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The Nursing Labor Market in California: Still in Surplus?

May 2013

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**

- **Link employer and nurse perceptions with recent data on RN employment and education**

- **Measure the impact of enrollment trends on forecasts of future supply and 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

- Hospital Association of San Diego & Imperial Counties

- UCSF Staff & Interns: Tim Bates, Lela Chu, Jessica Lin, Dennis Keane, Fletcher Munksgard, Glenda Tam

What is going on in our RN labor market?

- **More than a decade of severe shortage, 1998-2008**

- **Reports of nurse surplus 2009-now**

Context: Ongoing recession, high unemployment, severe regional differences

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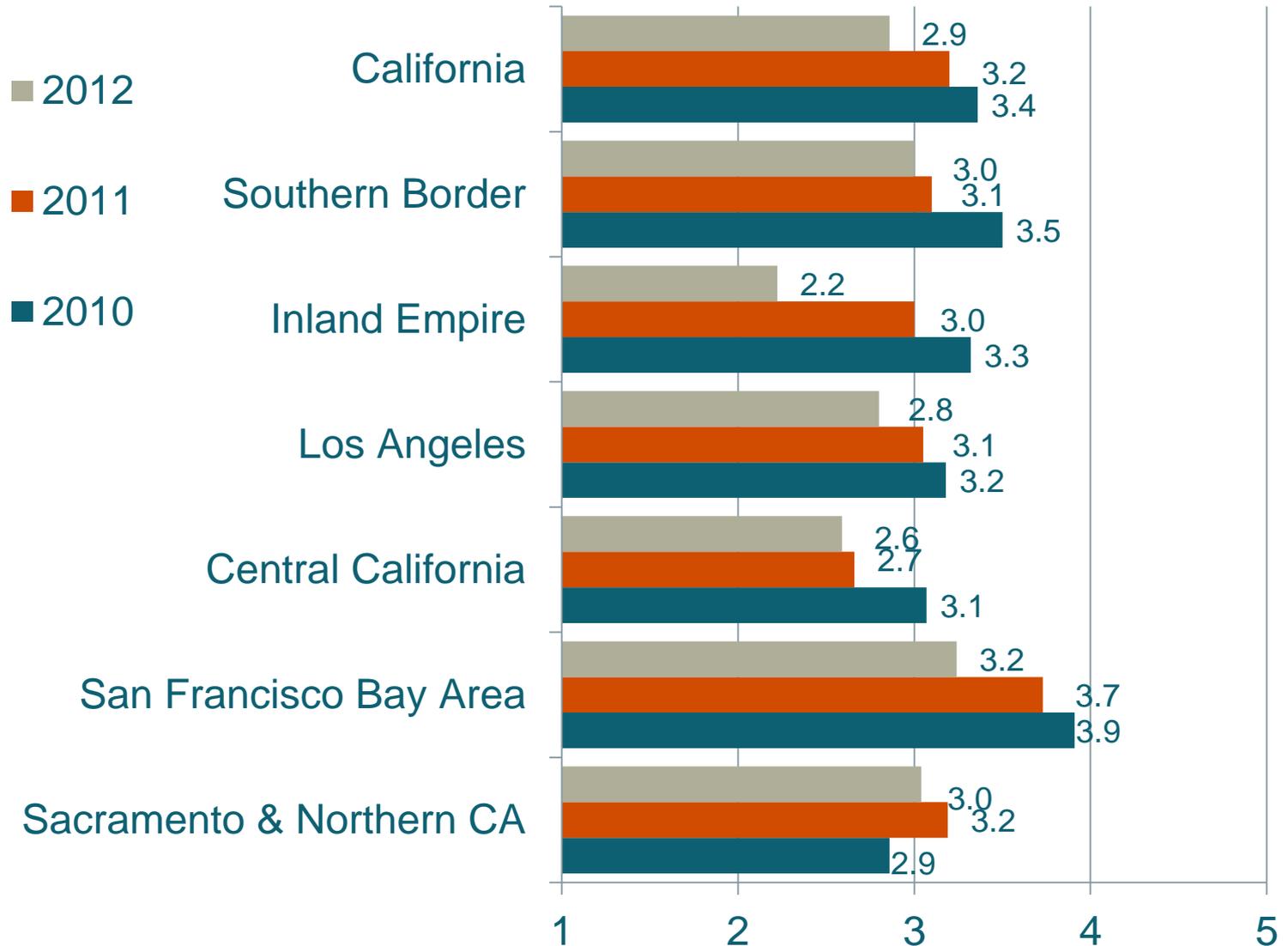
Survey of Chief Nursing Officers

- **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**

- **Five surveys conducted**

  – Fall 2010, Spring 2011, Fall 2011, Spring 2012, Fall 2012

  – Spring surveys & Fall 2012 conducted solely for CNOs

  – Fall 2010 and 2011 included HR data

Perceptions of employers

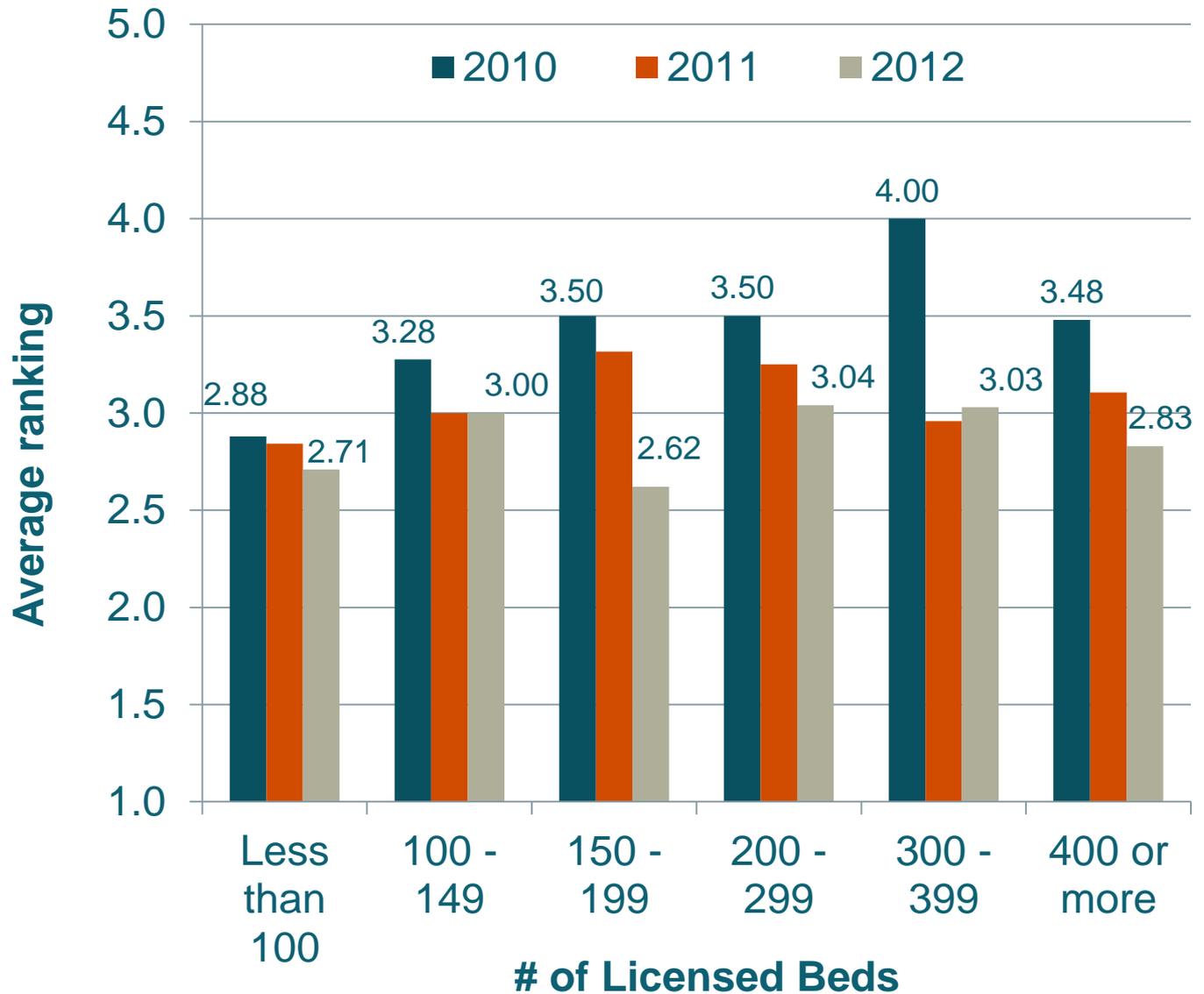|	High demand: difficult to fill open positions	Moderate demand: some difficulty filling open positions	Demand is in balance with supply	Demand is less than supply available	Demand is much less than supply available	Other
2012	5.5%	45.0%	19.7%	17.0%	12.4%	0.5%
2011	4.6%	43.0%	6.6%	23.2%	20.5%	2.0%
2010	5.0%	29.4%	11.3%	25.6%	23.8%	5.0%

■ 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

2012 (gray)
2011 (orange)
2010 (dark teal)

Region	2012	2011	2010
California	2.9	3.2	3.4
Southern Border	3.0	3.1	3.5
Inland Empire	2.2	3.0	3.3
Los Angeles	2.8	3.1	3.2
Central California	2.6	2.7	3.1
San Francisco Bay Area	3.2	3.7	3.9
Sacramento & Northern CA	3.0	3.2	2.9

Lower number = more shortage

Rural versus urban perceptions
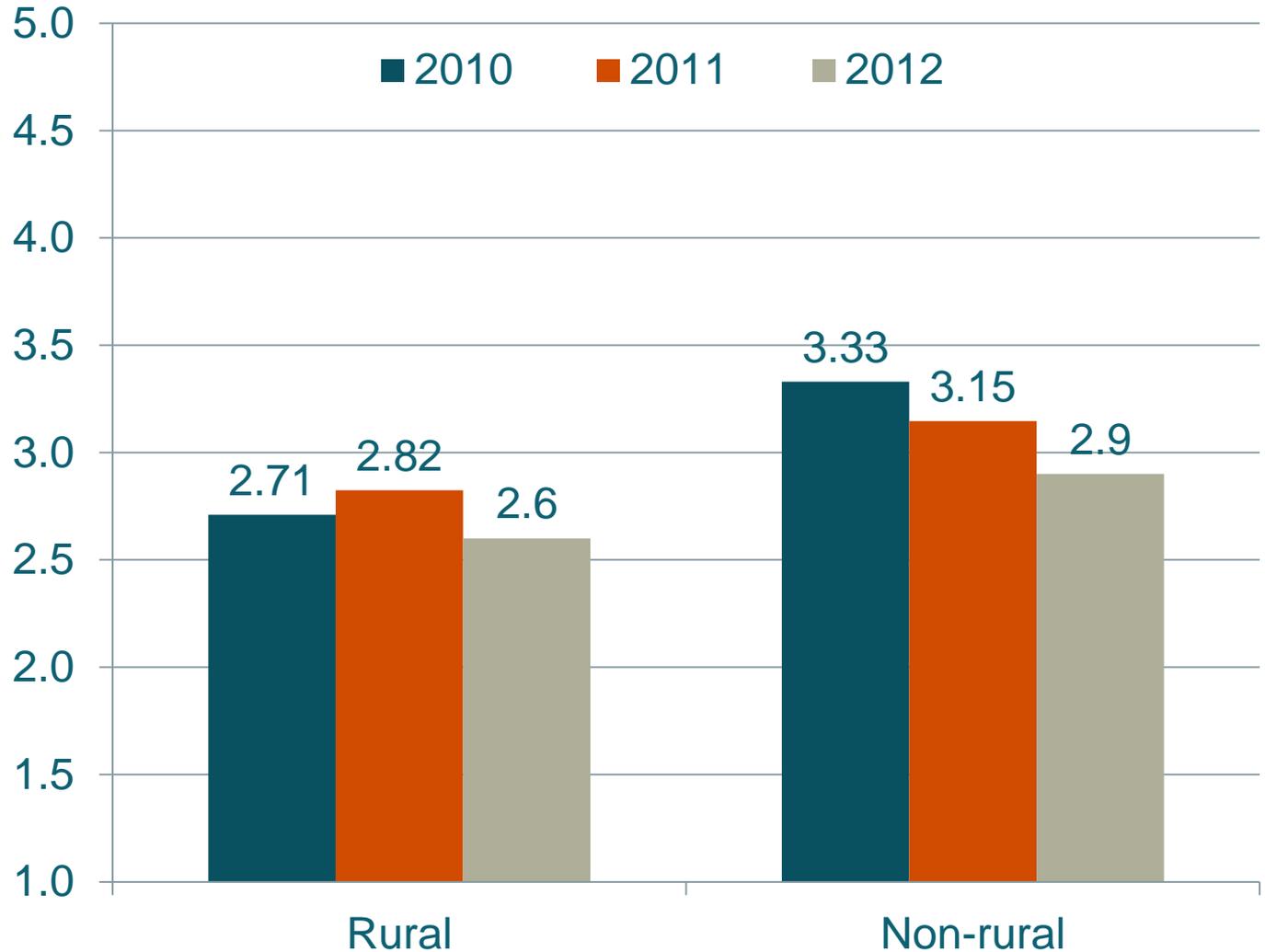
Lower number = more shortage

Differences by hospital size

Change in difficulty recruiting, compared to last year, Fall 2012

Stacked bar chart showing change in difficulty recruiting by job type:

Category	More difficult	About the same	Less difficult
Staff RN	10.4%	61.6%	28.0%
Other RN	26.2%	62.1%	11.7%
LVN	0.6%	72.1%	27.3%
Aide/assistant	4.6%	71.6%	23.7%

Legend:
- Less difficult
- About the same
- More difficult

Change in RN employment in the past year

Chart showing change in RN employment in the past year across five categories. Legend: Decreased employment (dark teal), No change (orange), Increased employment (gray).

