



University of California  
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# Economic Recovery and the Nursing Labor Market in California

August 2014

# Today's presenters

- **Joanne Spetz**
  - Professor at the Philip R. Lee Institute for Health Policy Studies, University of California, San Francisco
- **Teri Hollingsworth**
  - Vice President, Human Resources Services, Hospital Association of Southern California
- **Judee Berg**
  - Executive Director of the California Institute for Nursing & Health Care

# Goals for this webinar

- **Learn how Chief Nursing Officers perceive the current RN labor market**
- **Track the latest hospital vacancy and turnover data**
- **Understand how recently-graduated nurses are faring**
- **Measure the impact of enrollment trends on forecasts of future supply**
- **Examine new estimates of future demand**
- **Identify next steps for ensuring an adequate nurse supply**

# The collaboration

- **Betty Irene Moore Nursing Initiative**
- **Philip R. Lee Institute for Health Policy Studies, University of California, San Francisco**
- **California Institute for Nursing & Health Care**
- **Hospital Association of Southern California**
- **Acknowledgements & thanks to...**
  - California Hospital Association
  - Hospital Council of Northern & Central California
  - FutureSense Inc.
  - Hospital Association of San Diego & Imperial Counties
  - UCSF Staff & Interns: Tim Bates, Lela Chu, Jessica Lin, Dennis Keane, Anne Reid

# What is going on in our RN labor market?

- **Reports of nurse surplus 2009-now**
  - Newspaper stories of new graduates who are unemployed
- **Demand for RNs dropped due to the recession**
  - Decline in health insurance coverage
  - Lower use of services
- **Supply of RNs has increased over the past 10 years**
  - Growth in RN education programs
- **Is the economic recovery changing the situation?**

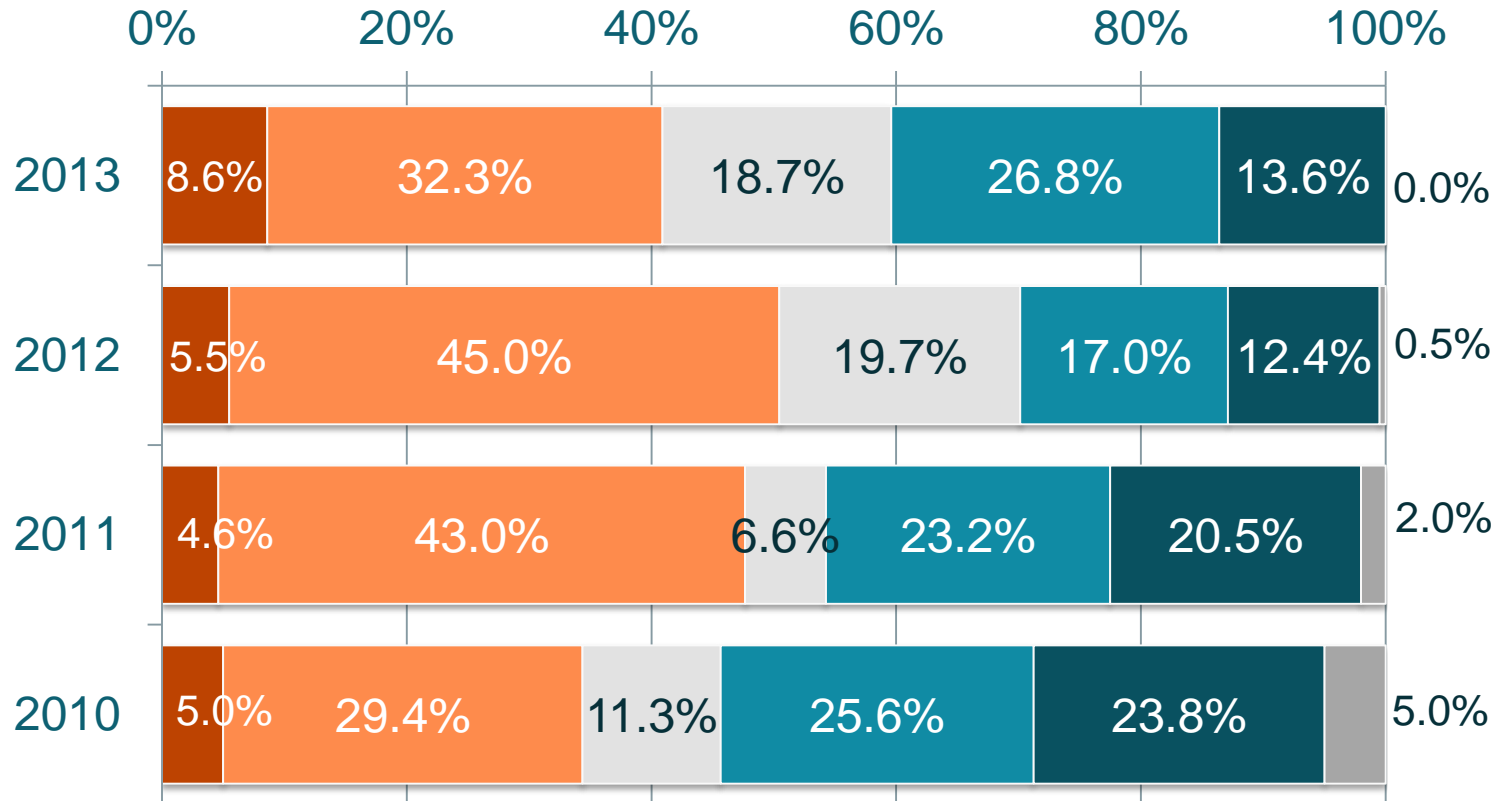
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# Survey of Chief Nursing Officers

- **Fielded by UCSF**
- **Funded by Gordon & Betty Moore Foundation**
- **Web-based survey with option to return paper survey via fax or email**
- **Questions based on previous CINHC survey and National Forum of State Nursing Centers “Minimum Demand Data Set” recommendations**
- **Six surveys conducted**
  - Fall 2010, Spring 2011, Fall 2011, Spring 2012, Fall 2012, Fall 2013

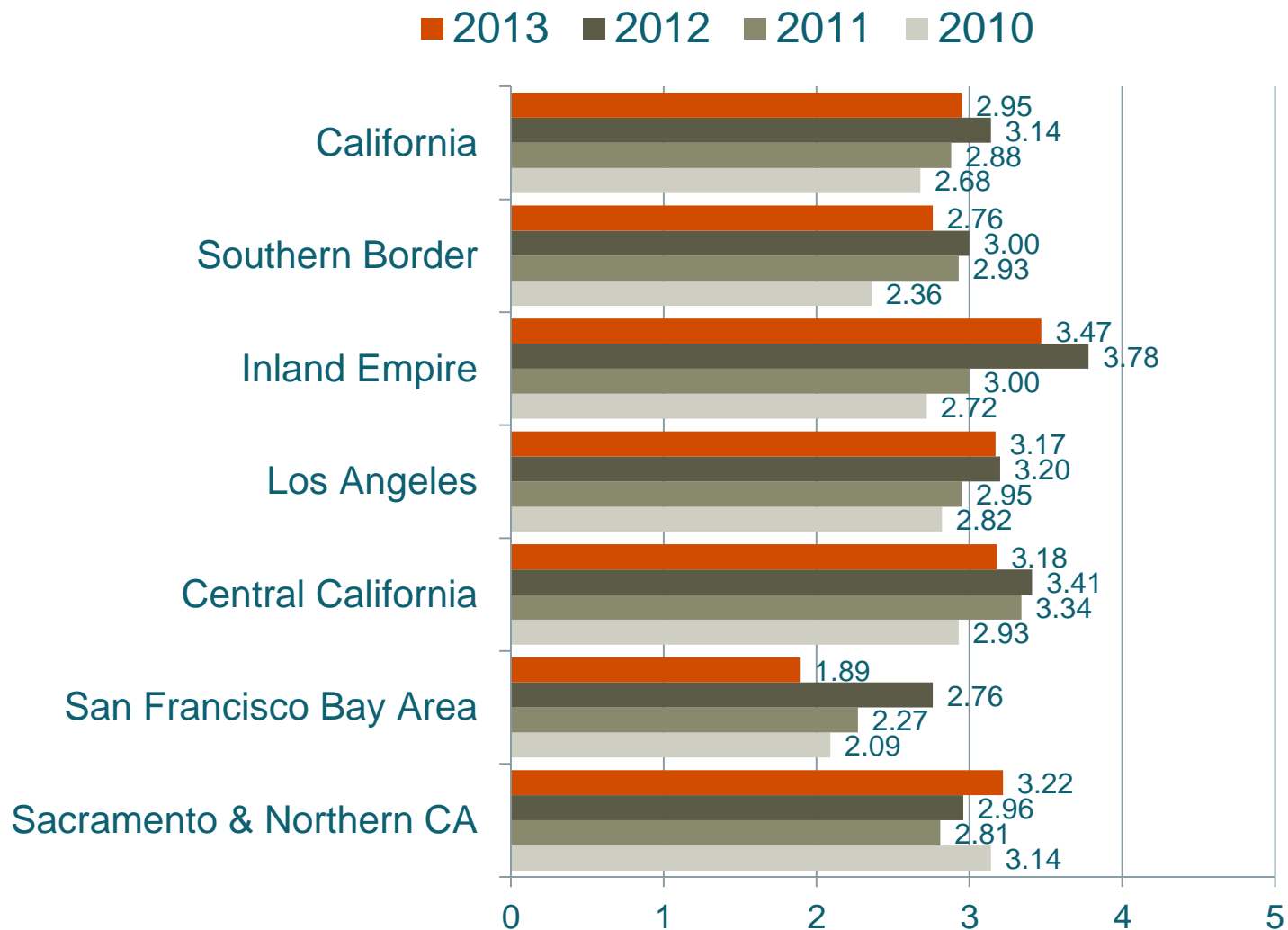
# Perceptions of employers: Overall labor market



- High demand: difficult to fill open positions
- Moderate demand: some difficulty filling open positions
- Demand is in balance with supply
- Demand is less than supply available
- Demand is much less than supply available
- Other

