Survey of Nurse Employers in California

Fall 2011

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PREFACE

Survey Background

This report summarizes the findings of a survey conducted in fall 2011 of general acute care hospital employers of registered nurses (RNs) in California. This survey is the second of three annual surveys, with the last survey scheduled for fall 2012. Together, these surveys provide an opportunity to evaluate overall demand for RNs in the state, and changes in demand during the economic recovery. The survey includes questions specific to the hiring of newly graduated nurses as well, because recent cohorts of nursing graduates 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, the lack of positions available for newly graduated RNs, and hospitals' expectation that hiring will increase over the next two years.

Summary of Findings

There is some indication of strengthening demand for RNs in the fall 2011 survey data. Hospitals were asked to describe the RN labor market in their area using a rank order scale of 1 to 5, where 1 indicated high demand for RNs and difficulty filling open positions, and 5 indicated the demand for RNs was much less than the available supply. Nearly half (46.3%) of responding hospitals reported moderate to high demand for RNs relative to supply. This indicates an increase in demand for RNs compared to one year ago when just 35% of hospitals indicated moderate to high demand. In addition, 18.5% of hospitals indicated that "demand is much less than supply available", compared to 24% one year ago. However, despite this sense of a strengthening labor market, vacancy rates have declined since 2010.

Hospitals generally reported that it was more difficult in 2011 than in 2010 to fill RN positions that were not general staff nurse positions; these "other RN" positions often require nursing experience and specialized clinical or managerial knowledge. In contrast, about 30 percent of hospitals indicated that they found it easier to recruit for general staff RN positions as compared with the previous year. Together, these data suggest that demand for RNs may have risen somewhat between 2010 and 2011, particularly for experienced nurses who can work outside a general staff RN role.

The data indicate that demand for registered nurses in some parts of California is low relative to supply, particularly in the San Francisco Bay Area. In other areas, hospitals are experiencing more difficulty filling some positions, particularly in Central California.

More than half of hospitals reported that in the past year new budget constraints, fewer-than-expected retirements, and greater retention of current RN staff have reduced RN hiring. A large share also said they decreased their use of contract and traveling RNs. Many hospitals also report that their staff are working more shifts, and converting from part-time to full-time status. Recently-hired RNs comprised about 10.6% of all RNs employed in hospitals in fall 2011. About 35 percent of employers said they had increased RN employment between 2010 and 2011, and only 17 percent said their RN employment declined.

The overall reported vacancy rate for budgeted FTE RN positions was 3.2%, which is a notable decline as compared with 2010 (6.8%). The vacancy rate for LVNs was 6.1%, and it was 2.4% for unlicensed nursing aides/assistants. The vacancy rate was higher for RN positions that are not general staff RN positions, at 6.4%; vacancy rates for staff RN positions averaged only 2.7%. Hospitals indicated that they are experiencing greater difficulty recruiting nurses with experience in areas of emergency and critical care. Survey respondents also reported strong demand for operating room (OR) nurses and labor & delivery (L&D) nurses. Other nursing positions for which demand is comparatively strong include clinical educators and positions in leadership and management.

Hospitals were asked about their hiring plans for the next two years. About two-thirds reported that they expect no difference in RN employment at their hospitals in 2012 as compared with 2011, while nearly one-quarter expect RN employment to be higher in 2012. Overall, there is an expected hospital employment growth rate for RNs of 4.2% between 2011 and 2012, and 5.3% growth between 2012 and 2013. These anticipated growth rates are somewhat higher than those reported when hospitals were surveyed in 2010.

Approximately 83% of hospitals reported having hired new RN graduates in 2011, and another 9.4% reported that they normally hire new RN graduates but did not this past year. The hospitals that provided data on current vacancies for new RN graduates indicated that 11.6% of their total vacancies when they completed the survey were for newly-graduated RNs.

Hospitals estimated that there would be 12% growth in the number of positions for new graduates over the next two years, which is the same rate of growth anticipated in the 2010 survey. These data indicate that hospitals will have the capacity to absorb approximately 4,800 new graduates in 2012 and 5,400 new graduates in 2013. Given that over 10,000 RNs graduate from California programs per year, these data indicate that new graduates are likely to continue to have difficulty finding hospital-based employment in California over the next two years.

Availability of Data

All data presented in this report are also 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://futurehealth.ucsf.edu/SupplyDemand/Dashboard.html.

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BACKGROUND: NURSE DEMAND IN CALIFORNIA

Since the late 1990s, empirical estimates of the supply and demand of the national registered nurse (RN) workforce have pointed to a significant short-term and long-term shortage.[1] In California, the shortage was documented as especially acute through most of the 2000s, with California ratio of RNs per capita among the lowest in the United States.[2] This spurred significant action to address the relatively low supply of RNs, resulting in successful growth of the overall 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 behavior of the RN workforce, significantly impacting projections of the timing and size of the nursing shortage when compared with previous estimates.[4] Employment rates of older California RNs rose notably between 2008 and 2010, while employment of younger RNs dropped.[5] Overall, the supply of RNs has 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 financial losses in many retirement portfolios.[6]

Additionally, the recession caused significant financial challenges for hospitals causing many hospitals to cut 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 training programs or residencies. As a result of these identified trends, empirical analysis indicated that there was a short-term alleviation of the shortage in 2009 and that a gap between supply and demand of RNs would likely not emerge again nationally until 2018.[7] Nonetheless, with an aging RN population likely to transition to retirement soon and an aging U.S. population that will continue to drive increased demand for healthcare services, it is necessary for current 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 economic changes on new RN graduates' ability to find jobs in California, the Gordon and Betty Moore Foundation commissioned the California Institute for Nursing & Health Care (CINHC) in early 2009 to conduct a survey of healthcare facilities to

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[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.

identify their hiring plans for new RN graduates.[9] This survey demonstrated that approximately 40% of new California RN graduates may not find employment in California hospitals as only 65% of hospitals indicated they were hiring new graduates. Moreover, those that were hiring new graduates were doing so in smaller quantities when compared with previous years. This creates a significant challenge to develop and retain new RNs for the future, as hospitals have historically been the primary employer of new RN graduates.[10]

The 2010 Survey of Nurse Employers revealed similar findings.[11] Nearly half of hospitals reported that the supply of RNs was greater than labor market demand. The data indicated that there were approximately 6,500 vacant nursing positions in California, and more than 7,600 RNs seeking work.[12] There was significant regional variation in RN demand relative to supply; demand was low relative to supply in the San Francisco Bay Area, while shortages were reported by some hospitals in the northern California area, Central California, and the Los Angeles region. Employers reported an expected employment growth rate for RNs of 5.0% between 2010 and 2011, but only 1.1% growth between 2011 and 2012.

Continued slow economic growth in California is likely to make the trend toward fewer job opportunities for new RN graduates persistent. There is thus a continued need to understand the capacity of California hospitals to hire new RN graduates so that the state can identify risks and opportunities to preparing and maintaining a nursing workforce of the appropriate size to meet the needs of the population. This second annual survey, supported by the Gordon and Betty Moore Foundation and conducted by the University of California, San Francisco, 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 acute care hospitals.

SURVEY METHODS

Two survey instruments were developed to provide data for this report: one was structured to collect information from chief nurse officers (CNO), the other to collect information from human resources directors (HRD). They were based on the questionnaire used by CINHC in the 2009 New RN Hospital Survey and the 2010 Survey of Nurse Employers. With input from UCSF, CINHC, and the Moore Foundation, these survey instruments were designed to meet the research goals of the Moore Foundation as well as optimize workforce planning and forecasting. The survey was posted online following approval by the UCSF Committee on Human Research and a review and endorsement by the California Hospital Association Executive Management Committee. Pre-notification emails were sent to all CNOs on a mailing list developed from the prior 2010 survey. The invitation from UCSF included a link to the web address of the online version of the survey. It

[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] Bates, T, Keane, D, Spetz, J. *Survey of Nurse Employers in California, Fall 2010*. San Francisco, CA: University of California, San Francisco; 2011.

[12] 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.

also included fillable-PDF forms for each survey that could be completed by the respondent and returned by email, or faxed to UCSF. CNOs were asked to share the survey questionnaire designed for HRDs with their human resources liaisons, and to follow up to ensure response. Facilities were contacted with follow-up emails and telephone calls in an effort to encourage participation.

Survey Participation and Data Analysis

The CNO survey elicited 123 unique responses, representing 151 hospitals and 32,010 beds; the HRD survey elicited 39 unique responses, representing 96 hospitals and 20,934 beds. In both surveys combined, a total of 126 unique responses were received, representing 158 different hospital facilities and 33,627 total beds. This is approximately 43% of the total number of beds at general acute care hospitals in California. There were several survey respondents who reported data for multiple hospital facilities, and there were two health care system headquarters that reported data for their system as a whole.[13] The multi-hospital reports and the system-wide reports account for 45 of the 151 hospitals represented in the CNO survey, and 72 of the 96 hospitals represented in the HRD survey.

Throughout the report we provide the number of facility responses (N) used to generate the statistics found in the tables and figures. The number of responses reflects the fact that in some cases the data represent multiple hospitals.

Some hospitals did not report full-time equivalent (FTE). Full-time equivalent employment is intended to measure the number of positions that would be filled if every nurse worked full time. Part-time nurses who work 30 hours per week would be classified as 0.75 of an FTE (based on a 40-hour work week). When hospitals provided the number of full-time and part-time positions, but not FTE, we calculated FTEs with each part-time nurse counted as 0.5 FTE. This follows the convention of the American Hospital Association in their survey reports.