Category	Increased employment	No change	Decreased employment
Staff RN	27.3%	49.1%	23.6%
Other RN	22.5%	55.4%	22.1%
LVN	14.1%	48.8%	33.7%
Aide/assistant	11.5%	59.9%	23.0%
New RN graduates	34.3%	47.0%	28.3%

Changes experienced in past year
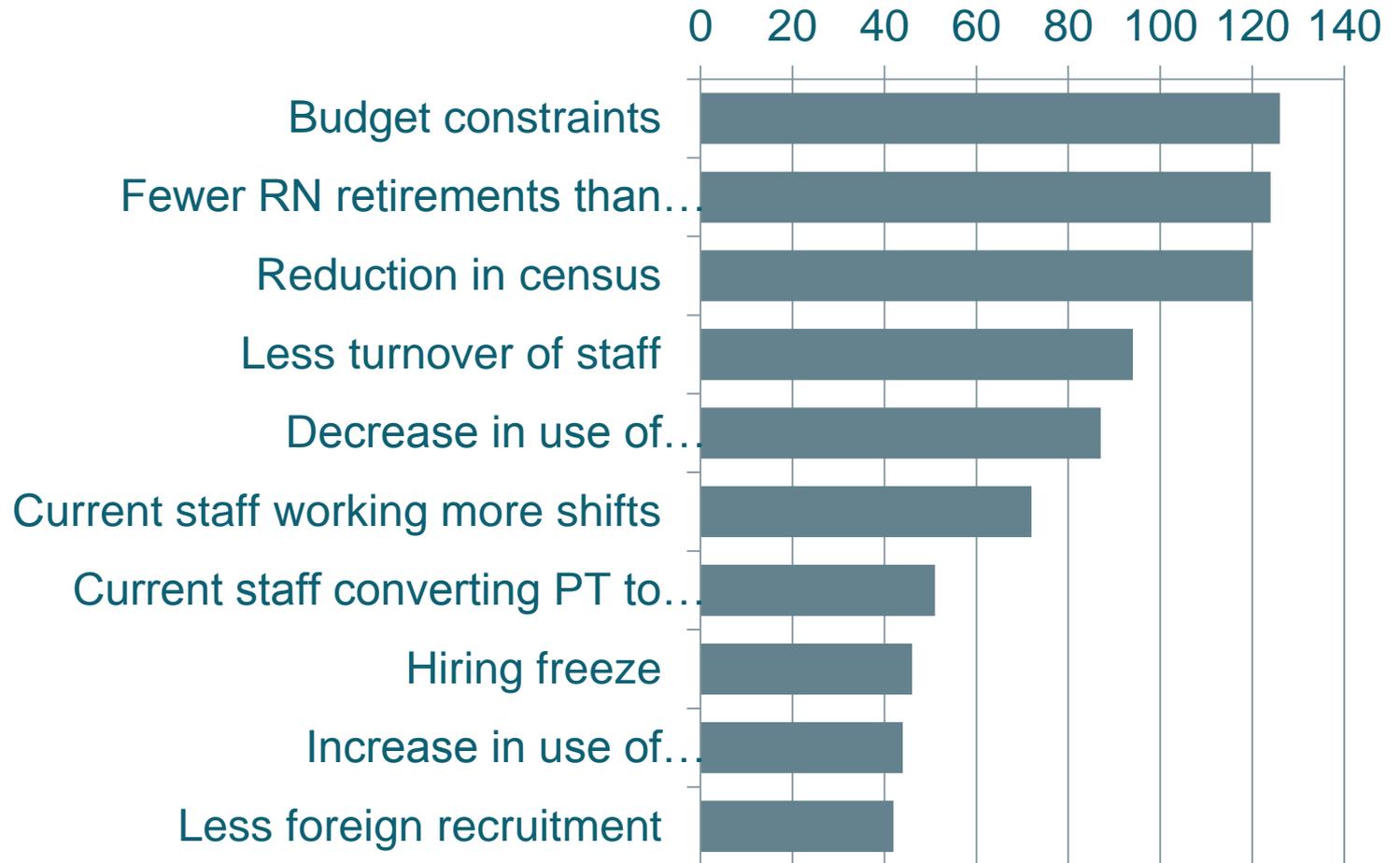
Number of responses (217 maximum possible)

Foreign recruitment, 2010-2012
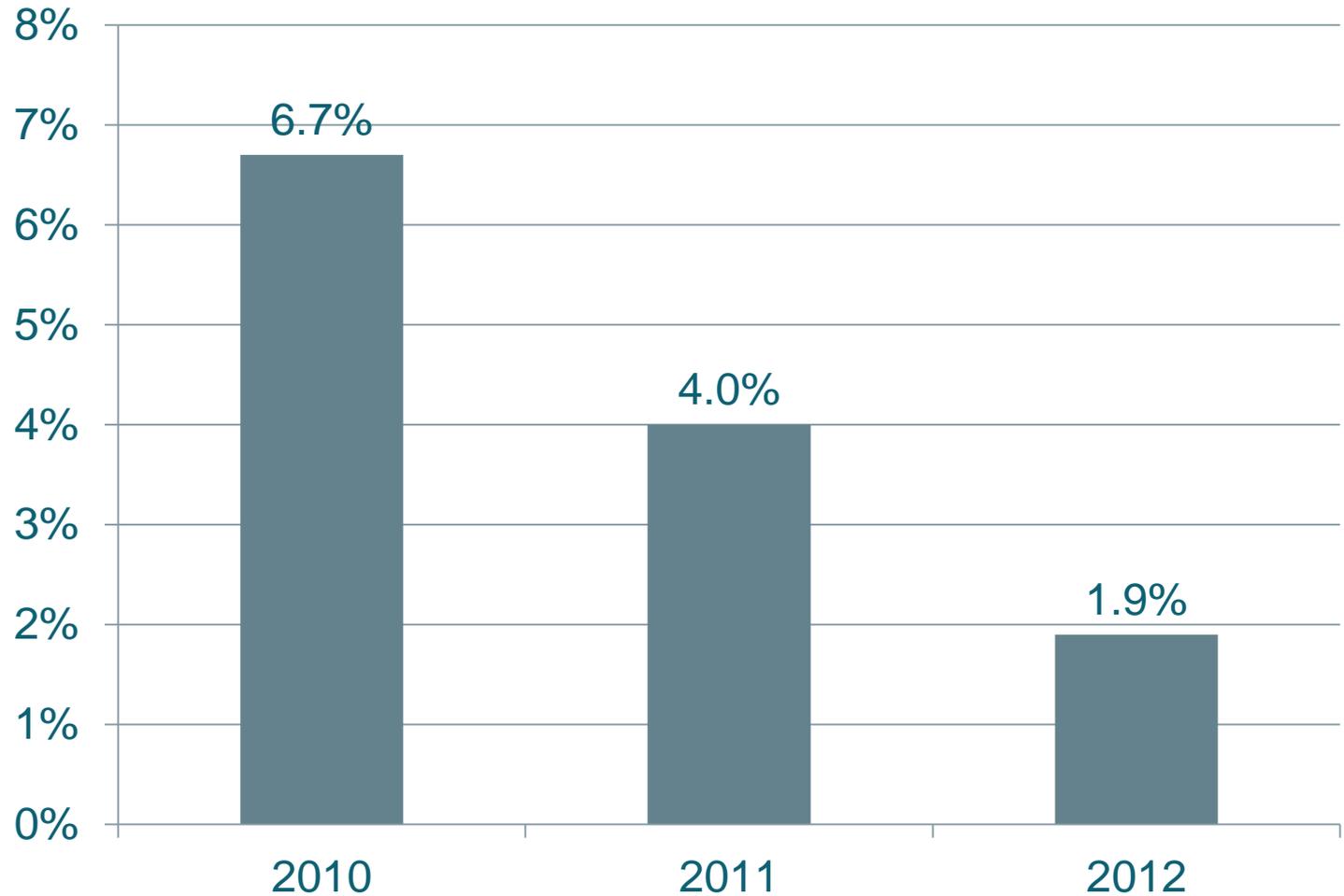
Hiring of newly graduated RNs, Fall 2012
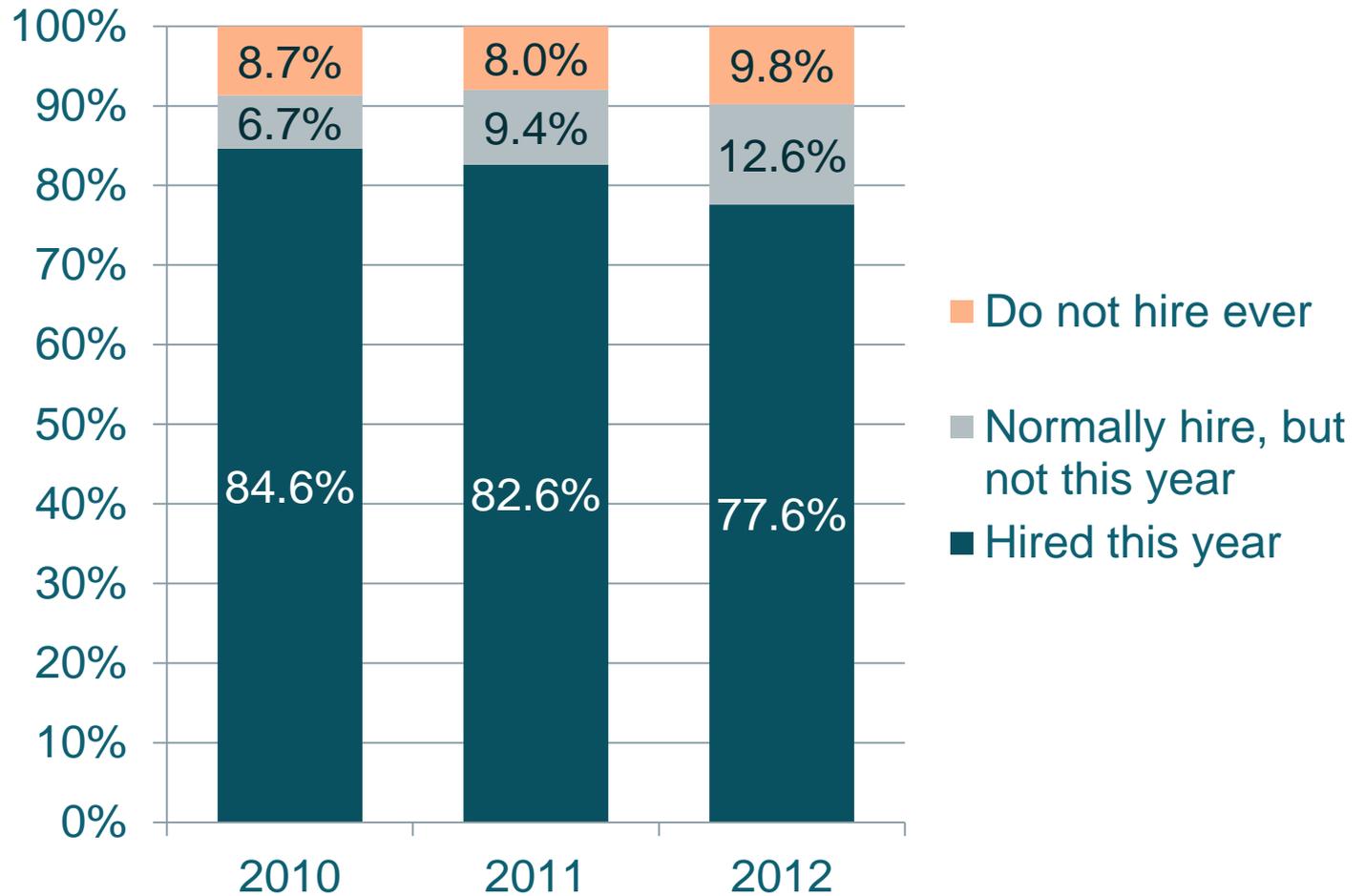
Hiring requirements and preferences, Fall 2011 & 2012

No experience required
- 2012: 21.6%
- 2011: 21.2%

Specific type of experience
- 2012: 55.5%
- 2011: 52.3%

Baccalaureate degree preferred
- 2012: 67.9%
- 2011: 69.5%

Baccalaureate degree required
- 2012: 7.3%
- 2011: 4.6%

Minimum experience requirement
- 2012: 53.7%
- 2011: 52.3%

Legend: ■ 2012 ■ 2011
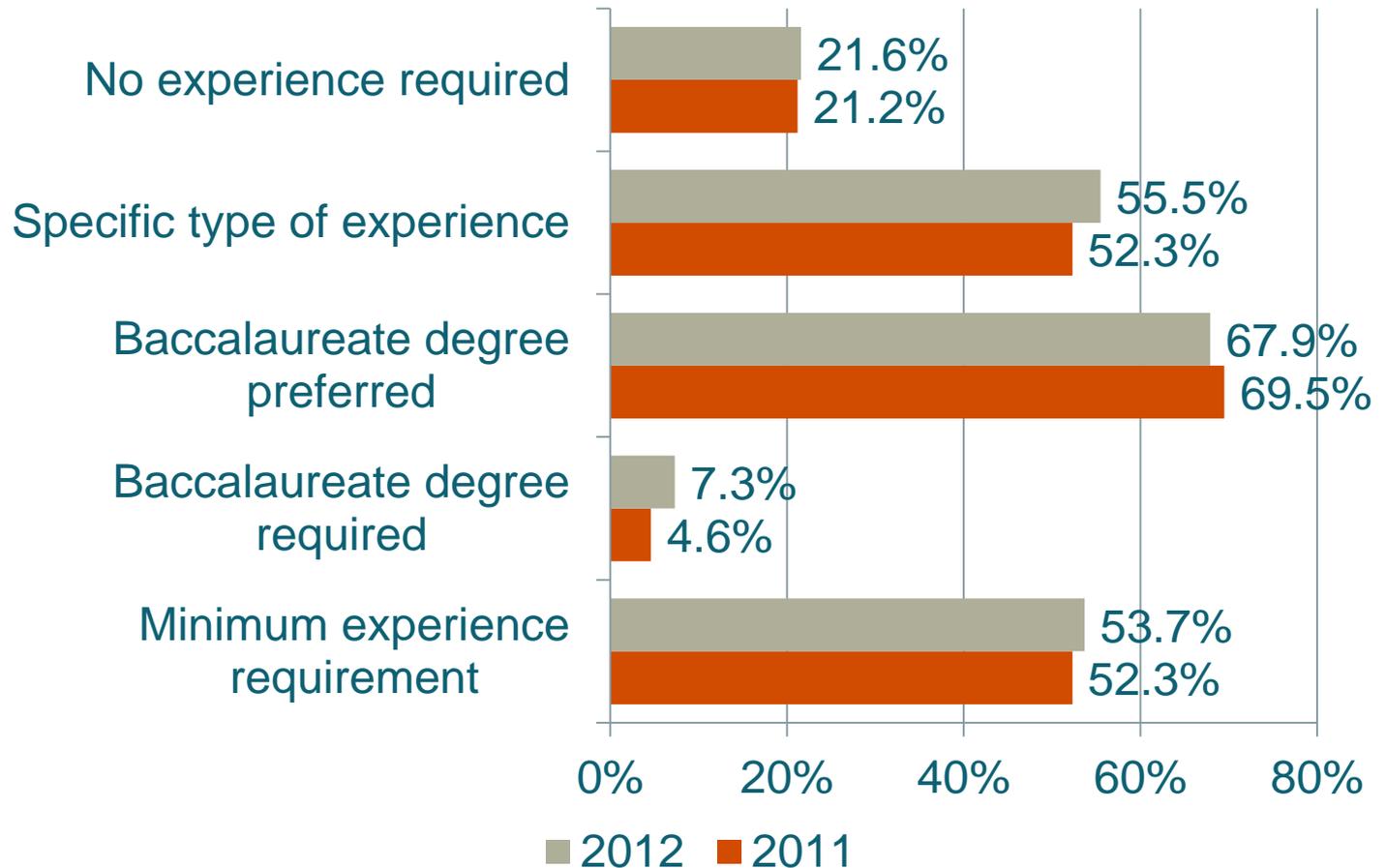
Care experience most often needed in critical care, OR, ED, L&D

