



## **CALIFORNIA’S NURSING SHORTAGE IS NOT OVER**

### **THE CURRENT STATUS OF THE CALIFORNIA NURSING WORKFORCE**

**APRIL 2009**

Although there are some areas in California where new Registered Nurse (RN) graduates are having difficulty finding jobs and hospital nurse vacancies are down, **this is not an indication that the nurse shortage is over**, as some erroneously have stated.

- The nurse shortage is not over – the current situation is TEMPORARY.
- The current poor economic climate has a direct impact on both the supply and demand for RNs.
- California is amongst the lowest in the nation for ratio of RNs to population: 638 per 100,000 population compared to the national average of 824.<sup>i</sup>

#### **FACTS**

1. California’s nurse shortage is not over – even though in some parts of the state new graduates are having difficulty finding jobs as RNs in acute care hospitals. Hospitals continue to report a 7% RN vacancy rate, especially in specialty areas such as critical care, labor & delivery, and the operating room.<sup>ii</sup>

- Hospitals are giving hiring preferences to experienced nurses now seeking employment due to the economy.
- Hospitals cite the cost of transition programs (residencies) for new graduates, in this time of economic downturn, as being too costly when other options are available to them to fill nursing vacancies.
- Some hospitals cite that over-employment of new graduates in the last four years has resulted in large numbers of novice nurses on staff.

2. California’s nurse shortage is distorted by the economic crisis, which is significantly changing the current demand for new RN graduates in acute care hospitals, for the short term.

- Experienced nurses are working extra shifts, converting from part-time to full-time employment, and some that were not working in nursing are returning to work.
- Older nurses are delaying retirement.
- Hospitals are tightening budgets as the payer mix is shifting and there are fewer (profitable) elective procedures as a result of those concerned about job security and health insurance coverage.
- Hospitals are postponing new RN *graduate* training programs, offering fewer opportunities to hire new, inexperienced nurses.

3. The nursing workforce is “elastic”. In bad economic times, nurses work more. As the economic climate improves, nurses work less.<sup>iii</sup>
  - This phenomenon of the nursing workforce distorts the true state of the nurse shortage and gives a false sense of “recovery”. It is predictable and will shift as the economy rebounds.
  - California’s RNs shortage is driven by an aging baby boomer nursing workforce that is approaching retirement. There are insufficient new nurses being educated to replace these nurses. A shrinking workforce and California’s aging population will continue to drive a demand for more nurses.
  - California’s shortage of RNs has improved over the 2004 National Nursing Sample Survey, which reported that the state had the lowest number of RNs per capita at 580.<sup>iv</sup> Recent figures indicate California is now up to 638 RNs/100,000.<sup>v</sup>
  - In 2006 HRSA predicted that California would have a shortfall of 116,000 RN FTEs by 2020, meeting only 65% of the state’s demand for RNs.<sup>vi</sup>
  - The California Institute for Nursing & Health Care (CINHC) forecasted a need of 108,000 more RNs to meet the benchmark of the national average of RNs per capita by 2020.<sup>vii</sup>
4. Nearly 40% of California’s RNs work outside of acute care hospitals.
  - There is concern that the nurse shortage will result in even greater shortages in non-acute settings as RNs seek employment in acute care hospitals where salaries are generally higher.
  - This will occur just as employment opportunities are expected to grow in ambulatory and non-acute care settings as care shifts from hospitals to these settings as a result of health care reform efforts.

## **NURSING EDUCATION: THE SOLUTIONS TO CALIFORNIA’S NURSE SHORTAGE**

1. Significant progress has occurred over the last four years to build the nursing work force by increasing educational capacity in California’s schools of nursing. **The gains realized since 2004 must be maintained to reach sustainable solutions to the nurse shortage.**
  - The state’s educational capacity has increased by 55% and 3368 more nurses graduated in 2008 than in 2004.<sup>viii</sup>
  - Enrollment for the 2008 fall school year was 69% higher than in 2004.<sup>ix</sup> California now has 141 prelicensure nursing programs – 37 more than in 2004.
  - Gains have been obtained by public/private partnerships, which include a commitment of \$160 million to building educational capacity, anchored by the Governor’s \$90 Million plan.<sup>x</sup>
  - Additionally, hospitals/health systems and foundations contribute upwards of \$50 million a year toward nursing education in California alone. However, the economic commitment to nursing education by hospitals is beginning to waiver.
2. The current situation is TEMPORARY. California must not lose sight of the future and the looming nursing shortage and the impact it would have on the health status of millions of Californians. We cannot afford to go backwards.

- The last time the enrollment in schools of nursing contracted as a response to hiring experiences of new graduates, it took 10 years to recover. It was not until 2004 that California graduated the same number of nurses that graduated in 1994.<sup>xi</sup>
- In 1994 enrollments began to drop as colleges decreased funding to schools of nursing when new graduates could not find jobs in hospitals as a result of the managed-care movement that built momentum in the early nineties.
- The image of nursing as a desirable career suffered and it took the shortage of the late nineties, a major image campaign (led by Johnson & Johnson), and increased salaries, along with significant documentation of the value of RNs, to turn this trend around.

