asked whether they are currently recruiting foreign-trained RNs. Table 26 below shows the distribution of their responses. Only 1.9 percent of hospitals reported that they are currently recruiting foreign-educated RNs to fill open staff positions. This share has declined in each year since 2010.

Table 26. Current recruitment of foreign-trained registered nurses, 2010 – 2012

	2010		2011		2012	
Description	#	%	#	%	#	%
Recruiting foreign-trained RNs	7	6.7	6	4.0	4	1.9
Not recruiting foreign-trained RNs	97	93.3	143	96.0	211	98.1
Total	104	100.0	149	100.0	215	100.0

Changes Experienced In the Past Year

Hospitals were asked about changes in the past year regarding employment of RNs, including new RN graduates. Table 27 shows that a majority or near-majority of hospitals reported no change in the employment levels of staff during the past year, across all positions. Approximately 34 percent of hospitals reported increased hiring of new RN graduates in the past year, which was the largest share hospitals reporting increased employment, by position. Slightly more hospitals reported increased employment of staff RNs than reported decreased employment, and for non-staff RNs the numbers of hospitals reporting either increased or decreased employed were approximately equal. Approximately 85 to 90 percent of responding hospitals reported that employment of LVNs and unlicensed aides/assistants either stayed the same or declined.

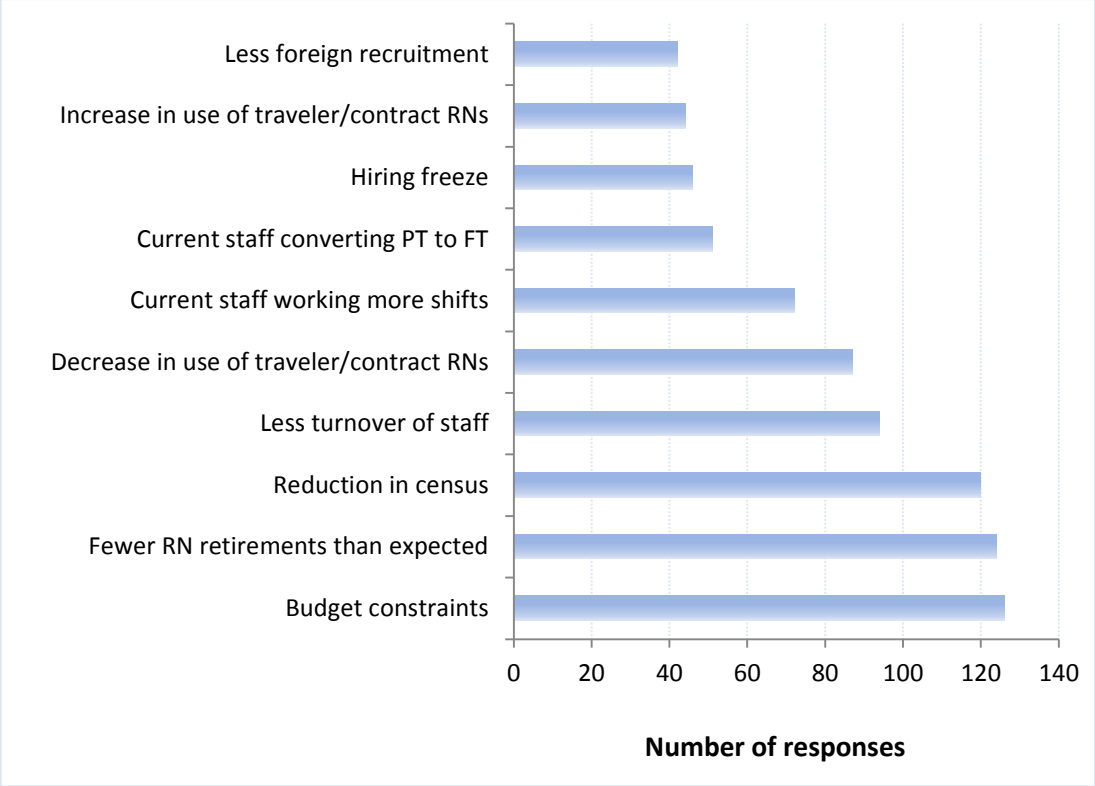
Table 27. Employment of RNs in the past year, 2012