New graduate training programs, Fall 2012

- **71% had a residency in 2012**

- **82% developed program internally**

- **Most common capacity is 20-30 new grads**

- **Most common length is 12 weeks**

A stacked bar chart showing Residency and No residency percentages for 2010, 2011, and 2012:
- 2010: Residency 67.4%, No residency 32.6%
- 2011: Residency 61.4%, No residency 38.6%
- 2012: Residency 70.7%, No residency 29.3%
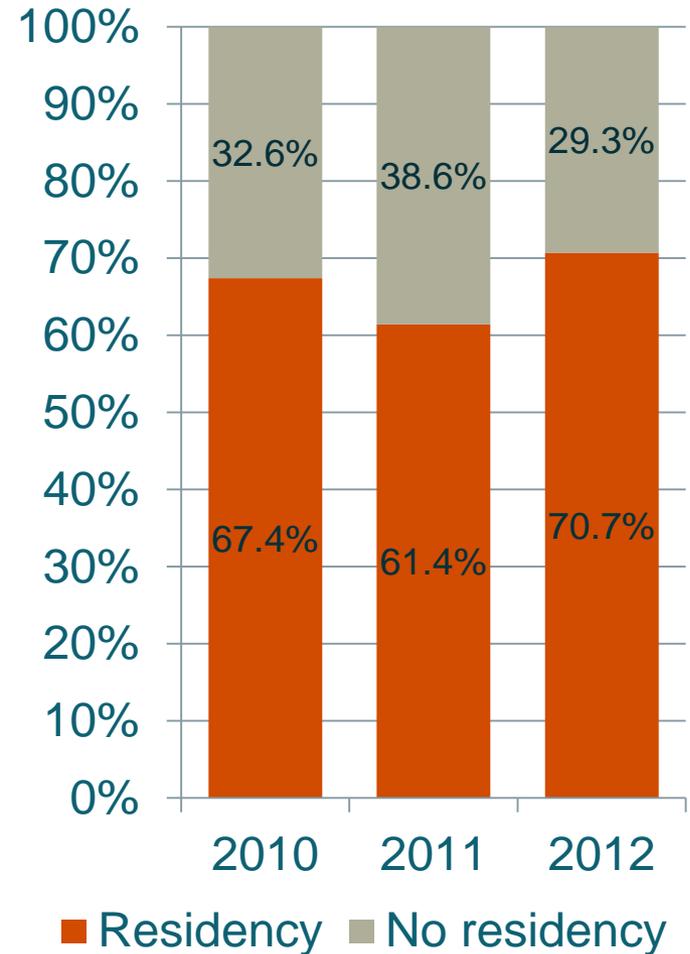
Hiring expectations
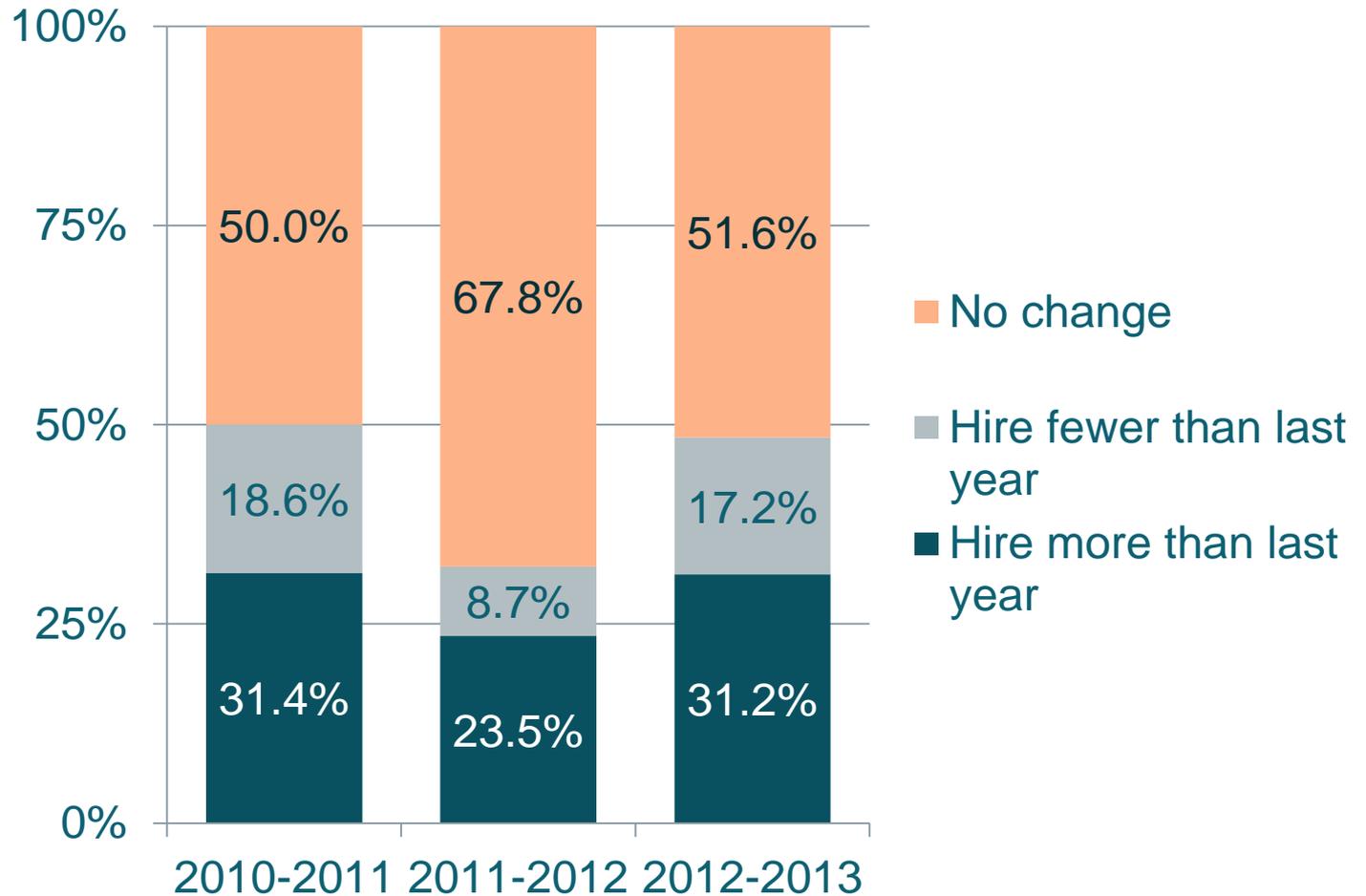
Reasons for expected increasing employment
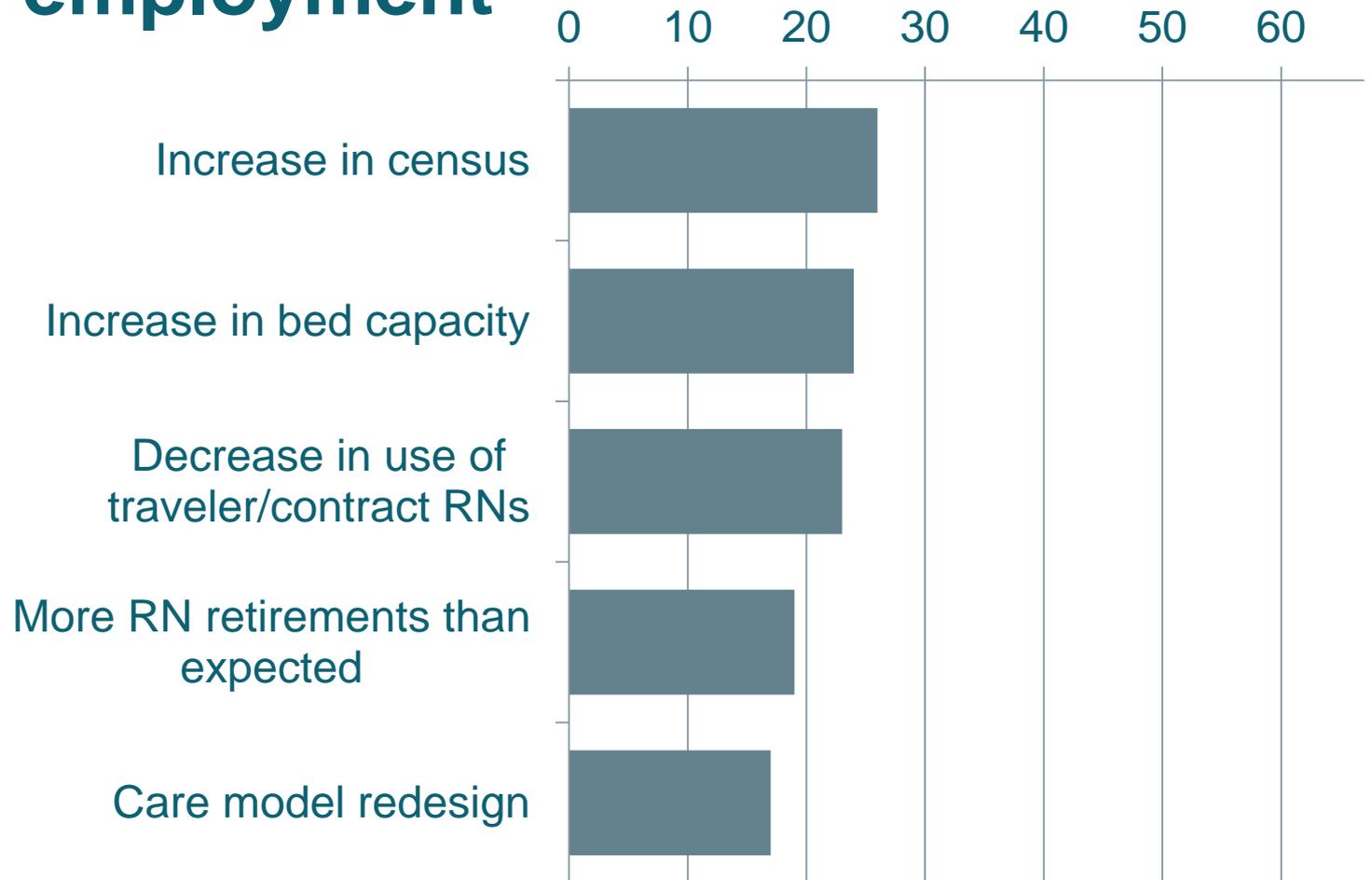
Number of responses (67 maximum possible)

Reasons for expected decreasing employment
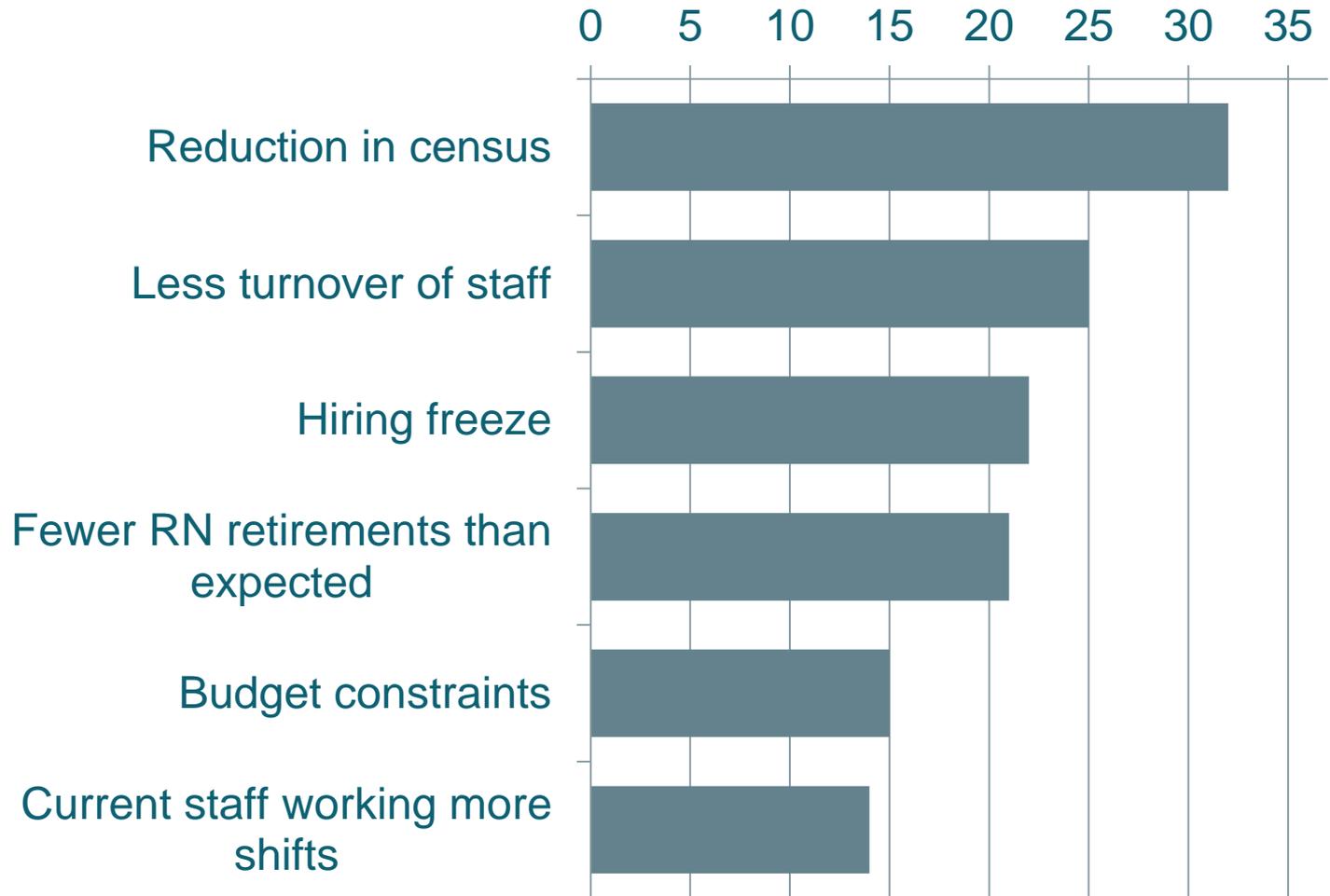
Number of responses (37 maximum possible)