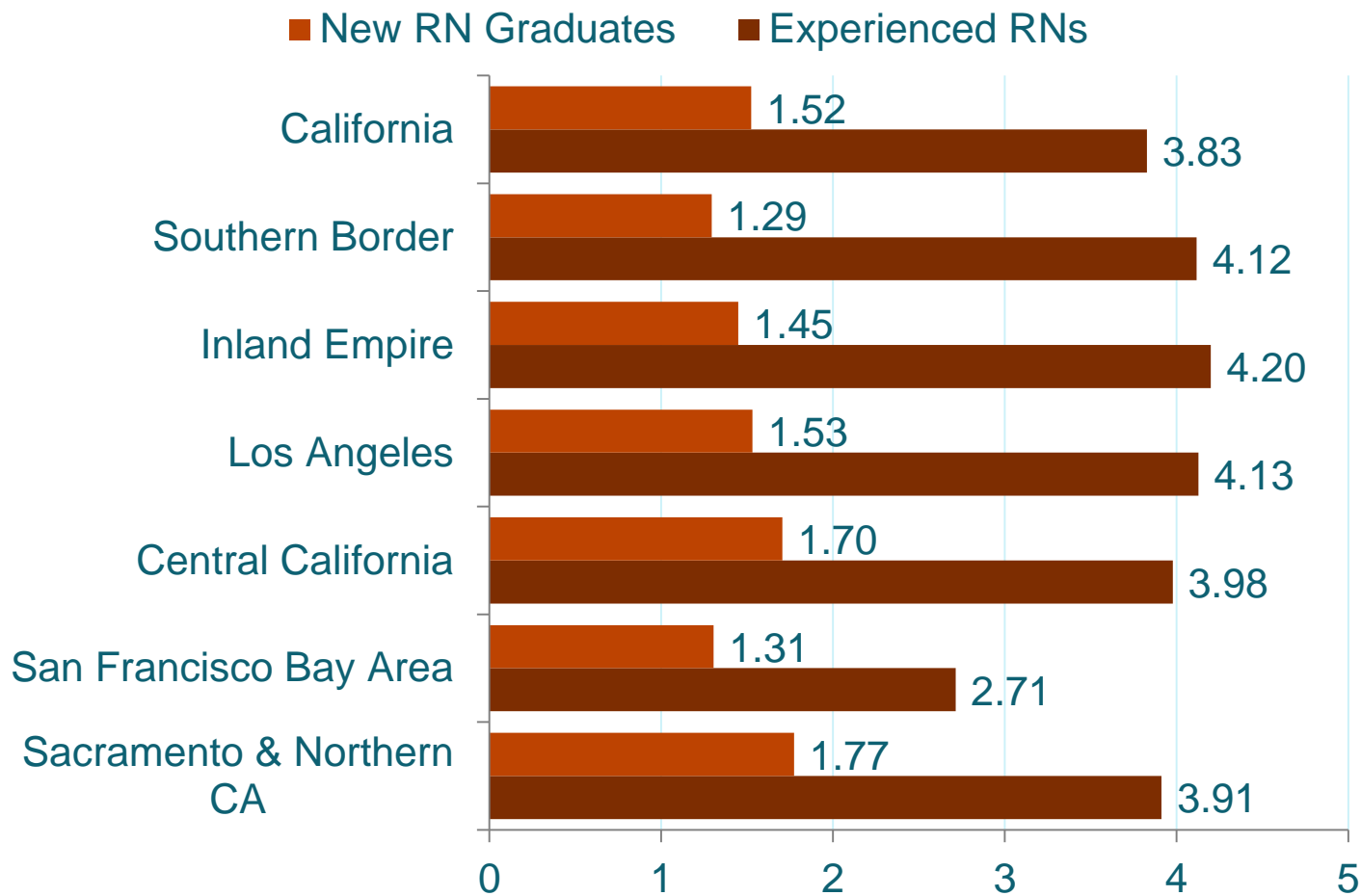


# Differences across regions: Overall RN labor market



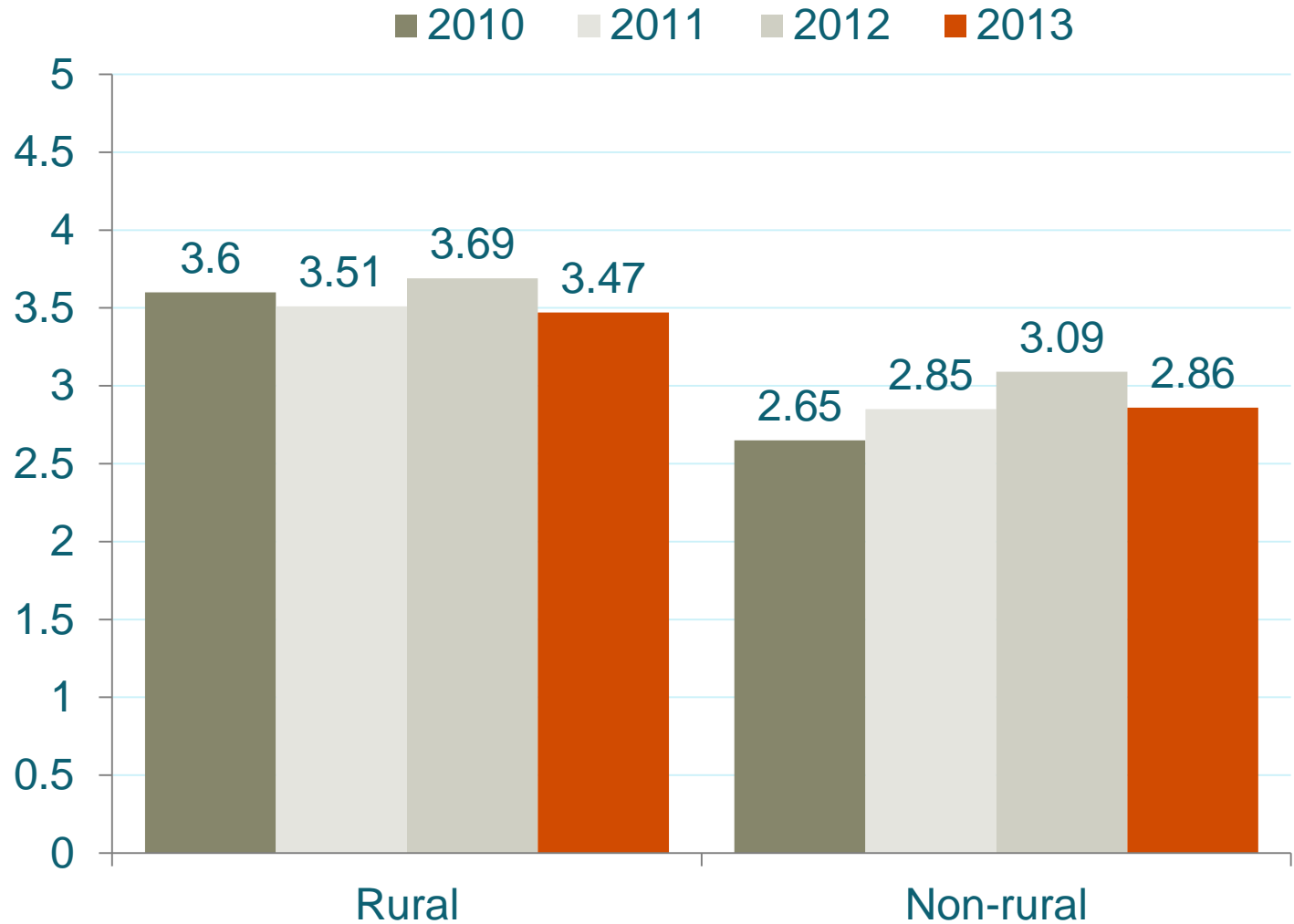
Higher number = more shortage

# Differences across regions: New graduates vs. Experienced RNs



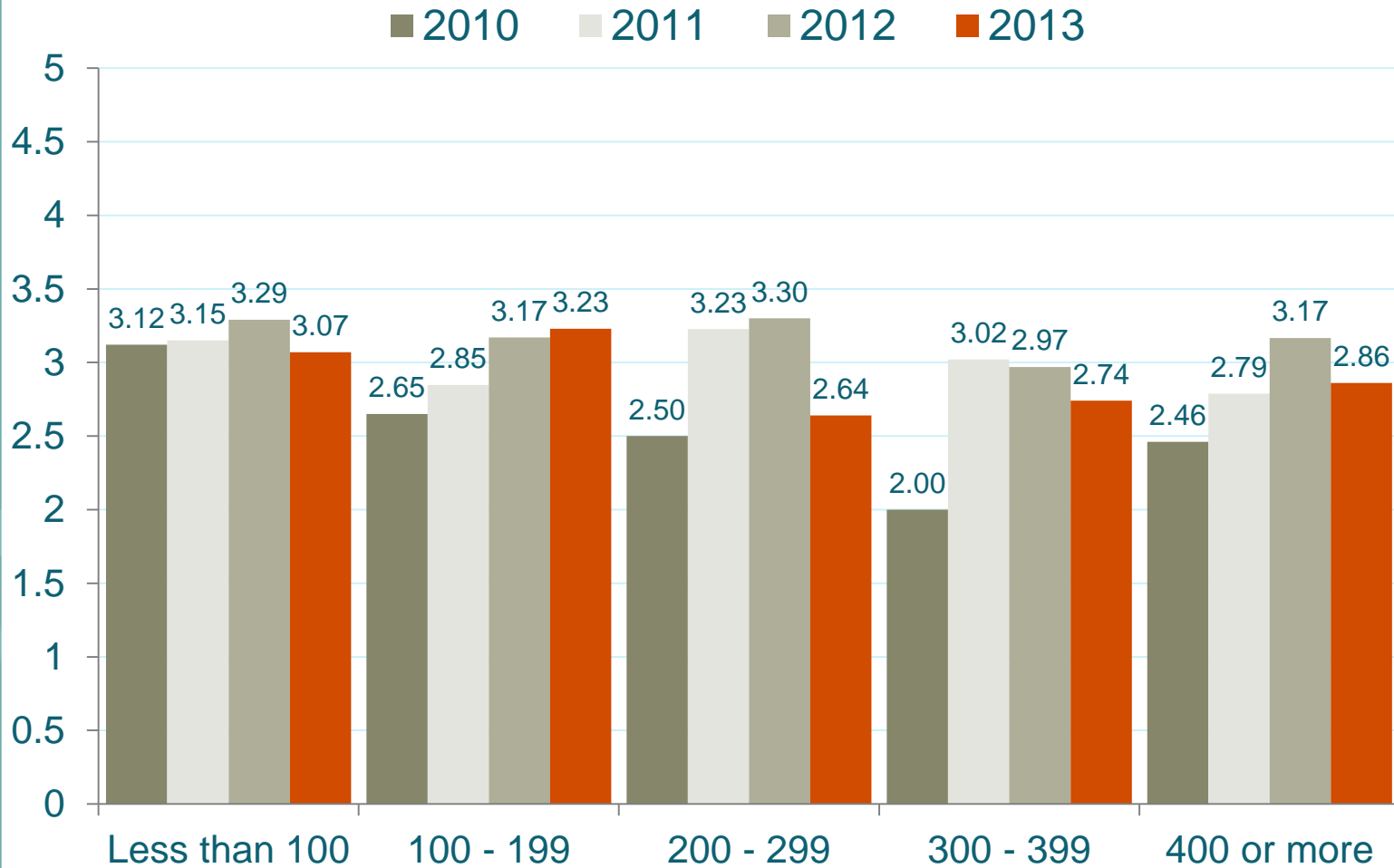
Higher number = more shortage

# Rural vs. urban perceptions



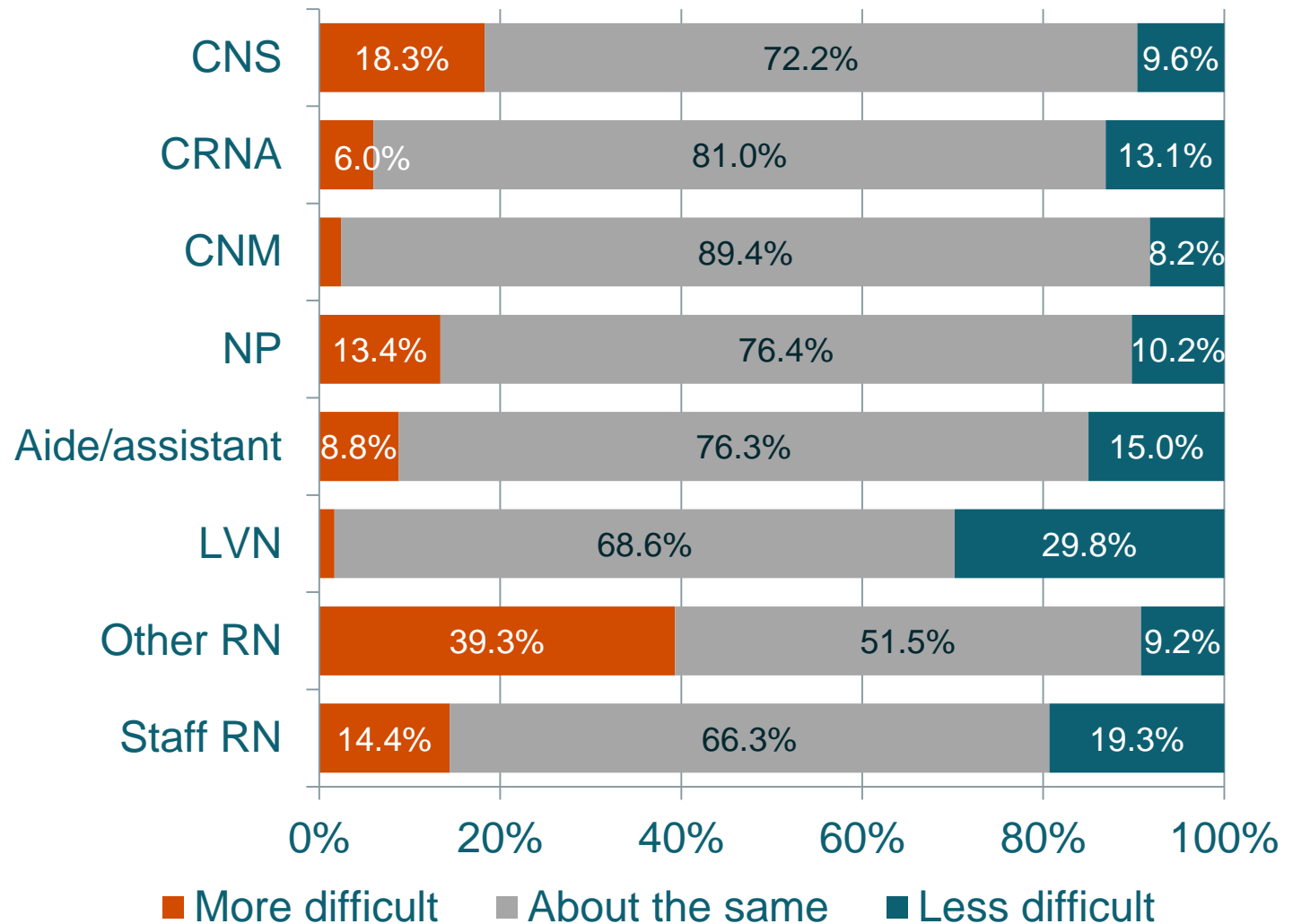
Higher number = more shortage

# Differences by hospital size

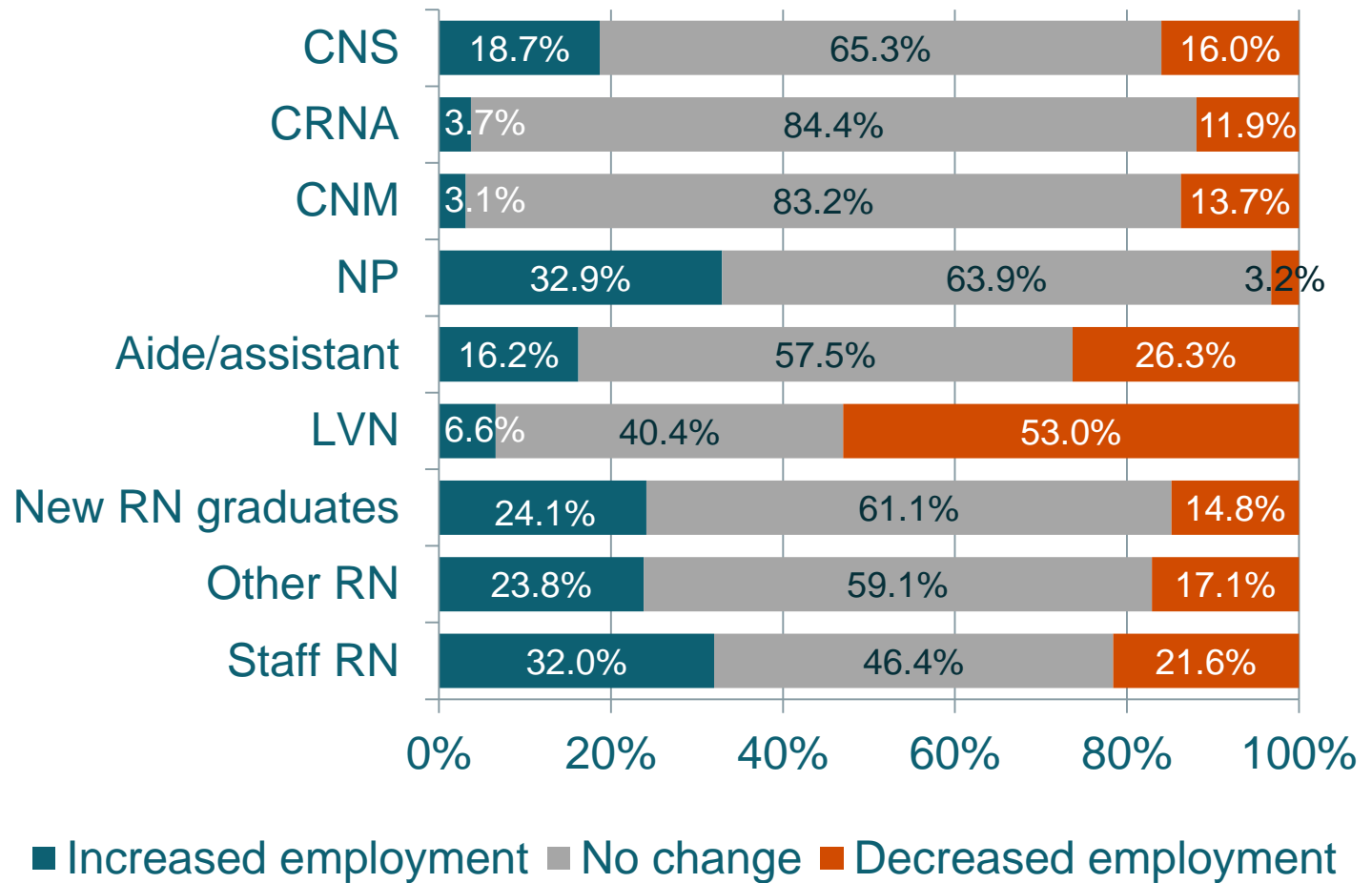


Higher number = more shortage

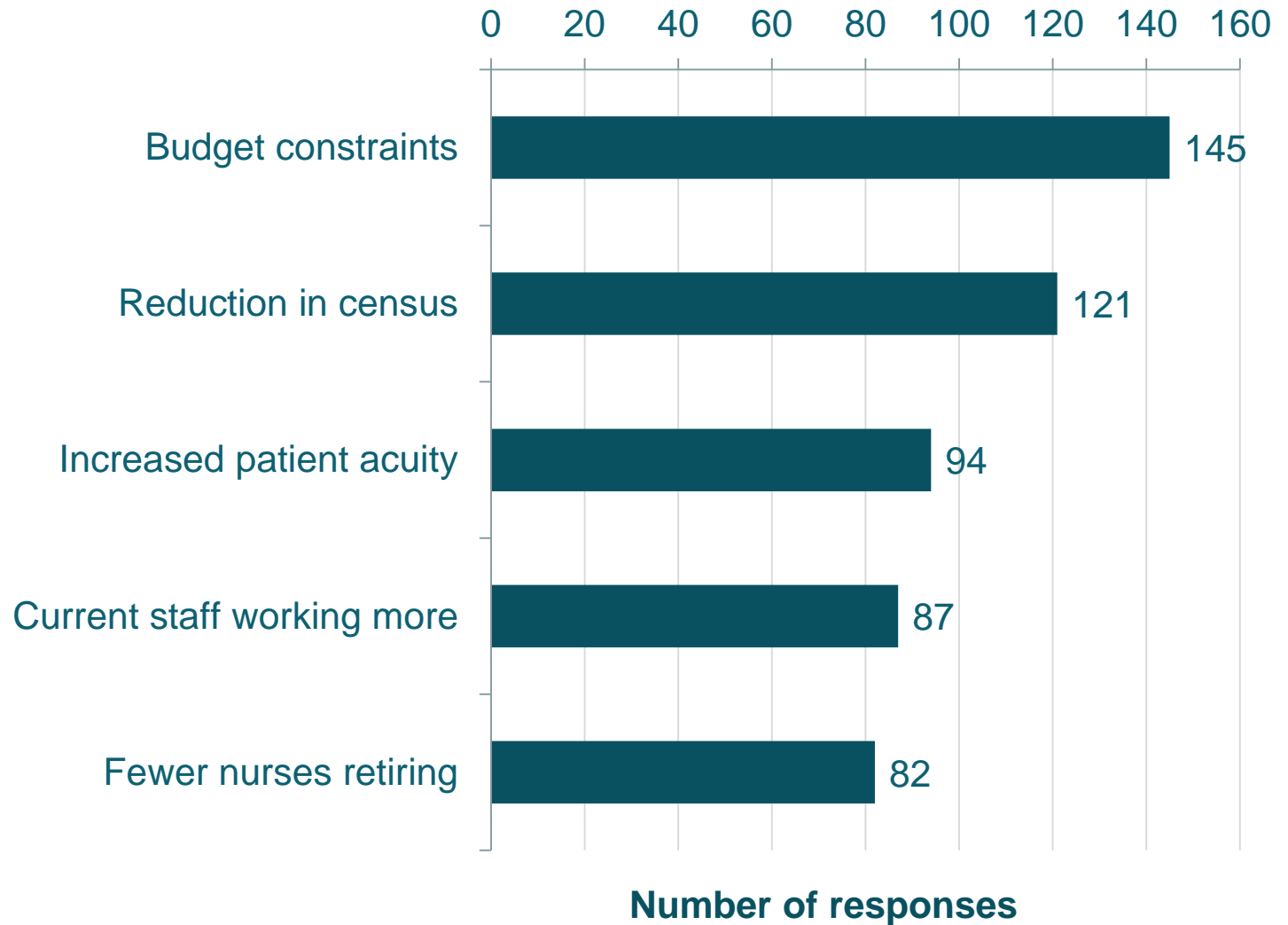
# Change in difficulty recruiting, compared to last year, Fall 2013



