



Survey of Nurse Employers in California, Fall 2014

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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 2014. This is the fifth 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 2014 survey results indicate an overall improvement in labor market conditions faced by California's registered nurses compared to 2013. Approximately 18 percent of hospitals reported a perception of high demand for RNs (difficult to fill open positions), which is double the share reported in 2013. In addition, the share of hospitals reporting moderate demand for RNs is the largest reported in any survey year. In combination, more than 68 percent of hospitals reported demand for RNs being greater than the available supply. This is nearly 20 percentage points higher than has ever been reported in the five years the survey has been conducted. Conversely, only one in five hospitals reported the perception that the supply of RNs was greater than demand.

There continues to be a sharp divide in demand for experienced RNs versus newly graduated RNs. On average, hospitals across the state described demand for experienced RNs as "moderate, with some difficulty filling open positions." Hospitals reported that RNs with experience in the operating room (OR), in labor & delivery (L&D), the emergency department (ED), and intensive care units (both ICU and NICU) were difficult to fill. In contrast, demand for new RN graduates was, on average, described as somewhere between "less than" and "much less than" the available supply.

In every region, hospitals reported stronger overall demand for registered nurses in comparison with the previous year. Demand was strongest among hospitals in the Los Angeles and Central California regions, but the biggest regional change in 2014 compared to one year ago was the increased demand reported by hospitals in the San Francisco Bay Area. Although the labor market for newly graduated RNs remains weak, demand did strengthen across all regions compared to the previous year. Approximately one-third of hospitals in the Southern Border region reported moderate demand for new RN graduates. Nearly 40 percent of hospitals in the Sacramento/Northern California region reported that demand for new RN graduates was either in balance with supply, or greater than the available supply.

Over half of all hospitals reported that employment of staff RNs increased over the past year. This is the largest share of hospitals to report increased employment of staff RNs during the five year period this survey has been conducted. It represents a 20 percentage point increase by comparison with the previous survey year. Furthermore, only 5 percent of hospitals reported that employment of staff RNs

decreased over the past year; this is a 15 percentage point decline compared with the previous survey year.

Approximately 83 percent of hospitals reported hiring new RN graduates in fall 2014. This marks a reversal from previous years in which the share of hospitals reporting hiring new RN graduates was declining. For the first time in five years, the share of hospitals reporting that they do not hire new RN graduates declined, and the share reporting expectations of increased hiring of new graduates next year was also substantially larger by comparison with one year ago. Hospitals reported they anticipate fewer experienced RNs available in the coming years, resulting in a greater number of nursing vacancies. Hospitals also reported that efforts to develop partnerships with academic institutions to establish pipelines, as well expansion of their own clinical education programs, would lead to increased hiring of new RN graduates.

Nearly one-third of responding hospitals reported utilizing new RN graduates in non-RN positions; this is a small increase compared to 2013. These new graduates are typically working (or volunteering) in patient care roles as aides and assistants until they can be hired into a position designated for new graduates or gain entry into a new graduate RN residency program. Hospitals also noted that the experience can be an effective orientation, providing exposure to hospital operations and the broader culture. Several hospitals reported that they hire ADN-educated nurses into non-RN roles until they complete nursing education at the baccalaureate level.

In each of the past four years, approximately 70 percent of hospitals have reported a preference for hiring baccalaureate trained RNs. Although comparatively small, the share of hospitals *requiring* a baccalaureate degree as a condition for employment has been steadily increasing since 2011. Nearly half of all hospitals reported that BSN-prepared nurses represent, at most, 25 percent of all employed RNs in their hospital. However, over 70 percent of hospitals reported having goals or plans in place to increase the number of baccalaureate-trained nurses on staff, and more than half of these hospitals indicated a goal of increasing the share of BSN-prepared RNs to more than 50 percent of all RNs on staff in the next three years.

Very few hospitals reported having a formal clinical residency program open to new RN graduates *who are not guaranteed* to be hired (approximately 18 percent of responding hospitals). For hospitals that do, the programs are either developed by the hospitals themselves or in partnership with a school of nursing. Approximately two-thirds of these programs pay participating new graduates, and nearly 80 percent of these programs reported anywhere from 75 to 100 percent of participants are offered a job.

Approximately 43 percent of responding hospitals reported creating new RN job classifications in the past year. These new positions were most frequently related to case management, care navigation, and informatics. The challenges associated with hiring or moving RNs into these new roles were almost uniformly described by hospitals as being related to experience and education. Moving qualified RNs into new roles requires not only finding experienced replacements, but also creates demand for staff education which places additional resource burdens on incumbent staff. Many hospitals also cited a cultural resistance to change that negatively impacts efforts to reorganize the way nursing units

function. Because there can be a component of uncertainty in trying to establish new roles and responsibilities, it can be difficult to foster the kind of broad support needed for successful change.

Nearly half of all hospitals reported expectations that RN employment would increase in 2015; very few hospitals reported expectations that it would decrease. By far the most frequently reported reason for the expected increase was anticipated growth in the patient census. To a lesser extent, hospitals reported that increased patient acuity would drive RN employment growth. In each of the past four years, the share of hospitals indicating expectations of *increased* RN employment has grown, suggesting an improving outlook for RN employment in the future.

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 resulted in successful growth of the state's 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 labor market for RNs, significantly impacting estimates of the size of the nursing shortage.⁴ Employment rates of older RNs in California rose notably between 2008 and 2010, while employment of younger RNs dropped.⁵ 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.⁶

Additionally, the recession caused significant financial challenges for hospitals and other health care employers, with many cutting 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 orientation programs or residencies. Empirical analyses corroborated these trends and indicated that the RN shortage had been alleviated by 2009, and that a shortage of RNs would likely not emerge again nationally until 2018.⁷ Nonetheless, because the RN workforce is aging and likely to transition to retirement soon, and because the increasing number of older Americans is expected to increase demand for healthcare services, it is necessary for new and recent 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 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 the

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.

California Institute for Nursing and Health Care (CINHC) to conduct a survey of healthcare facilities to identify their hiring plans for new RN graduates.⁹ This survey revealed that 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. These findings were corroborated by surveys the Moore Foundation commissioned the University of California, San Francisco (UCSF) to conduct in 2010, 2011, 2012, and 2013. This trend created a significant challenge to develop and retain newly graduated RNs for the future, as hospitals have historically been their primary employer.¹⁰

Economic recovery and the implementation of the Affordable Care Act may be changing the demand for RNs. Expansions in the number of people with health insurance are anticipated to lead to higher demand for RNs and other health workers.¹¹ However, though it is anticipated that many experienced RNs will reduce their hours of work or retire as the economy recovers, it is not clear that new jobs will arise as quickly as the new graduate supply is increasing. 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 for preparing and maintaining a nursing workforce to meet the needs of the population. This survey, supported by the Gordon and Betty Moore Foundation and conducted by UCSF, 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's 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.

¹¹ Spetz, J, Jacobs, K, Frogner, B, Oberlin, S, Parente, S, Roby, D, Lo, N, Watson, G, Needleman, J. Impact of the 2010 Affordable Care Act on the California Labor Force. SEIU-UHW Education Fund. 2014.

SURVEY METHODS

Two survey instruments were used to provide data for this report, one fielded by UCSF and a second fielded by Allied for Health¹² (the Hospital Association of Southern California's (HASC) Healthcare Workforce Survey). The UCSF survey was structured to collect information from chief nurse officers (CNO) 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 CINHC; the 2010 UCSF Survey of Nurse Employers; and turnover and vacancy surveys conducted quarterly by Allied for Health. A team of researchers from UCSF, Allied for Health, FutureSense, Inc., and CINHC designed the 2014 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. Pre-notification emails were sent to all CNOs using a mailing list updated from the previous year's survey (2013). 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, 2014 and described staffing, turnover, and hiring patterns for the third quarter of the year (July 1 – September 31, 2014). 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 193 unique responses, representing 238 general acute care hospitals and 51,530 beds, while the UCSF survey elicited 168 unique responses, representing 207 general acute care hospitals and 43,647 beds.¹³ These totals represent approximately 47 percent (UCSF) and 56 percent (Allied for Health) of the total number of licensed beds at general acute care hospitals in California.¹⁴ In the UCSF survey, 28 respondents reported data for multiple hospital facilities; in the HASC Healthcare Workforce Survey, 21 respondents reported data for multiple facilities. A total of 123 facilities responded to both the UCSF and HASC surveys.

¹² Allied for Health consists 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.

¹³ Some responding hospitals provided data that also described associated outpatient and specialty clinics, as well as long-term care facilities.

¹⁴ General acute care hospitals were identified using the California Office of Statewide Health and Planning hospital listing database, information derived from the American Hospital Association member database, and data made available by the Veterans Administration through a FOIA request.

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

Certain data are used to describe differences in labor market conditions across different geographic regions of California. The multi-hospital data are included in these 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, 2014

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 (or both surveys) with the distribution of general acute hospitals in California, across the geographic regions used in this report. In the UCSF survey, hospitals in both the Sacramento and Bay Area regions are underrepresented, while hospitals in the Central California, Los Angeles, and Inland Empire regions are overrepresented. Allied for Health survey respondents overrepresent facilities in the Bay Area and underrepresent facilities in the Inland Empire.

Table 2. Distribution of responding hospitals vs. GAC hospitals in California, by region, 2014

Region	GAC hospitals in CA		UCSF survey		HASC survey		UCSF & HASC survey	
	#	%	#	%	#	%	#	%
Sacramento & North CA	59	12.8	21	10.1	30	12.6	10	8.1
SF Bay Area	90	19.5	30	14.5	58	24.4	15	12.2
Central CA	82	17.7	43	20.8	40	16.8	32	26.0
Los Angeles	116	25.1	56	27.1	62	26.1	41	33.3
Inland Empire	84	18.2	43	20.8	33	13.9	20	16.3
Southern Border	31	6.7	14	6.8	15	6.3	5	4.1
Total	462	100	207	100.0	238	100	123	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. Very small hospitals (fewer than 100 beds) are substantially underrepresented in both the UCSF and HASC surveys. Similarly, hospitals ranging in size from 200 – 299 beds are substantially overrepresented. The distribution of hospitals in the HASC Healthcare Workforce Survey data shows slightly more skewing in comparison with the UCSF data.