Hiring expectations for new graduates
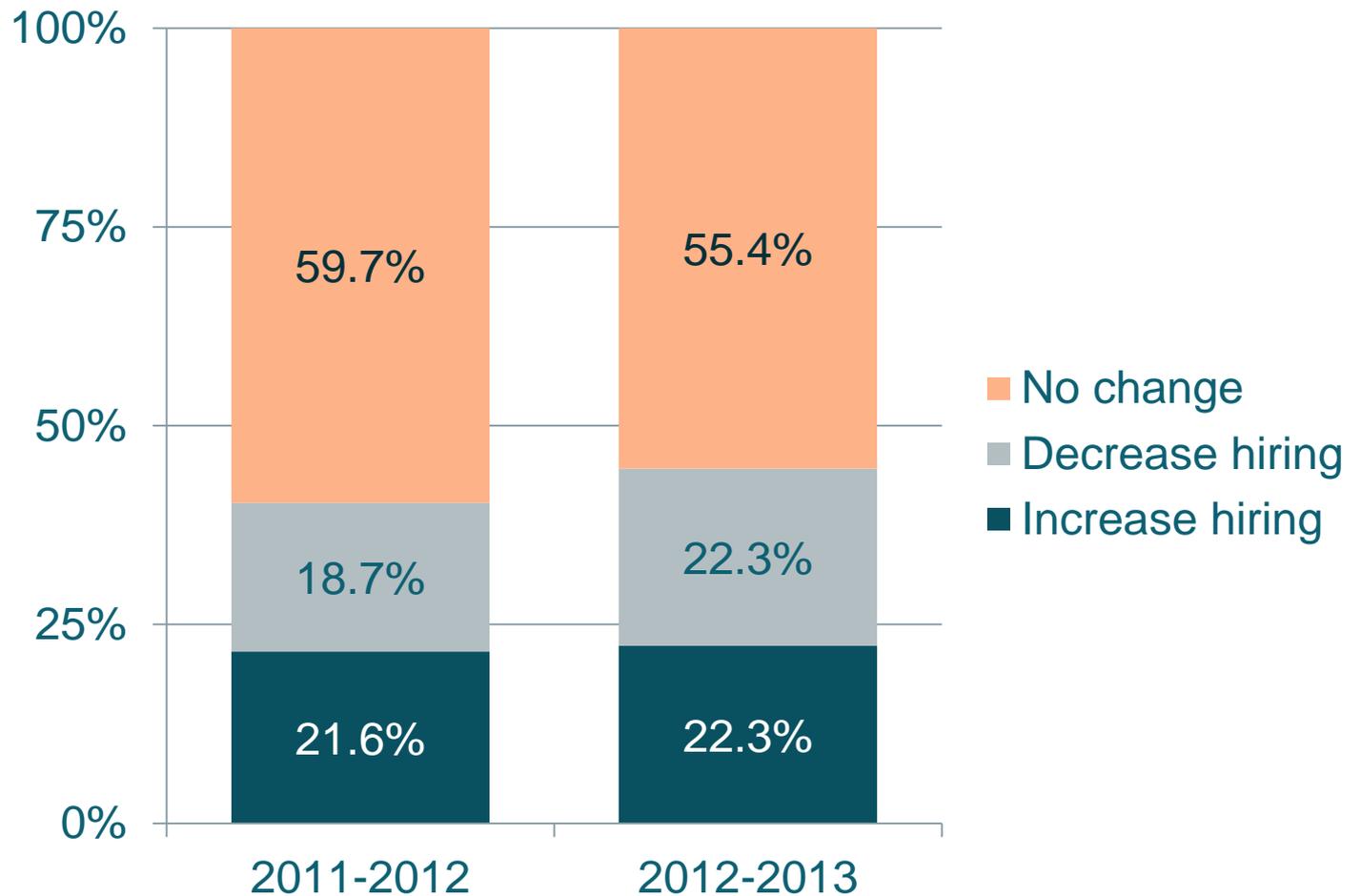
Goals for this webinar

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- **Track the latest hospital vacancy and turnover data**

- Understand how recently-graduated nurses are faring

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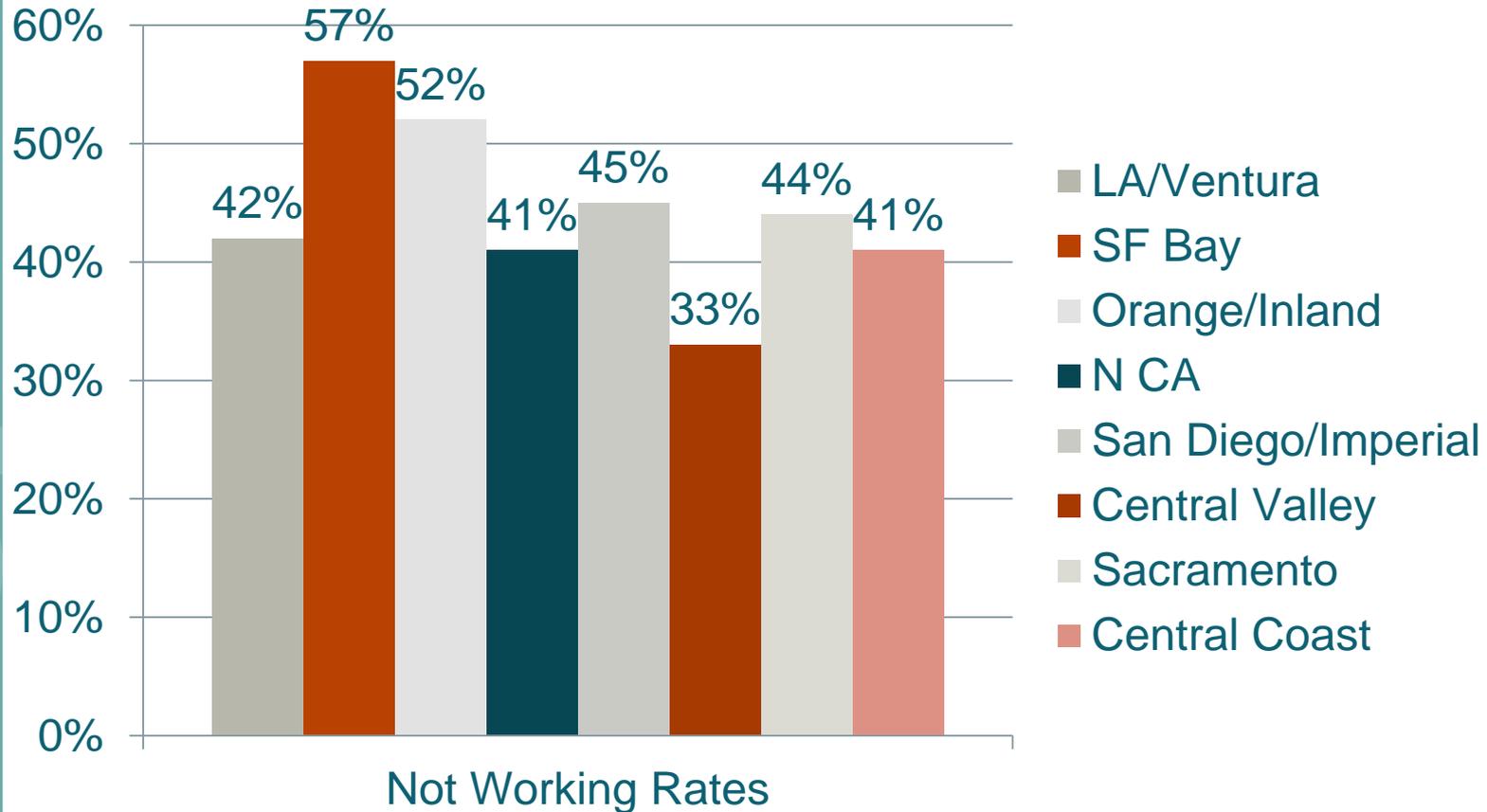- Identify next steps for ensuring an adequate nurse supply

Turnover & hiring of full-time personnel, Fall 2012

Chart: Turnover & hiring of full-time personnel, Fall 2012

Separations
- Staff RNs: 2.5%
- Other RNs: 2.4%
- New RN grads: 3.8%
- LVNs: 3.7%
- Aides: 3.5%