There was a sufficient number of respondents to the CNO portion of the survey to report some data for geographic regions of California. The multi-hospital data are included in these analyses since they were reported for facilities that were all within the same region.[14] The geographic regions used to group survey responses are based on those used to conduct the California Board of Registered Nursing, Survey of Registered Nurses. 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 represents.

[13] Some respondents included data for nursing staff working in non-hospital settings.

[14] The two system-wide reports were responses to the HRD survey. Data from this survey were analyzed for differences across geographic regions.

Table 1.Geographic regions and the counties they represent

Region	Counties represented
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	Riverside, San Bernardino, Orange
Southern Border	Imperial, San Diego

Table 2 compares the distribution of hospitals that responded to the surveys with the distribution of general acute hospitals in California, across the geographic regions used in this report. In general, the regional distribution of survey respondents compares well with the distribution of general acute care hospitals across the state. The exceptions are hospitals in the Inland Empire region, which are underrepresented among survey respondents and hospitals in both the Central California and Southern Border regions, which are overrepresented.

Table 2. Distribution of responding hospitals vs. general acute care hospitals in California, by region

	General acute care hospitals in California		Survey sample	
Region	#	%	#	%
San Francisco Bay Area	86	19.8	30	19.0
Central California	75	17.3	32	20.3
Sacramento & Northern California	59	13.6	21	13.3
Los Angeles	113	26.0	41	25.9
Inland Empire	75	17.3	19	12.0
Southern Border	26	6.0	15	9.5
Total	434	100.0	158	100.0

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

Table 3 compares the distribution the facility sizes of hospitals that responded to the survey with that of general acute hospitals in California, with facility size measured as the total number of beds at the hospital. Hospitals with fewer than 100 beds are modestly underrepresented among survey respondents. As a result, hospitals ranging in size from 100 to 149 beds, from 300 to 399 beds, and with 400 or more beds are slightly overrepresented.

Table 3. Distribution of responding hospitals vs. general acute care hospitals in California, by bed size

	General acute care hospitals in California		Survey sample	
Total # of beds	#	%	#	%
Less than 100 beds	137	31.6	41	25.9
100 - 149 beds	73	16.8	29	18.4
150 - 199 beds	51	11.8	19	12.0
200 - 299 beds	67	15.4	22	15.2
300 - 399 beds	59	13.6	28	16.5
400 or more beds	47	10.8	19	12.0
Total	434	100.0	158	100.0

FINDINGS

Perception of Labor Market Conditions

Hospitals were asked to describe the RN labor market in their area using a rank order scale of 1 to 5, where 1 indicated high demand for RNs and difficulty filling open positions, and 5 indicated the demand for RNs was much less than the available supply. A small number of hospitals (4.6%) reported a perception of high demand for RNs, with difficulty filling open positions. The largest share of responding hospitals (43.0%) reported moderate demand for RNs relative to supply with some difficulty filling open positions, which is larger by comparison with one year prior (Table 4). However, the positions for which hospitals reported some difficulty filling were generally those for experienced and specialized RNs, not positions that could be filled with novice nurses.

Hospitals' responses indicate a widespread shortage of RNs with experience in areas of emergency and critical care, particularly for emergency departments (ED), intensive care units (ICU), and neonatal intensive care units (NICU). Survey respondents also reported strong demand for operating room (OR) nurses and labor & delivery (L&D) nurses. Other nursing positions for which demand is comparatively strong include clinical educators and positions in leadership and management. Two percent of respondents chose "other" to characterize labor market conditions. These hospitals uniformly indicated that the supply of new graduate RNs was greater than demand, but that certain specialty positions were difficult to fill.

Table 4. RN labor market demand in California, 2010 & 2011

Description	2011		2010	
	# of responses	% of total	# of responses	% of total
High demand: difficult to fill open positions	7	4.6	8	5.0
Moderate demand: some difficulty filling open positions	65	43.0	47	29.4
Demand is in balance with supply	10	6.6	18	11.3
Demand is less than supply available	35	23.2	41	25.6
Demand is much less than supply available	31	20.5	38	23.8
Other	3	2.0	8	5.0
Total	151	100.0	160	100.0

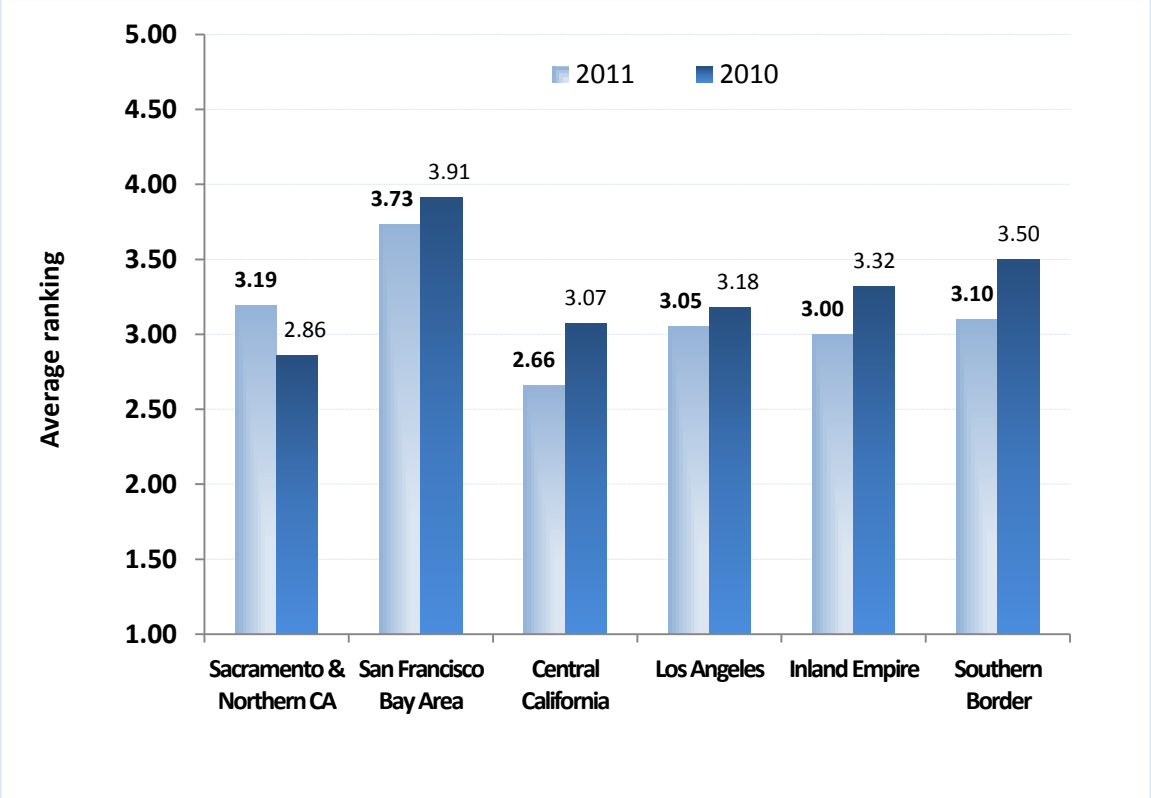
Note: percentages may not sum to 100% due to rounding

Perception of Labor Market Conditions by Region

Figure 1 shows the average ranking of labor market conditions for registered nurses, by region.[15] The data indicate that demand for registered nurses is, relative to supply, weakest in the Bay Area. The mean score of 3.73 corresponds to the perception that "demand is less the supply available." In contrast, data for the Central California region (2.66) indicate stronger labor demand for RNs. The mean scores indicate a perception of the labor market as being somewhere between balanced and having "some difficulty filling open positions." CNOs in the Los Angeles, Inland Empire, and Southern Border regions reported that the labor market had relatively balanced supply and demand. Again, it must be emphasized that most hospitals reported some difficulty filling positions for experienced and specialized RNs, not positions for novice RNs. With the exception of the Sacramento & Northern California region, Figure 1 indicates that it has become more difficult to fill these positions, as compared with 2010.

[15] Hospitals reporting "other" labor market conditions were not included in the calculation of average rankings.

Figure 1. Average ranking of labor market demand by geographic region, 2010 & 2011



Note: 1 indicates that demand is greater than supply; 5 indicates that supply is greater than demand. Thus, higher numbers indicate greater surplus of nurses.

Table 5 shows the distribution of hospitals in each region according to how they characterized the labor market for registered nurses. These data underscore the perceptions of labor market demand presented in Figure 1 (above). In the Central California and the Inland Empire regions, the majority of hospitals reported that demand was greater than the available supply of RNs, with 70 percent and 52.6 percent respectively reporting at least some difficulty filling open positions. In contrast, 63.4 percent of hospitals in the Bay Area region reported the perception that the demand for registered nurses was “less” or “much less” than the supply. In fall 2010, 70.6 percent of Bay Area hospitals perceived that RN demand was weaker than supply.

With the exception of the Bay Area, the largest share of hospitals in all other regions characterized labor market conditions as demand being moderately greater than the supply of RNs. In addition, the share of hospitals reporting conditions of demand being “less than supply available” or “much less than supply available” (excepting the Los Angeles region) is smaller in fall 2011, compared to the previous year (including, as noted above, hospitals in the Bay Area). These data reinforce the perception that demand for registered nurses has grown stronger since last year’s survey was fielded. However, as noted above, this demand for labor is focused on experienced RNs.