	Increased Employment		No Change		Decreased Employment		Total
Position	#	%	#	%	#	%	
Staff RNs	59	27.3	106	49.1	51	23.6	216
Other RNs	48	22.5	118	55.4	47	22.1	213
LVNs	29	14.1	100	48.8	69	33.7	205
Unlicensed Aide/Assistants	25	11.5	130	59.9	50	23.0	217
New RN Graduates	68	34.3	93	47.0	56	28.3	198

Hospitals were asked about other types of environmental changes they have experienced in the past year. Figure 6 below shows the frequency with which hospitals reported a specific type of change. The most frequently reported change experienced by hospitals in the past year was the pressure of budget constraints, followed closely by fewer RN retirements than expected, and a reduction in patient census. These three conditions were reported by more than 60 percent of all responding hospitals. Lower turnover of staff, a decrease in the use of traveler/contract nurses, and current staff working more shifts were also frequently reported. Hospitals were given the opportunity to specify changes experienced that were not detailed by the survey instrument. Responses included the elimination of LVNs from acute care settings, an increase in the number of

RNs taking family leave, a decrease in average length of stay, and an increase in staff converting from full-time or part-time positions to per diem positions.

Figure 6. Changes experienced by hospitals in the past year, 2012



Note: 196 different hospitals reported some type of change experienced.

Employment Expectations for the Next Year

Hospitals were asked to report on their expectations for RN employment in 2013 compared with 2012. Table 28 compares hospital responses with those reported in the 2011 and 2010. The 2012 data follow closely the pattern of responses seen in the 2010 survey. Nearly a third of hospitals reported an expectation that employment in their organization will be higher in 2013 compared to 2012, which represents an increase compared to survey data collected one year ago. In contrast, more hospitals reported an expectation of lower employment in 2013 compared to data collected one year ago. Half of all hospitals reported an expectation that employment in their organization during 2013 would be no different than it was during 2012.

Table 28. Expectations for RN employment in the next year, 2010 – 2012

	2010 – 2011		2011 – 2012		2012 - 2013	
Description	#	%	#	%	#	%
Employment will be higher	32	31.4	35	23.5	67	31.2
Employment will be lower	19	18.6	13	8.7	37	17.2
No change in employment	51	50.0	101	67.8	111	51.6
Total	102	100.0	149	100.0	215	100.0

Hospitals were asked to cite reasons for why they expected RN employment in 2013 to be different from 2012. Figure 7 shows the frequency with which specific reasons were reported for hospitals that indicated an expected *increase* in RN employment. Hospitals reporting an expected increase in 2013 RN employment most frequently cited an increase in patient census, and increase in hospital bed capacity, and a decrease in the use of traveler/contract RNs as the reasons why. More RN retirements than expected, and a care model redesign were also cited with relative frequency.