Table 3. Distribution of responding hospitals vs. GAC hospitals in California, by bed size, 2014

Total # of beds	GAC hospitals in CA		UCSF survey		HASC survey ¹⁵	
	#	%	#	%	#	%
Less than 100 beds	150	32.5	45	21.7	47	19.9
100 - 199 beds	133	28.8	61	29.5	64	27.1
200 - 299 beds	74	16.5	48	23.2	57	24.2
300 - 399 beds	47	10.2	21	10.1	33	14.0
400 or more beds	56	12.1	32	15.5	35	14.8
Total	462	100.0	207	100.0	236	100.0

¹⁵ Total number of facilities for the Allied for Health survey listed here differs from Table 2 above because there were two non-hospital survey respondents (no information describing number of beds).

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.¹⁶ Rural facilities are underrepresented in both surveys, though to a lesser degree in the Allied for Health data.

Table 4. Distribution of responding hospitals vs. GAC hospitals in California, by rural/non-rural geographic location, 2014

Geographic location	GAC hospitals in CA		UCSF survey		HASC survey ¹⁷	
	#	%	#	%	#	%
Rural	64	13.9	16	7.7	24	10.2
Non-rural	398	86.1	191	92.3	212	89.8
Total	462	100.0	207	100.0	236	100.0

¹⁶ 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/>

¹⁷ Total number of facilities for the Allied for Health survey listed here differs from Table 2 above because there were two non-hospital survey respondents (no information describing geographic location).

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.¹⁸ Table 5 below compares the reported results of overall RN labor market conditions from all survey years (2010 – 2014).¹⁹

Approximately 18 percent of hospitals reported a perception of high demand for RNs (difficult to fill open positions), which is double the share reported in 2013. Although the trend has been toward greater demand for RNs, this year’s data represent a substantial increase by comparison with previous years. Equally, the share of hospitals reporting moderate demand for RNs is the largest reported in any survey year. In combination, more than 68 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 prior four years the survey was conducted.²⁰

As noted above, the increase in the share of hospitals reporting high demand (“difficult to fill open positions”) indicates a big change in labor market conditions compared to one year ago. As a result, the share of hospitals reporting that demand is “much less than supply”, or simply “less than supply,” is the smallest it has been in the five years these data have been collected. Only one in five hospitals reported the perception that the supply of RNs was greater than demand.

Hospitals were asked to describe the types of RN positions that were difficult to fill. Responses indicate widespread demand for RNs with experience in the operating room (OR), labor & delivery (L&D), emergency department (ED), and intensive care units (both ICU and NICU). Survey respondents also reported strong demand for critical care RNs, and those with experience as managers or directors of specialty services.

¹⁸ 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 and 2014.

¹⁹ 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.

²⁰ Beginning in 2013 the survey asked respondents to report perceptions of the overall labor market for RNs separately from the labor market for experienced RNs and the labor market for new RN graduates. In surveys prior to 2013, respondents were asked only to report on overall labor market conditions.

Table 5. Overall RN labor market demand in California, 2010 – 2014

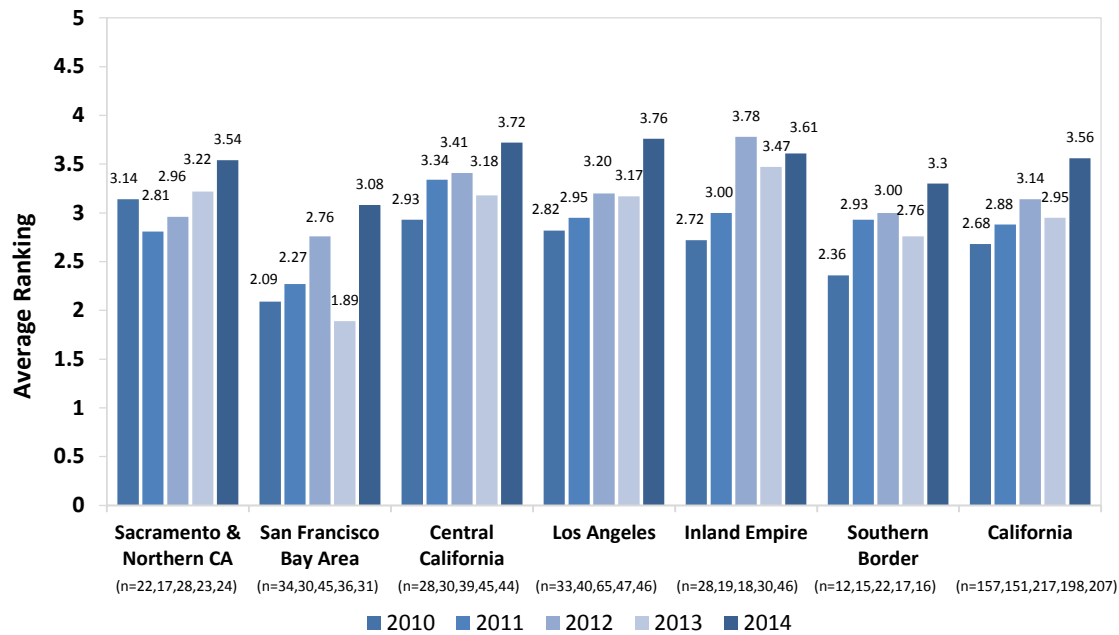
Description	2010		2011		2012		2013		2014 ²¹	
	#	%	#	%	#	%	#	%	#	%
High demand	8	5.3	7	4.7	12	5.5	17	8.6	38	18.4
Moderate demand	47	30.9	65	43.9	98	45.2	64	32.3	101	49.0
Demand in balance with supply	18	11.8	10	6.8	43	19.8	37	18.7	27	13.1
Demand less than supply	41	27.0	35	23.6	37	17.1	53	26.8	26	12.6
Demand much less than supply	38	25.0	31	20.9	27	12.4	27	13.6	14	6.8
Total	152	100	148	100	217	100	198	100	206	100

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

Figure 1 shows the average ranking of overall labor market conditions for registered nurses by region. In every region, hospitals reported stronger overall demand for registered nurses in fall 2014 in comparison with the previous year. Consistent with prior years, overall demand for registered nurses was weakest among hospitals in the San Francisco Bay Area. However, hospitals in this region reported the biggest increase in RN demand compared to 2013. Demand for registered nurses was strongest among hospitals in the Los Angeles and Central California regions, where the mean scores of 3.76 (LA) and 3.72 (Central CA) reflect a perception of labor market conditions that are approaching moderate demand for RNs relative to supply. With the exception of the Inland Empire region, average overall demand for registered nurses in 2014 was the strongest it has been in the five years these data have been collected.

²¹ The 2014 total has been adjusted to exclude one survey respondent reporting data for 12 different facilities across multiple regions.

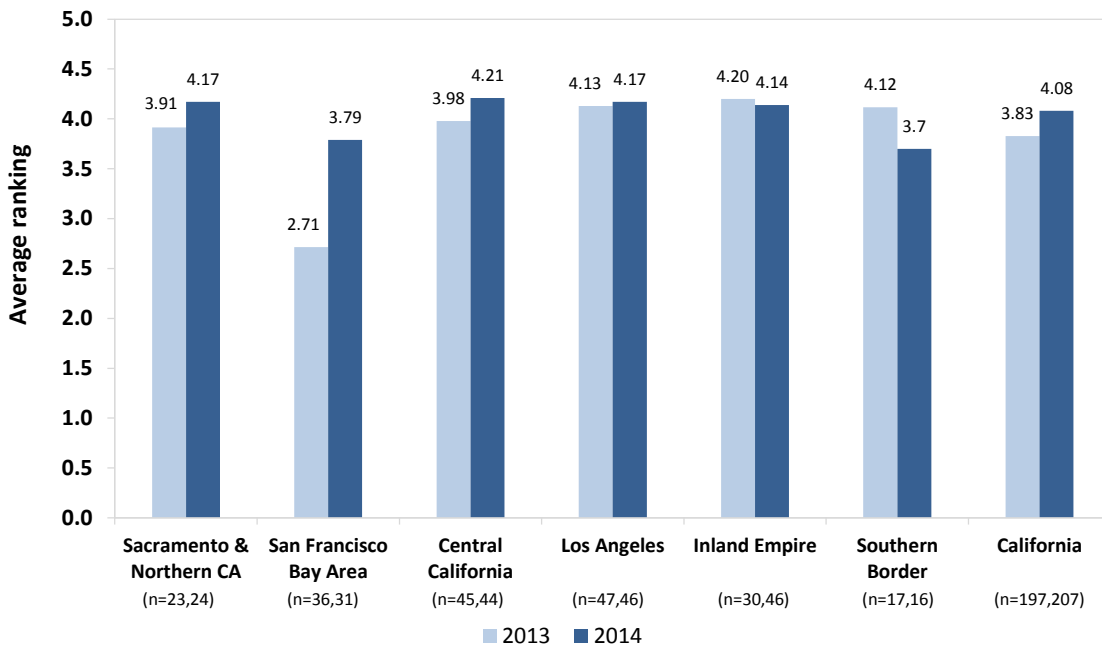
Figure 1. Average ranking of overall labor market demand by geographic region, 2010 – 2014



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.)