Table 5.RN labor market demand by geographic region, 2011

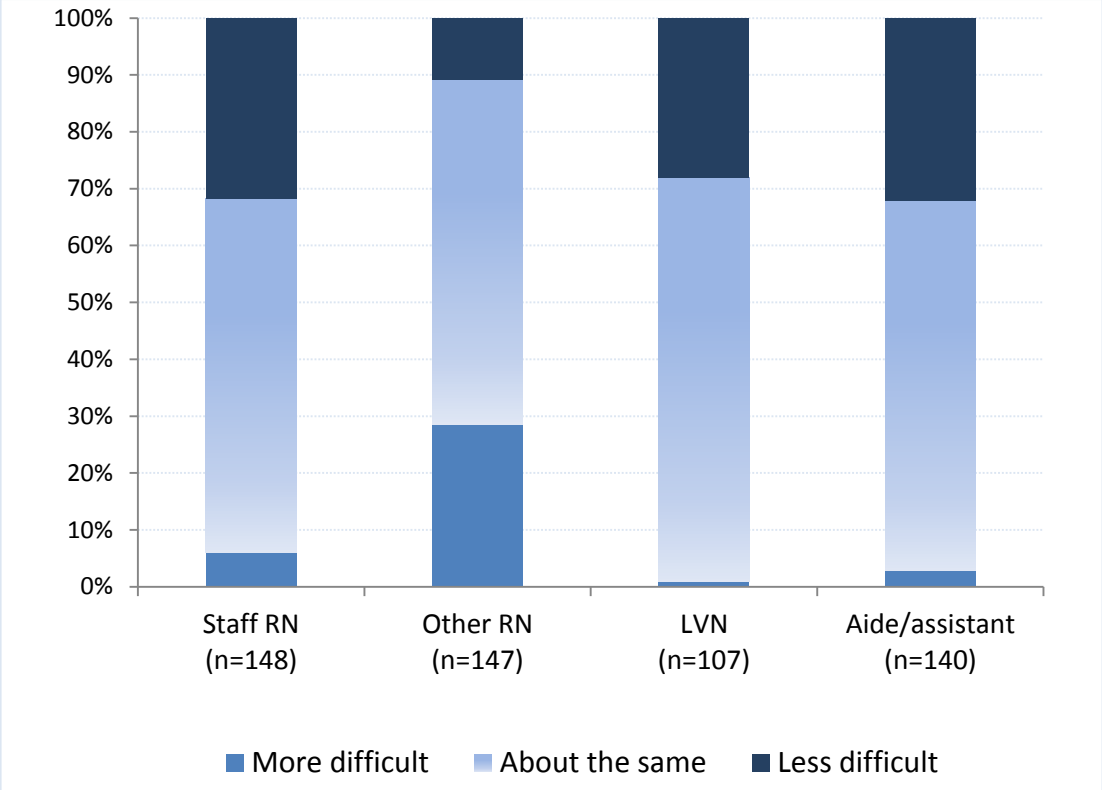
Description	Region					
	Sac/ North. CA %	SF Bay Area %	Central CA %	LA %	Inland Empire %	South. Border %
High demand: difficult to fill open positions	0.0	0.0	6.7	5.0	15.8	0.0
Moderate demand: some difficulty filling open positions	41.2	26.7	63.3	42.5	36.8	46.7
Demand is in balance with supply	11.8	10.0	0.0	7.5	0.0	13.3
Demand is less than supply available	23.5	26.7	10.0	27.5	26.3	26.7
Demand is much less than supply available	17.6	36.7	16.7	15.0	21.1	13.3
Other	5.9	0.0	3.3	2.5	0.0	0.0
# of responses	**17**	**30**	**30**	**40**	**19**	**15**

Nurse recruitment: Comparison with last year

Hospitals were asked whether the recruiting of RNs, LVNs, and unlicensed assistants/aides was currently "more difficult", "about the same", or "less difficult" than it was last year. Figure 2 shows a majority of hospitals reported that difficulty recruiting for all nursing positions is about the same as it was one year ago. The share of hospitals reporting that recruiting (across all positions) was easier in fall 2011 compared to the prior year *is considerably smaller* compared with responses to the survey one year ago. For example, in the fall 2010 survey, 43 percent of hospitals indicated that recruiting Staff RNs was *less difficult* than the previous year; in this year's survey, only 32 percent of hospitals felt that it was less difficult.

An important feature of Figure 2 is that 29 percent of hospitals reported that recruiting for non-staff RN ("Other RN") positions is currently more difficult than it was one year ago. This represents a 10 percent increase compared to the fall 2010 survey. Non-Staff RN positions are generally specialized positions such as utilization review and case management, and these positions typically require experience and specialized training. This is consistent with perceptions that demand for experienced, non-Staff registered nurses has intensified over the past year.

Figure 2. Difficulty recruiting compared to last year, by position, 2011



Current Employment of Nurses

Responding hospitals reported current employment of 41,090 full-time equivalent (FTE) registered nurses (Table 6). Full-time equivalent employment is a method to account for the difference in hours worked by people employed full-time and part-time. In general, a full-time position equals one FTE, and a part-time position is a fraction of an FTE. The fraction of an FTE represented by a part-time position varies across employers. Some employers assume that a part-time position is equal to one-half of an FTE, while others equate part-time positions to FTEs based on the specific number of hours worked by part-time staff. When hospitals did not report FTEs, but did report the numbers of full-time and part-time positions, we assumed that a part-time position was equal to 0.5 FTEs.

Hospitals were asked to differentiate between staff RNs and non-staff RNs (including managers) and asked to describe the types of position titles represented by the data reported for “other” RNs. According to survey responses, these data describe RNs who work as directors, managers, or supervisors; case managers, coordinators and educators; and specialty nurses, including advanced practice RNs. Throughout this report, those positions are referred to as “non-Staff RN” positions. The overwhelming majority of RN FTEs were reported as staff RNs. There were approximately 5.7 FTE staff RNs reported for every “other” RN FTE.

Full-time RNs outnumber part-time RNs, accounting for approximately 60 percent of RN positions reported and this ratio is consistent with the data reported by the BRN’s 2010 Survey of Registered Nurses. The full-time/part-time distribution of Staff RNs and non-staff RNs, however, differs

substantially. Among Staff RNs, full-time positions accounted for 55 percent of all positions reported. Among "other" RNs, 92 percent of all positions reported were considered full-time.

Hospitals were also asked about their current employment of Licensed Vocational Nurses (LVNs) and unlicensed aides/assistants. Survey respondents reported employment of 3,282 FTE LVNs, which is approximately 1 LVN FTE for every 10 Staff RN FTEs. Full-time LVNs accounted for 64 percent of all LVN positions reported. Hospitals also reported employment of 7,118 FTE unlicensed aides/assistants, which is approximately 1 FTE aides/assistants for every 5 Staff RN FTEs. Full-time unlicensed aides/assistants also accounted for 64 percent of all aide/assistant positions reported.

Table 6. Number of currently staffed positions, by type of position, 2011

All Registered Nurses	Current positions	# of responses
Full-time	29,177	94
Part-time	19,865	94
FTE	41,090	96
Staff RNs		
Full-time	23,398	94
Part-time	19,333	94
FTE	34,969	96
Other (non-Staff) RNs		
Full-time	5,779	94
Part-time	523	94
FTE	6,121	96
Licensed Vocational Nurses		
Full-time	2,534	94
Part-time	1,459	94
FTE	3,282	96
Aides/assistants		
Full-time	5,508	94
Part-time	3,085	94
FTE	7,118	96

Budgeted Staff Positions

Hospitals that provided both current and budgeted staffing data reported that 95.2 percent of all budgeted FTE registered nursing positions were currently filled (Table 7). Note that different numbers of hospitals responded to each item about budgeted and current employment, so the data are not directly comparable across rows. This represents a slight decrease in the share of filled FTE positions compared to one year ago when hospitals reported 97.9 percent of all budgeted FTE RN positions as being filled. The gap between budgeted and currently filled positions is driven by the demand for non-Staff RNs, who generally represent experienced RNs with specialized skill sets. Hospitals reported that only 81 percent of budgeted FTE positions for non-Staff RNs were

currently filled compared to 98.5 percent of budgeted FTE positions for Staff RNs. Similarly, although less dramatic, both LVNs and unlicensed aides/assistants had lower rates of filled, budgeted FTE positions by comparison with Staff RNs.

Table 7. Share of budgeted positions currently filled, by position, 2011 and 2010

	2011				2010
All Registered Nurses	Current positions	Budgeted positions	% Filled	# of responses	% Filled
Full-time	13,378	13,984	95.7	52	96.4
Part-time	8,316	8,774	94.8	52	97.8
FTE	20,382	21,416	95.2	59	97.9
Staff RNs					
Full-time	11,175	11,535	96.9	52	96.2
Part-time	8,080	8,531	94.7	52	98.5
FTE	21,800	22,128	98.5	68	97.3
Other (non-Staff) RNs					
Full-time	2,203	2,449	90.0	52	97.6
Part-time	236	244	96.7	29	78.4
FTE	2,533	3,123	81.1	59	98.9
Licensed Vocational Nurses					
Full-time	548	571	96.0	30	98.1
Part-time	137	190	72.1	30	95.4
FTE	790	825	95.8	42	98.6
Aides/assistants					
Full-time	2,097	2,188	95.8	52	95.6
Part-time	837	916	91.4	52	94.9
FTE	3,013	3,258	92.5	60	97.0

Per Diem, Contract & Agency Employment

Table 8 shows hospital use of per diem, traveler, and agency employees by position type (only hospitals that reported per diem, traveler, or agency employee data along with current staffing data are included). Among RNs, LVNs, and unlicensed aides/assistants, per diem use of unlicensed aides/assistants was greatest. The share of current staff represented by per diem employees for both RNs (12.4%) is consistent with last year's survey, whereas the share of unlicensed aides/assistant positions reported as per diem employees (14%) represents a small decline relative to last year (17.1%). The share of LVN staff represented by per diem employees (8.6%) in this year's survey is roughly half as large as was reported one year ago (16.9 percent of total LVN positions).