Figure 7. Reasons for expected increase in 2013 RN employment

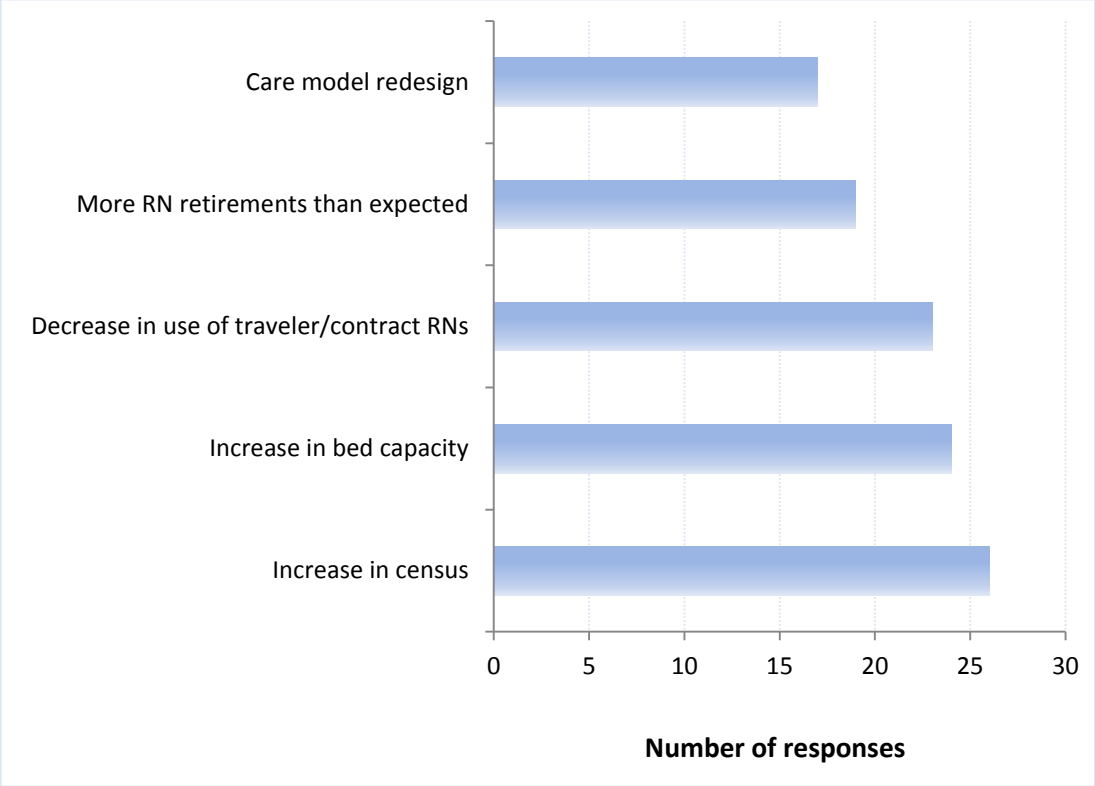
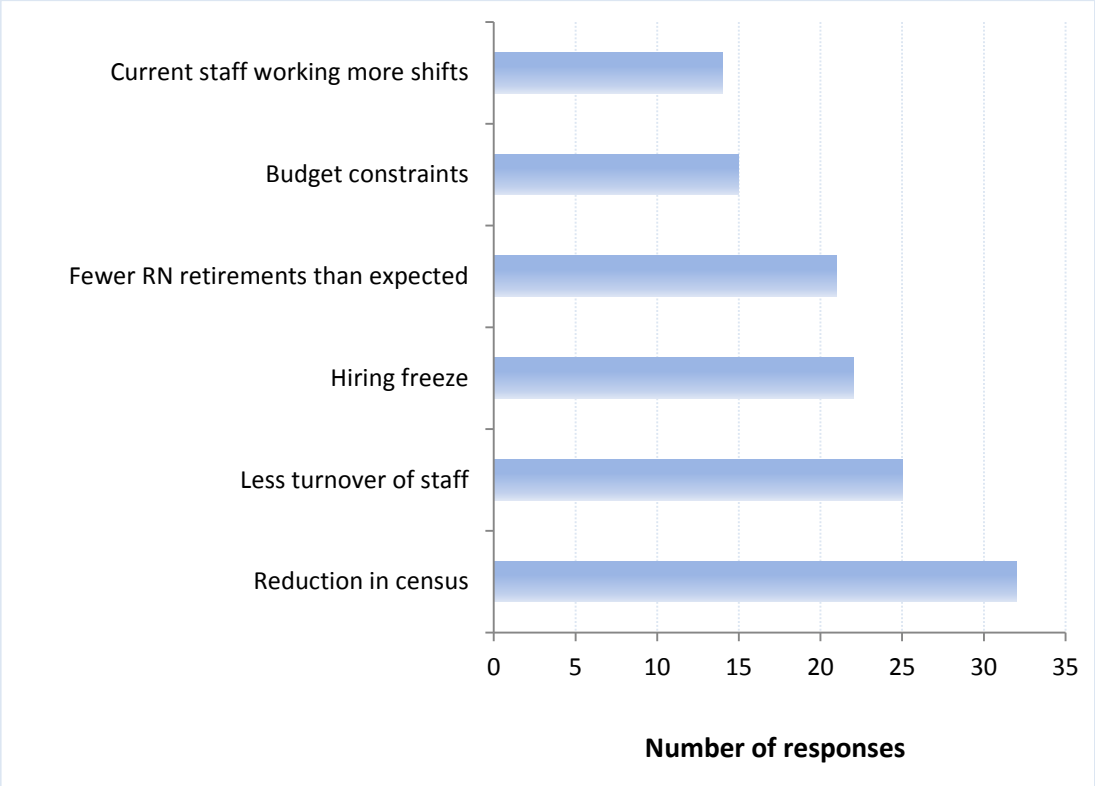


Figure 8 focuses on hospitals that reported an expected decrease in RN employment. Hospitals that reported an expected decline in 2013 RN employment most frequently cited a reduction in the patient census as the reason why. Also cited was an expectation of lower staff turnover, the impact of a hiring freeze, and fewer RN retirements than expected.