Hiring
- Staff RNs: 2.9%
- Other RNs: 2.1%
- LVNs: 1.5%
- Aides: 3.7%

Legend:
- Staff RNs
- Other RNs
- New RN grads
- LVNs
- Aides
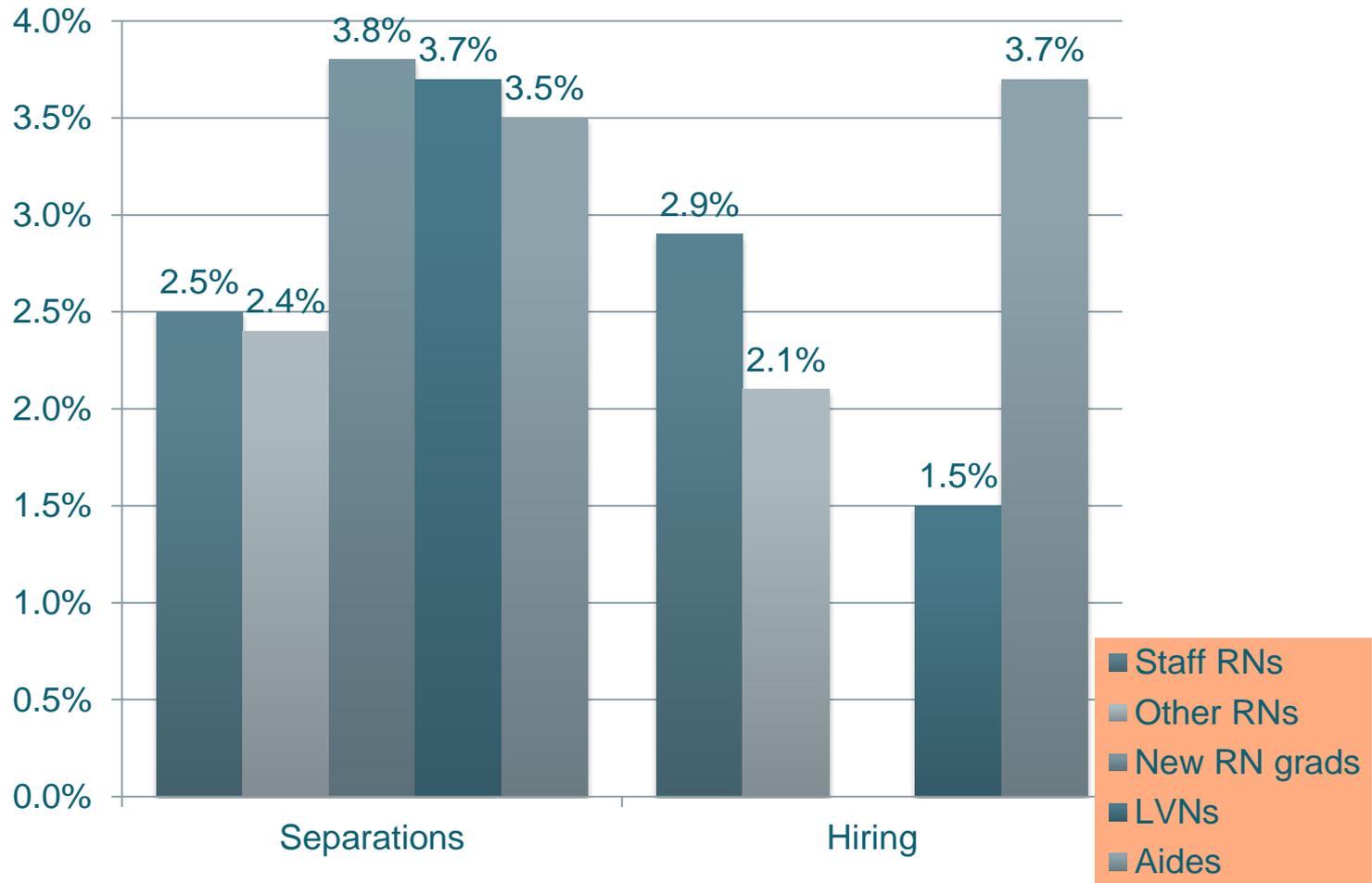
Percent of new hires that were new graduates, Fall 2012
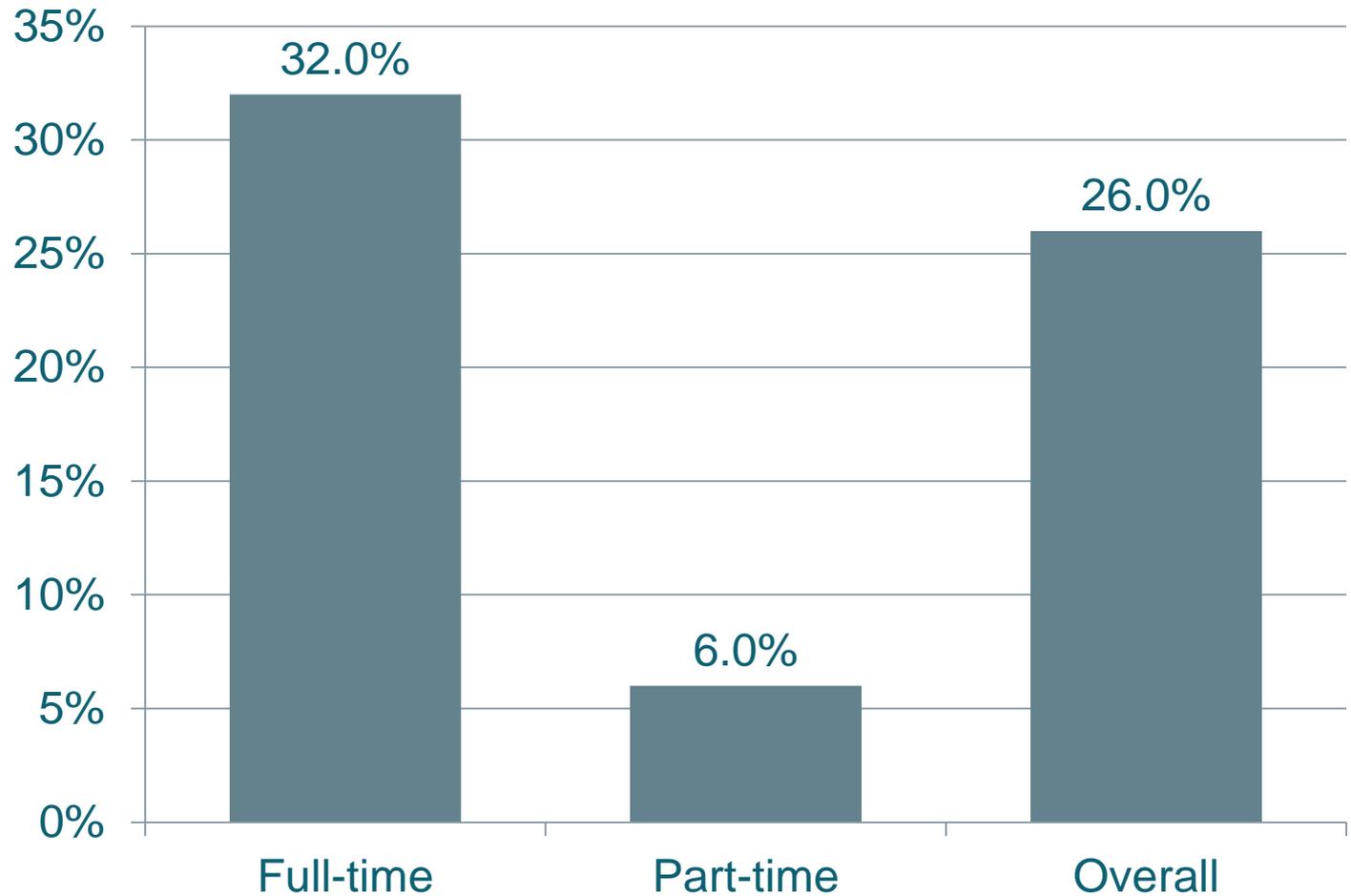
Per diem, traveler, and agency use
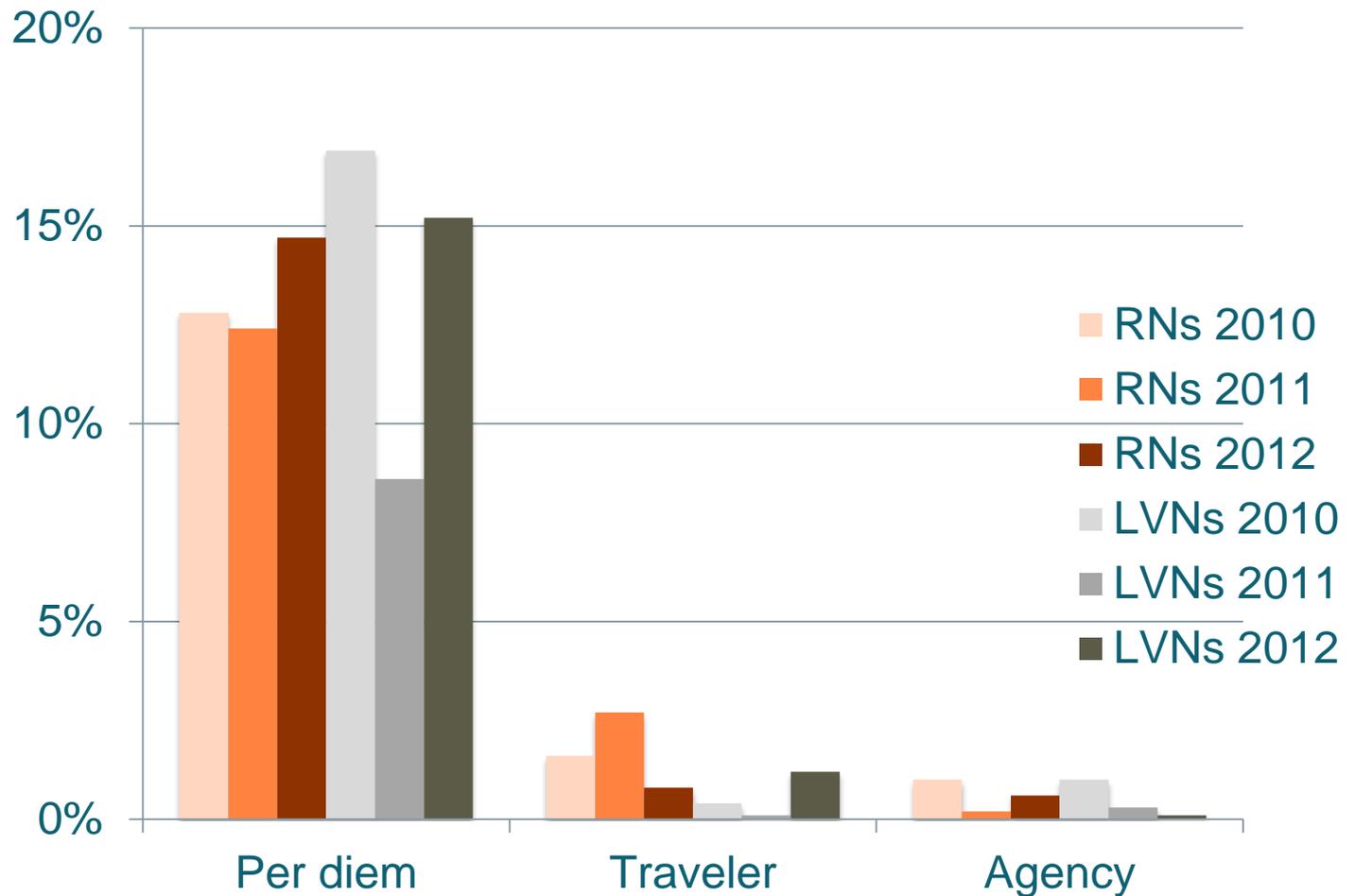
RN Vacancies, 2010-2012
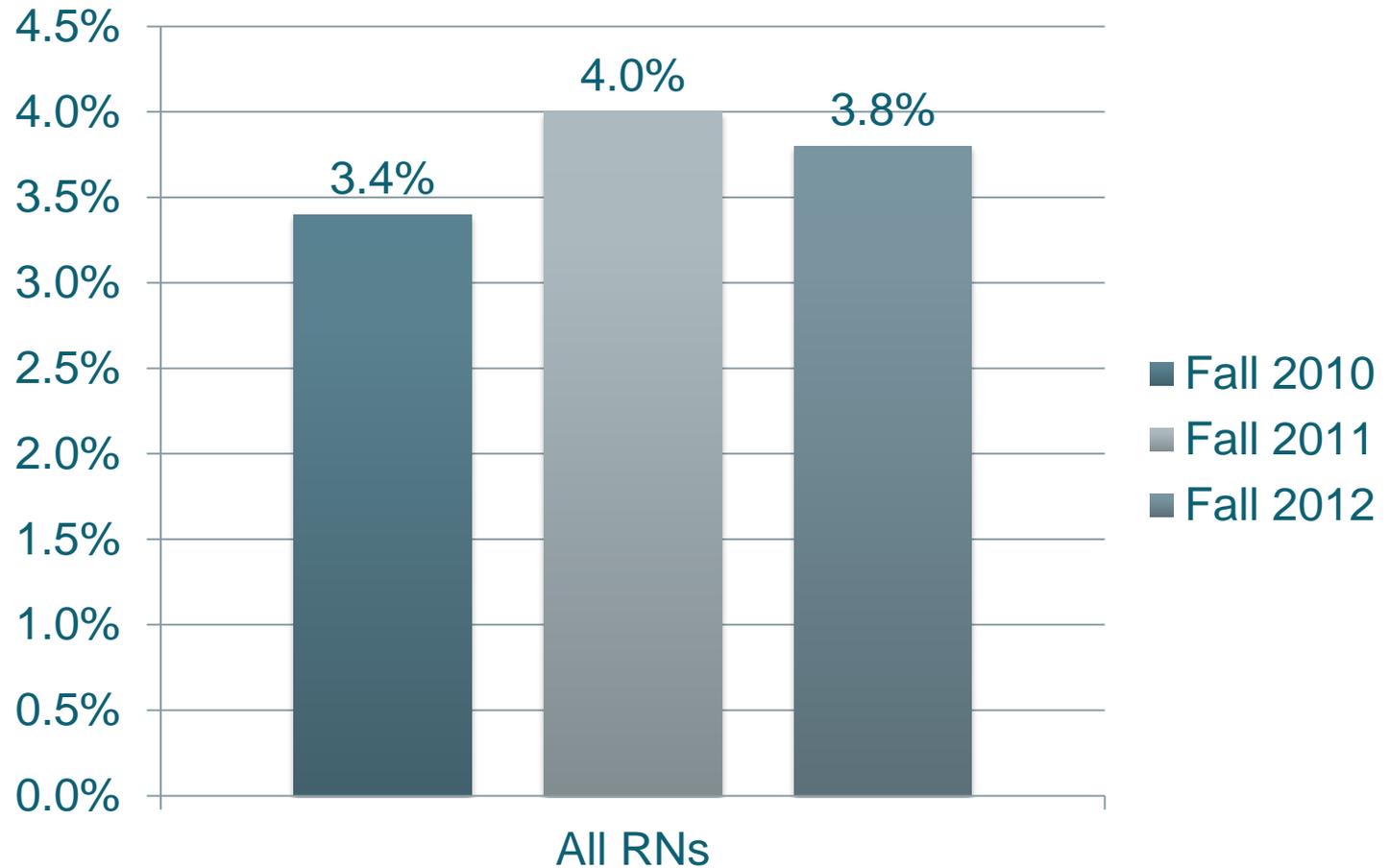
Vacancy rates by position, Fall 2012
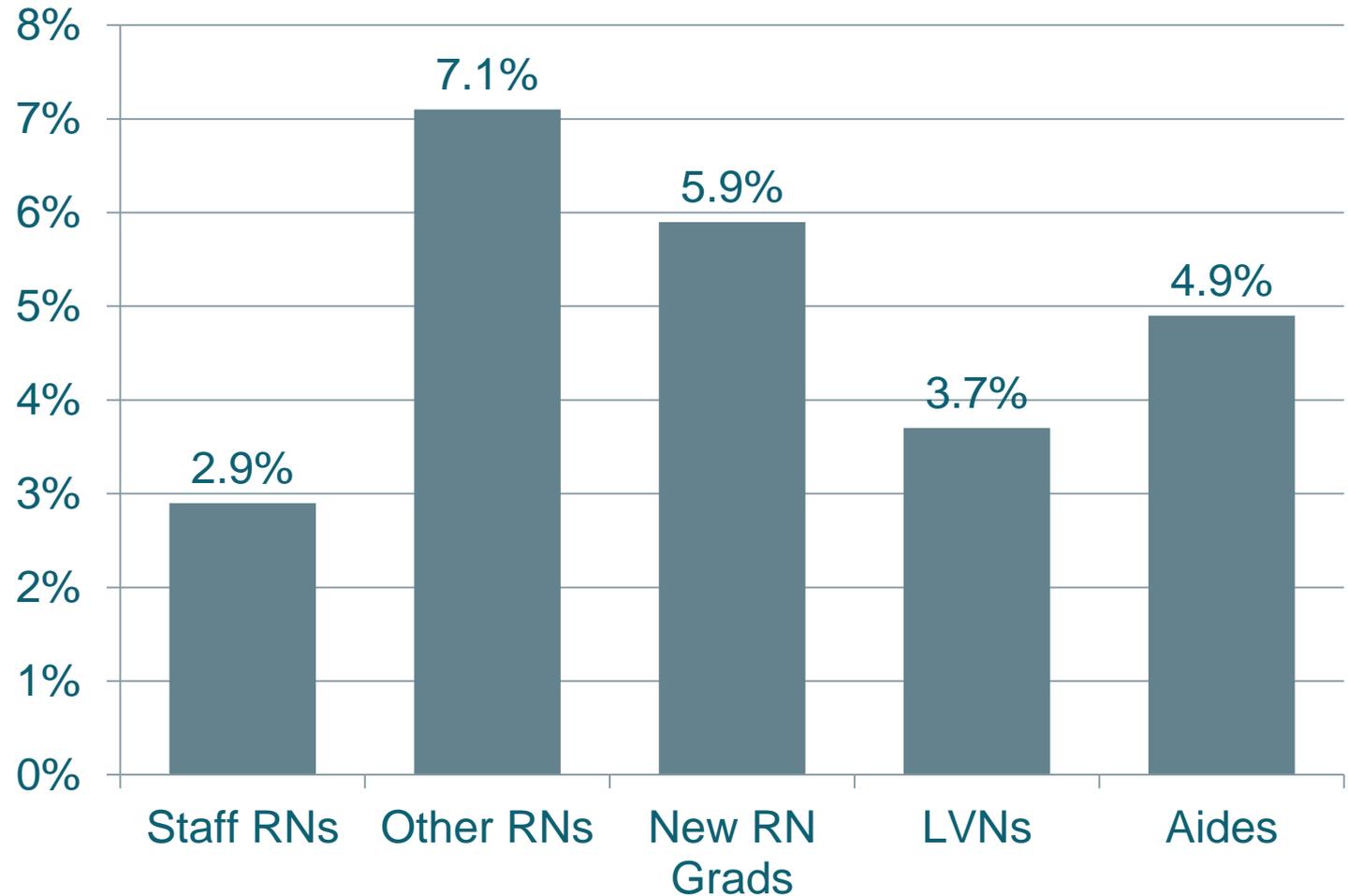
Vacancy rates by part-time and full-time status, Fall 2012
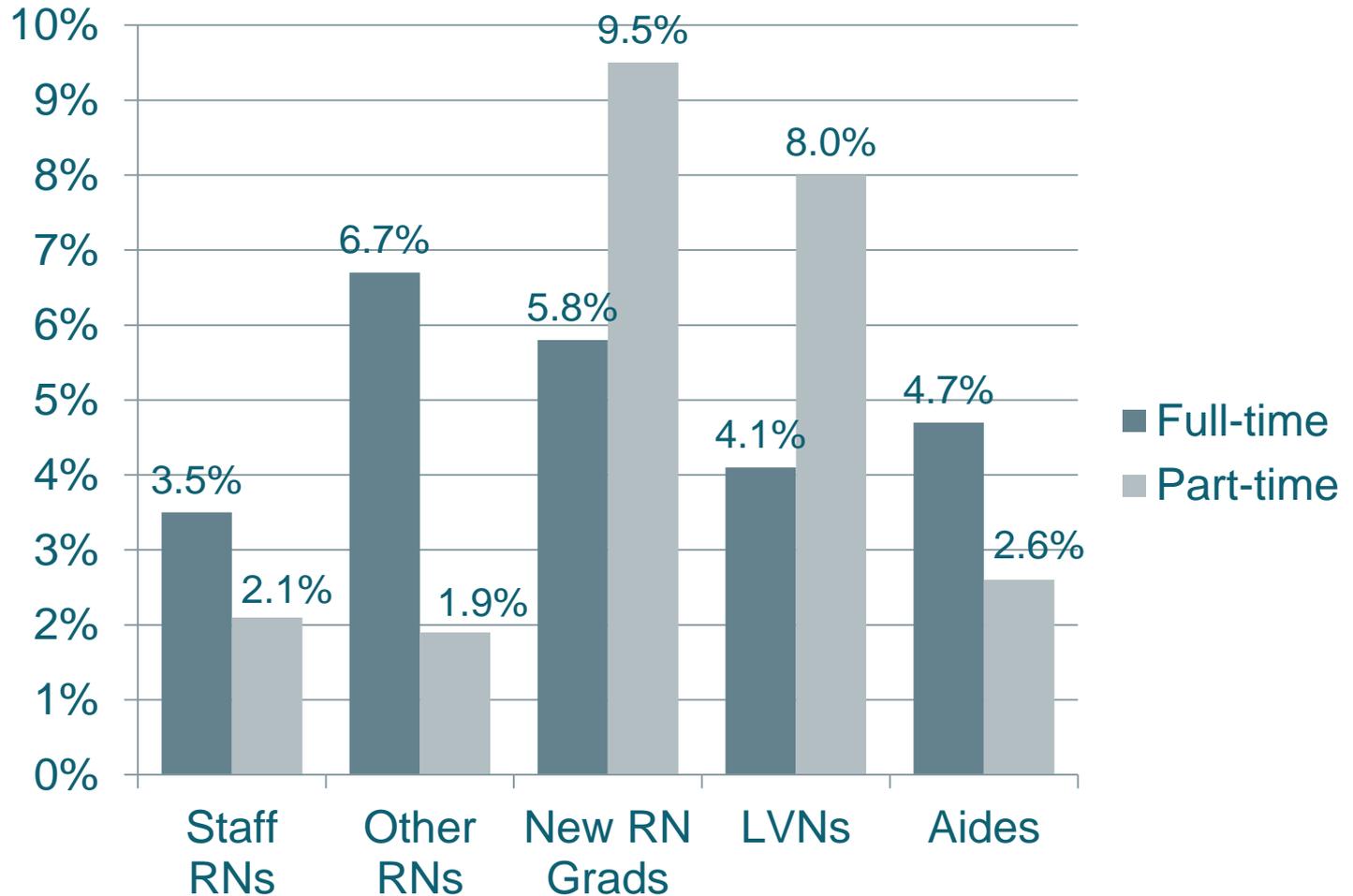
Bar chart showing vacancy rates by full-time and part-time status:

Category	Full-time	Part-time
Staff RNs	3.5%	2.1%
Other RNs	6.7%	1.9%
New RN Grads	5.8%	9.5%
LVNs	4.1%	8.0%
Aides	4.7%	2.6%

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New RN Graduate Hiring Survey

- **Statewide survey of new grads conducted in fall of 2012**

- **Collaborators:**

  - CINHC

  - UCLA School of Nursing

  - Board of Registered Nursing

  - Association of California Nurse Leaders

  - California Student Nurses Association

- **Random selection of >5,000 newly licensed RNs in CA between September 2011-August 2012**

  - Sample was mailed letters with invitation to complete web-based survey

Findings from the 2012 New RN Graduate Hiring Survey

- **46% were not yet employed as an RN**

  – Consistent with survey from National Student Nurses Association in Sept 2011 – 45% unemployed

  – American Association of Colleges of Nursing survey in 2012 (BSN degree only) – 43% unemployed

Regional variation in unemployment

Not Working Rates

Legend:
- LA/Ventura — 42%
- SF Bay — 57%
- Orange/Inland — 52%
- N CA — 41%
- San Diego/Imperial — 45%
- Central Valley — 33%
- Sacramento — 44%
- Central Coast — 41%

Unemployment varies by education
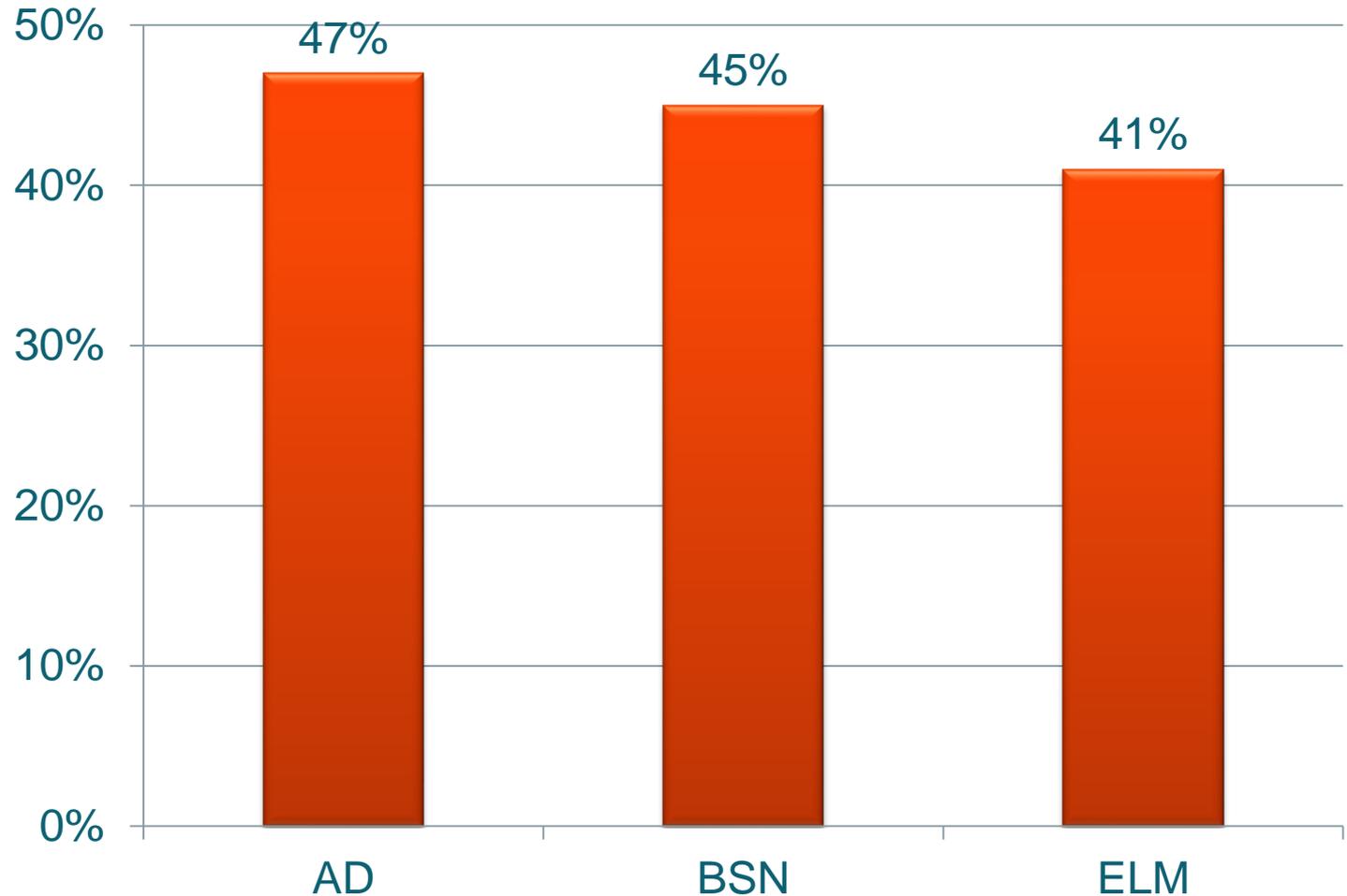
Why are they not employed?

- **92% no experience**

- **55% no position available**

- **35% not having BSN**

- **7% out of school too long**

For those employed…

- **53% employed within 3 months**

- **65% reported working in "job of choice"**

- **76% are working full time**

- **Employment settings:**
  - 66% hospitals
  - 11% long-term care
  - 8% community-based facilities
  - 15% other

What are unemployed nurses doing?

- **Working in non-RN position**
- **Returning to school**
- **Volunteering**

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What does the 2012 RN survey tell us about employment?

	1990	1993	1997	2004	2006	2008	2010	2012
Not employed in nursing	17.4%	10.7%	15.8%	12.5%	13.3%	13.1%	12.6%	14.9%
Employed in nursing	82.6%	89.3%	84.2%	87.5%	86.7%	86.9%	87.4%	85.1%

■ Employed in nursing   ■ Not employed in nursing
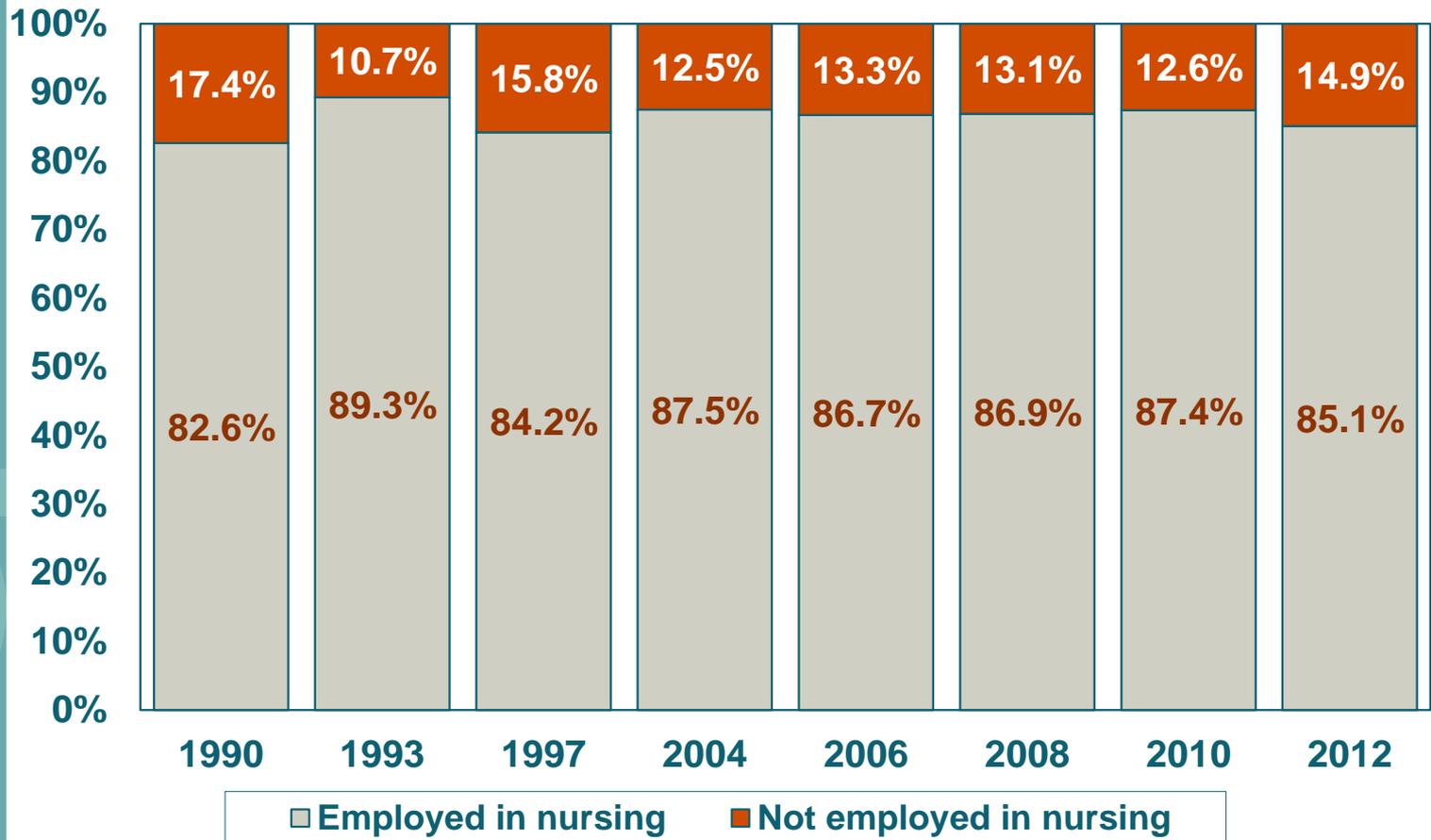
15.5% of working nurses have more than one RN job.

Source: California Board of Registered Nursing Survey of RNs, 2012

Share of RNs employed in nursing by age
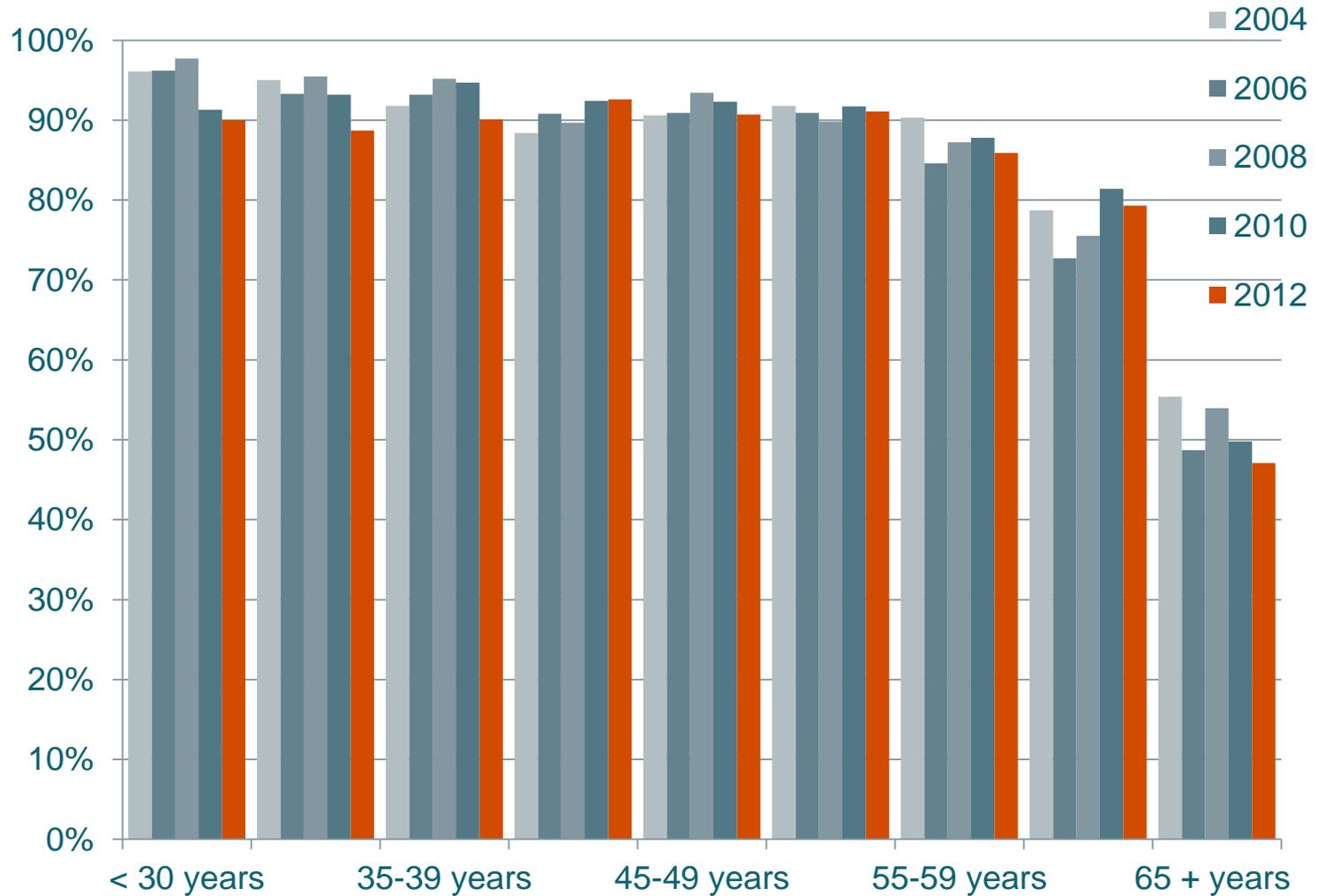
Source: California Board of Registered Nursing Survey of RNs, 2012

Reasons for not having RN job

(% reporting important or very important)

	2008	2010	2012	Under 55 years	55 years and older
Retired	32.4%	34.9%	35.9%	8.0%	52.2%
Childcare responsibilities	25.8%	21.9%	18.5%	36.9%	7.8%
Other family responsibilities	33.8%	29.7%	23.8%	34.0%	17.8%
Stress on the job	47.5%	35.7%	32.2%	35.3%	30.4%
Salary	27.8%	20.1%	20.1%	26.0%	16.6%
Inconvenient schedules in nursing jobs	26.9%	19.9%	23.6%	29.3%	20.3%
Difficult to find a nursing position	8.1%	19.3%			
Cannot find any RN work			20.8%	35.5%	12.2%
Difficult to find desired RN job			28.3%	40.6%	21.2%
Laid Off	*	15.7%	7.8%	7.0%	8.2%