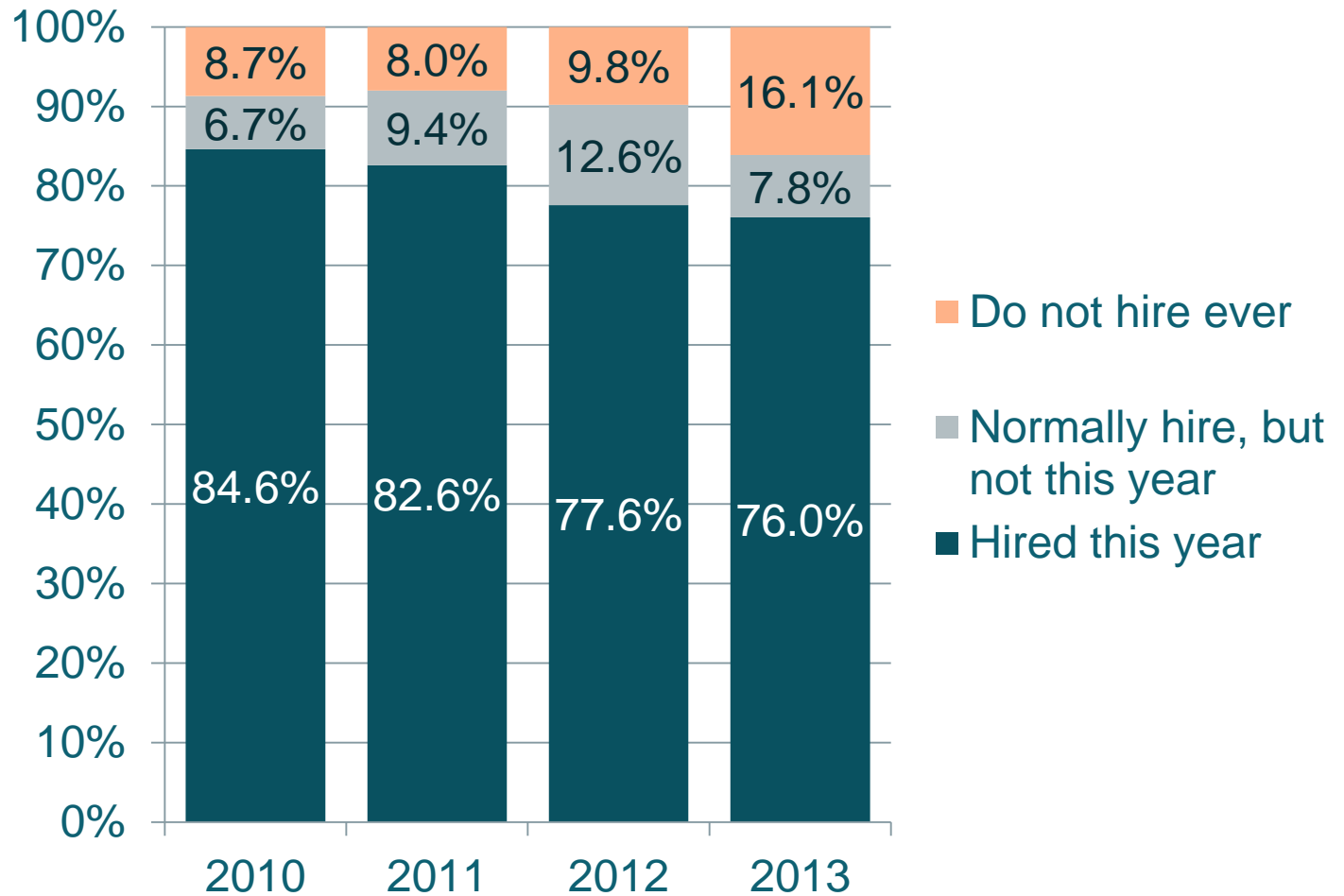
# Change in employment in the past year (2012-2013)



# Changes experienced in past year (2012-2013)

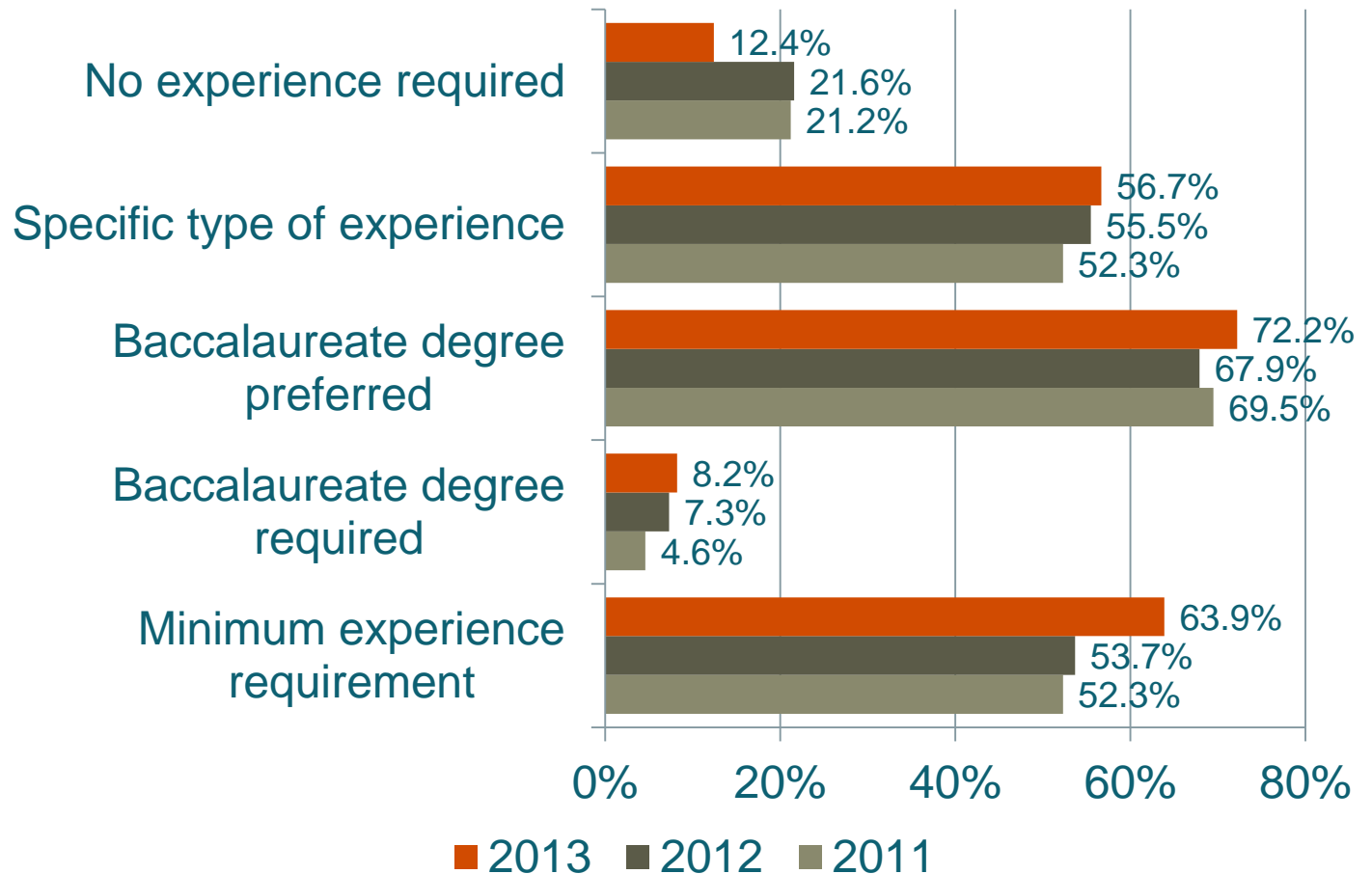


# Hiring of newly graduated RNs, 2010-2013





# Hiring requirements and preferences, 2011-2013



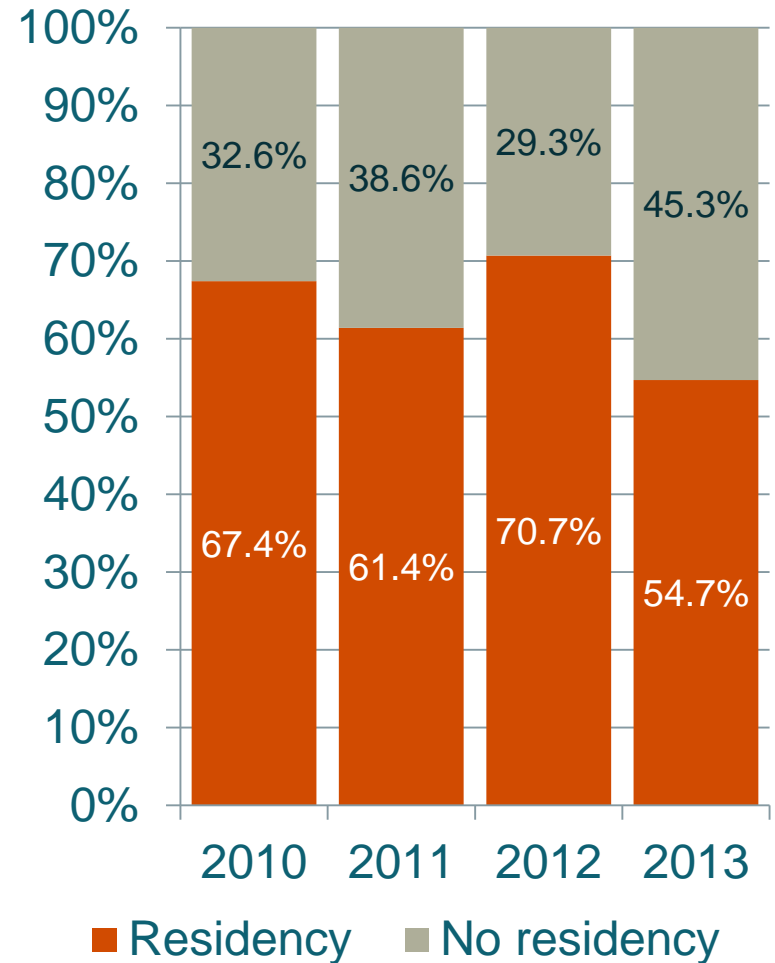
Care experience most often needed in ICU/CCU, OR, ED, L&D

# Plans regarding BSN-educated nurses

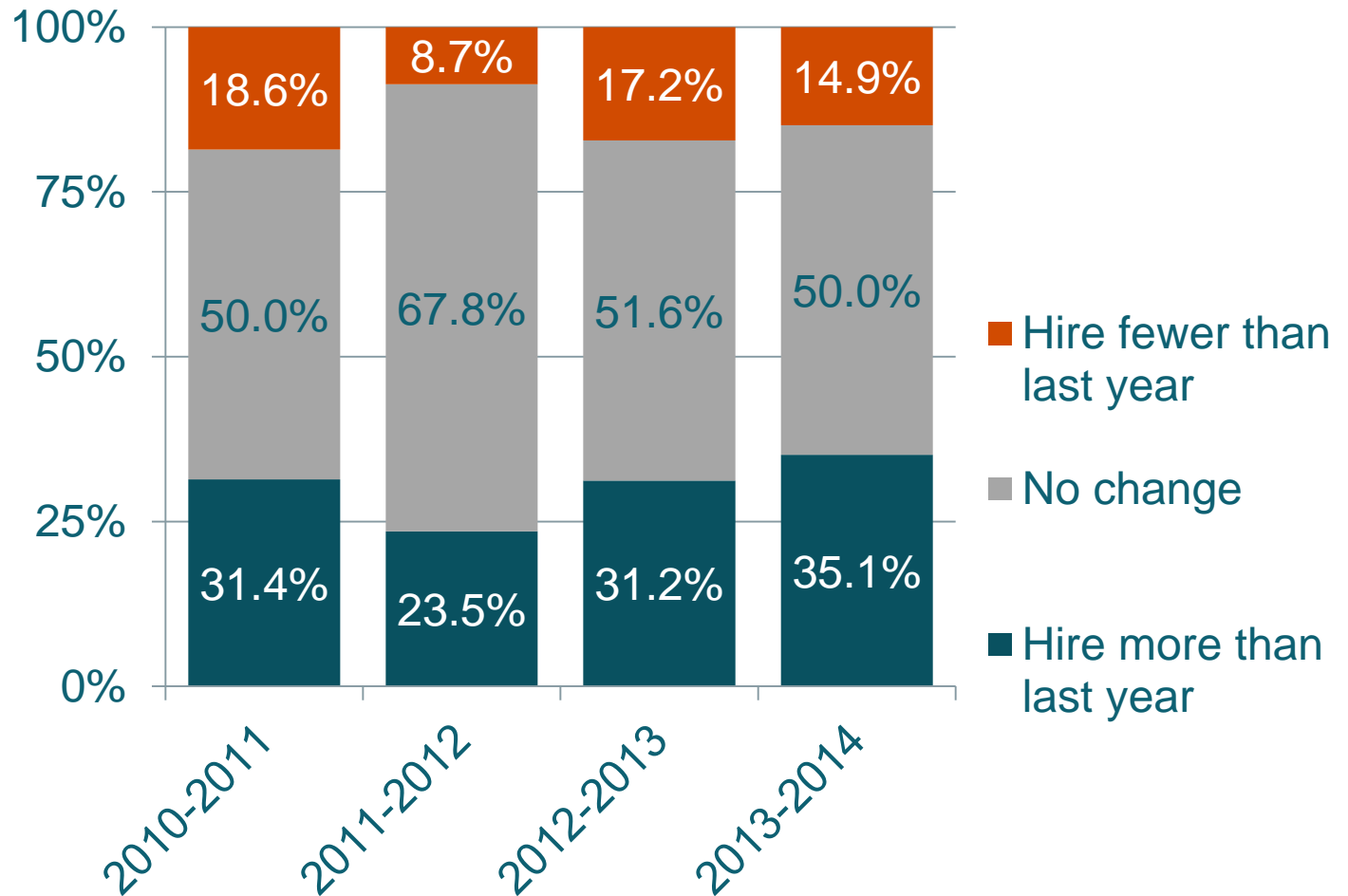
- **66% plan to increase the share with BSN**
  - 36% have a target percentage in mind
    - Most often over 75%
- **11.1% require that newly hired RNs obtain a BSN within a certain time**
- **52.1% require a BSN for promotion beyond staff nurse**
- **Most common barriers to increasing share with BSN:**
  - Lack of financial incentives
  - Lack of tuition reimbursement funds
  - Low supply of BSN-educated RNs in community
  - Lack of BSN programs in community

# New graduate training programs, Fall 2013

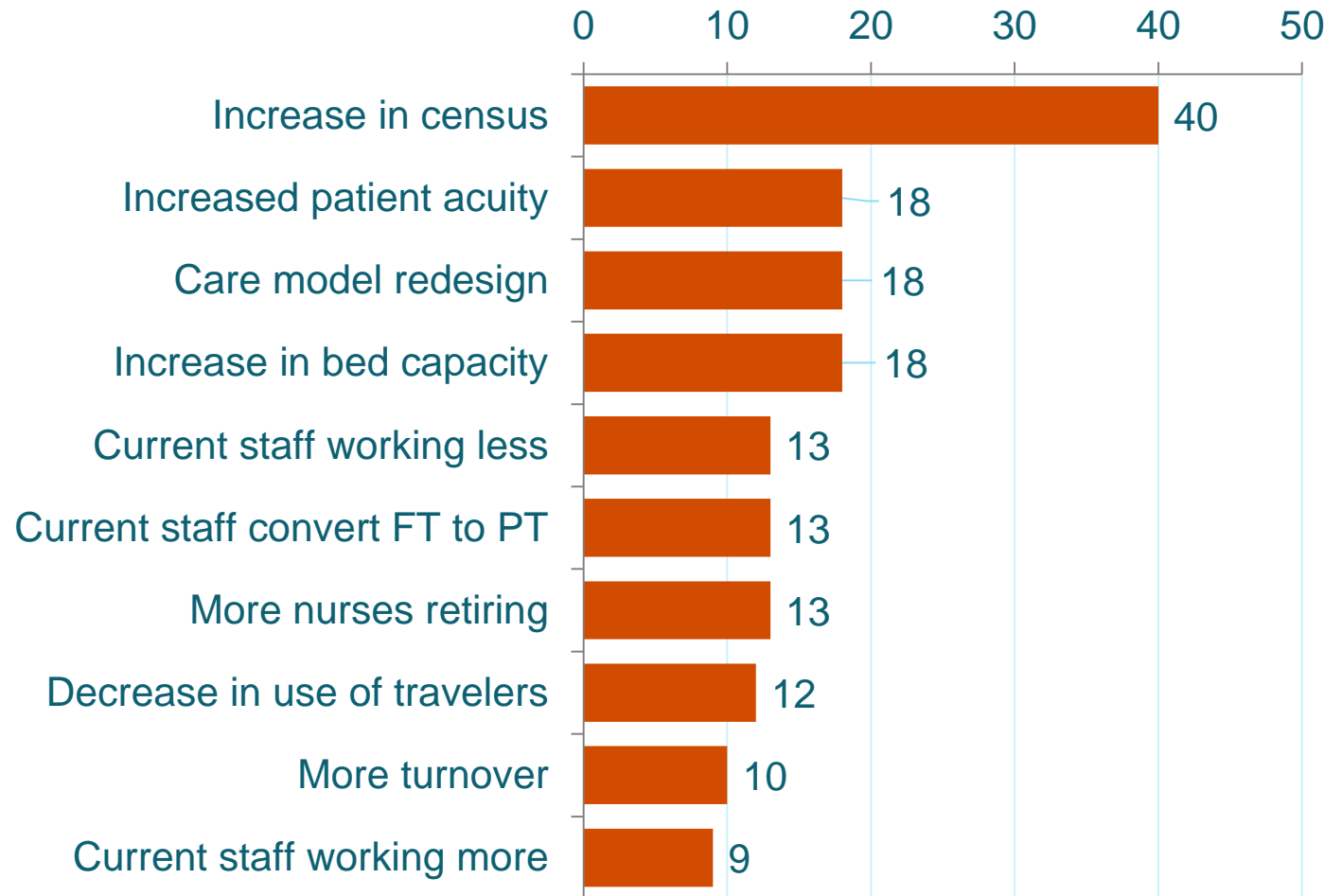
- **55% had a residency in 2013**
- **80% developed program internally**
- **Most common capacity is 40-80 new grads**
- **Most common length is 12 weeks**