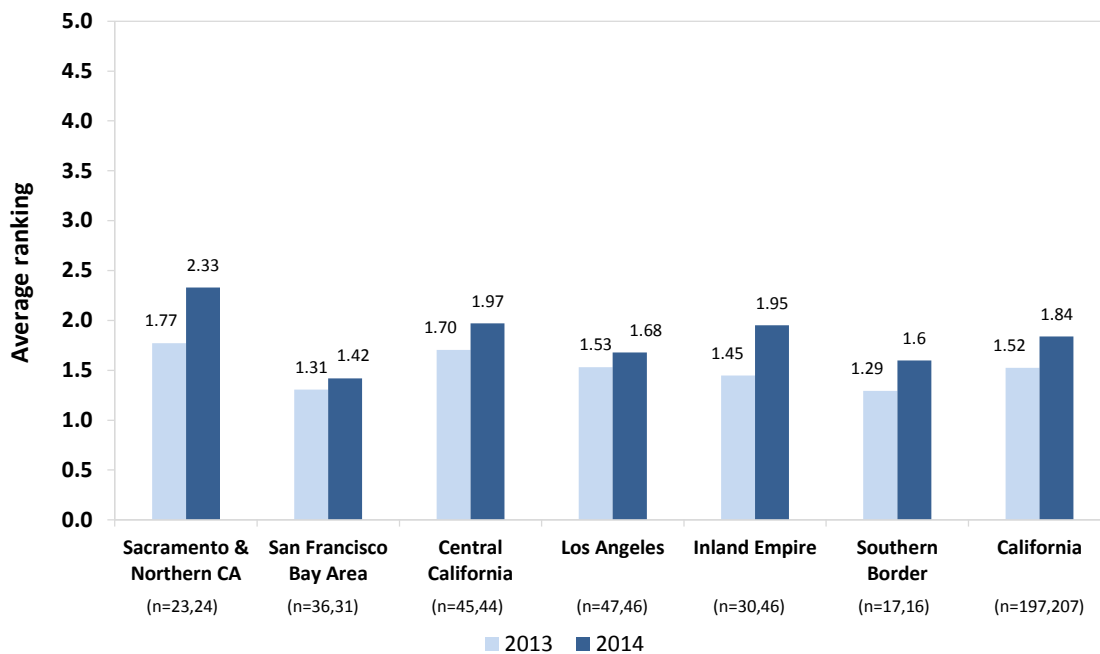
In fall 2013 and 2014, hospitals were asked to distinguish the labor market for experienced RNs versus new RN graduates. Figure 2 compares the average demand score across regions for experienced RNs and shows that demand has been consistently strong over the past two years. The biggest change in 2014 compared to one year ago is the increased demand reported by hospitals in the San Francisco Bay Area. In 2013, hospitals in this region described the labor market as being very slightly out of balance, with demand weaker than the available supply. In 2014, conditions in the SF Bay Area improved, with hospitals reporting moderate demand for experienced RNs. Only hospitals in the Southern Border region reported markedly weaker demand compared to one year ago.

Figure 2. Average ranking of labor market demand for experienced RNs by geographic region, 2013 – 2014



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 and highlights how much weaker the labor market is for new RN graduates compared to RNs with experience. With the exception of hospitals in the Sacramento & Northern California region, demand for newly graduated RNs in 2014 was reported as being somewhere between “less than” and “much less than” the available supply. However, demand for new RN graduates did strengthen across all regions compared to one year ago.

Figure 3. Average ranking of labor market demand for new RN graduates by geographic region, 2013 – 2014

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 labor markets for registered nurses in fall 2014. The table differentiates between the labor market overall, the market for experienced RNs, and the market for new RN graduates. These data illustrate the variation in perceptions of labor market conditions across regions of the state. For example, one-quarter of all hospitals in the Central California region reported overall demand for RNs being much greater than the available supply; in contrast, there were no hospitals in the Southern Border region who characterized the labor market as such. Approximately one-third of hospitals in the San Francisco Bay Area region reported that overall demand for RNs was less than the available supply; in all other regions, the share of hospitals was closer to ten percent.

The data describing demand for experienced RNs also show regional variation in labor market conditions. One-half of hospitals in both the Sacramento/Northern CA and Central CA regions reported that demand for experienced RNs is much greater than the available supply; in the Southern Border region, only 12.5 percent of hospitals reported this same perception. The labor market for experienced RNs in the Southern Border region could also be described as divided, with most hospitals reporting either moderately strong or moderately weak demand.

Demand for new RN graduates is weak across the state. However, there are some regional differences. In the San Francisco Bay Area, 100 percent of hospitals reported that demand for new RN graduates was either “less than” or “much less than” the available supply. In contrast, approximately one-third of hospitals in the Southern Border region reported moderate demand. Similarly, nearly 40 percent of

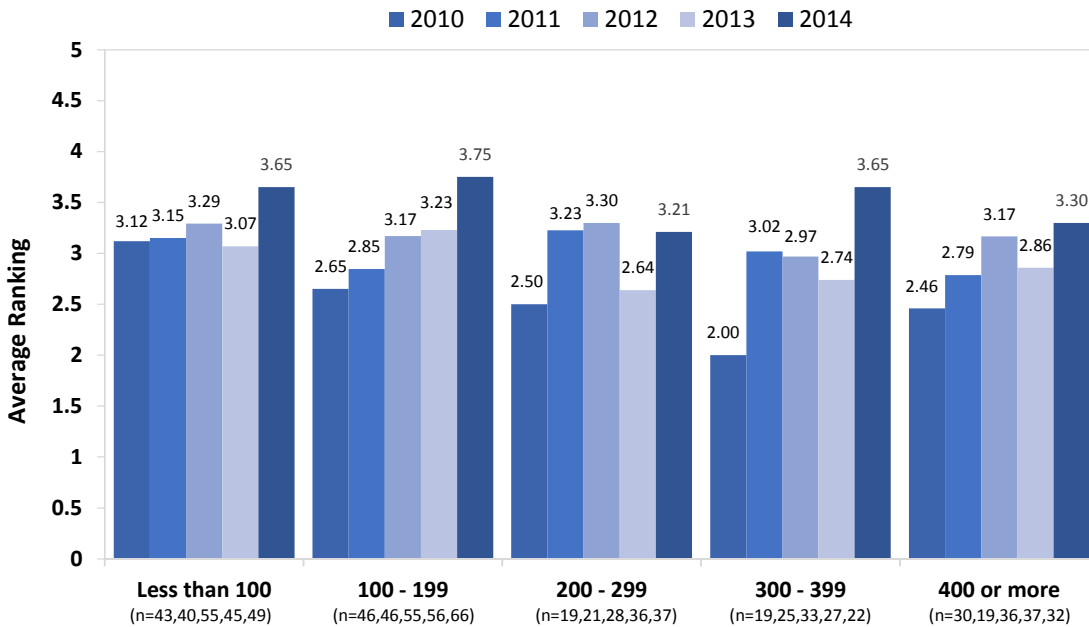
hospitals in the Sacramento/Northern California region reported that demand for new RN graduates was either in balance with supply or greater than the available supply.

Table 6. RN labor market demand by geographic region, 2014

	Region					
	Sac/ North CA (%)	SF Bay Area (%)	Central CA (%)	LA (%)	Inland Empire (%)	South Border (%)
Overall RN labor market						
High demand	20.8	16.1	25.0	17.4	20.0	0.0
Moderate demand	41.7	32.3	52.3	54.3	48.9	68.8
Demand in balance with supply	16.7	12.9	6.8	15.2	13.3	18.8
Demand less than supply	12.5	32.3	6.8	10.9	8.9	6.3
Demand much less than supply	8.3	6.5	9.1	2.2	8.9	6.3
Total hospitals	24	31	44	46	45	16
Experienced RN labor market						
High demand	50.0	25.8	47.7	39.1	43.2	12.5
Moderate demand	25.0	38.7	31.8	43.5	38.6	50.0
Demand in balance with supply	16.7	29.0	11.4	10.9	11.4	0.0
Demand less than supply	8.3	6.5	9.1	2.2	6.8	37.5
Demand much less than supply	0.0	0.0	0.0	4.3	0.0	0.0
Total hospitals	24	31	44	46	44	16
New RN graduate labor market						
High demand	12.5	0.0	0.0	0.0	2.2	0.0
Moderate demand	8.3	0.0	2.3	2.2	2.2	31.3
Demand in balance with supply	16.7	0.0	15.9	10.9	8.9	6.3
Demand less than supply	25.0	48.4	45.5	37.0	57.8	6.3
Demand much less than supply	37.5	51.6	36.4	50.0	28.9	56.3
Total hospitals	24	31	44	46	45	16

Figure 4 compares average overall demand for RNs by hospital size (total number of licensed beds), for each of the five years the survey has been conducted. Overall demand for RNs in fall 2014 increased among hospitals of all sizes compared with the previous year. These data also indicate that demand is generally strongest among hospitals with fewer than 200 beds. The exception is hospitals ranging in size from 300 – 399 total beds, which also reported the biggest change in labor market conditions over the past year (the average demand score increased from 2.74 to 3.65). Hospitals of all sized characterized overall demand for RNs in fall 2014 as somewhere between balanced and moderately strong demand.

Figure 4. Average ranking of overall labor market demand by hospital bed-size, 2010 – 2014

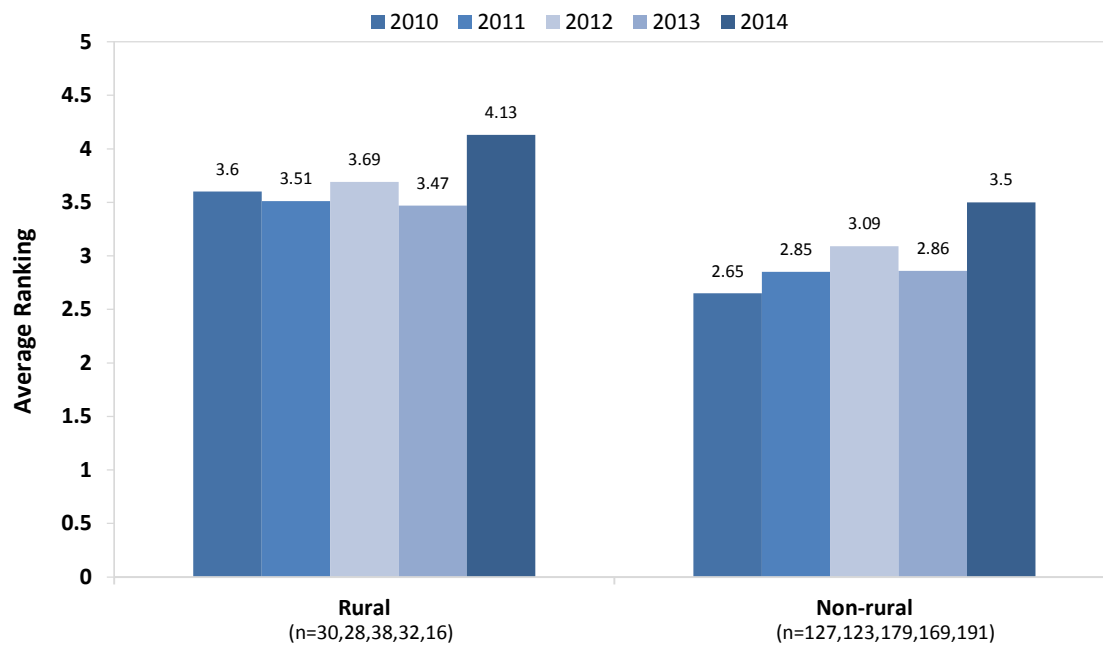


Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

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 3.5 to 4.0 indicating moderately high demand, with some difficulty filling open positions. Smaller hospitals reported perceptions of slightly stronger demand in comparison with larger hospitals. Demand for new RN graduates was weak among hospitals of all sizes. The average demand scores ranged from 1.2 to 1.75 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 both rural and non-rural locations reported a substantial increase in average demand compared with previous years. Among rural hospitals, the average score of 4.13 corresponds to a perception that demand for RNs is moderately strong (some difficulty filling open positions). As in previous years, on average, rural hospitals reported stronger demand for RNs by comparison with non-rural hospitals.