Source: California Board of Registered Nursing Survey of RNs, 2012

Average income from all nursing positions
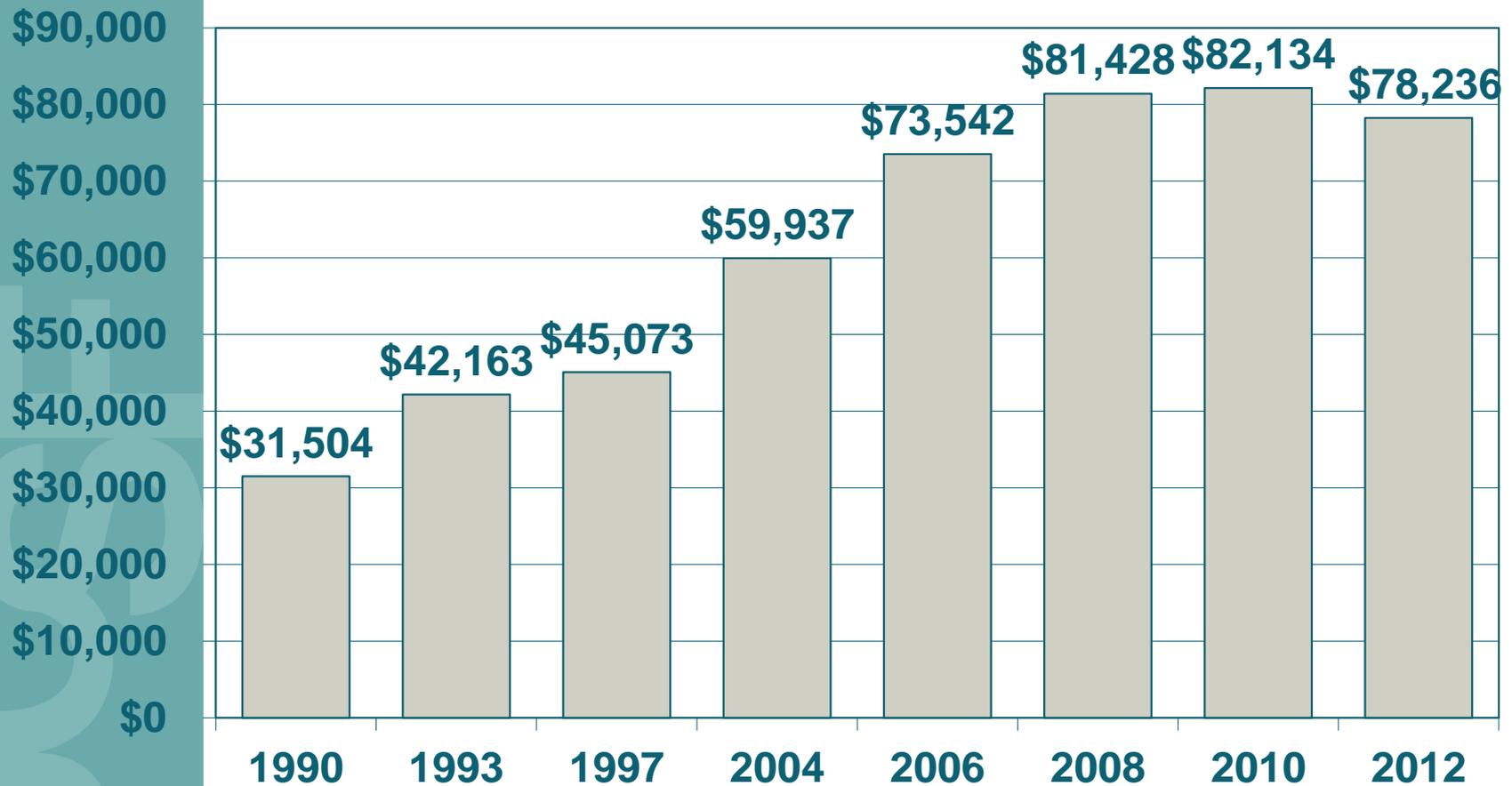
Source: California Board of Registered Nursing Survey of RNs, 2012

Plans for next 5 years for working RNs

	Leave nursing/retire	Increase hours	Reduce hours	Work as much as now
1990	14.6%	6.7%	32.7%	46.1%
1993	9.8%	8.4%	21.8%	60.1%
1997	9.7%	8.5%	24.7%	57.1%
2004	14.0%	7.2%	22.1%	56.7%
2006	15.8%	9.5%	21.6%	53.1%
2008	15.5%	10.1%	19.8%	54.6%
2010	11.5%	13.1%	15.2%	60.2%
2012	14.2%	11.4%	21.2%	53.2%
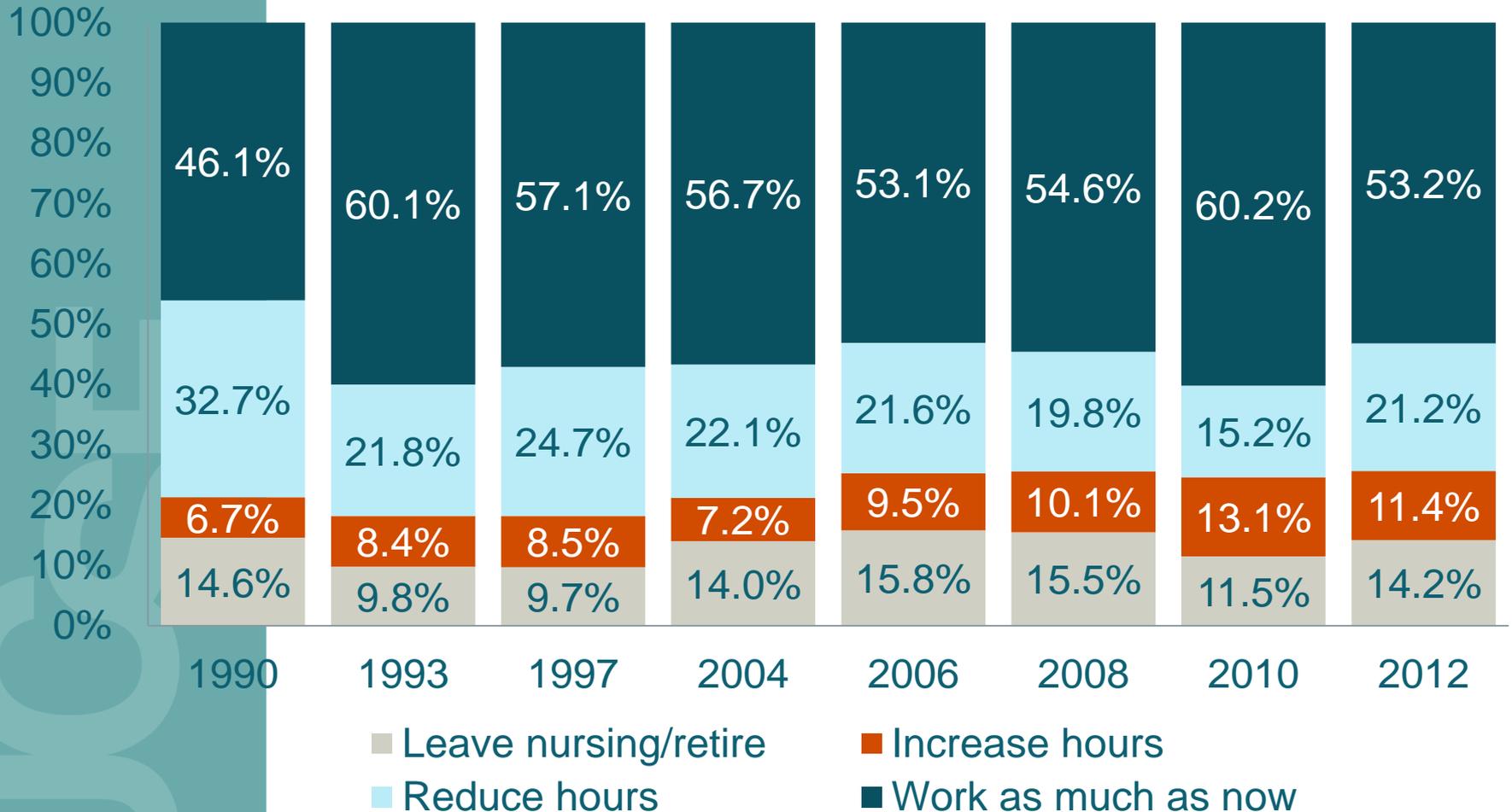
Source: California Board of Registered Nursing Survey of RNs, 2012

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
Hospital	71.4%	59.0%	54.4%	61.1%
Long-term care	8.4%	9.7%	7.8%	8.3%
Comm/public health	5.4%	3.9%	4.5%	3.6%
Employed in CA	83.4%	81.1%	68.0%	69.6%

Source: California Board of Registered Annual Schools Report, 2011-2012

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Board of Registered Nursing Forecasts of Supply

Inflow of nurses

Nurses with Active Licenses Living in California

Outflow of nurses

Share of nurses who work, and how much they work

Full-time equivalent supply of RNs
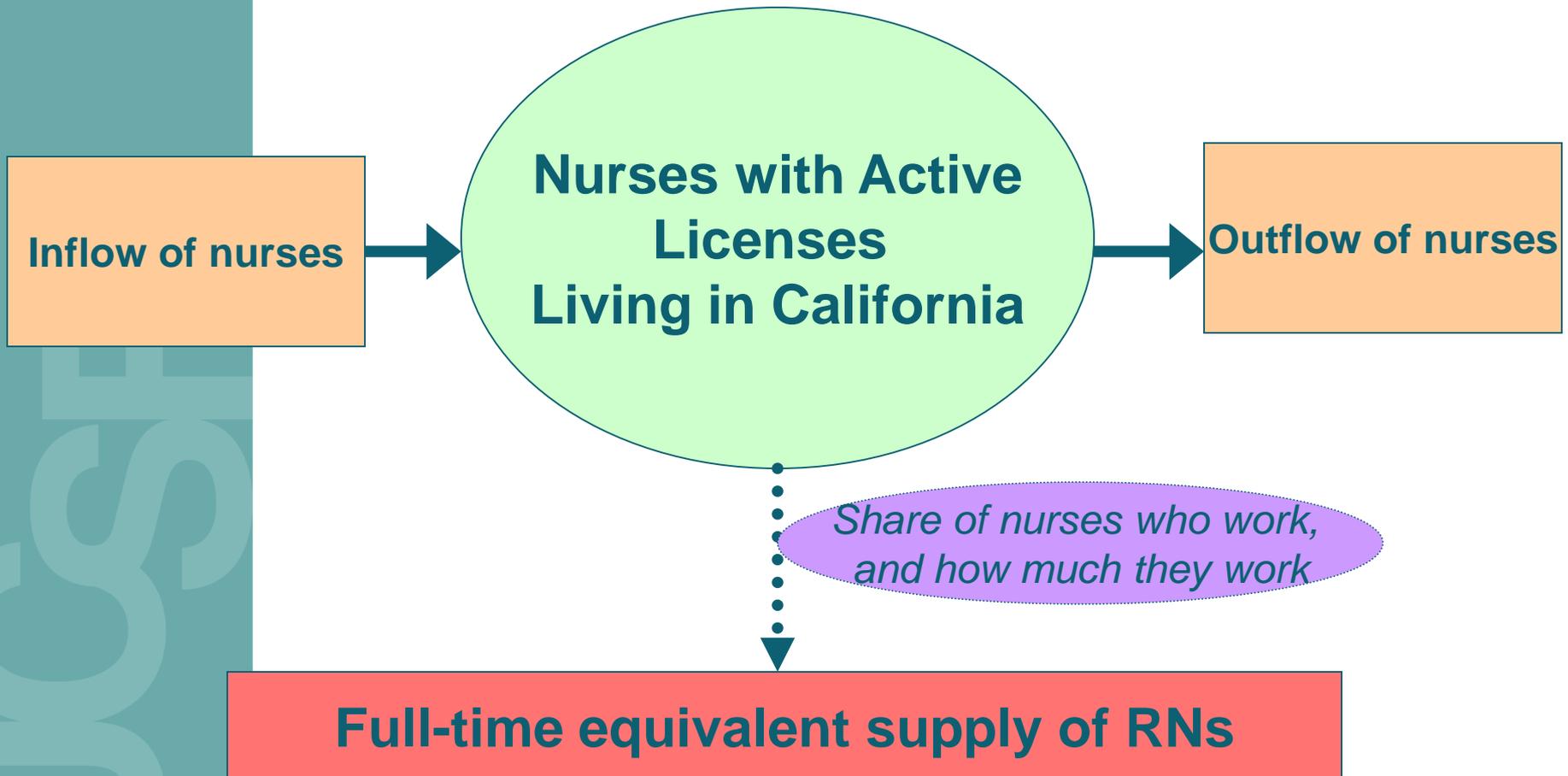
Changes to the model

- **New data**
  - Numbers of RNs
  - Employment patterns (2012 survey)
  - Graduations (2011-2012 Annual Schools Report)
  - Endorsement, inactive transitions, lapsed license data 2011-2012
- **More reliance on BRN data**
  - State-to-state migration data from 2008 NSSRN is too old
- **Adding "high" and "low" estimates for employment rates**
  - High = highest rate for each age group in 2008, 2010, or 2012
  - Low = lowest rate for each age group in 2008, 2010, or 2012

How do the numbers compare with the 2011 forecasts?

- **Graduations are expected to drop in 2015-2016**
- **Fewer graduates projected than in the 2011 forecast**

	New enrollment	Projected enrollment from 1 yr	Projected enrollment from 2 yrs	Graduations
2010-2011	**14,228**	13,141	14,835	**10,666**
2011-2012	**13,691**	13,895	13,340	**10,814**
2012-2013		**12,948**	13,867	**11,009**
2013-2014			**12,601**	**11,176**
2014-2015				**11,617**
2015-2016				**10,557**