# Overall hiring expectations for the next year

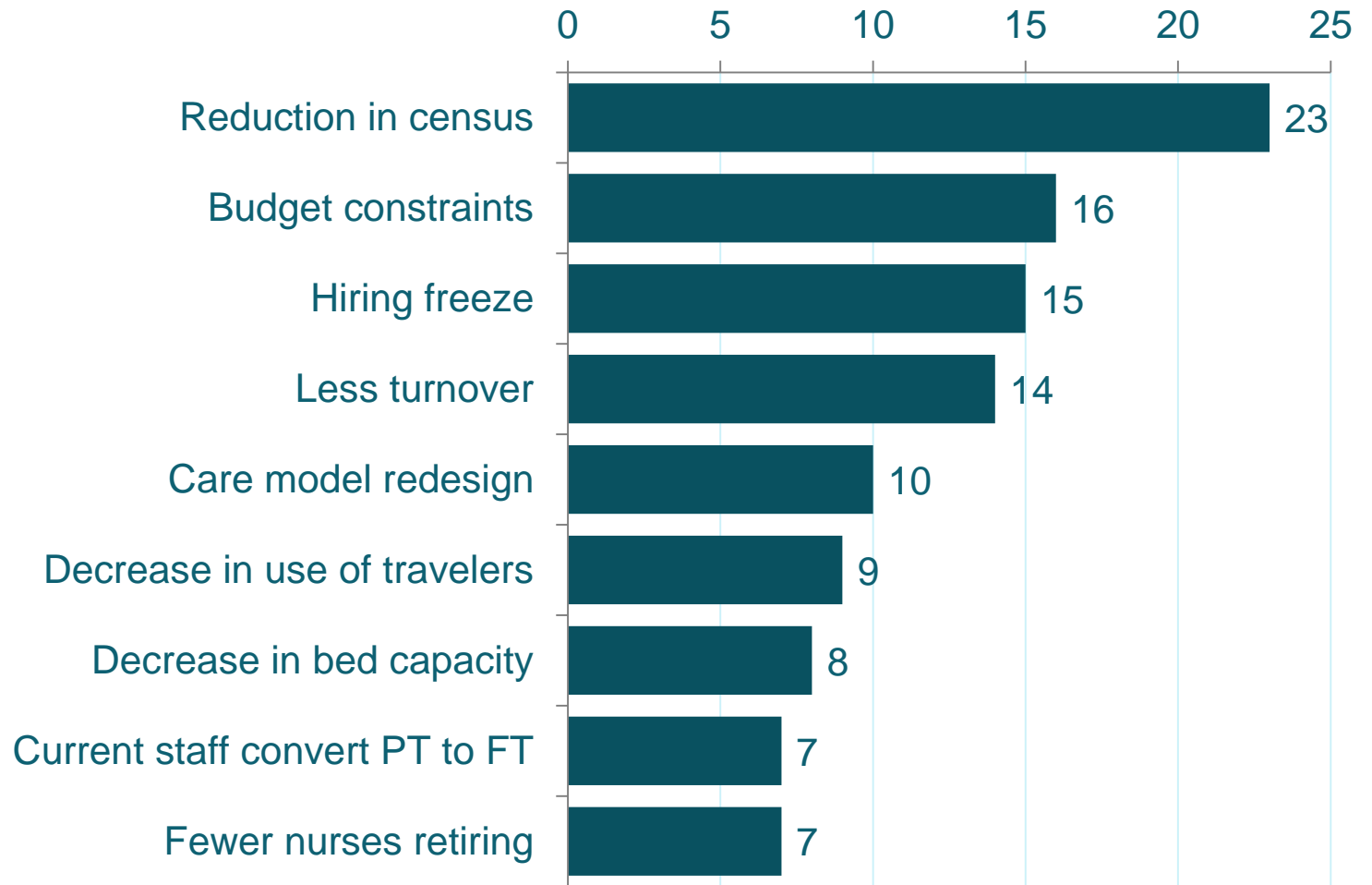


# Reasons for expecting greater employment



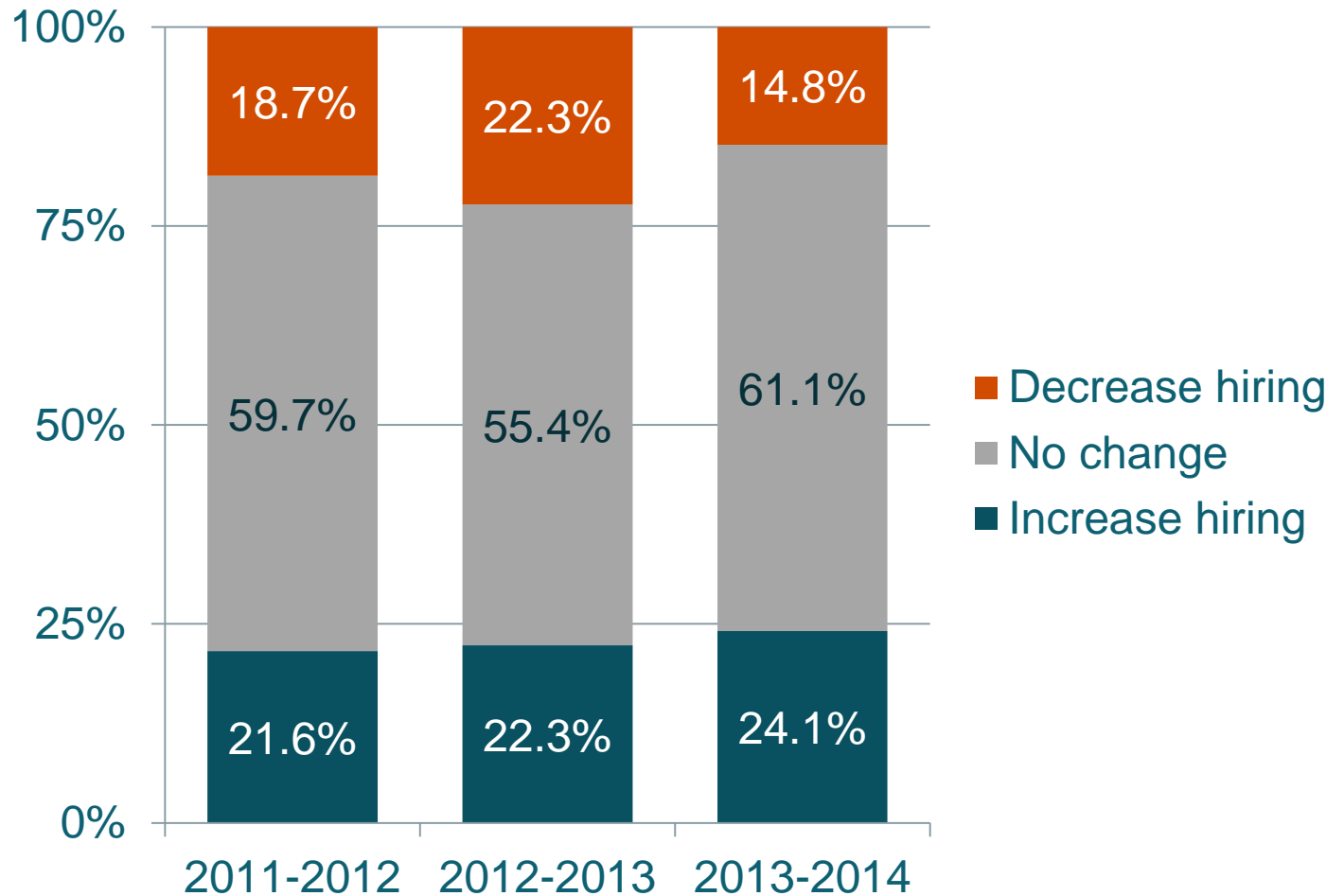
Number of responses: 68 maximum possible