Figure 5. Average ranking of RN labor market demand by geography, 2010 – 2014



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 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.) Demand for new RN graduates was weak for both rural and non-rural hospitals, with average demand scores indicating a general perception of demand being less than/much less than the available supply of new RN graduates. (Rural hospitals reported somewhat greater demand for new RN graduates in comparison with non-rural hospitals.)

Nurse recruitment: Comparison with last year

Hospitals were asked to report whether the difficulty of recruiting for different types of nursing positions was currently “more difficult”, “about the same”, or “less difficult” than it was last year. Table 7 shows that, as with previous years, a majority of hospitals reported that recruitment was as difficult in fall 2014 as it was in fall 2013. However, the extent to which hospitals felt this to be the case varied by the type of nursing position. For example, over 95 percent of hospitals reported that the level of difficulty recruiting certified nurse midwives (CNMs) was unchanged compared to a year ago, while only 54 percent of hospitals felt the same way about “other RN positions,” which include managers, specialists, and other non-staff-nursing roles.

Staff RN positions have become more difficult to fill. Twenty-five percent of hospitals in the fall 2014 survey reported having greater difficulty recruiting for these positions compared to a year ago. This represents an 11 percentage point increase in comparison with the fall 2013 survey. This reinforces the

data describing labor market perceptions presented above showing that overall demand for RNs has strengthened over the past year.

As in previous years, recruiting for “other RN” positions remains a challenge. Approximately 40 percent of survey responders indicated that it was currently “more difficult” than last year to recruit for these positions (in fall 2013 the share was 39 percent). Job titles for “other RN” positions most frequently identified as difficult to recruit included case managers, informatics nurses, clinical educators, clinical supervisors and directors, and department managers.

Survey respondents also indicated that positions for clinical nurse specialists (CNS) have become more difficult to fill over time. In fall 2013, 18 percent of hospitals reported recruiting for CNS positions was more difficult than the previous year, Table 7 shows that in fall 2014 the share increased to 25 percent. In contrast, Table 7 shows that hospitals are finding it much less difficult to recruit for licensed vocation nurse (LVN) positions over time. In fall 2014, 66 percent of hospitals reported that LVN recruitment was less difficult compared to the previous year, in fall 2013 the share was just 30 percent. This marks the third consecutive year that hospitals reported LVN as the easiest position to recruit.

Table 7. Difficulty recruiting compared to last year, by position, 2014 (Q3)

Position	Difficulty Recruiting Compared to Last Year						
	More difficult		Less difficult		No change		Responses
	#	%	#	%	#	%	#
Staff RN	53	25.0	19	9.0	140	66.0	212
Other RN	74	40.9	9	5.0	98	54.1	181
NP	22	16.1	18	13.1	97	70.8	137
CNM	2	2.1	1	1.1	92	96.8	95
CRNA	9	7.8	16	13.8	91	78.4	116
CNS	32	26.9	2	1.7	85	71.4	119
LVN	4	2.9	91	66.4	42	30.7	137
Unlicensed Aide/Assistant	24	12.5	41	21.4	127	66.1	192

Tables 8 and 9 list the most frequently reported units in which nurse practitioners and clinical nurse specialists are employed by hospitals. Among hospitals that employ NPs, the ambulatory care/outpatient clinic setting was reported nearly twice as often as any other unit type. Hospitals were given the option of writing in a unit type not listed as a survey response option. The most frequently reported unit types employing NPs that are categorized as “other” in Table 8 were surgical units and hematology-oncology units. Approximately 16 percent of hospitals reported that they do not employ NPs.

Among hospitals that employ Clinical Nurse Specialists, the most frequently reported unit type was intensive care (including the NICU). The most frequently reported unit type described as “other” in Table 9 was patient education. More than one-quarter of all hospitals reported that they do not employ Clinical Nurse Specialists.

Table 8. Units where Nurse Practitioners are employed, 2014

Description	#	%
Ambulatory Care Clinic	104	70.7
Emergency Department	57	38.8
Cardiac Unit	45	30.6
Intensive Care	43	29.3
Medical-Surgical	40	27.2
Do not employ	24	16.3
Other	48	32.7
Unique hospital responses	147	100

Table 9. Units where Clinical Nurse Specialists are employed, 2014

Description	#	%
Intensive Care	80	53.0
Medical-Surgical	55	36.4
Education	48	31.8
Pediatrics	36	23.8
Emergency Department	28	18.5
Do not employ	43	28.5
Other	27	17.9
Unique hospital responses	151	100

Current Employment of Nurses²²

Responding hospitals reported total current employment²³ of 91,193 registered nurses (Table 10). Hospitals were asked to differentiate between staff RNs,²⁴ who represent more than 90 percent of all employed registered nurses, and non-staff RNs (“Other RNs”, in Table 10 below). Hospitals also were asked to report 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 supervisors; case managers, care coordinators and educators; and specialty nurses, including quality specialists and informaticists.

Table 10 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. Staff RNs are much more likely to work part-time in comparison

²² 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, 2014 to September 31, 2014.

²³ Current employment refers to the number of employees as of the pay period closest to September 31, 2014.

²⁴ These data also distinguish “new RN graduates”, who are defined as staff registered nurses with less than six months of nursing experience.

to Other RNs, or new RN graduates. Very few hospitals reported employment of nurse midwives, and these nurses are almost equally likely to work part-time as full-time. Nearly one-third of all certified nurse assistants were reported as part-time employees.

Full-time employment of staff RNs (not including new graduate RNs) decreased in comparison with the previous year. In fall 2014, hospitals reported that 64 percent of employed staff RNs were working full-time, in 2013 the share was 71 percent. 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 part-time. There were no reported declines in full-time employment for any of the other nursing positions for which data were collected in last year’s survey.

Table 10 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 10. APRN nurses accounted for just 1 percent of the total number employed.

Table 10. Number of current staff (headcount) by position, 2014 (Q3)

Description	Full-time		Part-time		Total
	Headcount	% of total	Headcount	% of total	
All Registered Nurses	60,126	65.9	31,067	34.1	91,193
Staff RNs	53,494	64.0	30,146	36.0	83,640
Other RNs	5,001	85.9	823	14.1	5,824
New RN Graduates	1,721	94.6	98	5.4	1,819
Nurse Anesthetist	53	84.1	10	15.9	63
Clinical Nurse Specialist	180	75.0	60	25.0	240
Nurse Midwife	10	55.6	8	44.4	18
Nurse Practitioner	741	72.1	287	27.9	1,028
Licensed Vocational Nurses	3,172	80.7	761	19.3	3,933
Certified Nurse Assistant	5,064	66.9	2,500	33.1	7,564
Home Health Aide	198	75.9	63	24.1	261
Unlicensed Aides/Assistants	4,964	78.1	1,396	21.9	6,360

Table 11 shows that hospitals predominantly use twelve-hour shifts when scheduling nursing staff (86 percent of all respondents). Approximately 14 percent reported eight-hour shifts as the most commonly employed; no hospitals reported ten-hour shifts as the dominant shift length for scheduling nursing staff.

Table 11. Dominant shift lengths in scheduling, 2014

Description	#	%
12-hour shifts	184	86.4
10-hour shifts	0	0.0
8-hour shifts	29	13.6
Unique hospital responses	213	100

Per Diem, Contract & Agency Employment

Table 12 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. Nearly all of the small number of nurse midwives, approximately three of every four home health aides, and more than one-third of all nurse anesthetists employed by hospitals in fall 2014 were reported as per diem staff. Among registered nurses, the rate of per diem use is much higher for experienced staff RNs (12.5 percent) compared with either non-staff RNs (9.5 percent) or new RN graduates (5.8 percent). Registered nurses are less likely to be per diem employees compared to either LVNs or certified nurse assistants.

Overall, use of contract and agency employees is much less frequently reported by comparison with per diem employees. Table 12 shows there are some differences in the use of contract versus agency employees, depending on the nursing position type. 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 12. Per Diem, contract, and agency staff as share of current staff, 2014 (Q3)²⁵

Per Diem Employees	# of positions	% of current staff
All Registered Nurses	11,135	12.2
Staff RNs	10,478	12.5
Other RNs	552	9.5
New RN Graduates	105	5.8
Nurse Anesthetist	23	36.5
Clinical Nurse Specialist	6	2.5
Nurse Midwife	17	94.4
Nurse Practitioner	137	13.3
Licensed Vocational Nurses	647	16.5
Certified Nurse Assistant	1,353	17.9
Home Health Aide	192	73.6
Aides/Assistants	948	14.9
Contract Employees		
Registered Nurses	1,633	1.8
Licensed Vocational Nurses	22	0.6
Aides/Assistants	43	0.7
Agency Employees		
Registered Nurses	976	1.1
Licensed Vocational Nurses	342	8.7
Aides/Assistants	295	4.6

Table 13 shows that the share of all registered nurses who work as per diem employees has been trending slightly downward since 2012. After three consecutive years of increasing use of per diem LVNs and aides/assistants, hospitals reported lower overall utilization in fall 2014. The use of contract employees shows no consistent pattern over time, for any of the different types of nursing positions. However, Table 13 suggests increased use of agency LVNs and aides/assistants in recent years, and possibly increasing use of agency RNs as well. It is important to note that the number of contract and agency employees is very small.

²⁵ 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, 2014) / (number of regular staff positions as of the pay period closest to September 31, 2014)

Table 13. Per diem, contract, and agency staff as share of current staff, 2010 – 2014

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

Staff Separations by Position

Table 14 presents data describing nurses who left their positions in the third quarter of 2014. Total separation rates were highest for LVNs, home health aides and non-staff RNs. In general, the small number of advanced practice nurses employed by hospitals had very low reported separation rates. A comparison of full-time versus part-time data shows that rates were generally the same for staff RNs, while part-time rates were higher for non-staff RNs and home health aides.