Source: California Board of Registered Nursing Annual Schools Reports

The range of supply forecasts (RN FTEs)
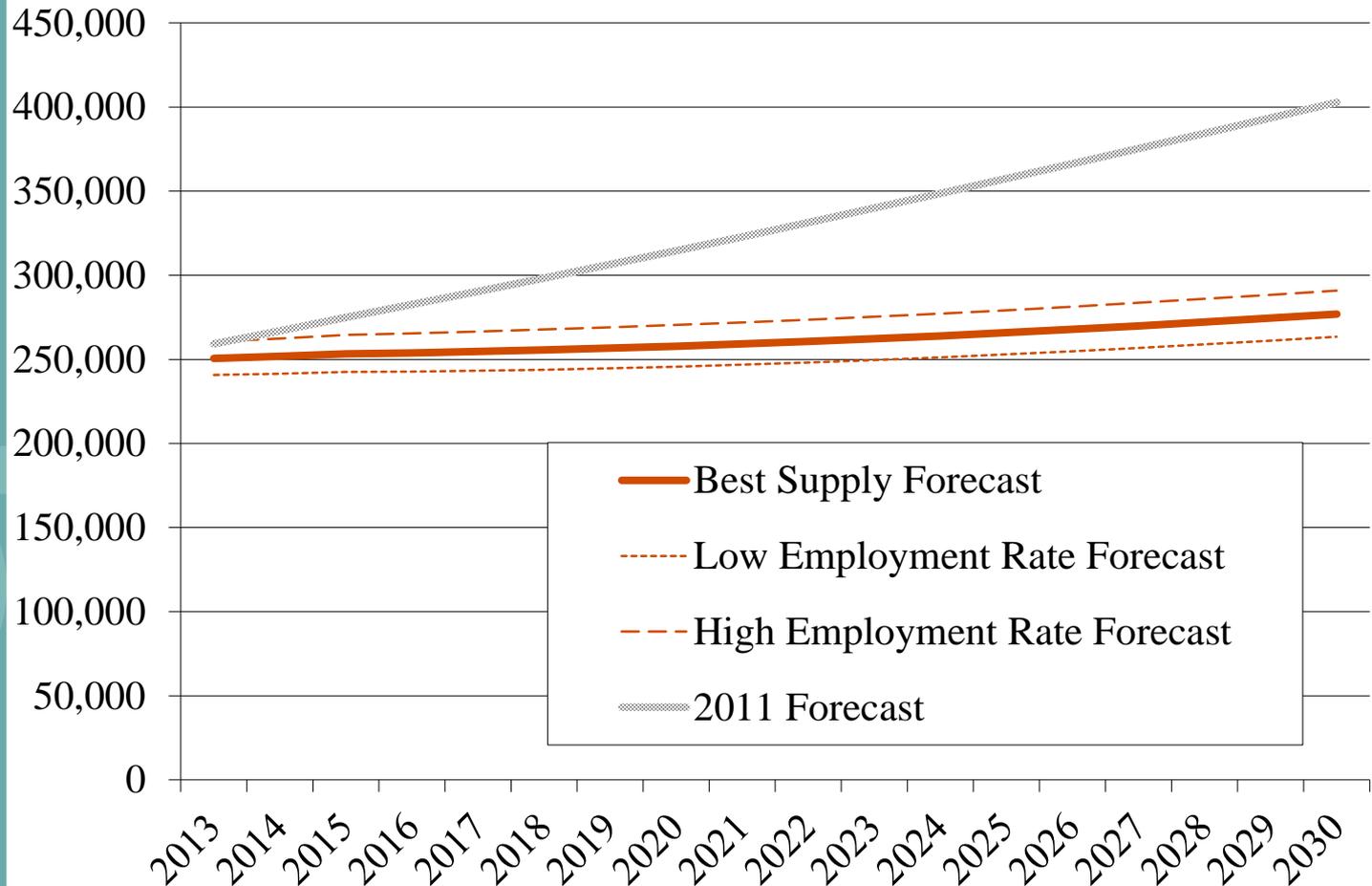
Source: California Board of Registered Nursing Forecasts of the RN Workforce, 2013

Forecast of Full-time Equivalent RNs per 100,000 population
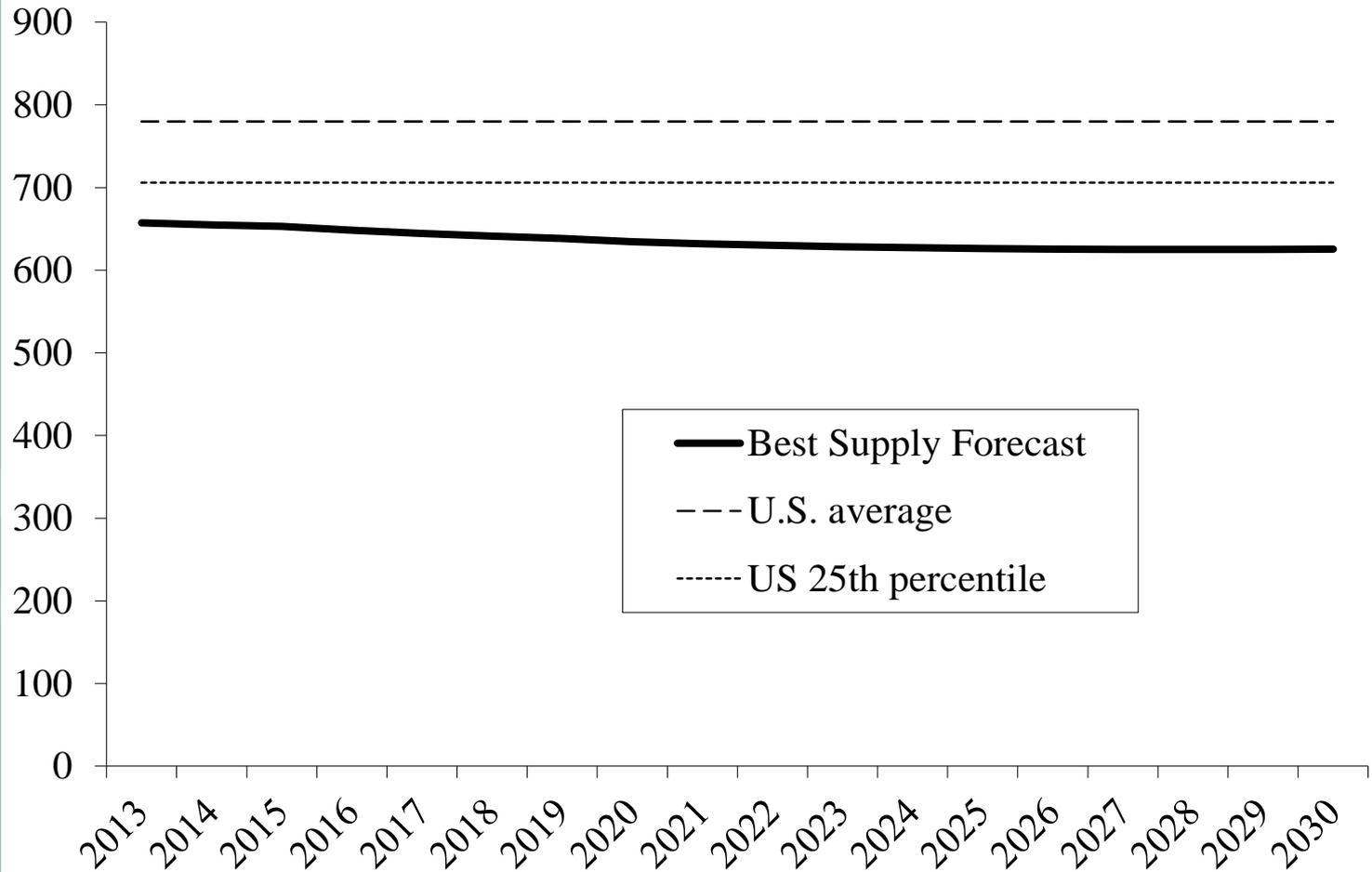
Source: California Board of Registered Nursing Forecasts of the RN Workforce, 2013

What is demand?

- **National benchmarks: Employed RNs per 100,000**
  - California was ranked 48th in 2008, 589 per 100,000
  - 25th percentile: 799.5 per 100,000
  - National average: 854 per 100,000
  - 50th percentile: 890 per 100,000
  - **These were adjusted to FTEs for the supply-demand comparison**

- **Bureau of Labor Statistics, forecast of 2020 demand**
  - 275,782 FTEs (was 236,400 FTEs for 2018)

- **RNs per patient day, 2011-2012 fiscal year**
  - 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

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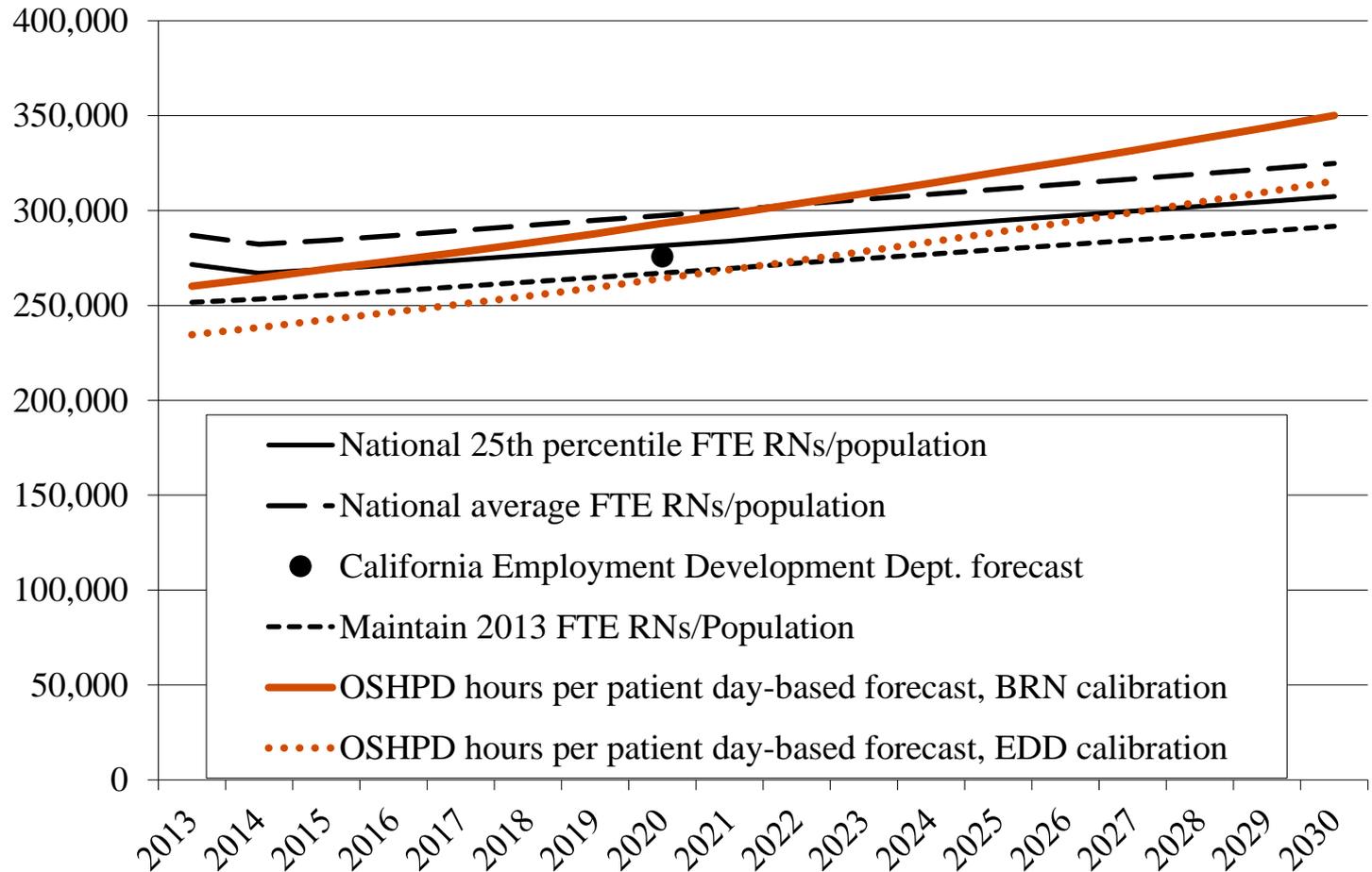
Source: California Board of Registered Nursing Forecasts of the RN Workforce, 2013

Best supply and demand forecasts for RNs, 2013-2030
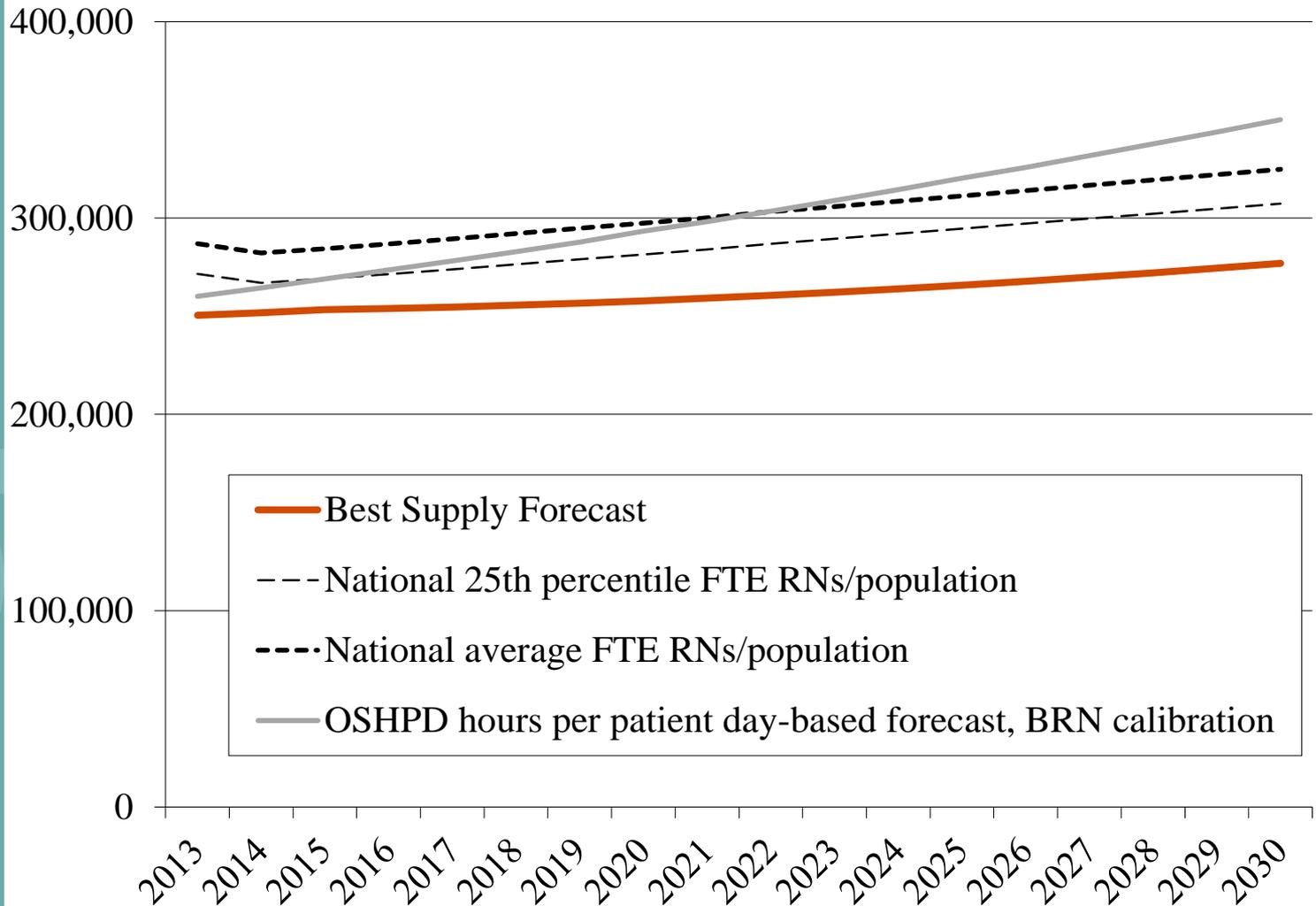
Legend:
- **Best Supply Forecast**
- National 25th percentile FTE RNs/population
- National average FTE RNs/population
- OSHPD hours per patient day-based forecast, BRN calibration

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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
- **In this economy…**
  - Demand is starting to ramp up again

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?**

  - Stop the expected declines in RN school sizes

  - Consider growing our RN programs a bit more

  - Identify strategies to retain new graduates' skills and employ them quickly

Check out our website!

- **http://futurehealth.ucsf.edu/SupplyDemand/Dashboard.html**

Also go to the BRN website

- **Forms ➔ Publications**

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 2012 BRN Survey of RNs report will be published soon**

- **The 2012-2013 BRN Annual Schools Survey will be sent in October**

Questions?

Thoughts?

Ideas?

Perspectives?