# Reasons for expecting lower employment



Number of responses: 29 maximum possible

# Hiring expectations for new graduates

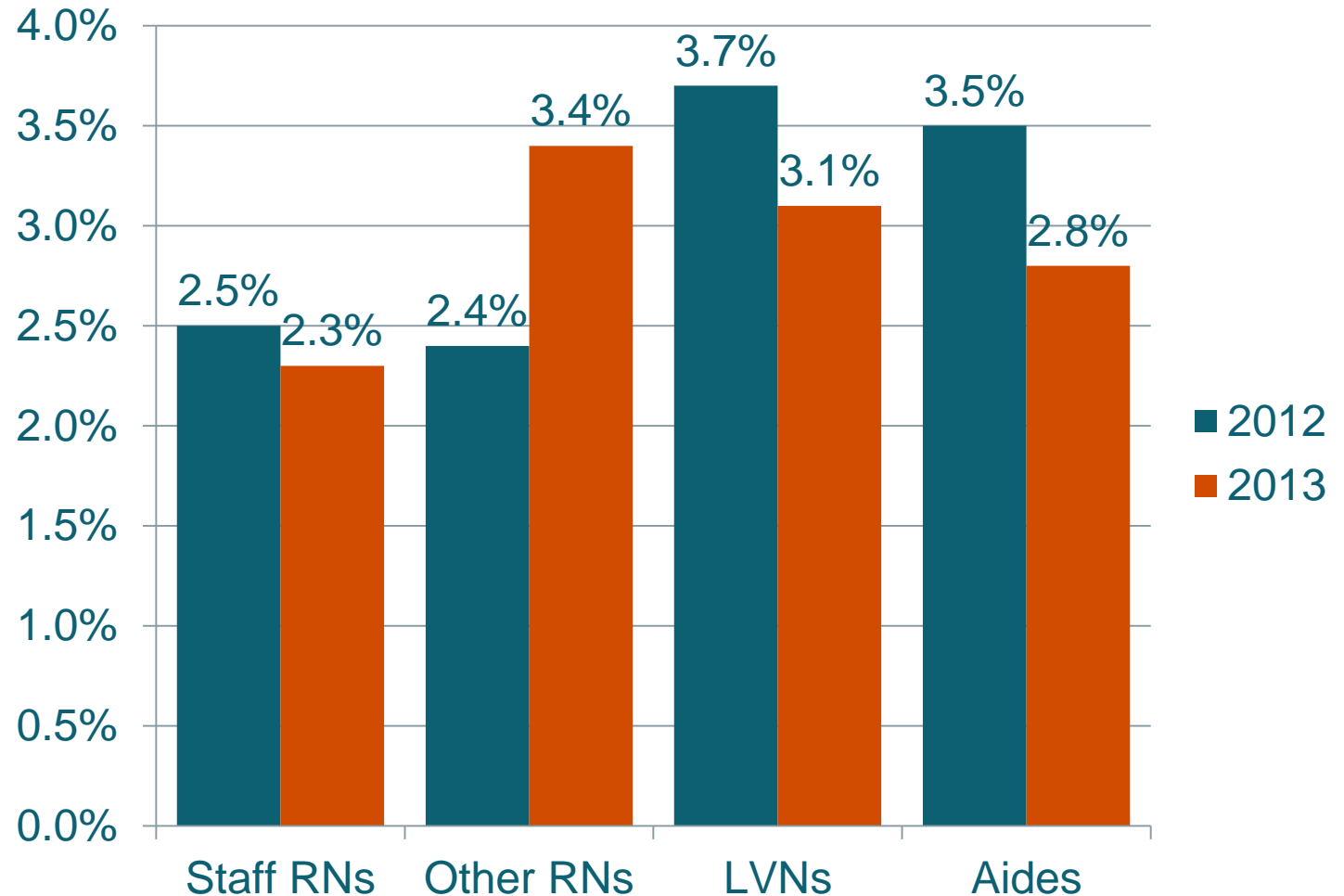


# Goals for this webinar

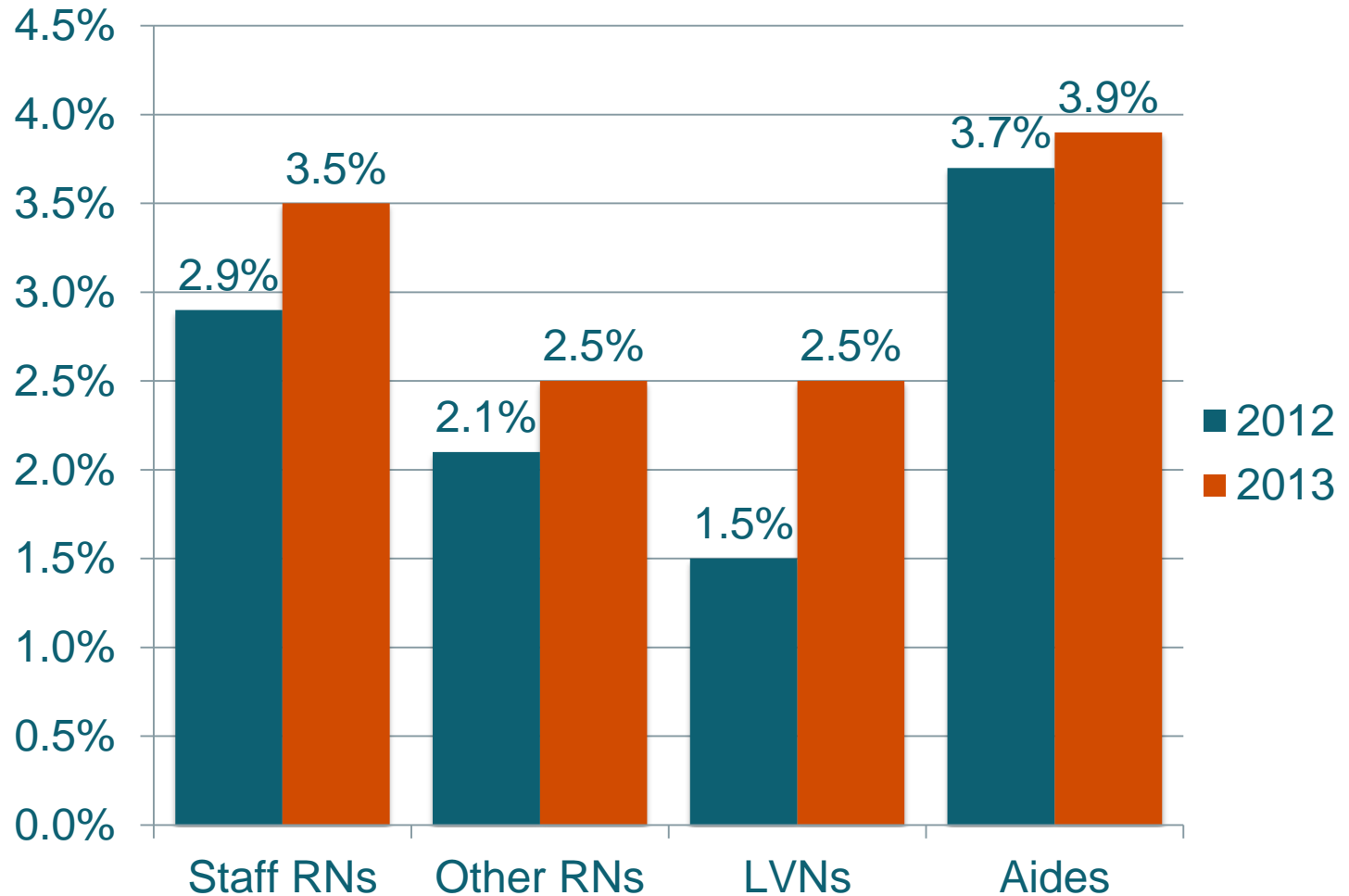
- Learn how Chief Nursing Officers perceive the current RN labor market
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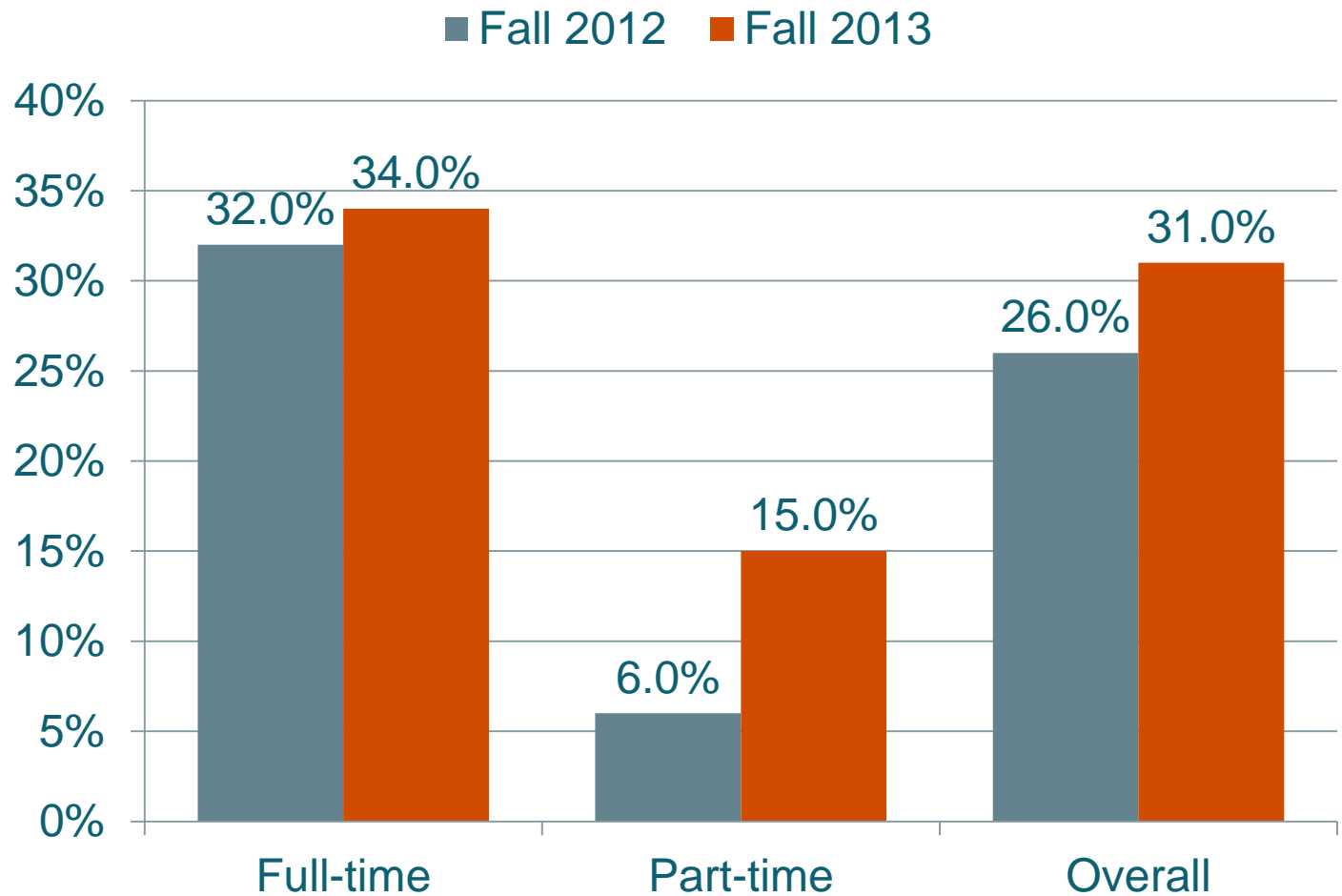
# Turnover of full-time personnel, Fall 2012 vs. Fall 2013



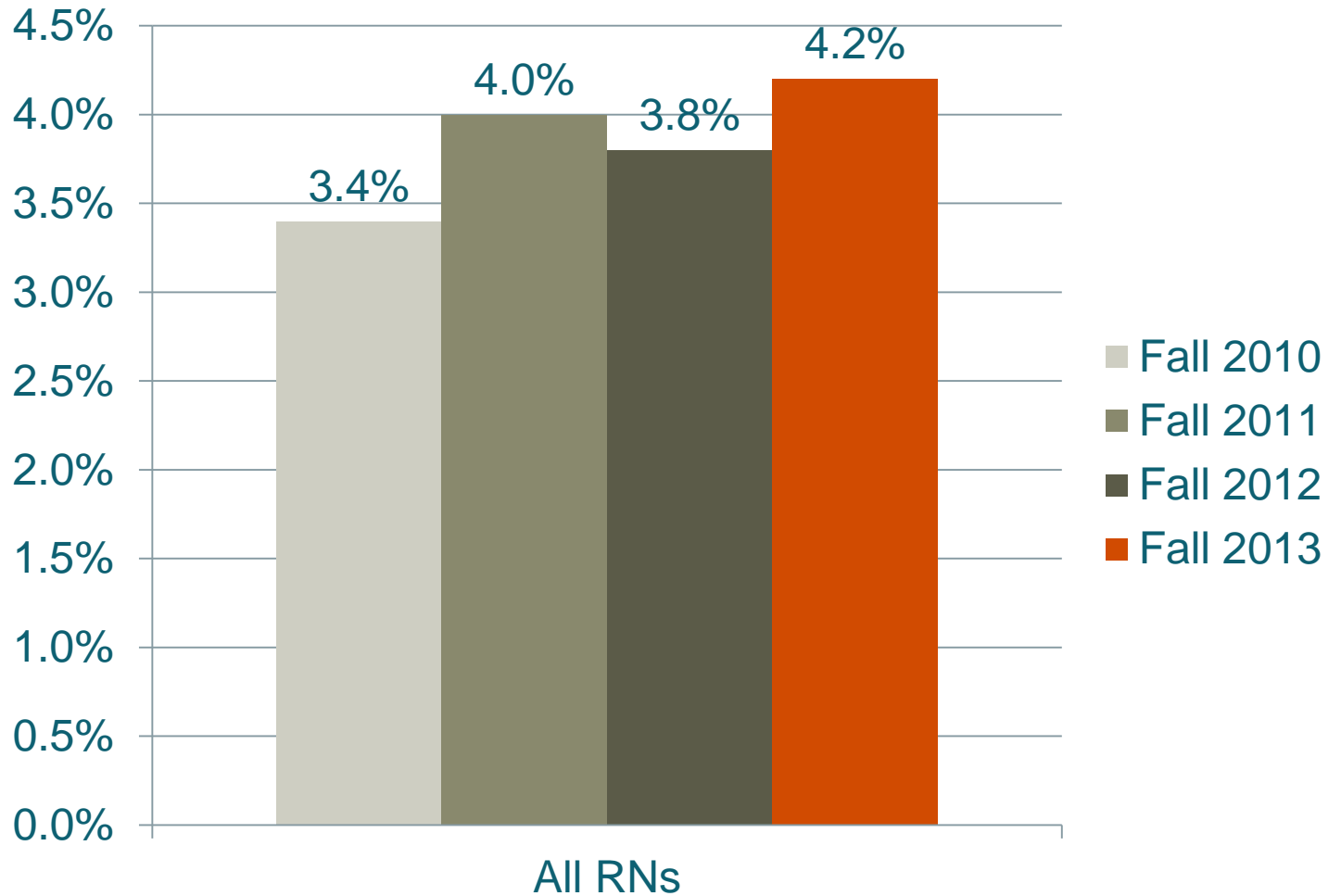
# Hiring of full-time personnel, Fall 2012 vs. Fall 2013



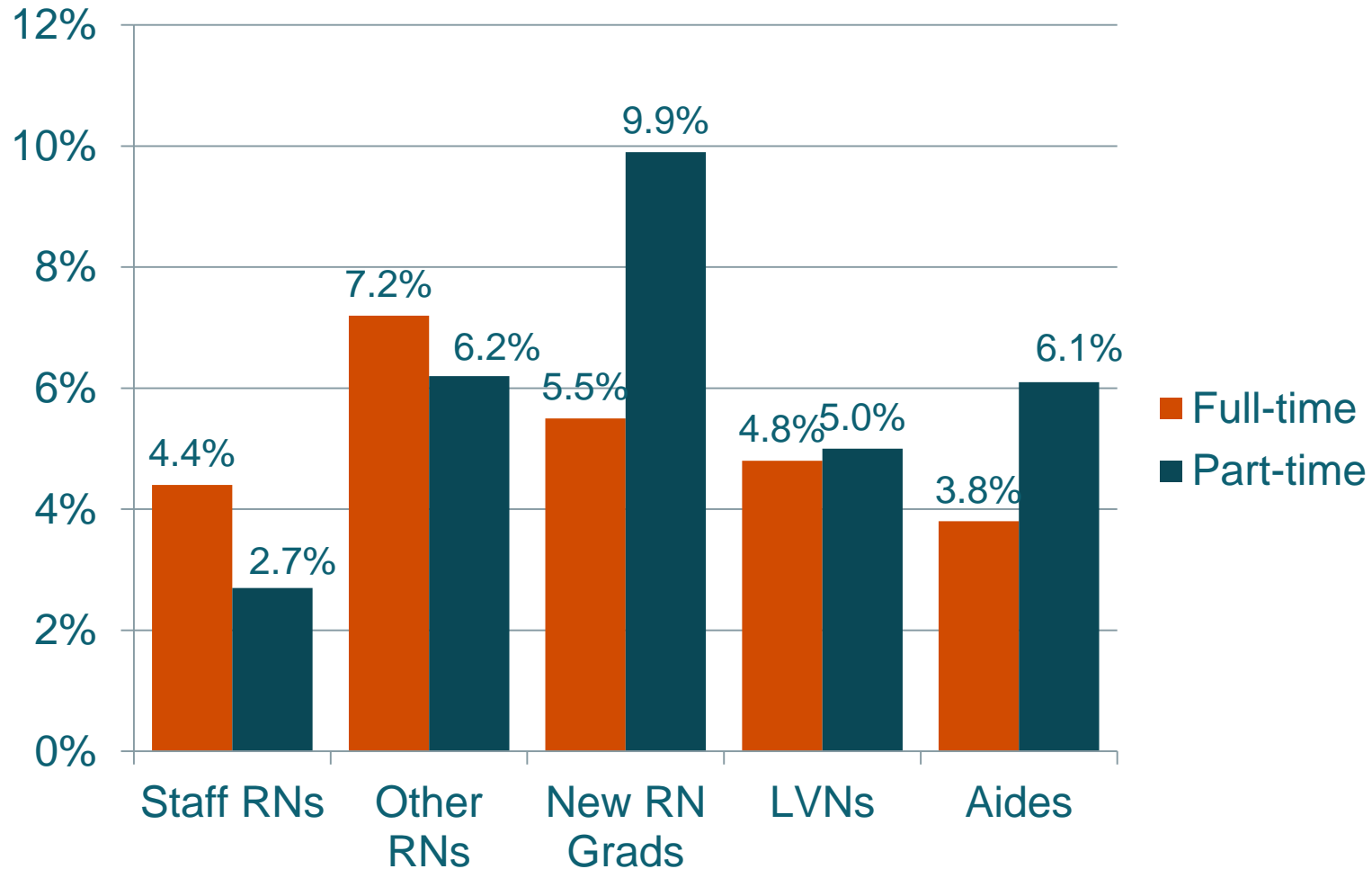
# Percent of new hires that were new graduates



# RN Vacancies, 2010-2013



# Vacancy rates by part-time and full-time status, Fall 2013



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# New RN Graduate Hiring Survey

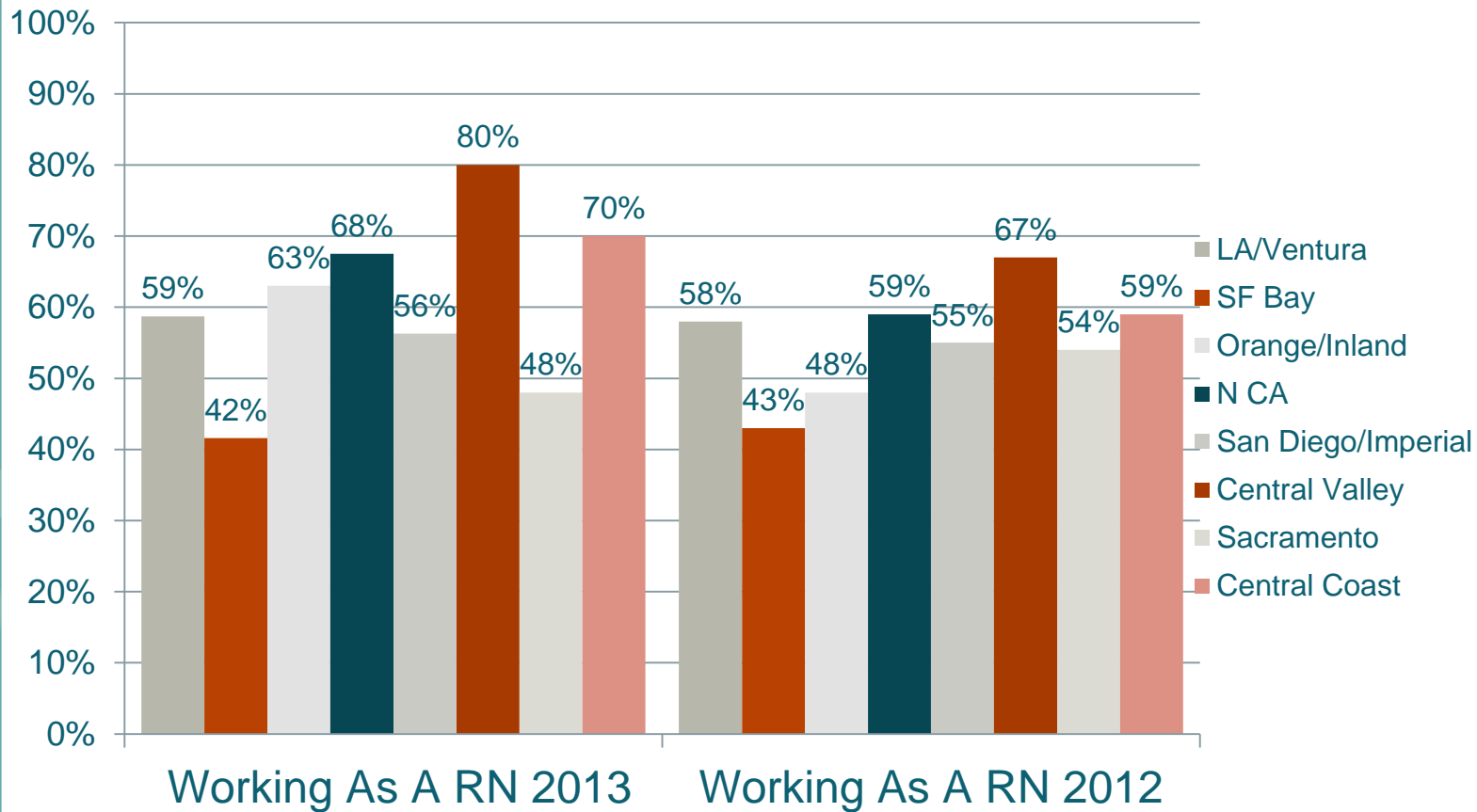
- **Statewide survey of new grads conducted in fall of 2013**
- **Collaborators:**
  - CINHC
  - UCLA School of Nursing
  - California Board of Registered Nursing
  - Association of California Nurse Leaders
  - California Student Nurses Association
- **Random selection of >5,000 newly licensed RNs in CA - September 2012 through August 2013**
  - Sample was mailed letters with invitation to complete web-based survey