Both traveler and agency employees were far less frequently reported by comparison with per diem employees. However, hospitals reported that traveler RNs represented 2.7 percent of current

registered nursing staff, which represents a small increase compared to last year's survey (1.6%). The number of agency RNs, LVNs (both traveler and agency), unlicensed aides/assistants (both traveler and agency) is very small. In all cases these employees represented far less than 1 percent of all current staff; this is a smaller share by comparison with one year ago.

Table 8. Reported per diem, traveler, and agency staff as a share of current staff, by position, 2011

	2011				2010
Per diem employees	Per diem positions	Current positions	Per diem %	# of responses	Per diem %
Registered nurses	6023	48618	12.4	93	12.8
Licensed Vocational Nurses	345	3989	8.6	93	16.9
Aides/assistants	1191	8509	14.0	93	17.1
Traveler employees					
Registered nurses	1275	47783	2.7	91	1.6
Licensed Vocational Nurses	5	3866	0.1	91	0.4
Aides/assistants	0	8315	0.0	91	0.3
Agency employees					
Registered nurses	82	47783	0.2	91	1.0
Licensed Vocational Nurses	12	3866	0.3	91	1.0
Aides/assistants	22	8315	0.3	91	1.5

Separations/Quits In the Past Year

Table 9 describes nurses who left their position in the past year. The data indicate that registered nurses separated from their positions at a higher rate compared with both LVNs and unlicensed aides/assistants. In addition, the separation rate for Staff RNs was higher than non-Staff RNs. Finally, separation rates for full-time positions were higher by comparison with part-time positions for Staff RNs, LVNs and for unlicensed aides/assistants. The separation rate for RNs was 5.4 percent in fall 2010 and 6.4 percent overall in 2011, indicating that separations increased between 2010 and 2011. (The separations rate in 2011 was higher for full-time positions compared to part-time positions, and higher for Staff RNs compared to non-Staff RNs.) In contrast, separations declined for LVNs (9.3 percent in 2010) and aides/assistants (11.0 percent in 2010).

Table 9. Reported separations (turnover) as a share of current staff, by position, 2011

All Registered Nurses	Separations	Current Staff	% Separations	# of responses
Full-time	2,042	29,177	7.0	94
Part-time	1,087	19,865	5.5	94
Staff RNs				
Full-time	1,744	23,398	7.5	94
Part-time	1,059	19,333	5.5	94
Other (non-Staff) RNs				
Full-time	298	5,775	5.2	94
Part-time	27	532	5.1	93
Licensed Vocational Nurses				
Full-time	166	2,534	6.6	94
Part-time	87	1,459	6.0	94
Aides/assistants				
Full-time	394	5,508	7.2	94
Part-time	190	3,085	6.2	94

Hiring In the Past Year

Table 10 describes nurses who were hired as new employees in the past year. The data indicate that full-time Staff RNs were hired at a rate higher than other nurse positions, and that, generally, full-time nurses were hired at rates higher than part-time nurses. Part-time non-Staff RNs were hired at a rate lower than any other nurse position, underscoring the fact that very few reported non-Staff RNs work as part-time employees (Table 7, above, shows that part-time positions account for just 8.3 percent of all non-Staff RN positions.) The overall hiring rate for RNs in 2011 was 9.1 percent, which is higher than the reported rate in 2010 (6.5%).

Comparing the separations/quits data with the employee hiring data indicates that a much smaller proportion of full-time registered nurses left their positions in the past year compared to the number of registered nurses who were hired, and overall RN employment among responding employers increased by about 3.5 percent. The phenomenon of more RNs having been hired than left their positions is true for all full-time nurse positions and with the exception of non-Staff RNs, it is also true for part-time positions

Table 10. Reported new employees as a share of current staff, by position

All Registered Nurses	New Employees	Current Staff	% New Employees	# of responses
Full-time	3,100	29,177	10.6	94
Part-time	1,344	19,852	6.8	91
Staff RNs				
Full-time	2,686	23,373	11.5	92
Part-time	1,318	19,333	6.8	92
Other (non-Staff) RNs				
Full-time	413	5,775	7.2	93
Part-time	22	457	4.8	83
Licensed Vocational Nurses				
Full-time	266	2,466	10.8	89
Part-time	129	1,396	9.2	81
Aides/assistants				
Full-time	553	5,485	10.1	91
Part-time	211	3,069	6.9	89

Hiring of Newly Graduated RNs

Approximately 83 percent of hospitals reported having hired new RN graduates this year, which is slightly lower compared with last year's survey (Table 11). The 9.4 percent that reported they normally hire new RN graduates but did not this year is a small increase over last year (the share was 6.7 percent in the 2010 survey). A small number of hospitals (8%) reported that they do not hire new RN grads; this is consistent with last year's survey.

Table 11. Hiring of newly graduated registered nurses, 2010 & 2011

Description	2011		2010	
	% of total	# of responses	% of total	# of responses
Hired new graduates this year	82.6	123	84.6	88
Normally hire new graduates but NOT this year	9.4	14	6.7	7
Do NOT hire new graduates	8.0	12	8.7	9
Total	100.0	149	100.0	104

Requirements for RN Employment

Table 12 shows responses from hospitals regarding different types of requirements they have as a condition for employment as a registered nurse. Just over half of hospitals (51.3%) reported having a minimum professional experience requirement as a condition for RN employment. Nearly three-quarters (72%) specified 12 months as the amount of required experience, 19 percent

reported a 6 month requirement, and another 9% reported requiring 24 months of experience as a condition for employment.

Nearly 70% of hospitals in the survey reported a preference for hiring RNs trained at the baccalaureate level, while approximately 5 percent indicated that possession of a baccalaureate is a *requirement* for employment. In the 2010 survey, no hospitals reported requiring the bachelor's degree.

Just over half (52.3%) of all hospitals reported having a requirement of previous experience in a specific hospital unit or type of care as a condition for registered nursing employment, at least for some of their positions. Hospitals that reported having such a requirement were asked to specify the unit or type of care. Table 13 shows the frequency with which different hospital units or types of care were reported. The most frequently reported type of care for which prior experience was required was critical care, followed closely by operating room/surgery/recovery room units. Emergency room and labor and delivery were also frequently reported as types of care requiring prior experience. A significant number of hospitals indicated that prior experience in *any* specialty unit would require previous experience. Hospitals also reported that within the same unit, certain positions were designated *experienced* while others were designated *new graduate*, therefore the experience requirement would depend on which position needed to be filled.

Table 12. Requirements for registered nursing employment: minimum experience, 2011

Description	% of total	# of responses
Minimum experience requirement	52.3	79
Baccalaureate degree preferred	69.5	105
Baccalaureate degree required	4.6	7
Specific experience requirement	52.3	79
No experience required for employment	21.2	32
Total	--	151

Table 13. Type of care experience required for registered nursing employment, 2011

Description	# of responses
Intensive care, critical care	30
Operating room, surgery, recovery room	24
Emergency room	22
Labor & delivery	19
Telemetry	7
Medical-surgical, acute care	6
Women's health, perinatal	5
Pediatrics, pediatric ICU, neonatal ICU	4
Other (oncology, chemotherapy)	5
All specialty units require experience	19

Formal New Graduate Training Programs

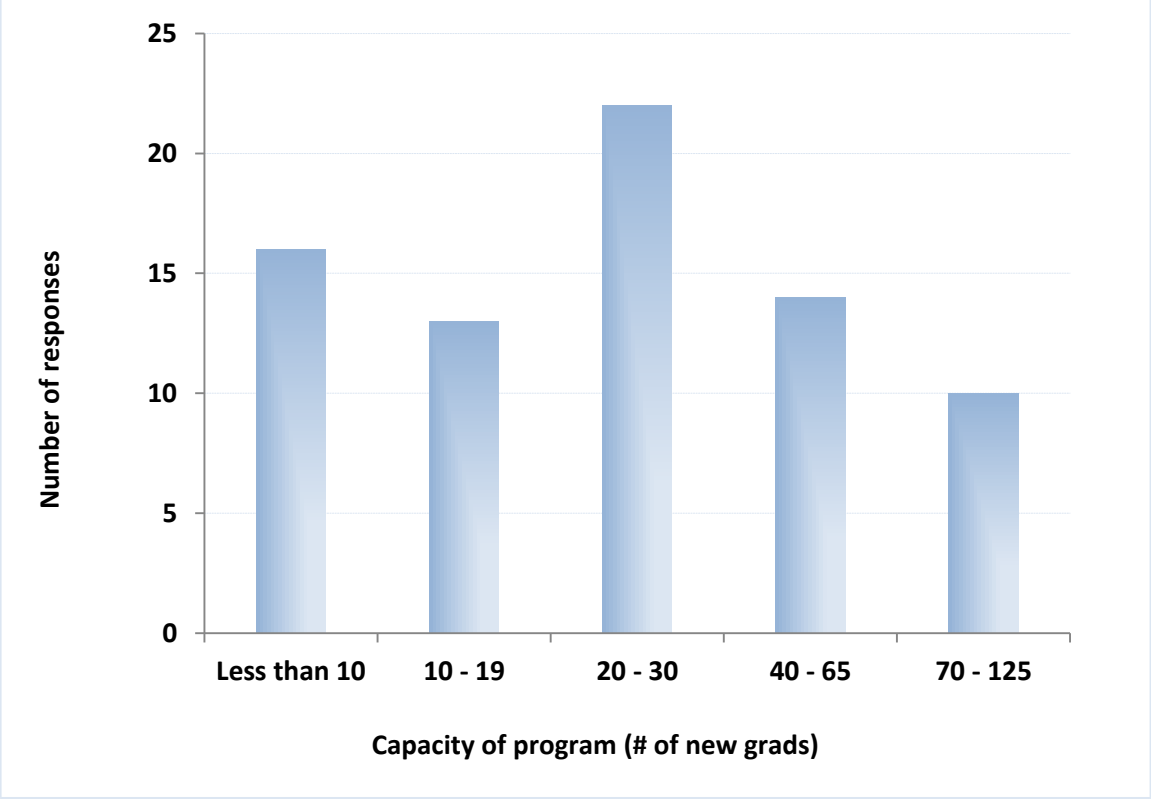
Just over 60 percent of hospitals who responded, reported having a formal training program for new RN graduates (Table 14). This is a somewhat lower rate than reported in 2010 (67.4%), but this difference should be interpreted with caution due to the different samples of respondents in each year.