Table 14. Separations (turnover) as a share of current staff, by position, 2014 (Q3)²⁶

Description	Full-time		Part-time		Total	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	1,576	2.6	734	2.4	2,310	2.6
Staff RNs*	1,426	2.6	707	2.3	2,133	2.5
Other RNs	150	2.9	27	3.4	177	3.0
Nurse Anesthetist	1	1.7	0	0.0	1	1.4
Clinical Nurse Specialist	6	0.6	0	0.0	6	0.6
Nurse Midwife	0	0.0	0	0.0	0	0.0
Nurse Practitioner	22	3.1	4	1.5	26	2.6
Licensed Vocational Nurses	118	3.7	33	4.4	151	3.8
Certified Nurse Assistant	130	2.6	74	3.0	204	2.7
Home Health Aide	5	2.5	4	6.5	9	3.5
Aides/Assistants	127	2.5	46	3.4	196	2.7

* Staff RNs include new RN graduates. New RN graduates are defined as Staff RNs having less than 6 months of experience.²⁷

Table 15 presents annualized separation rates²⁸ for the period 2010 – 2014 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.

Table 15. RN separations (turnover) as a share of current staff, 2010 – 2014

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

New Employee Hiring by Position

Table 16 describes nursing personnel who were hired as new employees in the third quarter of 2013. Total hiring rates²⁹ were highest for nurse practitioners, unlicensed aides/assistants, certified nurse assistants, and staff RNs. With the exception of nurse practitioners, the small number of advanced practice nurses employed by hospitals had very low reported hiring rates. A comparison of full-time versus part-time data indicates that the full-time rate was significantly higher for staff RNs, but rates

²⁶ The separation rate was calculated as follows: (number of separations occurring during the quarter July 1, 2014 – September 31, 2014) / (number of positions at the start of the quarter beginning July 1, 2014).

²⁷ 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.

²⁸ 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 2014 and an annualized rate was calculated by multiplying the quarterly average by a factor of four

²⁹ The hiring rate was calculated as follows: (number of new employees hired during the quarter July 1, 2014 – September 31, 2014) / (number of positions at the start of the quarter beginning July 1, 2014)

were approximately equal for non-staff RNs; certified nurse assistants and nurse practitioners had much higher full-time hiring rates.

Table 16. Reported new employees as a share of current staff, by position, 2014 (Q3)

Description	Full-time		Part-time		Total	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	2,590	4.3	664	2.1	3,254	3.6
Staff RNs*	2,472	4.5	644	2.1	3,116	3.7
Other RNs	118	2.3	20	2.5	138	2.3
Nurse Anesthetist	0	0.0	1	10.0	1	1.4
Clinical Nurse Specialist	8	0.9	1	1.8	9	0.9
Nurse Midwife	0	0.0	0	0.0	0	0.0
Nurse Practitioner	34	4.8	7	2.6	41	4.2
Licensed Vocational Nurses	87	2.7	20	2.7	107	2.7
Certified Nurse Assistant	230	4.6	64	2.6	294	3.9
Home Health Aide	5	2.5	1	1.6	6	2.3
Aides/Assistants	180	3.6	78	5.8	258	4.1

* Staff RNs include new RN graduates. New RN graduates are defined as Staff RNs having less than 6 months of experience.³⁰

Table 17 presents annualized hiring rates³¹ for the period 2010 – 2014 for registered nurses (staff RNs, non-staff RNs, and new RN graduates). The annual hiring rate shows some variation over time, but has increased since 2012.

Table 17. Reported new employees as a share of current staff, by position, 2010 – 2014

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

Taken together, the separation rate and hiring rate data presented in Tables 14 and 16 offer a mixed picture of registered nurse employment during the third quarter of fall 2014. Full-time staff RNs had a reported 4.5 percent hiring rate versus a 2.6 percent separation rate, while part-time staff RNs had a reported 2.1 percent hiring rate versus 2.3 percent separation rate.³² For non-staff RNs, hiring rates were less than separation rates for both full-time and part-time positions; this is also true for LVNs. In contrast, hiring rates for both full-time and part-time nurse practitioner positions were greater than

³⁰ 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.

³¹ 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 2014 and an annualized rate was calculated by multiplying the quarterly average by a factor of four.

³² 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.

separation rates. Historically, the annual hiring rate for all registered nurses has been greater than the annual separation rate.

New RN Graduates

Approximately 83 percent of hospitals reported hiring new RN graduates in fall 2014. Table 18 shows that in each year between 2010 and 2013 the share of hospitals reporting having hired new RN graduates declined. During this same period, the share of hospitals reporting that they do not hire new RN graduates increased. 2014 marks a reversal of both trends.

Table 18. Hiring of new RN graduates, 2010 – 2014

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

Table 19 shows that new RN graduates are 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 four staff RNs in the third quarter of 2014.

Table 19. Ratio of new RN graduates hired to staff RNs hired, 2014 (Q3)

Description	Full-time		Part-time		Total	
	#	Ratio	#	Ratio	#	Ratio
New RN Graduates hired	552	0.29	44	0.07	596	0.24

Table 20 shows that the ratio of full-time new RN graduates hired to staff RNs hired has declined since 2012.

Table 20. Ratio of new RN graduate hired to staff RNs hired (full-time), 2012 – 2014³³

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

Table 21 outlines expectations for new RN graduate hiring in the upcoming year. A majority of hospitals (57 percent) indicated they expect no change in the level of new graduate hiring in 2015. This is consistent with previous years. However, in fall 2014 the share of hospitals reporting expectations of

³³ 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.

increased hiring of new graduates next year was substantially larger by comparison with one year prior. As a result, the share of hospitals reporting an expectation that fewer new graduates would be hired in 2015 was much smaller.

Table 21. Expectations for new graduate hiring in the next year, 2011/12 – 2014/15

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

Hospitals were asked to cite reasons for why they expected hiring of new graduate registered nurses in 2015 to be different from 2014. Those indicating an expected *increase* in new graduate hiring most frequently reported anticipating fewer experienced RNs being available, resulting in a greater number of nursing vacancies. Hospitals also reported that efforts to develop partnerships with academic institutions to establish pipelines, and expansion of their own clinical education programs, would lead to increased hiring of new RN graduates. The few hospitals reporting expectations that hiring would *decrease* in 2015 indicated that there were still too many new RN graduates relative to experienced RNs in their market, and that the cost of educating new graduates was too high.

Hospitals were asked whether they employ new RN graduates in non-staff RN roles. Table 22 shows that in fall 2014, nearly one-third of responding hospitals utilized new RN graduates in non-RN positions; this is a small increase compared to 2013. The most frequently reported reason for doing so was the lack of available positions for new graduates. These RNs are typically working (or volunteering) in patient care roles as aides and assistants, until they can be hired into a position designated for new graduates or gain entry into a new graduate RN residency program. Hospitals also noted that the experience can be an effective orientation, providing exposure to hospital operations and the broader culture. Several hospitals reported that they hire ADN-educated nurses into non-RN roles until they complete nursing education at the baccalaureate level.

Table 22. Hiring of new graduates into non-staff RN roles, 2014

Description	2013		2014	
	#	%	#	%
Yes – new graduates work in non-nursing roles	55	28.6	66	31.7
No – new graduates do not work in non-nursing roles	137	71.4	142	68.3
Responses	192	100	208	100

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 availability of experienced RNs was often cited as a reason for not hiring new RN grads; this would need to change for hospitals to begin hiring. However, 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. Most of these hospitals reported a desire to hire newly graduated RNs, but expressed skepticism that conditions would change given the resource constraints they face.

Hospitals were also asked whether they have a hiring policy regarding RNs who do not have experience in an acute care setting. Table 23 presents the distribution of responses from the past five survey years. In fall 2014, approximately 71 percent of hospitals reported that they hire registered nurses without acute care experience. This is a larger share compared to recent survey years. Table 23 also indicates that, when hired, RNs without acute care experience are increasingly likely to be hired into positions designated for new graduates as opposed to “experienced” positions.

Table 23. Hiring of registered nurses who do not have acute care experience, 2010 – 2014

Description	2010		2011		2012		2013		2014	
	#	%	#	%	#	%	#	%	#	%
Experienced positions	19	22.3	23	15.8	41	19.3	35	18.2	24	11.4
New graduate positions	36	42.4	65	44.5	84	39.6	93	48.4	125	59.5
Do not hire	30	35.3	58	39.7	87	41.0	64	33.3	61	29.0
Total	85	100	146	100	212	100	192	100	210	100

Requirements for RN Employment

Table 24 compares hospital responses between 2011 and 2014 regarding requirements that must be met in order to be hired into a general staff nursing position. These data indicate that the share of hospitals with a minimum experience requirement for staff RN positions has increased over time, but has remained stable in the past two years. Approximately 61 to 64 percent of hospitals have a minimum experience requirement. In fall 2014, two-thirds of these hospitals reported having a requirement of twelve months of experience to be hired into a general staff RN position; the range of months of experienced required extends from 1 to 24 months.

In each of the past four years, approximately 70 percent of hospitals have reported a preference for hiring baccalaureate trained RNs. Although comparatively small, the share of hospitals *requiring* a baccalaureate degree as a condition for employment has been steadily increasing since 2011. In fall 2014, hospitals were asked about second language skills as a requirement for employment. No hospitals reported requiring a second language, but 40 percent indicated that it was a preference. Of these hospitals, 85 percent reported Spanish as the preferred language. Other languages reported included Vietnamese, Cantonese, Korean and Mandarin.

Hospitals were given the opportunity to report other types of requirements for employment in a staff RN position. Most of these write-in responses reported requiring certification such as advanced cardiovascular life support (ACLS). Several hospitals reported the requirement that new hires without a BSN degree complete one within a specific period of time. Only 15 percent of hospitals indicated having no specific requirements for employment in a staff nursing position.

Table 24. Requirements for registered nursing employment, 2011 – 2014

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

*These questions were added in 2014

Baccalaureate-prepared Nurses

Respondents were asked to report the share of RNs currently employed in their hospital trained at the BSN level. The response choices were presented as categories, listed in Table 25 below. Nearly half of all hospitals reported that BSN-prepared nurses represent, at most, 25 percent of all employed RNs in their hospital. Approximately 23 percent of respondents indicated that RNs holding a BSN degree accounted for more than 50 percent of their registered nursing staff.