# Findings from the 2013 New RN Graduate Hiring Survey

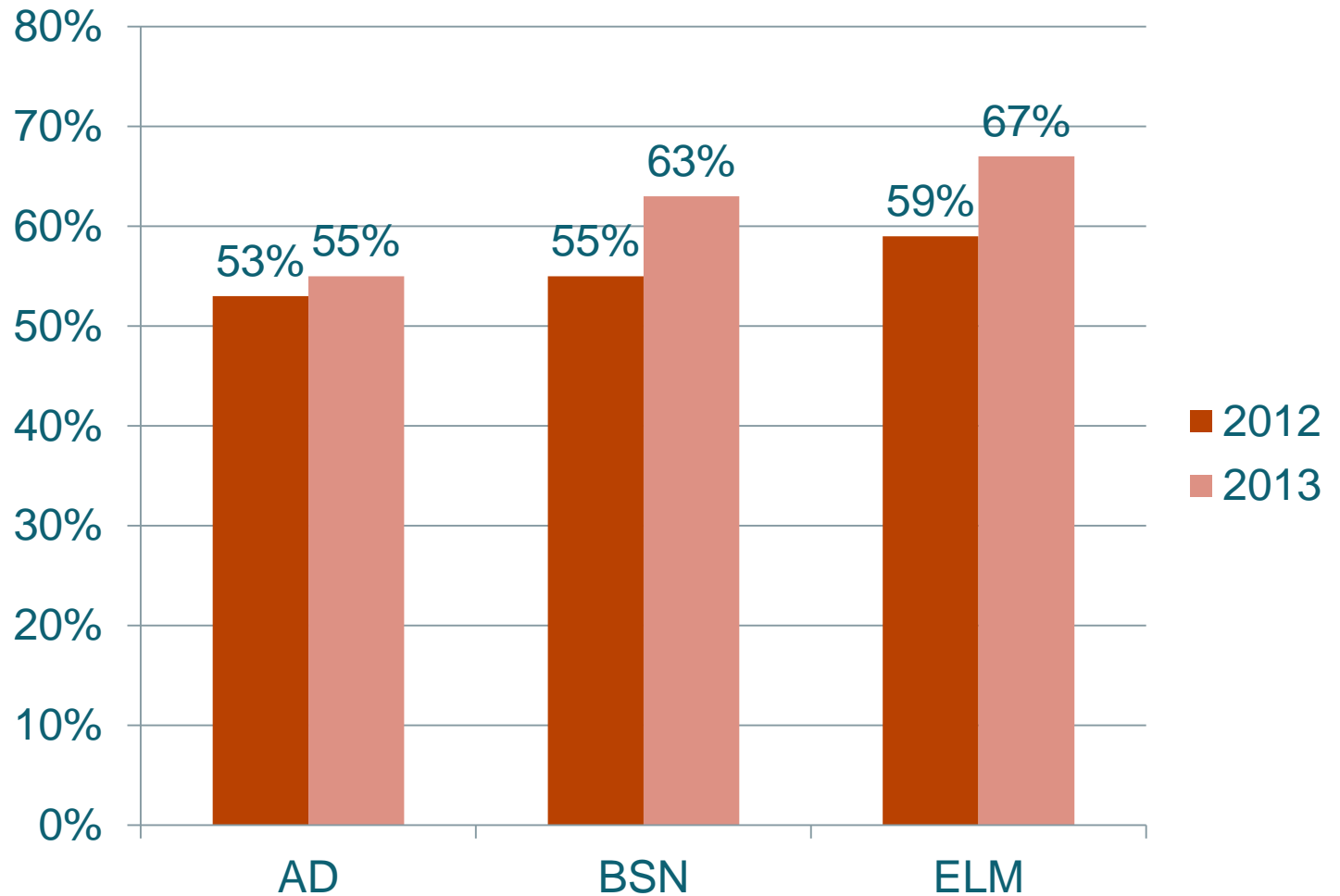
- **59.3% employed as an RN**
  - 54% in 2012 (57% in 2011 & 2012)
  - 2012-13 BRN Annual Schools Report (Deans & Directors' estimate)
    - 76.3% employed as RN
    - 63.7% employed as RN in CA
    - 18.3% unable to find employment



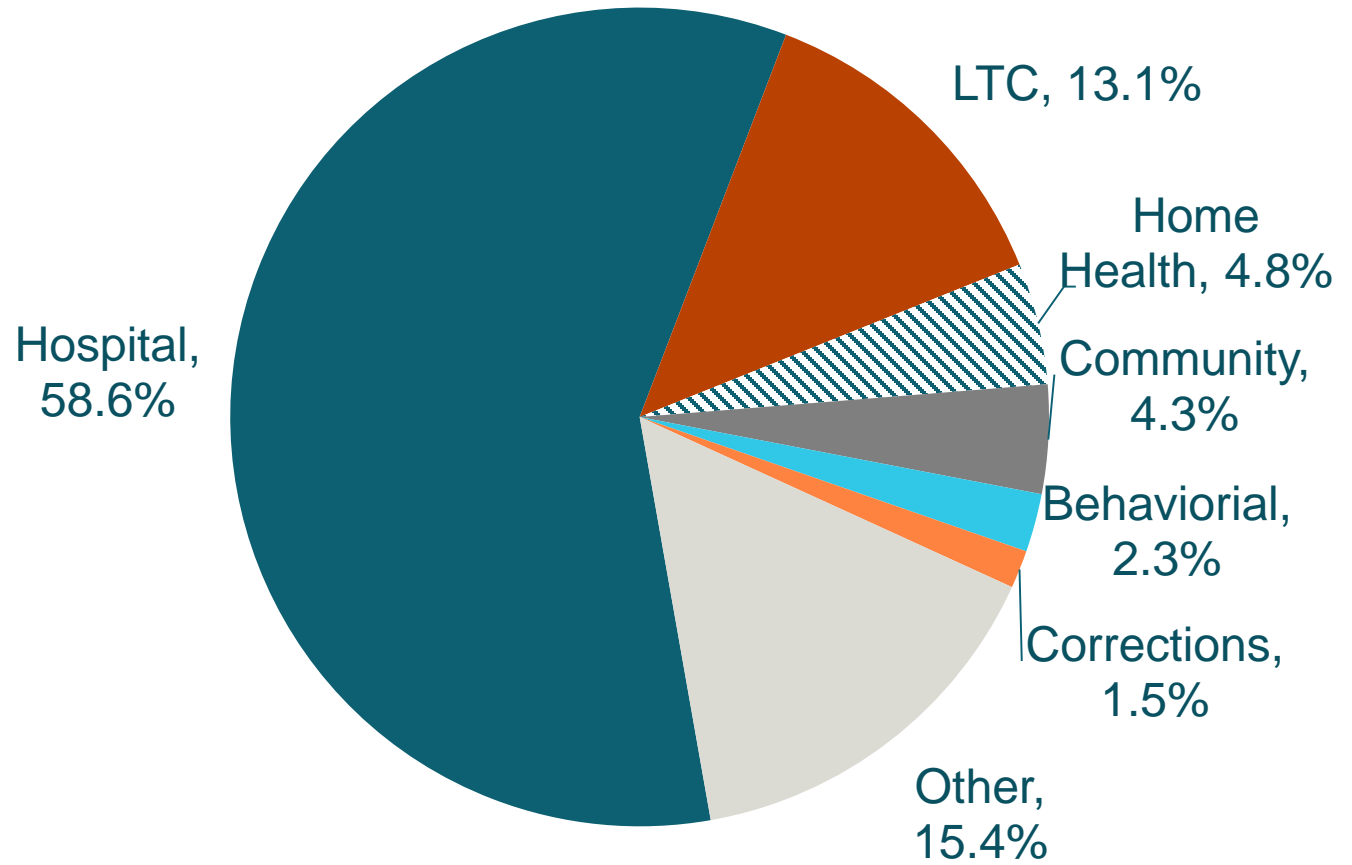
# Regional variation in employment



# Employment rate varies by education



# Employment settings of new graduates



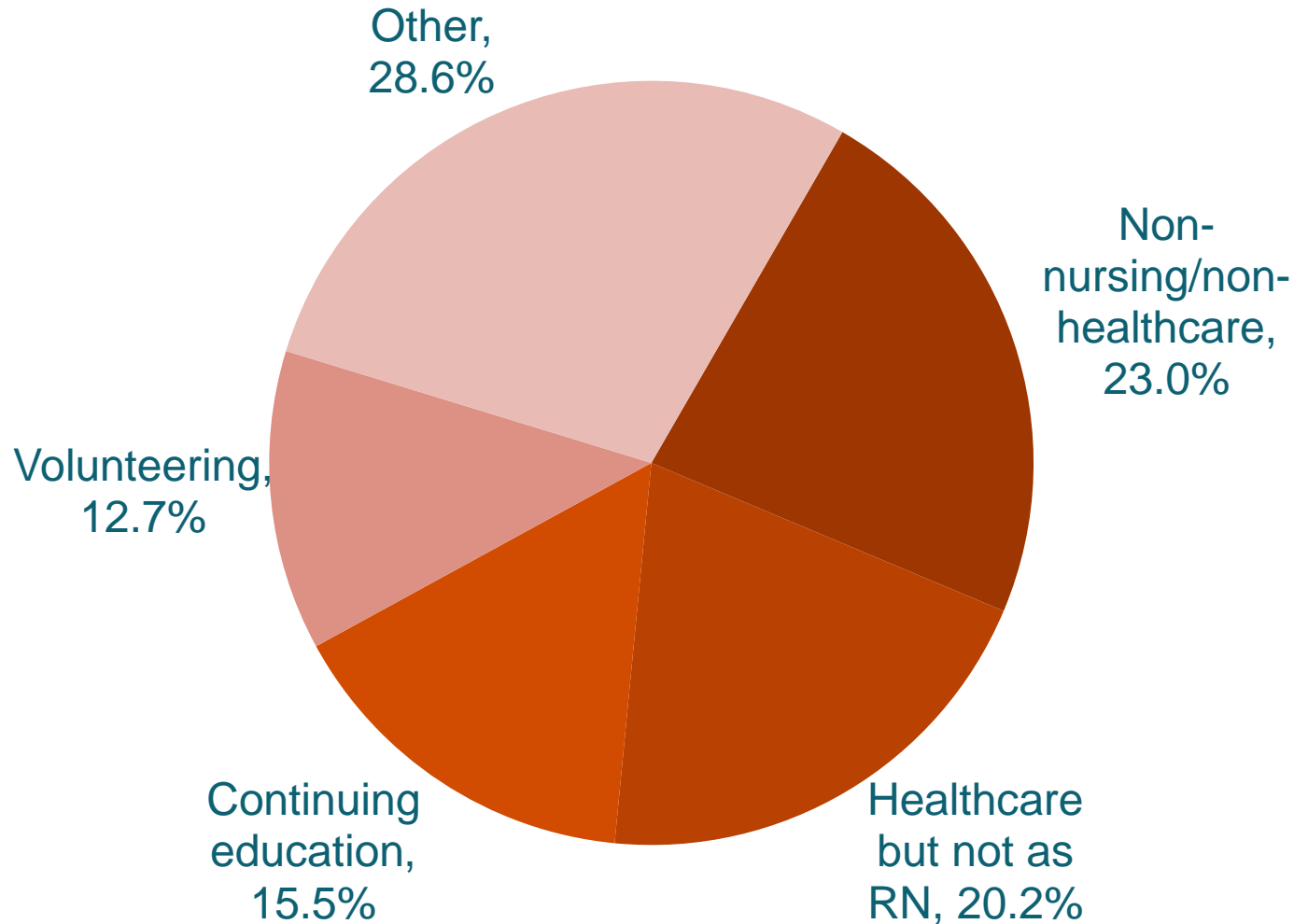
# For those employed...

- **46.6% employed within 3 months**
- **61.6% reported working in “job of choice”**
- **77.2% are working full time**
- **26.6% participated in a transition to practice or residency program**

# Why are they not employed?

- **92% no experience**
- **46.5% no position available**
- **37.8% BSN preferred or required**
- **33.2% work experience not applicable**
- **6.6% academic preparation insufficient for position scope**
- **6.1% weak resume related to volunteering or activity to enhance experience/skills**
- **3.9% out of school too long**
- **0.9% low GPA**

# What are unemployed nurses doing?



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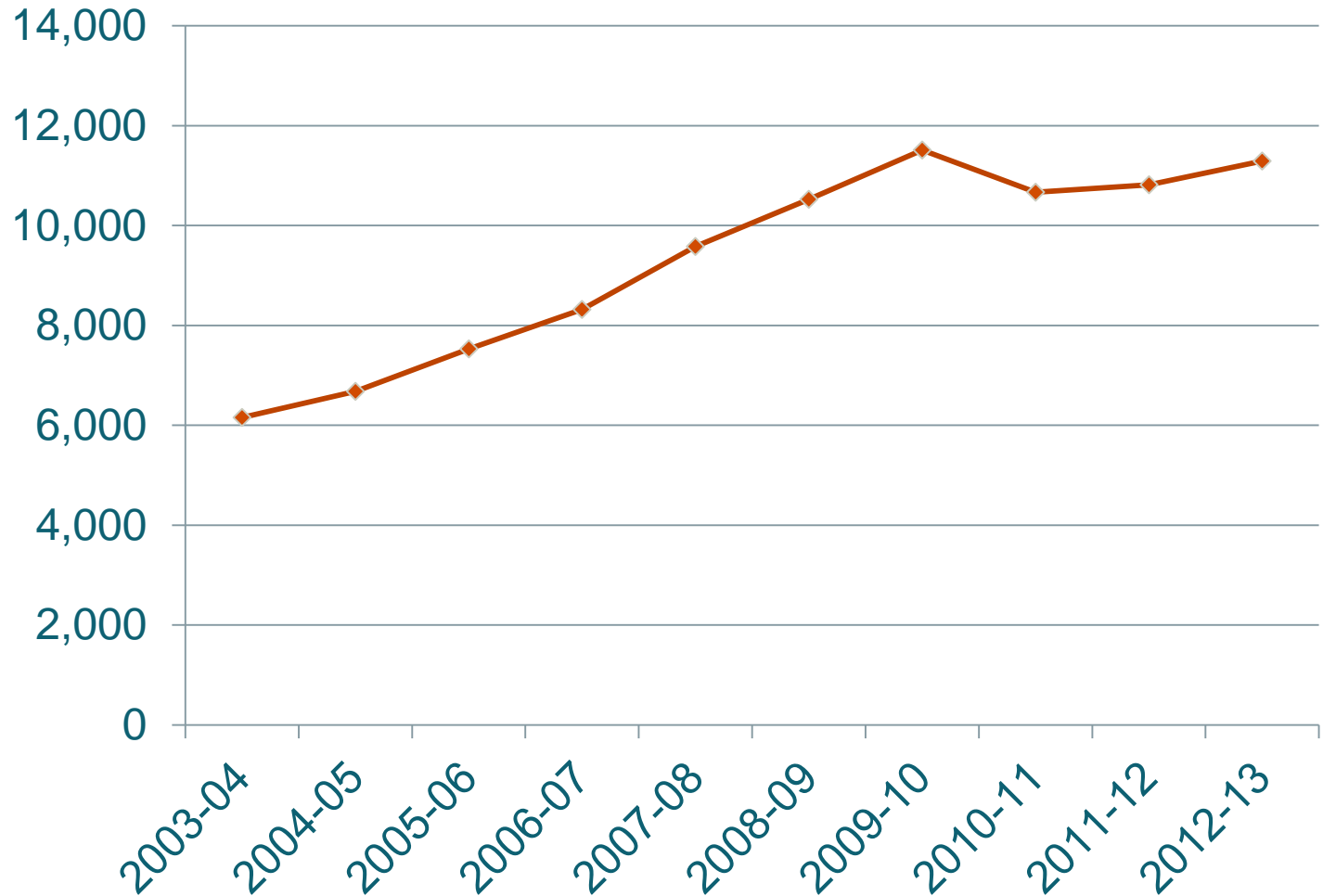
# What do Deans & Directors think is happening?