Table 14. Formal training programs for new graduates, 2011

Description	% of total	# of responses
Has a formal training program	61.4	86
Does not have a formal training program	38.6	54
Total	100.0	140

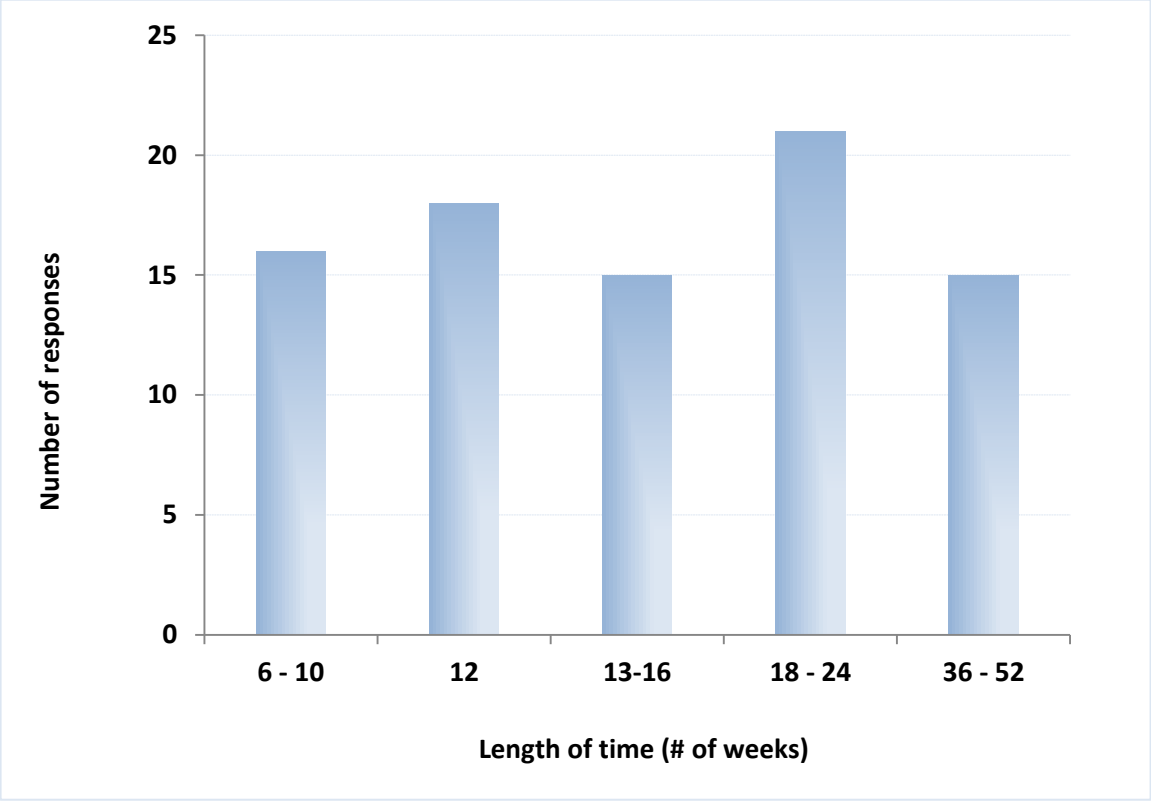
Hospitals with residency programs for new RN graduates were also asked to report the capacity of their program (number of new graduates the program can train at one time). Responses were grouped into categories that express a range in capacity. The most frequently reported program size was one that could train between 20 and 30 new graduates at a time (Figure 3).

Figure 3. Capacity of new graduate training program, 2011



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 time to completion was a program taking 18 to 24 weeks to complete (Figure 4). An approximately equal number of hospitals reported programs taking 6-12 weeks, 13-16 weeks, and 36-52 weeks to complete. Overall, hospitals tended to report that new graduate training programs were somewhat longer than in 2010.

Figure 4. Length of new graduate training programs, 2011



Hospitals with residency programs for new RN graduates were asked whether their program had been developed by an external organization or had been designed internally (Table 15). Nearly 9 out of 10 hospitals (87%) reported that their new graduate training program was designed internally, rather than by an external vendor. The share of hospitals with internally-designed programs in 2010 was 80.4 percent, indicating that hospitals are generally inclined to develop their own programs rather than adopt a vendor's program.

Table 15. Internal vs. External design of new graduate training program

Description	% of total	# of responses
Program designed by external vendor	13.0	11
Program designed internally	87.0	74
Total	100.0	85

Hospitals with residency programs for new RN graduates were asked to report on the different clinical practice areas the programs cover. Table 16 shows the frequency with which different practice areas were reported. The most frequently reported clinical practice areas were the emergency department and critical care. Delivery room/postpartum/newborn nursery training was also frequently reported, as were operating room/peri-operative and pediatrics/neonatal training. The small number of hospitals that wrote in a response "other practice area" uniformly reported telemetry.

Table 16. Reported clinical practice areas for new graduate training programs, 2011

Clinical practice area	# of responses
Emergency Department	66
Critical Care	62
Delivery Room/Postpartum/Newborn Nursery	50
Operating Room/Peri-operative	38
Pediatrics/Neonatal	33
Rehabilitation	20
Psychiatry	17
Med/Surg	17
Ambulatory Care	13
Skilled Nursing	13
Home Health	0
Other	8

Hospitals with residency programs for new RN graduates were asked to report the time in the calendar year their program is offered (which may be several times per year). As seen in Table 17, programs occurring on an "as needed" basis were most frequently reported. However, these data indicate that residency programs are offered consistently throughout the year.

Table 17. Timing of new graduate training program, 2011

Timing of program	# of responses
As needed	36
Winter	31
Summer	30
Spring	26
Fall	24

Hiring of RNs with Non Acute Care Experience

Hospitals were asked whether they have a hiring policy regarding RNs who do not have experience in an acute care setting. Table 18 shows the distribution of responses. Approximately 60% of hospitals reported that they do hire registered nurses who do not have acute care experience, though 44.5 percent indicated that these RNs would be hired into positions for recent or new graduates.

Table 18. Hiring of registered nurses who do not have acute care experience, 2011

Description	% of total	# of responses
Hire into positions that require nursing experience	15.8	23
Hire into positions for recent or new graduates	44.5	65
Do not hire	39.7	58
Total	100.0	146

Hospitals that hire registered nurses who have no acute care experience were asked whether they have a training or bridge program designed for these RNs. Over one-half (53.4%) of hospitals that do hire RNs with no acute care experience reported having some kind of program designed to train them. Descriptions of these programs included having an assigned preceptor or mentor, completing an extended version of the regular orientation for new hires, and participation in the new graduate training program (or a modified version of it).

Hospitals That Do Not Hire New Graduates

Hospitals that indicated they do not hire new RN graduates were asked whether there were specific conditions, if met, which would cause them to consider hiring new graduates. Hospitals uniformly reported that the cost of training, in terms of time and monetary expense were the most important issues. Outside support in the form of training grants would be needed to alter their hiring practices.

Current Vacancies

Table 19 presents reported vacancies as a share of budgeted positions for hospitals that provided data for both the number of vacancies and the number of budgeted positions. The overall reported vacancy rate for budgeted FTE registered nursing positions was 3.2 percent, which is a notable decline compared with 2010 (5.1%). However, there were substantial differences in the vacancy rates reported for FTE Staff RNs (2.7%) versus FTE non-Staff RNs (6.4%). This difference is the result of a very high vacancy rate for full-time non-Staff RNs (7.1%), again reflecting the reported difficulty hospitals are having filling open positions for experienced, specialized RNs.

The vacancy rate for RNs was slightly higher than the rate reported for FTE unlicensed nursing aides/assistants (2.4%), but considerably lower than the rate reported for FTE licensed vocational nurses (6.1%). The high vacancy rate for part-time LVNs is the result of a small number of

hospitals reporting a large number of vacancies (e.g. two-thirds of budgeted part-time LVN positions going unfilled).