Table 25. Currently employed BSN-prepared registered nurses, 2014

Share of employed RNs with a BSN (%)	#	%
0 – 25	86	46.7
26 – 50	56	30.4
51 – 75	15	8.2
75 – 100	27	14.7
Total	184	100

Hospitals were asked to report whether or not they had goals or plans in place to increase the number of baccalaureate-trained nurses on staff. Table 26 shows that over 70 percent of responding hospitals indicated having a plan to do so. This represents a 5 percentage point increase by comparison with one year ago.

Table 26. Plans to increase BSN-prepared nurses, 2013 – 2014

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

Hospitals that indicated plans to increase the share of BSN-prepared RNs on staff were asked to report the extent to which they planned to do so. The question was framed as a three-year target or goal: “Three years from now, what share of your currently employed registered nurses will be BSN-prepared?” Table 27 details the responses. A majority of hospitals (54 percent) have a goal of increasing the share of BSN-prepared RNs to more than half of all RNs on staff in the next three years.

Table 27. Targeted increase of BSN-prepared nurses, 2014

Targeted goal (% of BSN prepared nurses on staff)	#	%
0 – 25	15	10.3
26 – 50	51	35.2
51 – 75	62	42.8
75 – 100	17	11.7
Total	145	--

RNs trained below the baccalaureate level represent a substantial share of California’s nursing workforce. Hospitals were asked whether new hires trained below the baccalaureate level are required to complete a BSN degree and, if so, how much time they have to complete it. Table 28 shows that very few hospitals require newly hired employees that don’t already hold a BSN to obtain one (12 percent), and that this has not changed over the past year. For those hospitals that do have this requirement, a time table of 2 to 3 years to completion was commonly reported.

Table 28. Requirements for new hires to complete a BSN degree within a certain time, 2014

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

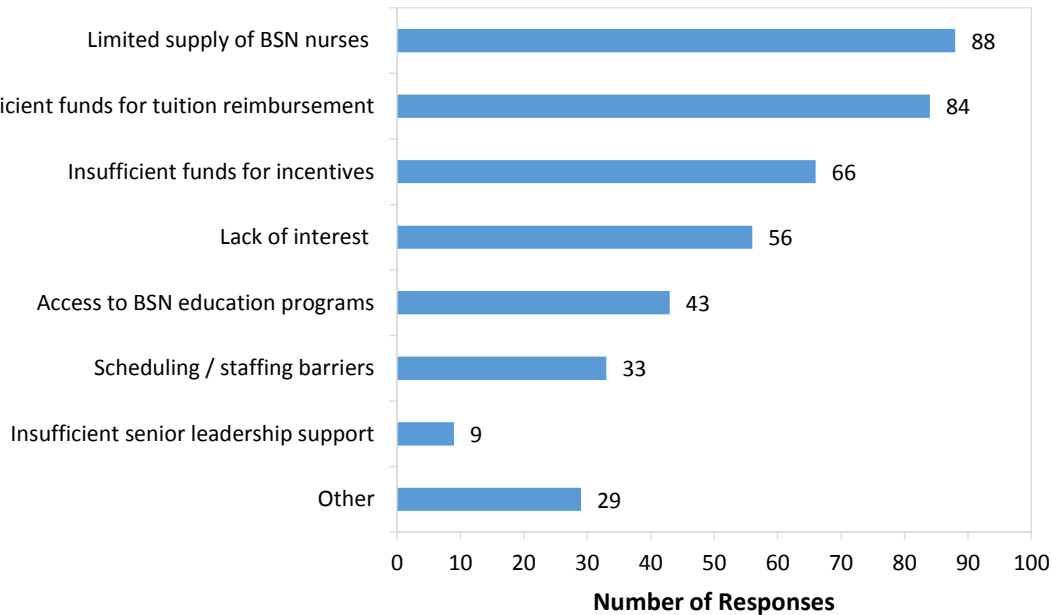
Despite the fact that few hospitals require newly hired RNs trained below the baccalaureate level to obtain a BSN, more than half of all hospitals reported that RNs who do not have a BSN face limits to being promoted beyond the position of staff nurse (Table 29). This represents an increase of approximately 8 percentage points compared to one year ago.

Table 29. Impact of BSN on promotion, 2014

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

Almost all hospitals reported facing at least one barrier to increasing the number of baccalaureate-trained nurses on staff (Figure 6). The most frequently reported barriers were the limited supply of BSN-prepared nurses, and the lack of funding to offer tuition reimbursement or to provide incentives (e.g. promotion, pay differential, or bonus) for incumbent RNs to complete a baccalaureate degree program. A significant number of hospitals also reported that a lack of interest in pursuing a BSN degree among incumbent RNs was an important barrier. Reasons for this included the perception that the BSN has no clinical value, nor would it increase potential earnings.

Figure 6. Barriers to increasing the number of BSN-prepared nurses



Note: 199 hospitals reported at least one barrier to increasing number of BSN-prepared nurses.

Although there is a perception among incumbent RNs trained below the baccalaureate level that the BSN degree has no potential to increase earnings,³⁴ Table 30 indicates that one-third of hospitals differentiate earnings based on the type of degree held (e.g. ADN vs BSN vs MSN).

Table 30. Organization differentiates RN salaries by degree, 2014

Description	#	%
Organization differentiates salary	69	32.9
Organization does not differentiate salary	141	67.1
Total	210	100

³⁴ Bates, T, Chu, L, Keane, D, Spetz, J. Survey of Nursing Employers in California, Fall 2013. San Francisco, CA: Philip R. Lee Institute for Health Policy Studies, University of California, San Francisco. August 5, 2014.

In addition to differentiating RN salaries based on the type of degree held, hospitals were also asked about differentiation based on advanced certifications (e.g. critical care, peri-operative, oncology). Almost half of all hospitals reported salary differentiation based on advanced certifications. If the hospital offers a salary differential or bonus based on advanced certification, it is very rare for one specific credential to be recognized and not another. In other words, the hospital typically rewards the common advanced certifications specific to the different clinical areas of nursing care. Many hospitals described clinical ladder programs that require RNs to obtain national certification to be promoted in their respective clinical track.

Table 31. Organization differentiates RN salaries by advanced certification, 2014

Description	#	%
Organization differentiates salary	104	48.4
Organization does not differentiate salary	111	51.6
Total	215	100

Hospitals were asked about the types of support provided to employed RNs who are enrolled in a degree program, or working toward advanced certification. Eighty-five percent of hospitals reported offering tuition reimbursement in support of employed RNs seeking an additional degree; 58 percent offer tuition reimbursement to RNs working toward advanced certification. Much less common is the provision of paid time off for coursework, either for a degree program or certification. Approximately half of the responding hospitals reported allowing current RNs to take unpaid time off for degree-related coursework; for coursework related to certification, unpaid time off was less frequently reported. Hospitals were given the chance to describe other types of support for RNs working toward a degree or certification. The most common responses were the provision of loan repayment programs and flexible scheduling.

Table 32. Support for RNs working toward post-licensure degrees or certification, 2014

Description	#	%
Tuition reimbursement		
Post-licensure degree(s)	182	85.0
Certification(s)	125	58.4
Paid time off for coursework		
Post-licensure degree(s)	54	25.2
Certification(s)	59	27.6
Approved use of unpaid time off for coursework		
Post-licensure degree(s)	99	46.3
Certification(s)	83	38.8
None	12	5.6
Other	41	19.2
Total responses	214	--

Hospitals that provide tuition reimbursement were asked about the maximum benefit paid per RN per year. Table 33 shows that a majority of hospitals offer currently employed RNs between \$1,500 and \$3,000 per year in tuition reimbursement.

Table 33. Tuition reimbursement benefits per RN per year, and per completed program, 2014

Description	Maximum per year	
	#	%
\$0 - \$1,499	21	12.1
\$1,500 - \$2,999	89	51.1
\$3,000 - \$4,499	41	23.6
\$4,500 - \$5,999	17	9.8
\$6,000 - \$7,499	3	1.7
\$7,500 - \$9,999	1	0.6
\$10,000+	2	1.1
Total	174	100

In addition to salary-based incentives, hospitals were asked to describe non-salary incentives provided to encourage incumbent RNs to obtain additional education. Table 34 shows that the most common type of non-salary incentive hospitals offer RNs enrolled in a degree program, or working toward advanced certification, is the opportunity to be promoted.

Table 34. Non-salary incentives for completion of a post-licensure degree or certification, 2014

Description	#	%
Recognition event or award		
Post-licensure degree(s)	49	23.9
Certification(s)	71	34.6
One-time bonus		
Post-licensure degree(s)	30	14.6
Certification(s)	62	30.2
Improved chance for promotion / professional advancement		
Post-licensure degree(s)	147	71.7
Certification(s)	75	36.6
None	33	16.1
Other	13	6.3
Total responses	205	--

Hospitals were asked to report the types of on-site nursing education programs they offer (other than continuing education). Table 35 shows that approximately 30 percent of all hospitals reported at least one type of on-site education program. The most common type was the RN to BSN program, offered by nearly 60 percent of hospitals that had some kind of on-site education program. If the hospital offers a specialty certification program onsite, it is very rare for one specific credential to be offered and not another. Whether or not a program is offered is determined by need, and hospitals reported that they will coordinate with other local hospitals when making decisions about what to offer.

Table 35. Programs available for on-site education, 2014

Description	#	%
LVN to RN	17	25.4
RN to BSN	41	61.2
MSN	20	29.9
Specialty certification	19	28.4
Other	6	9.0
Total responses	67	--

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*.³⁵ These residency programs are distinct from typical orientation programs for newly hired RNs. Approximately 18 percent of responding hospitals reported having such a program.