*Deans' estimates of the percent of grads from the past year in each employment setting*

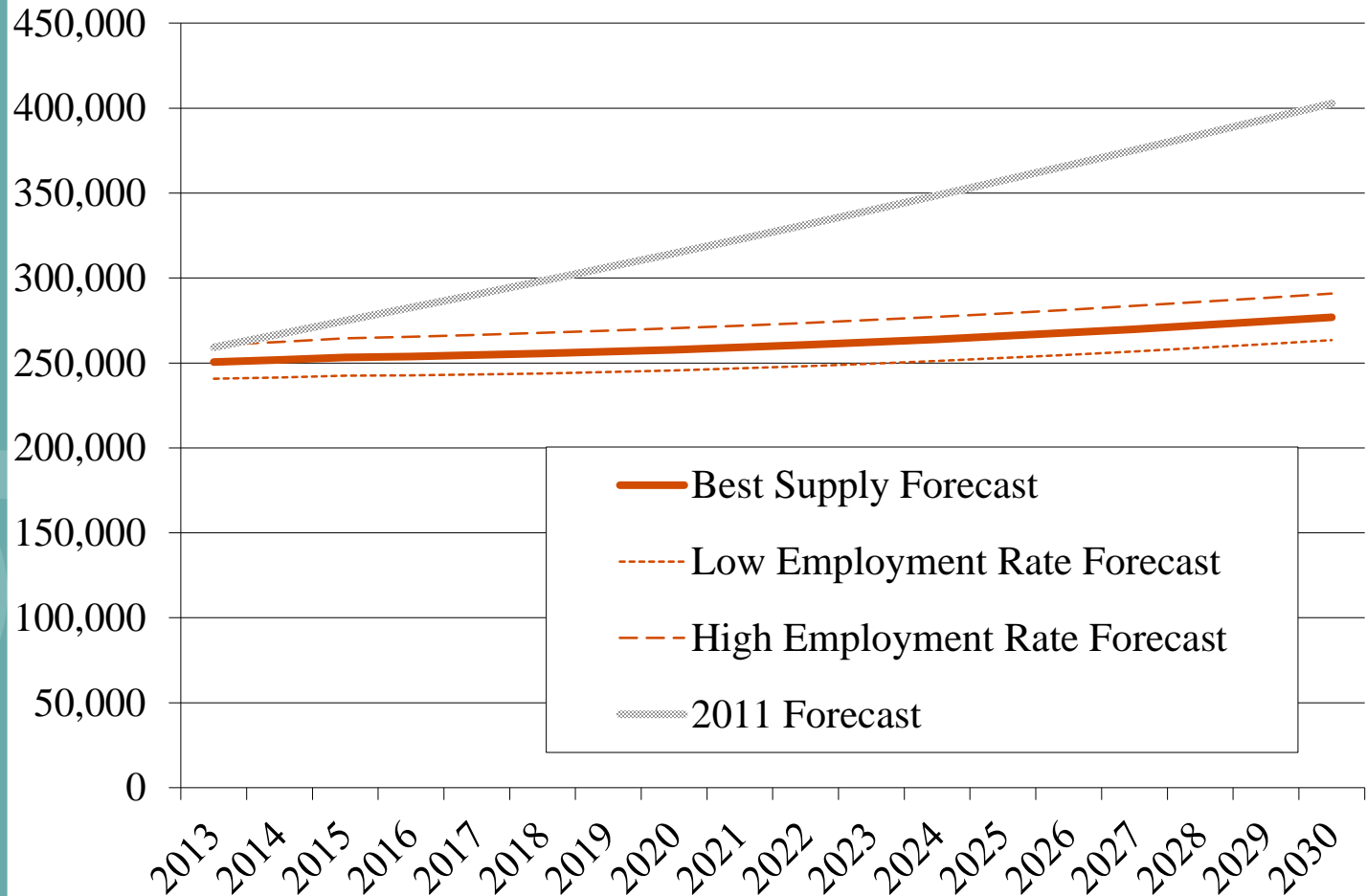
Type of degree	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Hospital	71.4%	59.0%	54.4%	61.1%	56.7%
Long-term care	8.4%	9.7%	7.8%	8.3%	7.9%
Comm/public health	5.4%	3.9%	4.5%	3.6%	3.6%
Employed in CA	83.4%	81.1%	68.0%	69.6%	72.9%



# California RN graduations per year

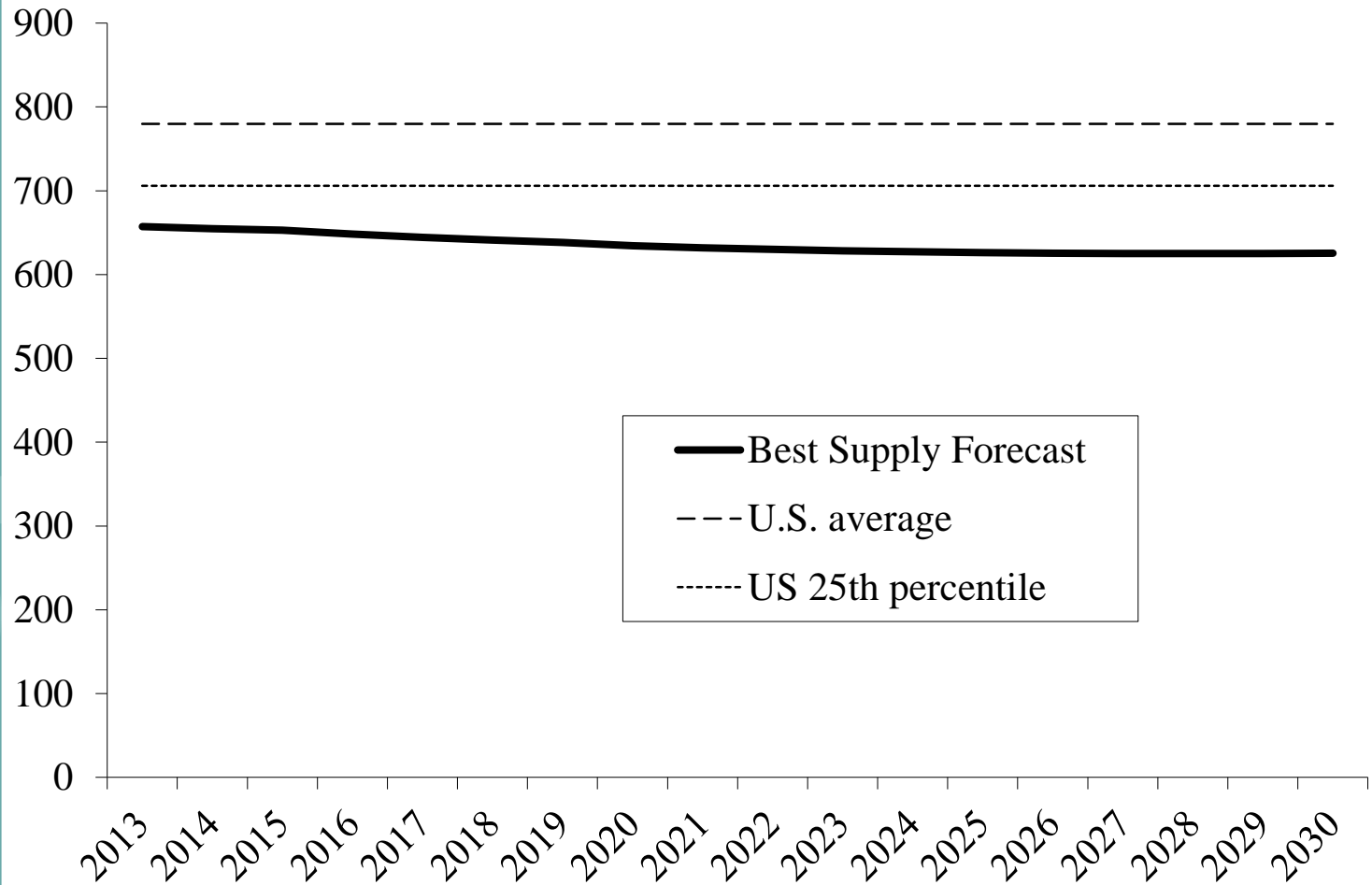


# The range of supply forecasts (RN FTEs)



Source: California Board of Registered Nursing Forecasts of the RN Workforce, 2013

# Forecast of Full-time Equivalent RNs per 100,000 population



Source: California Board of Registered Nursing Forecasts of the RN Workforce, 2013

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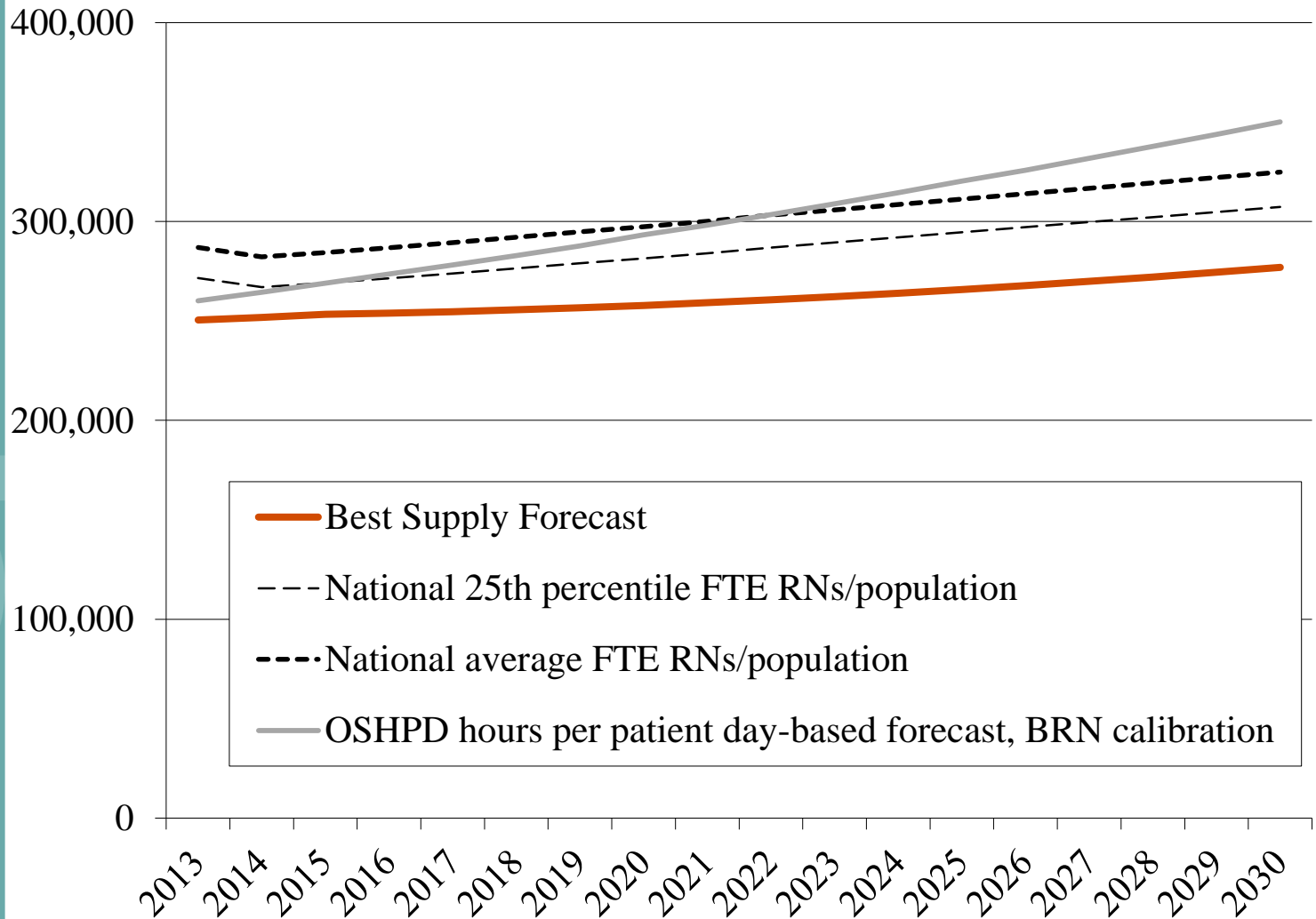
# What is demand?

- **Employer surveys tell us about current demand**
- **Employers often can estimate 1-2 years ahead**
- **Track record for long-term estimates by employers is not great**
  - Extremely complex competitive environment
  - Short-term demands make it hard to prepare for long-term needs
  - Financial imperatives are focused on 1-2 year window

# How can we forecast demand?

- **National benchmarks: Employed RNs per 100,000**
- **Bureau of Labor Statistics forecasts**
  - These forecast total employment, which results from a mix of supply and demand
- **Forecasting from projected hospital utilization: RNs per patient day**
  - Estimate growth in patient days based on population growth
  - Predict hospital RN demand from patient days forecast
  - Estimate overall demand as function of hospital demand
- **Micro-simulation models**