With the exception of part-time LVN positions, the vacancy rate reported this year is lower by comparison with one year ago (fall 2010). In particular, the 2011 FTE vacancy rate for non-Staff RNs indicates only half as many FTE positions compared to the 2010 vacancy rate. When placed in the context of more hospitals reporting having difficulty filling open positions for non-Staff RNs in this year's survey, as well as a greater share of hospitals reporting that it is *more difficult* to recruit non-Staff RNs, the decline in the FTE vacancy rate for non-Staff RNs compared to one year ago signals that hospitals are finding it increasingly difficult to fill a smaller number of open positions for experienced, specialized RNs.

Table 19. Reported vacancies as a share of budgeted positions, by position, 2010 & 2011

	2011				2010	
All Registered Nurses	Vacant positions	Budgeted positions	Vacancy %	# of responses	Vacancy %	# of responses
Full-time	392	13,984	2.8	52	6.8	52
Part-time	188	8,774	2.1	52	6.3	40
FTE	677	21,416	3.2	59	5.1	70
Staff RNs						
Full-time	219	11,535	1.9	52	5.6	51
Part-time	185	8,531	1.9	52	4.9	34
FTE	605	22,128	2.7	68	4.4	62
Other (non-Staff) RNs						
Full-time	173	2,449	7.1	52	17.1	45
Part-time	3	244	1.2	29	41.0	20
FTE	200	3,123	6.4	59	12.8	55
Licensed Vocational Nurses						
Full-time	16	571	2.8	30	6.0	42
Part-time	46	190	24.2	30	4.7	20
FTE	50	825	6.1	42	4.9	51
Aides/assistants						
Full-time	52	2,188	2.1	52	7.4	44
Part-time	28	916	3.1	52	4.8	24
FTE	78	3,258	2.4	60	4.7	63

Staff Positions Currently Available for New RN Graduates

Hospitals were asked specifically how many vacant positions were currently available for recently-graduated RNs. The 80 hospitals that responded indicated that positions specifically open to newly-graduated nurses represent 11.6 percent of all full-time positions available (at hospitals that reported both current Staff RN and new RN graduate vacancy data).

Recruitment of Foreign RNs

Hospitals were asked whether they are currently recruiting foreign-trained RNs. Table 20 below shows the distribution of their responses. Only 4 percent of hospitals reported that they are currently recruiting foreign-educated RNs to fill open staff positions.

Table 20. Current recruitment of foreign-trained registered nurses, 2011

Description	% of total	# of responses
Currently recruiting foreign-trained RNs	4.0	6
Not currently recruiting foreign-trained RNs	96.0	143
Total	100.0	149

Changes Experienced In the Past Year

Hospitals were asked about changes in the past year regarding employment of RNs and hiring of new RN graduates. Tables 21 and 22 indicate that the share of hospitals that increased employment of RNs (34.9%) and hiring of new RN graduates (33.8%) over the past year (compared to previous years) were approximately equal. However, hospitals more frequently reported a decrease in the hiring of new graduates (27%) compared with a decline in employment of RNs (16.8%). With regard to the employment of RNs and the hiring of new RN graduates, a plurality of hospitals reported no change in the past year.

Table 21. Employment of RNs in the past year

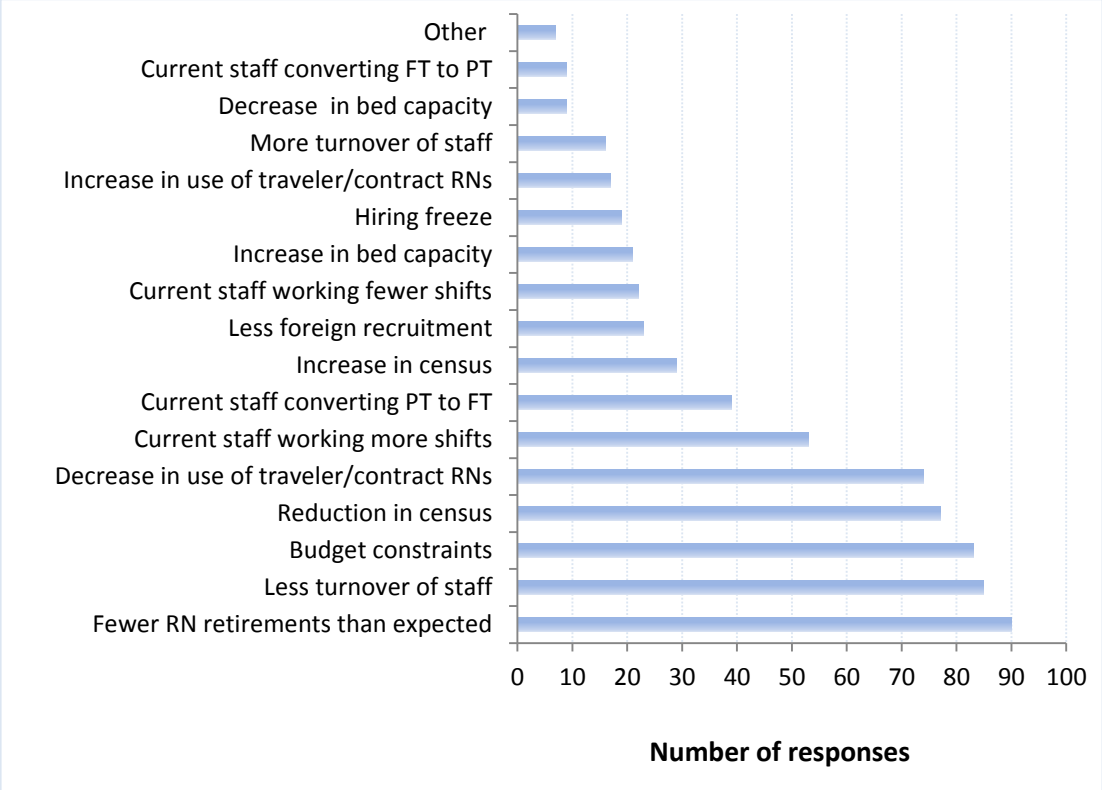
Description	% of total	# of responses
Increased employment of RNs	34.9	52
Decrease employment of RNs	16.8	25
No change in RN employment	48.3	72
Total	100.0	149

Table 22. Hiring of new RN graduates in the past year

Description	% of total	# of responses
Increased hiring of new graduates	33.8	50
Decreased hiring of new graduates	27.0	40
No change in hiring of new graduates	39.2	58
Total	100.0	148

Hospitals were also asked about other types of environmental changes they have experienced in the past year. Figure 5 below shows the frequency with which hospitals reported a specific type of change. The most frequently reported change experienced in the past year is that hospitals saw fewer RN retirements than expected, followed closely by lower rates of staff turnover and the pressure of budget constraints. These three conditions were reported by 55 to 60 percent of all hospitals in the survey. Hospitals also frequently reported that they had decreased their use of traveler or contract RNs in the past year, and that they experienced a reduction in patient census. Hospitals were given the opportunity to specify changes experienced that were not detailed by the survey instrument. Responses included the elimination of LVNs from acute care settings, an increase in the number of RNs taking extended leaves, an increase in outpatient volume, and increased demand for clinical nurse leaders and clinical nurse specialists.

Figure 5. Changes experienced by hospitals in the past year



Note: 149 different hospitals reported some type of change experienced.

Employment Expectations for 2012 & 2013

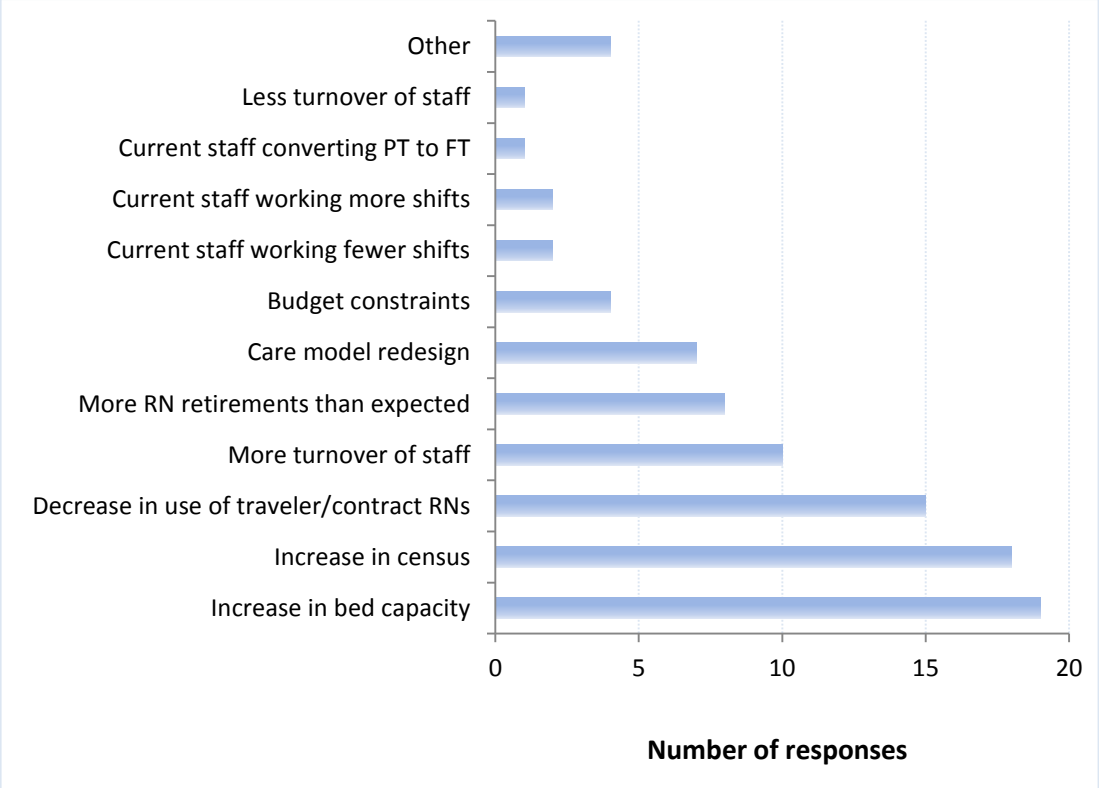
Hospitals were asked to report on their expectations for RN employment in 2012 compared with 2011. Table 23 shows the distribution of their responses. Two-thirds of hospitals (67.8%) reported an expectation that RN employment in their organization during 2012 would be no different than it was during 2011. Nearly one-quarter of hospitals (23.5%) indicated that they expected RN employment to increase in 2012 over the previous year. Overall, fewer hospitals expect hiring growth as compared with the 2010 survey, when 31.4 percent predicted an increase between 2010 and 2011. However, it's also the case that fewer hospitals expect hiring to be lower as compared with the fall 2010 survey, when 18.6 percent predicted a decrease in hiring between 2010 and 2011.