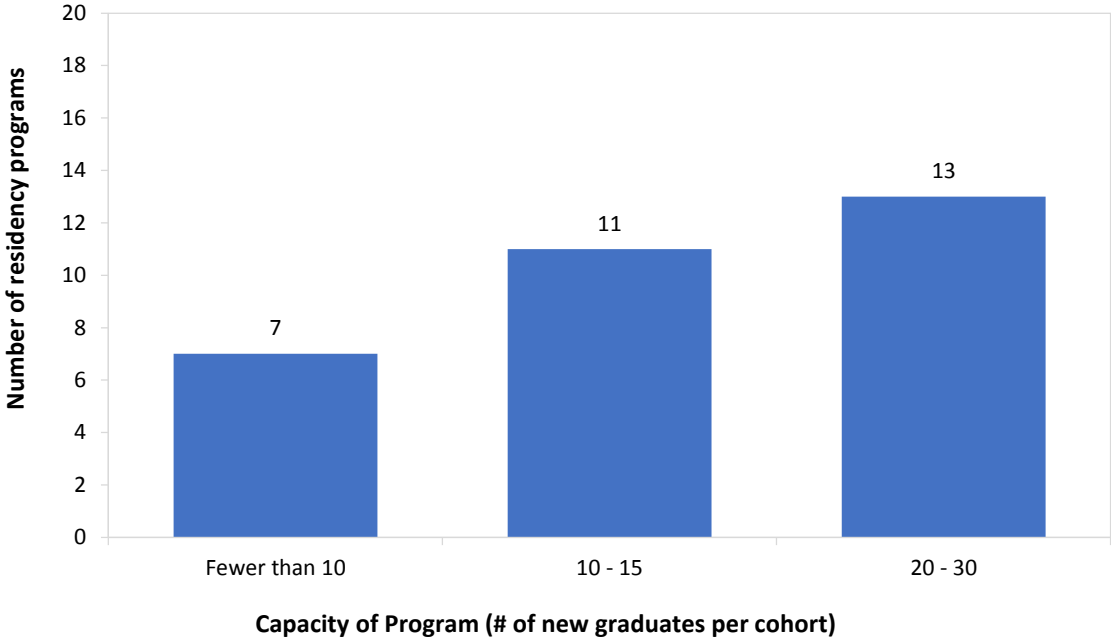
Table 36. Clinical residency programs for new RN graduates, 2014

Description	#	%
Residency	39	18.4
No residency	173	81.6
Total	212	100

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 7 below shows that residency programs range in size from those that educate fewer than 10 new graduates per cohort to programs educating as many as 30 new graduates per cohort.

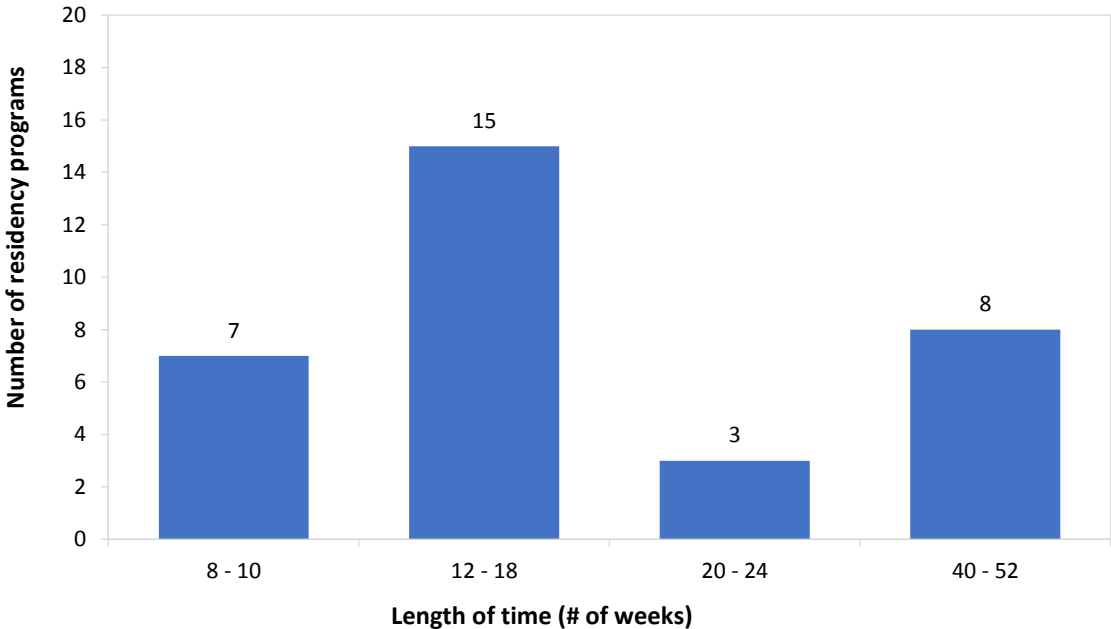
³⁵ This question was restructured in 2014 to distinguish on-boarding programs used to educate new RN graduate employees from programs that offer with no promise of employment. Thus, comparisons with prior years cannot be made.

Figure 7. Capacity of clinical residency program, 2014



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 education was 12 – 18 weeks (Figure 8). Approximately three-quarters of all residency programs take fewer than 24 weeks to complete. The remaining quarter are anywhere from 40 weeks to one year in length.

Figure 8. Length of clinical residency program, 2014



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 2014, approximately 60 percent of residency programs were developed internally. Nearly all of the other programs were developed in partnership with a school of nursing. Fewer than 10 percent of programs were externally contracted through a vendor.

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

Description	#	%
Externally developed	3	7.9
Internally developed	24	63.2
Partnership with school of nursing	11	28.9
Total	38	100

Table 38 describes whether or not new graduates completing these formal residency programs are paid for their time. More than two-thirds of these programs pay the participating new RN graduates.

Table 38. Paid versus unpaid residency programs, 2014

Description	#	%
Paid residency	28	68.3
Unpaid residency	13	31.7
Total	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. Nearly all residency programs include a medical-surgical component; approximately 70 percent include educational content related to the emergency department. Programs that include critical care and delivery room/postpartum components are also common. Among hospitals that indicated “other” areas of education, telemetry was most frequently reported.

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

Clinical Practice Area	#	%
Medical-Surgical	39	95.1
Emergency Department	28	68.3
Critical Care	24	58.5
Delivery Room/Postpartum/Newborn Nursery	21	51.2
OR/Peri-operative	17	41.5
Pediatrics/Neonatal	8	19.5
Ambulatory Care	6	14.6
Rehabilitation	3	7.3
Psychiatry	2	4.9
Skilled Nursing	1	2.4
Home Health	0	0.0
Other	5	12.2
Total responses	41	--

Table 40 indicates that most new RN graduates who are accepted into a formal residency program are hired by the hospital. Nearly 80 percent of responding hospitals reported that they hire between 75 and 100 percent of the graduates in their residency programs.

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

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

Although comparatively few hospitals have formal residency programs (in which new graduates are not guaranteed to be hired), almost all hospitals have some kind of orientation program for newly hired RNs. Table 41 shows that a majority of these onboarding programs are fewer than 10 weeks in length, and that over 90 percent last no longer than 19 weeks.

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

Description	#	%
Have an onboarding program	207	96.7
Don't have an onboarding program	7	3.3
Total	214	100
Length of program (in weeks)	#	%
Less than 10 weeks	99	55.6
10-19 weeks	67	37.6
20-29 weeks	8	4.5
30-39 weeks	0	0.0
40-49 weeks	0	0.0
50+ weeks	4	2.2
Total	178	100

Current Vacancies³⁶

Table 42 presents reported vacancy rates by position for the third quarter of 2014. The overall vacancy rate for registered nursing positions was 4.8 percent, but there are differences in the rate depending on the type nursing position (including full-time versus part-time). Among registered nurses, non-staff RNs and new graduates had considerably higher overall vacancy rates by comparison with staff RNs. However the differences comparing full-time vacancy rates were smaller. As previously noted, hospitals don't employ many nurse anesthetists, nurse midwives, or clinical nurse specialists. Because of this, a small number of vacant positions can result in a high vacancy rate. For example, 2 total openings for nurse midwives results in an overall vacancy rate of 10 percent. Nurse practitioners, however, represent a larger pool of hospital employees; the vacancy rate is less sensitive to small changes. The vacancy rate of nearly 11 percent for full-time NPs suggests that hospitals are having a hard time filling these positions. Table 42 also illustrates that new RN graduates are predominantly hired into full-time positions; there were more than seven times as many full-time vacancies as part-time vacancies for new graduates.

³⁶ Vacancy data are derived from the quarterly HASC Healthcare Workforce Survey and represent openings as of the pay period closest to September 31, 2014.

Table 42. Current vacancy rates by position, 2014 (Q3)³⁷

Description	Full-time		Part-time		Total	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	3,418	5.4	1,138	3.5	4,556	4.8
Staff RNs	2,997	5.3	1,080	3.5	4,077	4.6
Other RNs	323	6.1	45	5.2	368	5.9
New RN Graduates	98	5.4	13	11.7	111	5.8
Nurse Anesthetist	4	7.0	2	16.7	6	8.7
Clinical Nurse Specialist	22	10.9	1	1.6	23	8.7
Nurse Midwife	2	16.7	0	0.0	2	10.0
Nurse Practitioner	90	10.8	19	6.2	109	9.6
Licensed Vocational Nurses	137	4.1	28	3.5	165	4.0
Certified Nurse Assistant	177	3.4	77	3.0	254	3.2
Home Health Aide	5	2.5	0	0.0	5	1.9
Aides/Assistants	243	4.7	74	5.0	317	4.7

Table 43 shows that the 2014 average quarterly vacancy rate for registered nurses is the highest it has been in five years. This underscores findings that overall demand for RNs has increased, and that hospitals are finding it more difficult to recruit for open staff RN positions compared to recent years. These data are also aligned with the finding that non-staff RN positions are difficult to fill, as indicated by hospitals' perceptions of demand and the challenge of recruiting.

Table 43. Average quarterly vacancy rate for registered nurses, 2010 – 2014³⁸

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

Recruitment of Foreign-trained RNs

Table 44 shows that 4.2 percent of hospitals reported they are currently recruiting foreign-educated RNs to fill open staff positions. This is 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 share reported in 2010, which was the highest in the past five years.

³⁷ Vacancy rate is calculated as follows: (number of vacancies reported as of the pay period closest to September 31, 2014)/((headcount as of the pay period closest to September 31, 2014) + (number of vacancies reported as of the pay period closest to September 31, 2014))

³⁸ Linear regression was used to forecast a rate for the fourth quarter of 2014, which was then used to calculate the average quarterly rate for 2014.