# BRN supply and demand forecasts for RNs, 2013-2030



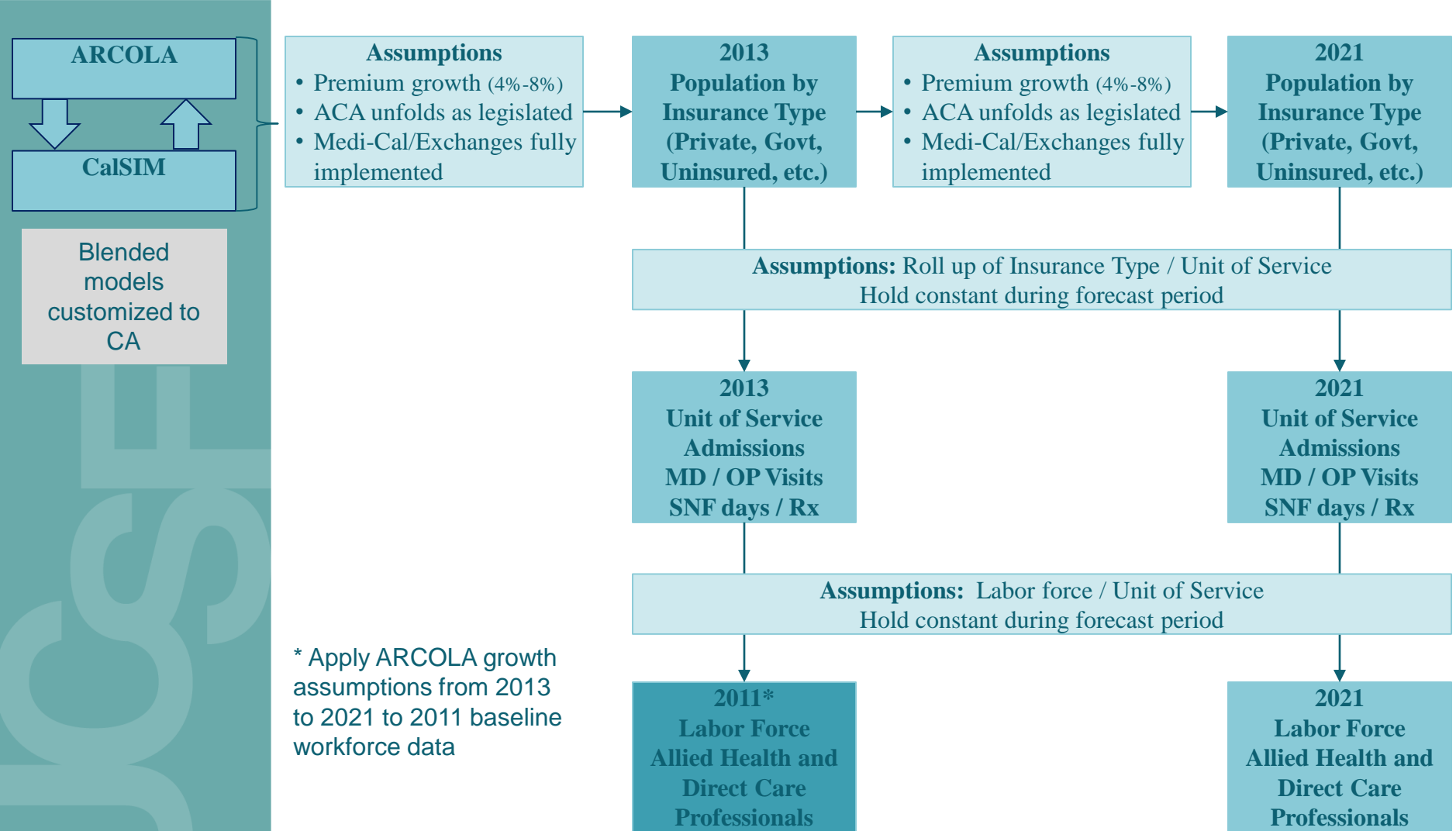
# Micro-simulation modeling

Frogner, Spetz, & Parente 2014

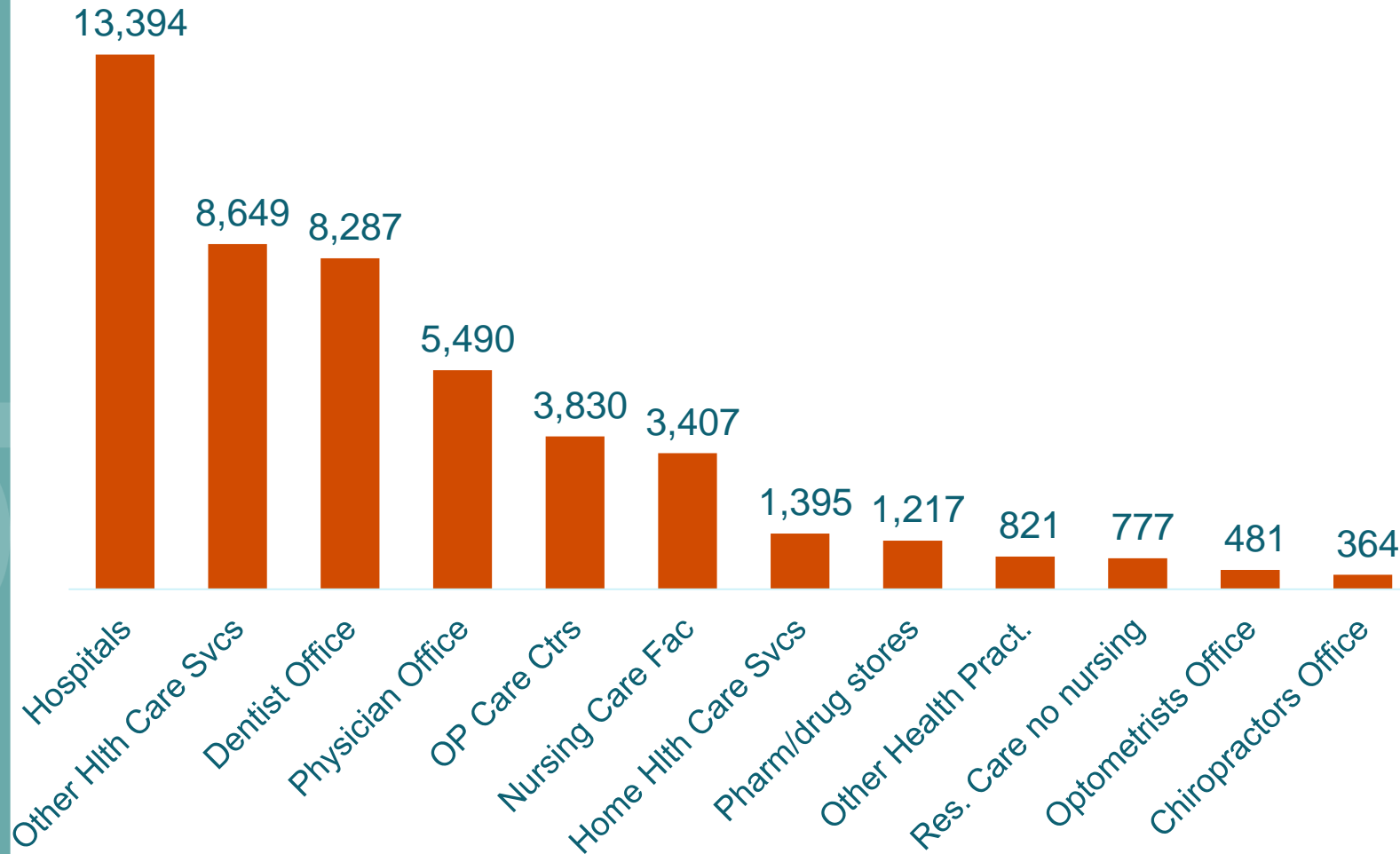
- **ARCOLA (Adjusted Risk Choice & Outcomes Legislative Assessment) model**
  - Estimates insurance coverage and health service demand
  - Built using employer and commercial insurer data
- **Using ARCOLA to assess impact of ACA on labor force in California from 2011 to 2021**
  - Customized model specific to CA
    - Survey data (CHIS and CEHBS)
    - CalSIM forecasts
    - Workforce policies in CA
    - Regional estimates
    - Iterate and revise model assumptions with industry experts



# Micro-simulation methodology

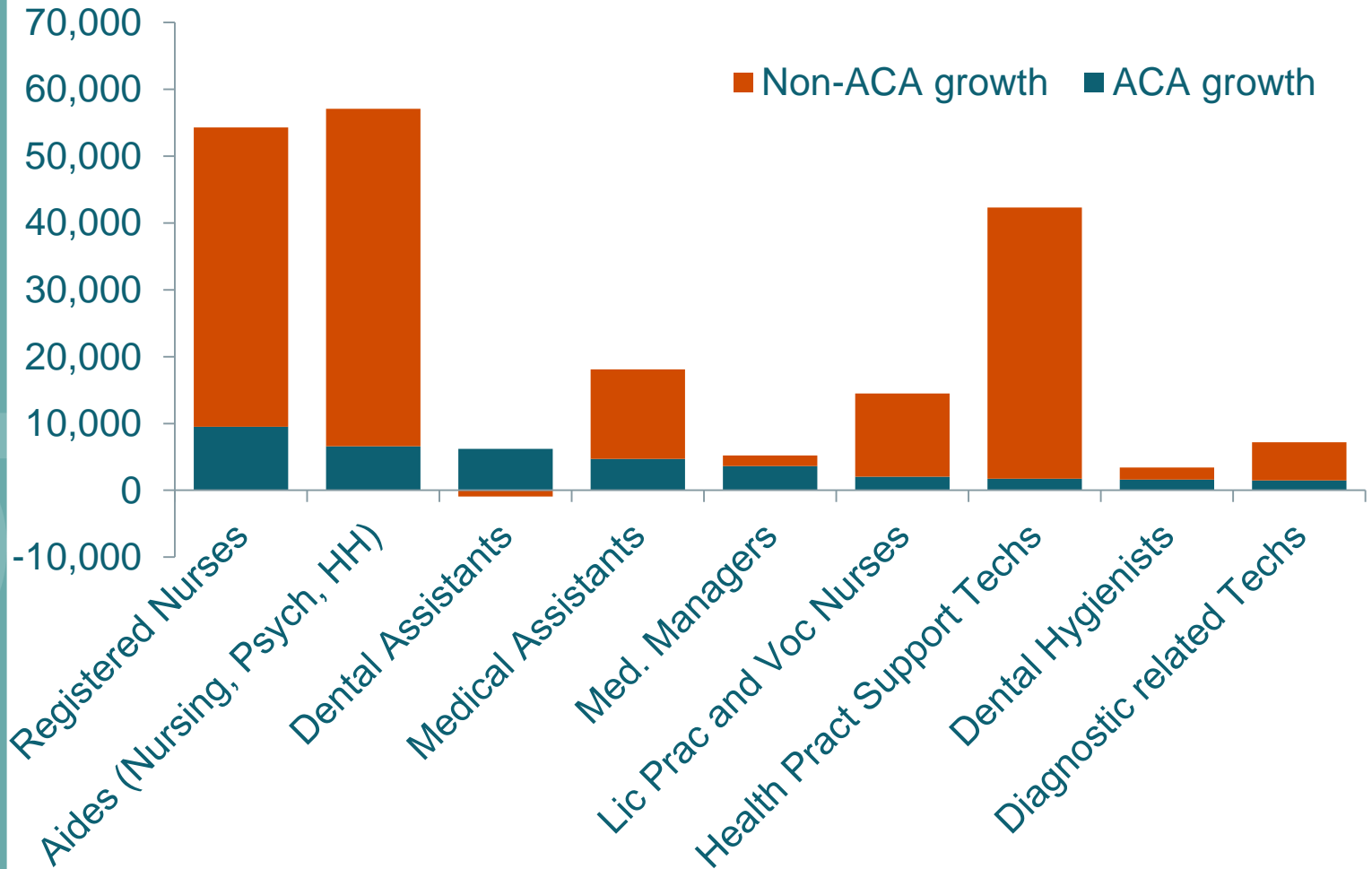


# Projected new jobs by industry due to ACA, 2021



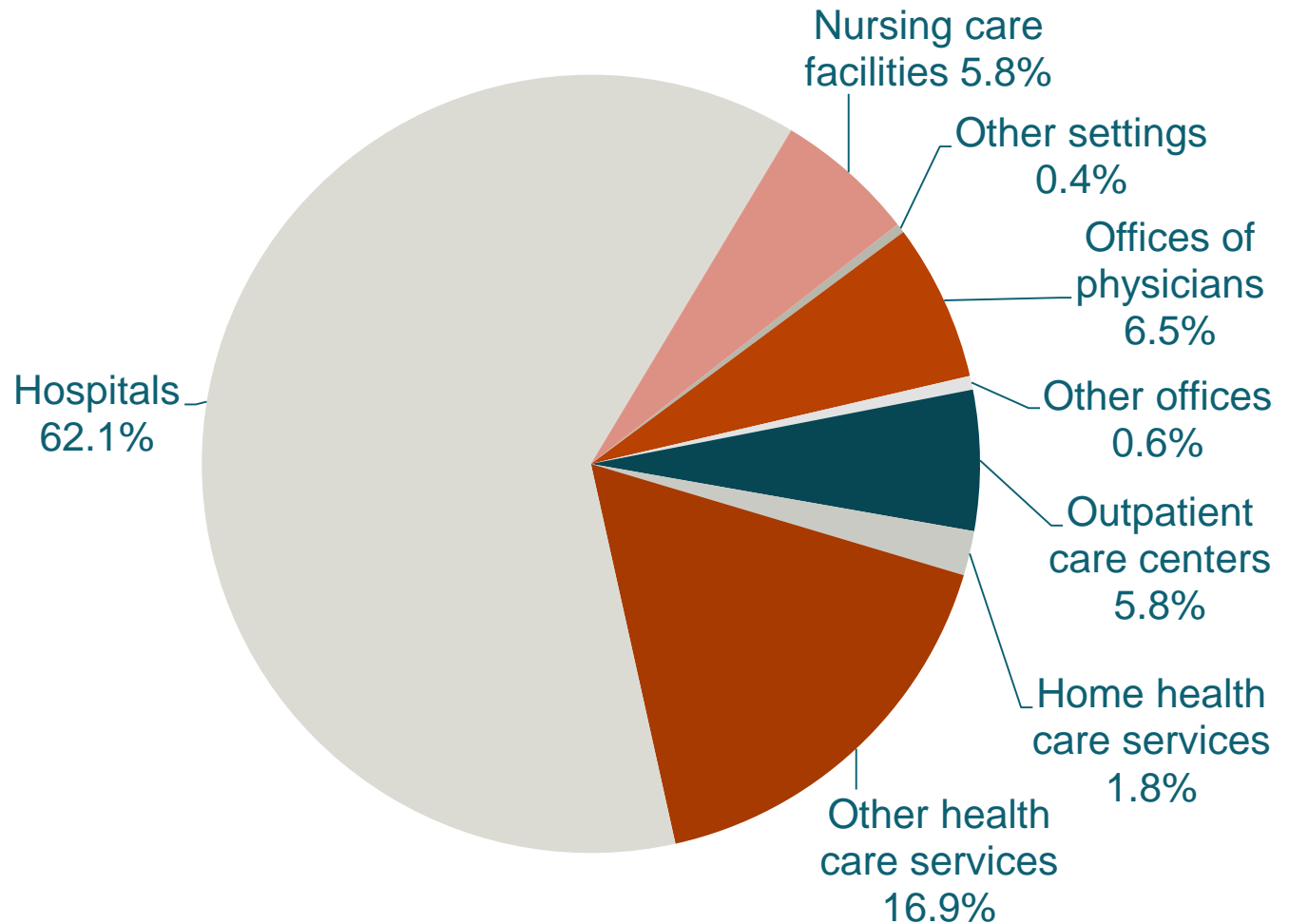
Source: Frogner, Spetz, & Parente, 2014

# Forecasted new jobs in California by 2021



Source: Frogner, Spetz, & Parente, 2014

# Where will the new jobs be created?



# What could affect the mix of settings?

- **Emerging care delivery models**
  - Patient-centered medical homes
  - Home-based long-term care services & supports
- **Expanded use of health information technology**
- **New payment models**
  - Performance-based payment
  - Bundled payments & Accountable Care Organizations
- **These things will be explored in early 2015**

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# Implications for policy

- **How do we define shortage?**
  - Are current employment levels adequate?
  - Should California be at the national average? 25th percentile? Bottom?
  - Economic demand vs. need-based demand
- **How will the ACA continue to impact demand?**
- **In this economy...**
  - Demand is starting to ramp up again
  - Reservoir of recent graduates who are still unemployed

# Concerns for workforce policy

- **If RN education contracts, our supply will fall far short of demand**
- **Will recent graduates who can't find work leave California permanently?**
- **Can we foster opportunities to gain on-the-job skills and to pursue additional education?**
- **What do we need to do?**
  - Identify strategies to retain new graduates' skills and employ them quickly
  - Help RNs continue education if they want to do so
  - Prepare new graduates to work in non-hospital settings



# Check out our website!

- <http://rnworkforce.ucsf.edu>

## RN Workforce: California's RN Labor Market

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### News:

#### Updated Demand Dashboard

August 22, 2014

Check out the updated Dashboard on Demand for the RN Workforce in California, featuring data from the new Survey of Nurse Employers in California report.

Check out the Dashboard in our [Demand Data](#) section.

#### New Report: Survey of Nurses' Educational Experiences, 2013

August 12, 2014

The 2013 Survey of Nurses' Educational Experiences (Education Survey) was conducted by the Board of Registered Nursing (BRN) to assess the state of nursing education in California, and RNs' experiences pursuing education after licensure. The survey was designed to describe the educational experiences of California's RNs, their reasons for pursuing additional education after their pre-licensure education, and their intentions regarding future education.

Check it out in our [Publications](#) section.

#### New Report: Survey of Nurse Employers in California, Fall 2013

August 8, 2014

This report summarizes the findings from a survey of general acute care (GAC) hospital employers of registered nurses (RNs) in California, conducted in fall 2013. Prepared by: Tim Bates, MPP, Lela Chu, BA, Dennis Keane, MPH, Joanne Spetz, PhD, UCSF.

Check it out in our [Publications](#) section.

#### Webinar Invitation: Economic Recovery and the Nursing Labor Market in California

August 8, 2014

### Our Mission

The registered nurse (RN) workforce is the largest group of health professionals in California, with over 371,000 licensed nurses. RNs work in every health care setting and provide care for millions of Californians every year. Active tracking of the supply of and demand for RNs is essential to ensure that there is an adequate number of nurses to meet future care needs. UCSF collaborates with organizations throughout California to collect and share data to support workforce planning.

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# Also go to the BRN website

- **Forms → Publications**

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- **School Reports**
  - [2012-2013 Pre-Licensure Nursing Program Annual School Report: Data Summary and Historical Trend Analysis](#) - Updated 4/23/14
    - [2012-2013 Pre-Licensure Nursing Program Annual School Report: Data Summary](#) - Updated 4/23/14
    - 2012-2013 Pre-Licensure Nursing Program Annual School Regional Reports
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      - [Greater Sacramento](#)
      - [San Joaquin Valley](#)
      - [Bay Area](#)
      - [Central Coast](#)
      - [Los Angeles Area](#)
      - [Inland Empire](#)
      - [Southern Border](#)
  - BRN School Report Data, 2003-2004 to 2012-2013:
    - [Prelicensure Interactive Database Instructions](#) (READ FIRST)
    - [Prelicensure Interactive Database](#)
  - [2012-2013 Post-Licensure Nursing Program Data Summary and Historical Trend Analysis](#)
- **Biennial RN Survey and Forecasting Reports**
  - [Survey of Registered Nurses in California 2012](#) - Revised October 18, 2013
    - [2012 Survey of Registered Nurses in California \(PowerPoint Presentation\)](#) - Revised October 18, 2013
    - [Survey of Registered Nurses in California 2012 - Errata, October 18, 2013](#) (Corrections for July 8, 2013 version of Report)
    - [Data Summaries](#)
    - [Forecasts of the RN Workforce in California 2013](#)

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# Available from the BRN website

- **Annual Schools Report**
  - Public-use Excel workbook to summarize data by region, type of program...
- **RN Surveys (every 2 years)**
  - Full reports
  - Link to a webpage with summary data, and ability to get regional and other cuts of the data
- **RN Forecasts**
  - Full reports
  - Regional reports when we have them
- **Other studies**

# What is happening next?

- **UCSF and HASC are continuing our collaboration**
  - HASC does quarterly surveys of HR directors
  - UCSF does annual CNO surveys
- **The 2014 BRN Survey of RNs report will be published Spring 2015**
  - New forecasts in Spring/Summer 2015
- **The 2013-2014 BRN Annual Schools Survey will be sent in October**
- **The 2014 Employer Survey will be sent in October**

**Questions?**

**Thoughts?**

**Ideas?**

**Perspectives?**