Table 23. Expectations for RN employment in 2012 vs. 2011

	2011 – 2012		2010 – 2011	
Description	% of total	# of responses	% of total	# of responses
Expect RN employment will be higher in 2012	23.5	35	31.4	32
Expect RN employment will be lower in 2012	8.7	13	18.6	19
Expect no difference in RN employment	67.8	101	50.0	51
Total	100.0	149	100.0	102

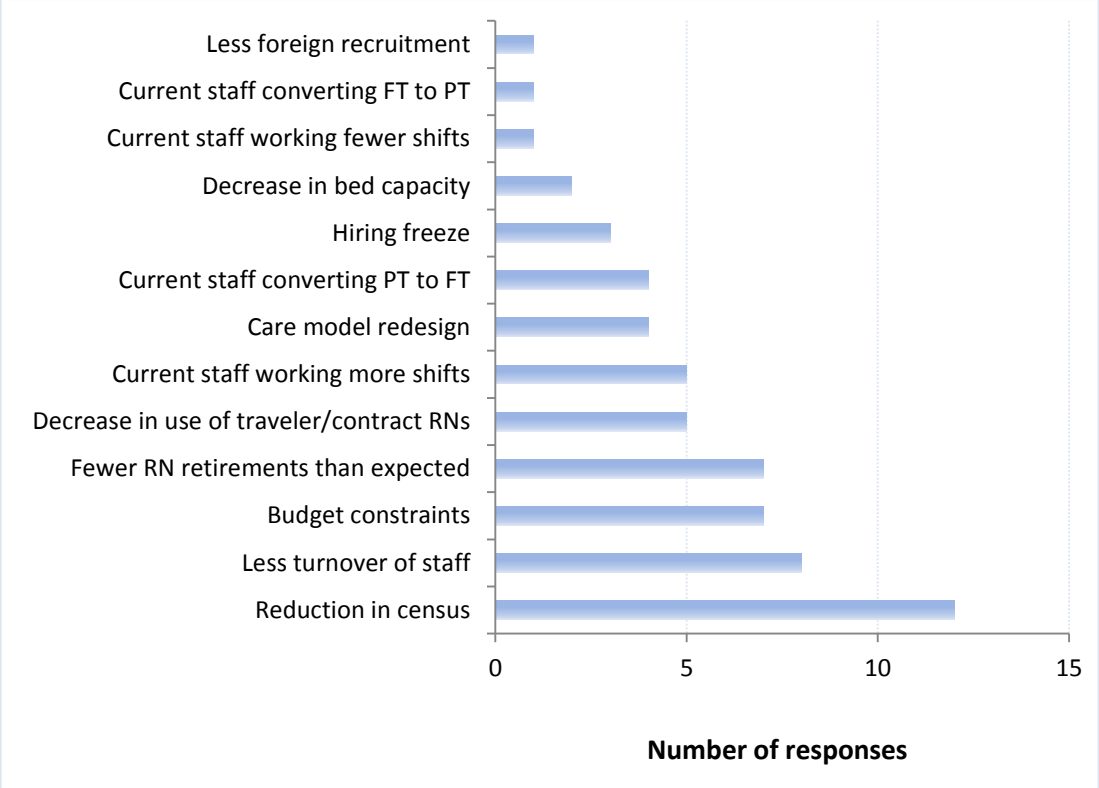
Hospitals were asked to cite reasons for why they expected RN employment in 2012 to be different from 2011. Figure 6 shows the frequency with which specific reasons were reported for hospitals that indicated an expected *increase* in RN employment, while Figure 7 focuses on hospitals that reported an expected *decrease* in RN employment. Hospitals reporting an expected increase in 2012 RN employment most frequently cited an increase in hospital bed capacity, an increase in patient census, and a decrease in the use of traveler/contract RNs as the reasons why. Greater turnover in RN staff, fewer RN retirements than expected, and a care model redesign were also cited with relative frequency. Hospitals were given the opportunity to specify reasons for a difference in expected employment that were not detailed by the survey instrument. Responses included the elimination of LVNs use, the implementation of electronic medical records, and the opening of new care units as reasons for why RN employment was expected to increase.

Figure 6. Reasons for expected increase in 2012 RN employment



Hospitals that reported an expected decline in 2012 RN employment most frequently cited a reduction in the patient census as the reason why. Also cited with relative frequency were an expectation of lower staff turnover, the impact of budget constraints, and fewer RN retirements than expected.

Figure 7. Reasons for expected decrease in 2012 RN employment



Numbers of positions expected for 2012 and 2013

Hospitals were asked to report on planned employment levels for both 2012 and 2013. Table 24 compares the current level of FTE employment with planned FTE employment in both 2011 & 2012, by nursing position. In order to make the comparison consistent across time periods only hospitals that reported data for all three periods (current, 2012 and 2013) are included in the table.

These data indicate differences in planned FTE employment growth by year, and by nursing position. For staff RNs, hospitals reported an expected employment growth rate of 4.2 percent between 2011 and 2012, but expect a stronger growth rate of 5.0 percent between 2012 and 2013. For non-Staff RNs, the pattern is similar, although employment growth is expected to strengthen to an even greater degree in 2013 (3.9% versus 6.8%). Surprisingly, hospitals reported high expected employment growth for LVNs, 10.5 percent in 2012 and 9.6 percent in 2013. For unlicensed aides/assistants, hospitals also reported a strong expected employment growth rate of 6.7 percent between 2011 and 2012, and 5.6 percent between 2011 and 2012.

These would be considered strong growth rates relative to historic rates of growth for the general labor force in California. However, it must be noted that the number of hospitals reporting data for these calculations is very small, and they may not be representative of all hospitals in California. Analysis not shown here indicates that hospitals in the San Francisco Bay Area and the Sacramento & Northern California regions are underrepresented, while hospitals in the Inland

Empire & Southern Border region are overrepresented by these survey data. Additionally, small hospitals with fewer than 100 beds are underrepresented while mid-size hospitals (those with 200 – 299 beds) are overrepresented by these data. Caution should be exercised when drawing any conclusions.

Table 24. Planned employment growth for 2011 & 2012, by position

Position	FTEs Current	FTEs 2012	FTEs 2013	% Growth over previous year 2012	% Growth over previous year 2013	# of responses
All registered nurses	21,603	22,502	23,703	4.2	5.3	47
Staff RNs	17,714	18,464	19,391	4.2	5.0	47
Other (non-Staff) RNs	3,889	4,039	4,312	3.9	6.8	47
Licensed Vocational Nurses	2,676	2,958	3,241	10.5	9.6	47
Aides/assistants	4,187	4,468	4, 718	6.7	5.6	47