3. Concerns about new graduates obtaining employment requires creative solutions, including:

- Better understanding and communication of where nursing jobs are available. CINHC is conducting a statewide survey of employers of nurses to learn who is hiring.
- Development of residency or transitional programs to prepare new graduates for employment in diverse health care settings and facilitate the transition from academia. This includes residency programs in non-acute health care facilities.
- Ensure new graduates know about educational opportunities and financial aid that facilitates obtaining a higher degree during this difficult economic time, thus making these new nurses more marketable when the economy shifts.

4. Interest in nursing as a career remains strong, but educational capacity is not keeping up. California schools of nursing turned away 20,402 qualified applications in 2008 – accepting less than 40%.<sup>xii</sup>

- California continues to experience a strong increase in enrollment in baccalaureate programs – 86% increase over the last four years. Nationally, the percentage of increase in enrollment for baccalaureate programs has been dropping from a high in 2003 of 16.6% to an increase of only 2.2% in 2008.<sup>xiii</sup>

5. Success of national health care reform goals for a more affordable and accessible health care system will be closely linked to the availability of an adequate, highly skilled nursing workforce:

- Nurses constitute the largest percent of the health care work force.
- Nurses are integral to quality and safety of patient care.
- Sufficient supply of nurses coupled with nursing’s broad scope of practice is a critical ingredient for increasing access to health care for millions of uninsured or underinsured.
- Advance practice nurses take less time and resources to educate as primary care providers than physicians.

5. The Nursing Education, Expansion, and Development Act introduced by Senator Durbin (D-IL) and articles in the American Recovery and Reinvestment Act, Omnibus Appropriations Act, and the President’s FY 2010 budget all support solutions to address the critical shortage of nurses.<sup>xiv</sup>

## **California nursing workforce facts:** <sup>xv</sup>

- Average age of the working nurse is 47 years
- 45 % are over the age of 50 years
- 90% under 55 years of age are working
- 62% report working full-time
- 38% are employed in non-acute care facilities
- 26% of community college prepared RNs have continued to obtain a higher degree in nursing

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<sup>i</sup> Registered Nurses per 100,000 Population, 2007. [www.statehealthfacts.org](http://www.statehealthfacts.org)

<sup>ii</sup> HASC-CINHC CNO Survey 2008. [www.cinhc.org](http://www.cinhc.org) - 2009.

<sup>iii</sup> Buerhaus, Peter, et.al., The Future of the Nursing Workforce in the United States, 2009. Personal communication.

<sup>iv</sup> *Registered Nurse Population: Preliminary Findings from the National Sample Survey of Registered Nurses – March 2004*. Washington D.C.: U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions, Division of Nursing

<sup>v</sup> Registered Nurses per 100,000 Population, 2007. [www.statehealthfacts.org](http://www.statehealthfacts.org)

<sup>vi</sup> Health Resources and Services Administration, *What is Behind HRSA's Projected Supply, Demand, and Shortage of Registered Nurses?* September 2004. [www.ncsbn.org/pdfs/Projected\\_Supply\\_Demand\\_Shortage\\_RNs.pdf](http://www.ncsbn.org/pdfs/Projected_Supply_Demand_Shortage_RNs.pdf)

<sup>vii</sup> [www.cinhc.org](http://www.cinhc.org) -2006

<sup>viii</sup> California Board of Registered Nursing 2007-2008 Annual School Report. [www.rn.ca.gov/foms/survey](http://www.rn.ca.gov/foms/survey)

<sup>ix</sup> Ibid.

<sup>x</sup> California Nurse Education Initiative, Annual Report 2007. [www.labor.ca.ov/NEI](http://www.labor.ca.ov/NEI) 2<sup>nd</sup> Annual Report 2007.

<sup>xi</sup> California Board of Registered Nursing. Trends from annual school surveys.

<sup>xii</sup> California Board of Registered Nursing 2007-2008 Annual School Report. [www.rn.ca.gov/foms/survey](http://www.rn.ca.gov/foms/survey).

<sup>xiii</sup> American Association of Colleges of Nursing, Research and Data Center, 1994-2008. Percentage Change in Enrollment in Entry-Level Baccalaureate Nursing Programs: 1994-2008. [www.aacn.nche.edu](http://www.aacn.nche.edu).

<sup>xiv</sup> American Association of College of Nursing press release February 26, 2009, [www.aacn.nche.edu](http://www.aacn.nche.edu)

<sup>xv</sup> California Board of Registered Nursing, *2006 Survey of Registered Nurses*; [www.rn.ca.gov/forms/survey2006](http://www.rn.ca.gov/forms/survey2006)