Table 44. Current recruitment of foreign-trained registered nurses, 2010 – 2014

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

Changes Experienced In the Past Year

Hospitals were asked about changes in RN employment levels during the past year, including advanced practice nurses (APRN). Table 45 shows that for all but staff RN and LVN positions, the most frequent response was that there was no change in employment during the past year. Over half of all hospitals reported that employment of staff RNs increased over the past year. This is the largest share of hospitals to report increased employment of staff RNs over the five year period this survey has been conducted. It represents a 20 percentage point increase by comparison with the previous survey year. Furthermore, only 5 percent of hospitals reported that employment of staff RNs decreased over the past year; this is a 15 percentage point decline compared with the previous survey year. In contrast, nearly half of all hospitals reported that LVN employment declined over the past year.

Table 45. Employment of RNs in the past year, by position, 2014

Position	Increased Employment		Decreased Employment		No Change		Total
	#	%	#	%	#	%	#
Staff RN	108	51.2	10	4.7	93	44.1	211
Other RN	59	28.4	16	7.7	133	63.9	208
Nurse Anesthetist	20	12.2	22	13.4	122	74.4	164
Nurse Midwife	6	4.0	9	6.0	136	90.1	151
Clinical Nurse Specialist	19	10.8	10	5.7	147	83.5	176
Nurse Practitioner	66	36.7	21	11.7	93	51.7	180
LVN	15	7.4	98	48.5	89	44.1	202
Unlicensed Aide/Assistant	56	26.5	29	13.7	126	59.7	211

Table 46 highlights differences among hospitals regarding the utilization of temporary and travelling nurses over the past year. The share of hospitals reporting increased employment of agency RNs was the same as the share reporting decreased employment; the largest share of hospitals reported no change in their utilization over the past year. In contrast, over 40 percent of hospitals reported increased employment of traveler RNs over the past year. In the fall 2013 survey, only 25 percent of hospitals reported greater use of traveler RNs over the past year. Hospitals indicated that greater utilization of traveler RNs was driven by several factors, including increased patient census, difficulty in filling open positions, and the challenge of recruiting experienced RNs combined with increased turnover in areas of specialty care.

Table 46. Employment of temporary and travelling nurses, 2014

Position	Increased Employment		Decreased Employment		No Change		Total
	#	%	#	%	#	%	#
Temporary (agency nurses)	56	29.8	56	29.8	76	40.4	188
Traveling nurses	79	42.2	45	24.1	63	33.7	187

Hospitals were also asked about other types of environmental changes experienced over the past year. More than 60 percent hospitals reported facing budget constraints, signaling that this remains a persistent issue for hospital operations. Hospitals reported with equal frequency that they faced increased patient acuity over the past year. Approximately one-half of responding hospitals reported that current staff was working more shifts. One-third reported experiencing fewer nurses retiring than expected, as well as an increase in outpatient and ancillary services.

Table 47 presents hospital responses describing shifts in hiring patterns over the past year, by care setting: inpatient care, ambulatory care, home health care, and long-term care departments. Hiring for inpatient care stands out for the fact that approximately half of all hospitals reported increased hiring. This stands in contrast to other settings, where “no change in hiring” was the most frequently reported response. Table 47 also shows that inpatient care and ambulatory care had nearly the same ratio of hospitals reporting *increased* hiring to hospitals reporting *decreased* hiring: approximately 8:1 for inpatient care departments, and 7:1 for ambulatory care departments.

Table 47. Change in RN hiring in the past year, by care setting, 2014

Description	Increased hiring		Decreased hiring		No change		Total
	#	%	#	%	#	%	
Inpatient care	108	49.8	13	6.0	96	44.2	217
Ambulatory care	63	33.9	9	4.8	114	61.3	186
Home health care	19	14.8	18	14.1	91	71.1	128
Long-term care	9	8.0	7	6.2	97	85.8	113

Table 48 compares hospital responses describing shifts in hiring, by care setting, for the past two survey years. It shows that hiring for inpatient settings increased substantially in 2014 compared to 2013, as did hiring for ambulatory care departments. It also indicates that hiring for home health settings declined sharply.

Table 48. Change in RN hiring in the past year, by care setting, 2013 – 2014

Description	Increased hiring (%)		Decreased hiring (%)		No change (%)	
	2013	2014	2013	2014	2013	2014
Inpatient care	39.1	49.8	18.2	6.0	42.7	44.2
Ambulatory care	19.4	33.9	11.3	4.8	69.4	61.3
Home health care	12.4	14.8	3.5	14.1	84.1	71.1
Long-term care	8.9	8.0	9.8	6.2	81.3	85.8

Hospitals were asked to report whether they had created new job classifications over the past year. Table 49 shows that in each of the past two survey years, identical shares of hospitals indicated they had created new job classifications in the past year. The most frequently reported new job classifications were related to case management, care navigation, and informatics. Less frequently reported were new job classes related to clinical documentation, utilization, and coordination in specific areas of specialty care.

The challenges associated with hiring or moving RNs into these new roles were almost uniformly described by hospitals as being related to experience and education. Moving qualified RNs into new roles requires hospitals to find experienced replacements. Findings presented in this report have demonstrated that demand for experienced RNs has increased and that hospitals have reported that recruitment has become more difficult. These are important factors influencing efforts to hire for newly created job classes. Many hospitals also cited cultural resistance to change that negatively impacts efforts to reorganize the way nursing units function. Because there can be a component of uncertainty in trying to establish new roles and responsibilities, it can be difficult to foster the kind of broad support needed for successful change.

Table 49. Creation of new job classifications in the past year, 2013 – 2014

Description	2013		2014	
	#	%	#	%
New job classifications	82	42.7	91	42.7
No new job classifications	110	57.3	122	57.3
Responses	192	100	213	100

Employment Expectations for the Next Year

Hospitals were asked to report on expectations for RN employment in the coming year. Table 50 shows that nearly equal numbers of hospitals reported expectations of increased RN employment in 2015 as compared with “no change” in employment. Very few hospitals reported expectations that RN employment would decrease in 2015. By far the most frequently reported reason for an expected increase in RN employment was that hospitals anticipate growth in the patient census. To a lesser extent, hospitals reported that increased patient acuity would drive RN employment growth.

Table 50. Expectations for RN employment in the next year, 2014 /15

Description	#	%
Increased employment	103	47.7
No change in employment	104	48.1
Decreased employment	9	4.2
Total	216	100

Table 51 compares hospitals’ expectations for RN employment in the next year, for each of the five years this survey has been conducted. In each of the past three survey years, approximately the same share of hospitals has reported expectations of no change in RN employment for the coming year, while the share reporting expectations of decreased RN employment has declined. In each of the past four years, hospitals indicating expectations of increased RN employment has grown, suggesting an improving outlook for RN employment.

Table 51. Expectations for RN employment in the next year, 2010/11 – 2014/15

Description	2010/11	2011/12	2012/13	2013/14	2014/15
	%	%	%	%	%
Increased employment	31.4	23.5	31.2	35.1	47.7
No change in employment	50.0	67.8	51.6	50.0	48.1
Decreased employment	18.6	8.7	17.2	14.9	4.2
Total	100	100	100	100	100

Table 52 presents hospital responses about anticipated shifts in hiring patterns over the coming year, by care setting: inpatient care, ambulatory care, home health care, and long-term care departments. In each care setting, a majority of hospitals reported expecting no change in hiring over the coming year. However, with the exception of long term care, very few hospitals anticipate a decrease in hiring. Comparing these data with those presented in Table 48 (shifts in hiring over the past year), a slightly smaller share of hospitals expects hiring for inpatient care to increase in 2015, versus the share that expected increased hiring in 2014. However, more hospitals expect hiring for ambulatory care and home health settings to increase in 2015 than expected an increase in hiring for 2014, indicating that these care settings are likely to be areas for RN employment growth.

Table 52. Expectations for RN hiring in the next year, by care setting, 2014/15

Description	Increased hiring		Decreased hiring		No Change		Total
	#	%	#	%	#	%	
Inpatient care	93	43.3	10	4.7	112	52.1	215
Ambulatory care	74	42.3	1	0.6	100	57.1	175
Home health care	36	31.9	3	2.7	74	65.5	113
Long-term care	10	9.7	12	11.7	81	78.6	103

Table 53 shows that approximately one-quarter of hospitals anticipate the creation of new RN-related job classes in 2015. In the fall 2013 survey, nearly an identical share of hospitals (25 percent) reported

expectations of creating new RN job classes in 2014. In this year's survey, however, 43 percent of hospitals reported having created new RN job classifications. This suggests that hospitals don't have a clear sense of how future care demands may impact the need to create new types of registered nursing positions. As with hospitals that reported having created new job classes over the past year, those that anticipate creating new RN job classes in the coming year expect them to be related to case management, care navigation, and informatics, and to a lesser extent related to clinical documentation, utilization, and coordination in specific areas of specialty care.

Table 53. Planned new job classifications in the next year, 2014

Description	#	%
Planned new job classifications	49	24.0
No planned new job classifications	155	76.0
Total	204	100

CONCLUSIONS

Labor market conditions faced by registered nurses appear to be improving; the fall 2014 survey data suggest that overall demand for registered nurses has grown stronger. However, the labor market is sharply divided between experienced RNs and new RN graduates. Hospitals characterized demand for experienced RNs as moderately strong, with some difficulty filling open positions. Those with experience in the operating room (OR), in labor & delivery (L&D), the emergency department (ED), and intensive care units (both ICU and NICU) are in demand. In contrast, newly graduated nurses are expected to continue to face challenging employment conditions, as hospitals across the state characterized demand for new graduates as being less than the available supply.

Newly graduated RNs 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. 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 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. Nearly one-third of responding hospitals reported utilizing new RN graduates in non-RN positions; this is a small increase compared to 2013. These new graduates are typically working (or volunteering) in patient care roles as aides and assistants, until they can be hired into a position designated for new graduates or gain entry into a new graduate RN residency program. Hospitals also noted that the experience can be an effective orientation, providing exposure to hospital operations and the broader culture.

Nearly half of all hospitals reported expectations that RN employment would increase in 2015; very few hospitals reported expectations that it would decrease. The most frequently reported reason for the expected increase was anticipated growth in the patient census. To a lesser extent, hospitals reported that increased patient acuity would drive RN employment growth. In each of the past four years, the share of hospitals indicating expectations of *increased* RN employment has grown, suggesting an improving outlook for RN employment.

At some point the perceived surplus of 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 are able to 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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