Expected Changes in New Graduate Hiring

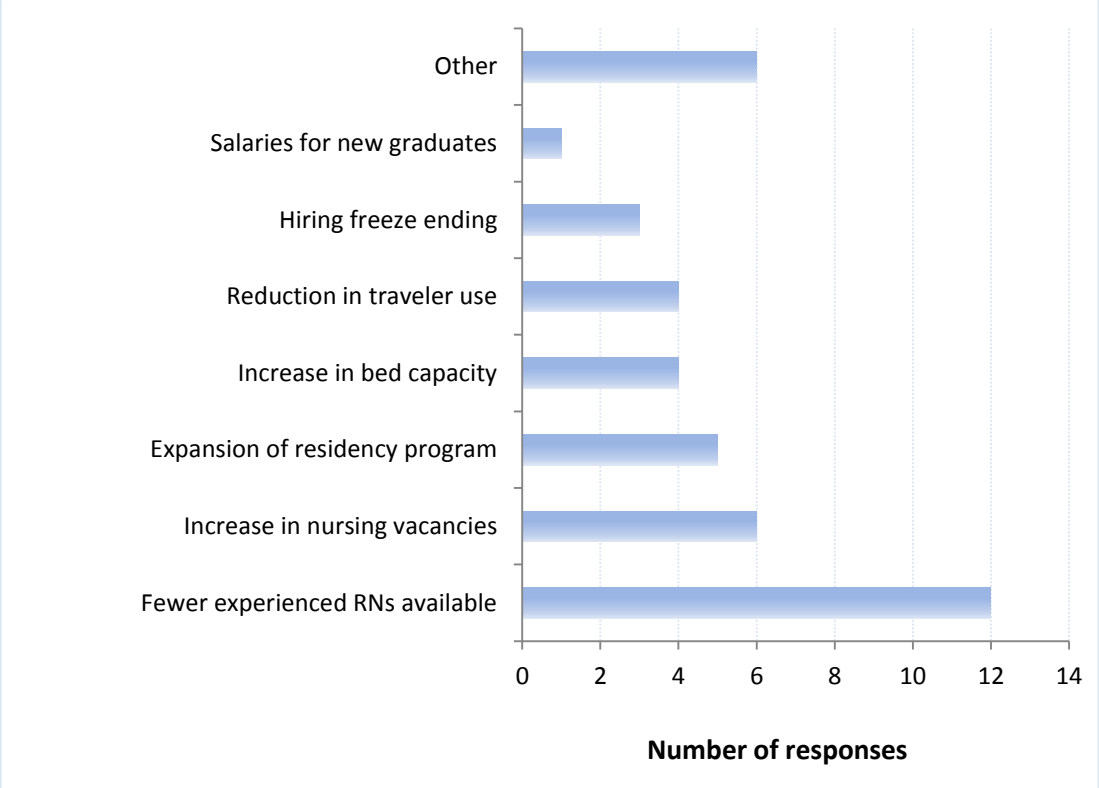
Table 25 outlines expectations for new RN graduate hiring in 2012, relative to 2011. Most hospitals (62.6%) responded that they expected no change in the level of new graduate hiring in 2012. The share of hospitals reporting expectations for increased hiring of new graduates was slightly greater than the share of hospitals reporting expectations for a decline in new graduate hiring.

Table 25. Expectations for hiring of new graduate registered nurses in 2012

Description	% of total	# of responses
Increase hiring of new graduates	21.6	30
Decrease hiring of new graduates	18.7	26
No difference in new graduate hiring	59.7	83
Total	100.0	139

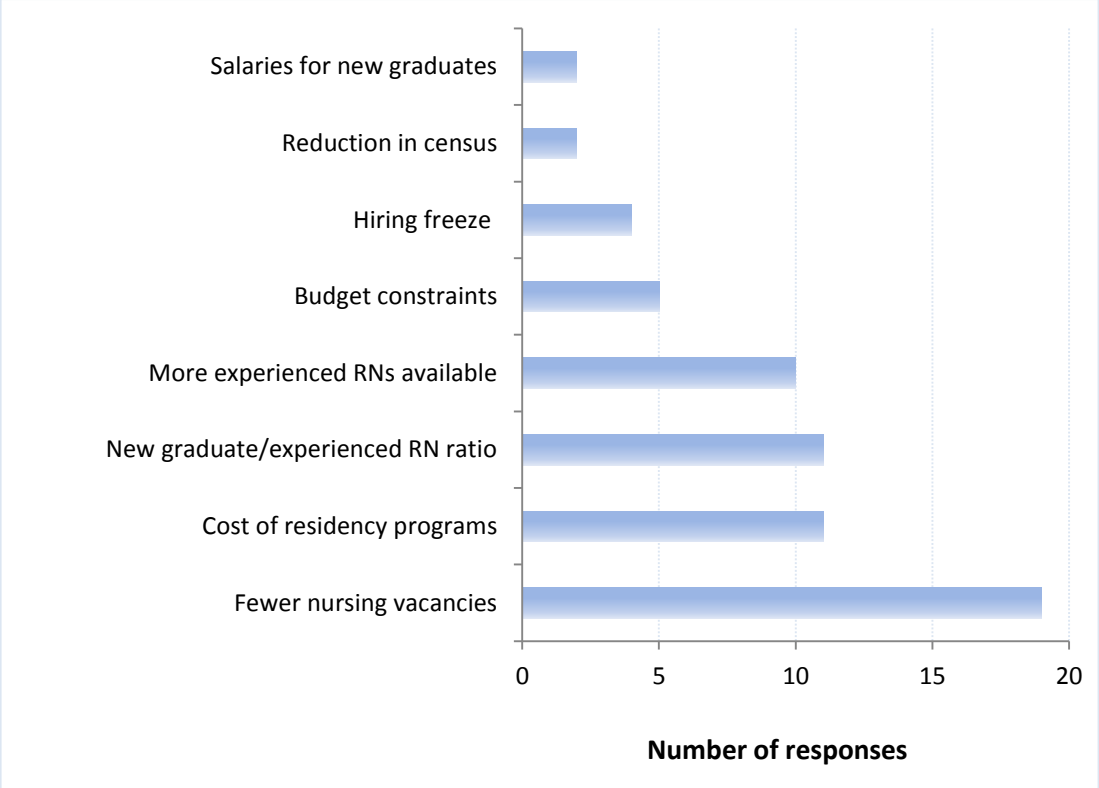
Hospitals were asked to cite reasons for why they expected hiring of new graduate registered nurses in 2012 to be different from 2011. Figure 8 shows the frequency with which specific reasons were reported for hospitals that indicated an expected *increase* in RN employment, while Figure 9 focuses on hospitals that reported an expected *decrease* in RN employment. The most frequently reported reason for why new graduate hiring was expected to increase in 2012 was the lack of experienced RNs. Hospitals that chose to write in responses indicated a desire to employ a "grow your own" specialty RN strategy, which underscores the difficulty they face in finding experienced RNs to fill open positions.

Figure 8. Reasons for expected increase in 2012 hiring of new graduate registered nurses



Hospitals reporting an expectation that their hiring of new RN graduates would decline in 2012 most frequently cited the lack of RN vacancies as the reason. The cost of residency programs and the availability of experienced RNs (combined with an oversupply of new RN graduates) were also frequently cited.

Figure 9. Reasons for expected decrease in 2012 hiring of new graduate registered nurses



Numbers of positions for new RN graduates expected for 2012 and 2013

Table 26 compares the expected number of FTE positions available for new RN graduates in 2012 and 2013, for hospitals that provided data for both years. Hospitals estimated that there would be 12 percent growth in the number of positions for new graduates between 2012 and 2013, which is higher than the overall expected growth rate for registered nurses. Using these data as a baseline for projected employment, hospitals could be expected to absorb approximately 4,800 new graduates in 2012 and 5,400 new graduates in 2013. Given that over 10,000 RNs graduate from California programs per year, these data indicate that new graduates are likely to continue to have difficulty finding hospital-based employment in California over the next two years.

However, it must be noted that the number of hospitals reporting data for these calculations is very small, and they may not be representative of all hospitals in California. Analysis not shown here indicates that hospitals in the San Francisco Bay Area and the Sacramento & Northern California regions are underrepresented, while hospitals in the Los Angeles and Inland Empire & Southern Border regions are overrepresented by these survey data. Additionally, small hospitals are underrepresented while mid-size hospitals and large hospitals are overrepresented by these data. Caution should be exercised when drawing any conclusions.

Table 26. Planned positions for new RN graduates, 2011

Description	FTEs 2012	FTEs 2013	% Growth	# of responses
Survey total	675	753	11.6	46
Estimated state total	4,821	5,379	12.0	--

CONCLUSIONS

These survey data indicate that hiring of nurses has continued to be slow in California over the past year, due to low turnover of currently-employed nurses, ongoing budget constraints, and lower patient census. As a result, there are few positions for recently-graduated RNs. While hiring of new graduate RNs is expected to rise at a slow rate in 2012 and 2013, the number of positions available is likely to be lower than the number of graduates seeking work.

Many employers indicated they have positions available for RNs with experience of specialized skills. Newly graduated RNs cannot obtain these skills to compete for such positions if they are unable to find an entry-level position or participate in a training or residency program. Fortunately, some hospitals reported that they intend to increase hiring of new graduates specifically to develop their skills for specialized nursing care. About two-thirds of hospitals that responded to this survey have a training program for new graduate RNs; these programs may help to bring new graduates into the workplace so they can retain their skills and gain experience.

The lack of jobs for newly graduated nurses is concerning for several reasons. First, 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 in their 30s and 40s, and have families to support. Second, the skills and knowledge of new graduates may deteriorate as they are out of work, and thus they may find it hard to obtain work and regain their skills in the future. Third, these new graduates may leave California to seek employment, resulting in a loss of the investment made in their education. Most RN graduates in California come from public universities and community colleges, and thus the public has an interest in ensuring that investments in education benefit the state's population.

Several potential solutions to this problem have been proposed, including 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. Newly graduated nurses who find it difficult to obtain work in the community in which they attended nursing school may consider moving to regions of California where demand is relatively greater, such as Central California and the Inland Empire.

Nearly all national and state analyses indicate that the current perceived surplus of RNs is temporary, and will vanish as the economy improves and large numbers of nurses reach retirement age. In the interim, there is risk that funders of nursing programs will withdraw money because they hear that new graduates cannot find work, and thus RN education programs will contract. A return of the severe shortage of the late 1990s through late 2000s is possible if educational

capacity is not maintained. California also could face an exacerbated shortage if its newly graduated nurses pursue employment in other states because they cannot find nursing positions here. It is essential that programs be established in the private or public sector through which new graduates are able to use and develop their knowledge and skills so they can ensure an adequate supply of RNs in the future. This may include expanded efforts by employers to develop the skills of new graduates to fill positions that are normally reserved for experienced nurses. Without these efforts, California's strong investment in nursing education may be at risk.

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