Figure 8. Reasons for expected decrease in 2013 RN employment



Expected Changes in New Graduate Hiring

Table 29 outlines expectations for new RN graduate hiring in 2013, relative to 2012. Hospital responses were very similar to those reported one year prior. A majority of hospitals (55.4 percent) indicated they expected no change in the level of new graduate hiring in 2013. The share of hospitals reporting expectations for increased hiring of new graduates was equal to the share of hospitals reporting an expectation that hiring of new graduates would decline in 2013.

Table 29. Expectations for new graduate hiring in the next year, 2010 – 2012

	2011 - 2012		2012 - 2013	
Description	#	%	#	%
Increase hiring of new graduates	30	21.6	43	22.3
Decrease hiring of new graduates	26	18.7	43	22.3
No difference in new graduate hiring	83	59.7	107	55.4
Total	139	100.0	193	100.0

Hospitals were asked to cite reasons for why they expected hiring of new graduate registered nurses in 2013 to be different from 2012. Those indicating an expected *increase* in new graduate hiring most frequently cited fewer experienced RNs available and an increase in nursing vacancies as the reasons why. Hospitals reporting an expectation of *decreased* hiring of new RN graduates most frequently cited fewer nursing vacancies, budget constraints, and the cost of training programs as the reasons why. Some hospitals chose to write in responses for an expected increase in 2013 new graduate hiring not listed in the survey questionnaire. The reasons cited reflected that increased hiring was part of a strategic plan to address the lack of experienced RNs in specialty areas; for hospitals who reported an expectation of decreased new graduate hiring, reasons generally reflected the issue of comparatively high turnover rates of new RN graduates.

CONCLUSIONS

These survey data indicate that hiring of nurses has continued to be slow in California over the past year, due to low turnover of currently-employed nurses, ongoing budget constraints, and lower patient census. Most employers indicated that they have positions available for RNs with previous experience and specialized skill sets. As a result, there are few positions for recently-graduated RNs.

Newly graduated RNs cannot obtain these skills to compete for such positions if they are unable to find an entry-level position or participate in a training or residency program. Fortunately, some hospitals reported that they intend to increase hiring of new graduates specifically to develop their skills for specialized nursing care. 71 percent of hospitals that responded to this survey reported having a training program for new graduate RNs; these programs may help to bring new graduates into the workplace so they can retain their skills and gain experience.

The lack of jobs for newly graduated nurses is concerning for several reasons. 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 as they are out of work; obtaining work and regaining their skills in the future may prove challenging. Finally, these new graduates may leave California to seek employment, resulting in a loss of the investment made in their education. The overwhelming majority of RN graduates in California come from public universities and community colleges, and thus the public has an interest in ensuring that investments in education benefit the state's population.

Several potential solutions to this problem have been proposed, including 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. Newly graduated nurses who find it difficult to obtain work in the community in which they attended nursing school may consider moving to regions of California where demand is relatively greater, such as Central California and the Inland Empire.

Nearly all national and state analyses indicate that the current perceived surplus of RNs is temporary, and will vanish as the economy improves and large numbers of nurses reach retirement age. In the interim, there is risk that funders of nursing programs will withdraw money because they hear that new graduates cannot find work, and thus RN education programs will contract. A return of the severe shortage of the late 1990s through late 2000s is possible if educational

capacity is not maintained. California also could face an exacerbated shortage if its newly graduated nurses pursue employment in other states because they cannot find nursing positions here. It is essential that programs be established in the private or public sector through which new graduates are able to use and develop their knowledge and skills so they can ensure an adequate supply of RNs in the future. This may include expanded efforts by employers to develop the skills of new graduates to fill positions that are normally reserved for experienced nurses. Without these efforts, California's strong investment in nursing education may be lost.

Acknowledgements

The collaboration of the California Institute for Nursing and Health Care (CINHC), Hospital Association of Southern California, and California Hospital Association was important to the development of the survey questionnaire and conducting the survey. We specifically thank Deloras Jones, Teri Hollingsworth, and Dorel Harms for their work.

This study benefitted from the work of several interns who assisted with reviewing the database, making telephone calls to increase response rates, reviewing data, and finding contact information for Chief Nursing Officers: Jessica Lin, Fletcher Munksgard and Glenda Tam. Lela Chu, a Research Analyst at UCSF, also provided excellent support for this survey work.