



## Talking Points

### Impact of the Economy on the Nursing Shortage

The current downturn in the U.S. economy has led to an easing of the nursing shortage in some parts of the country. Though the nursing workforce is showing signs of stabilizing, workforce analysts caution nurse educators, policymakers, employers, and other stakeholders from calling this the end of the nursing shortage. AACN developed these talking points to help explain how the ailing economy is impacting the supply of registered nurses (RNs), share the latest projections on the need for nurses, and offer advice that can be shared with new nursing graduates seeking positions during this time.

#### Short-Term Easing of the Nursing Shortage

- In a joint statement released in July 2010, the Tri-Council for Nursing acknowledged the temporary easing of the nursing shortage in some regions of the U.S., but “raised concerns about slowing the production of RNs given the projected demand for nursing services, particularly in light of healthcare reform.” In this same statement, nursing workforce analyst Peter Buerhaus from Vanderbilt University School of Nursing called for stakeholders to “resist the short-term urge to curtail the production of RNs” since the impending wave of RN retirements and the increasing demand for healthcare services underscores the need to maintain our nation’s nursing education capacity. See <http://www.aacn.nche.edu/Education/pdf/Tricouncilrnsupply.pdf>.
- In an article published in the July/August 2009 issue of *Health Affairs*, Dr. Peter Buerhaus and colleagues confirmed that the economic recession has led to a temporary easing of the nursing shortage in some parts of the country, even though the shortfall in the number of nurses needed is expected to grow to 260,000 by the year 2025. In the near-term many hospitals will report an end to the shortage, and new nursing graduates may experience difficulty finding jobs, but these workforce analysts caution that a significant nursing shortage still looms.
- In the November 26, 2008 issue of the *Journal of the American Medical Association (JAMA)*, Dr. Peter Buerhaus points to many factors contributing to the current stabilization of the nursing workforce, including:
  - The economy is bringing many retired nurses back into the workforce.
  - Nurses who had planned to retire are holding on to their positions.
  - Some nurses who were working part-time have taken full-time positions. Others are working extra shifts to provide more financial support for their families, particularly in situations where a spouse has been laid off.
- The American Hospital Association reported in November 2008 that hospitals are treating fewer patients because many people are delaying procedures or not seeking care due to a loss of insurance and the high cost of health care. The trend toward delaying care was confirmed by the Kaiser Family Foundation in February 2009.

- Hospitals are also feeling the impact of the economy, which has led to a few closings, some downsizings, and hiring freezes. All of these developments result in more RNs seeking employment.

### **Current and Projected Need for Nurses**

- In June 2011, Wanted Analytics reported that employers and staffing agencies posted more than 121,000 new job ads for Registered Nurses in May, up 46% from May 2010. About 10% of that growth, or 12,700, were ads placed for positions at general and surgical hospitals, where annual turnover rates for RNs average 14% according to a recent KPMG survey. See <http://www.ere.net/2011/06/08/nurse-turnover-in-hospitals>.
- According to a special issue of the *Monthly Labor Review* released in April 2011, the Bureau of Labor Statistics reported that “the health care industry added 428,000 jobs throughout the 18-month recession from December 2007 until June 2009, and has continued to grow at a steady rate since the end of the recession.” As the largest segment of the healthcare workforce, RNs are being recruited to fill many of these new positions. See <http://www.bls.gov/opub/mlr/2011/04/art2full.pdf>.
- In November 2010, AACN released data showing that graduates of entry-level baccalaureate (BSN) and master’s nursing programs were much more likely to receive job offers upon graduation or soon after than graduates from other fields. A national survey of deans and directors from U.S. nursing schools found that 65% of new BSN graduates had job offers at the time of graduation, which is substantially higher than the national average across all professions (24.4%). At four to six months after graduation, the survey found that 89% of new BSN graduates had secured job offers. As more practice settings move to require higher levels of education for their RNs, AACN expects the demand for BSN-prepared nurses to remain strong as nurse employers seek to raise quality standards and meet consumer expectations for safe patient care. See <http://www.aacn.nche.edu/IDS/pdf/ResBriefEmpl.pdf>.
- Changes in the employment patterns of current RNs (e.g. delaying retirement, working longer hours) are not adding nurses into the workforce to fill new positions that are being created for RNs. Analysts with the Bureau of Labor Statistics project that more than 581,000 new RN positions will be created through 2018.
- In an article posted on CNNMoney.com in February 2009, the CEOs of two of the nation’s largest healthcare systems - Tenet Healthcare and HCA, Inc. – confirmed the strong need for RNs even as hospitals are reducing their use of nurse staffing companies. Tenet’s CEO said: “Anyone with a nursing degree in this country does not have to worry about having a job.”
- For the latest reports and data on the nursing shortage, see AACN’s fact sheet posted online at <http://www.aacn.nche.edu/Media/FactSheets/NursingShortage.htm>.

### **Advice for New Nursing Graduates**

- AACN is hearing anecdotal reports that new graduates in some parts of the country are having to look harder to locate their first position in nursing. Students nearing completion of

their programs should begin their job search early so they can transition smoothly into practice after graduation. While still in school, students can look for internships and externships that may lead to future employment.

- RN positions are still available across the country, and new nurses may want to consider broadening their job search across state lines. New graduates should also look for positions outside of hospitals since almost half of all RNs now work in other settings, including community health, ambulatory care, nursing homes, schools, and businesses.
- With a limited number of openings for new nurses, many hospital systems are giving first preference to graduates of baccalaureate programs. Main Line Health (PA), North Shore Long Island Jewish Health System (NY), Magnet hospitals across the country, and many other nurse employers are all giving hiring preference to baccalaureate prepared nurses. Nurses prepared in associate degree and diploma programs should consider advancing their education to the baccalaureate or graduate level to enhance their employability.
- New nurse graduates should be encouraged to advance their education to the doctoral or master's level to meet the need for nurses to fill specialty roles and faculty positions:
  - Opportunities are increasing for graduate-prepared nurses in the area of primary care. According to a survey published in *JAMA* in September 2008, only 2% of fourth-year medical students plan to work in primary care after graduation, despite the need for a 40% increase in the number of primary care physicians in the U.S. by 2020. The Bureau of Labor Statistics reported in November 2007 that the employment outlook for advanced practice nurses as lower-cost, primary care providers is strong.
  - The need for nurse educators has been well-documented, and available teaching positions exist across the country. For the latest details about the Nurse Faculty Shortage, see <http://www.aacn.nche.edu/Media/FactSheets/FacultyShortage.htm>.
  - New graduates should be encouraged to pursue advanced education in areas of growing demand (e.g. geriatrics) as well as areas of emerging areas of practice (e.g. informatics, genetics, advanced generalist roles).

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