Survey of Nurse Employers in California, Fall 2013

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PREFACE

Survey Background

This report summarizes the findings from a survey of general acute care (GAC) hospital employers of registered nurses (RNs) in California, conducted in fall 2013. This is the fourth annual survey of hospital RN employers; together these surveys provide an opportunity to evaluate overall demand for RNs in the state, and changes that have occurred as the economy in California has recovered from the economic recession that started in late 2007. The survey also collects information specific to the hiring of newly graduated nurses because they 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 preference for hiring experienced nurses, and consequently the lack of positions available for newly graduated RNs.

Summary of Findings

After consecutive years of improving labor market conditions, the fall 2013 survey indicates weaker overall demand for registered nurses. Hospitals were asked to describe the RN labor market in their area using a rank order scale of 1 to 5, where “1” indicated demand for RNs was much less than the available supply, and “5” indicated high demand for RNs with difficulty filling open positions. In fall 2013, approximately 41% of responding hospitals reported moderate to high demand for RNs relative to supply. This represents a decline compared to one year ago when just over half (51%) of responding hospitals reported moderate to high demand for RNs. The share of hospitals that characterized demand for registered nurses in fall 2013 as being less than or much less than the available supply increased by 10% compared to one year ago.

This year’s survey asked hospitals to differentiate between labor market conditions faced by experienced RNs versus new RN graduates. Their responses confirm that demand for newly graduated nurses is weak across California. In every region of the state, hospital employers reported perceptions that the available supply of new RN graduates was much greater than demand. In contrast, hospitals reported that it has become increasingly difficult to fill positions for case managers, informatics nurses, clinical educators, department managers, and positions at the director level.

The survey data indicate that overall demand for registered nurses is weakest in the San Francisco Bay Area, which has been the case in all four years that this survey has been conducted. In other regions of the state, hospitals reported that demand for experienced RNs is moderate with some difficulty filling open positions. However, as noted, demand for newly graduated RNs across the state is uniformly weak.

Approximately one-third of all hospitals reported increased hiring of both staff RNs and Nurse Practitioners, compared to 22% of hospitals that reported decreased hiring of staff RNs, and only 3% that reported decreased hiring of NPs. Nearly half of all hospitals (45%) indicated that employment of temporary RNs had declined over the past year; approximately one-third (35%) reported decreased hiring of agency RNs. Hospitals also reported that 72% of RNs were employed in a full-time position, compared to 65% in fall of 2012.

More than 70% of all hospitals reported that they faced pressure related to budget constraints in the past year, and 60% reported a reduction in patient census. Other frequently reported issues included increased patient acuity, fewer nurses retiring than expected and current staff working more hours. These are consistent with the results of past surveys, indicating that these conditions remain persistent concerns for GAC hospitals in California.

Approximately three-quarters of all hospitals reported having hired new RN graduates in the past year, but this represents a slight decline from the previous year. In each of the past four years, the share of hospitals reporting having hired new graduates has decreased. Most hospitals (61%) indicated that levels of new RN graduate hiring would remain unchanged in the coming year. Because of the lack of positions available for new graduates, hospitals are hiring them into staff positions that are non-nursing (26% of hospitals in the survey). The hospitals that do not hire new graduates cited a variety of reasons why not, including a lack of mentors/preceptors available to train new graduates, a labor market that favors experienced RNs, and budgetary constraints that prevented them from establishing or expanding clinical residency programs.

The share of hospitals that either require or prefer new staff RN hires to have baccalaureate training has increased from 74% in 2011 to 80% in 2013. Two out of every three hospitals responding to the survey indicated plans to increase the share of baccalaureate-prepared RNs on staff. Nearly one-third of hospitals, however, reported facing barriers to increasing the number of baccalaureate-trained RNs on staff, including a lack of funds to provide incentives. Although policies requiring newly hired RNs trained below the baccalaureate level to eventually obtain a baccalaureate degree are rare, nearly half of all hospitals reported that these nurses face limitations to being promoted beyond the position of staff nurse.

The average quarterly vacancy rate for all registered nurses in 2013 was 4.2%, which marks the highest average quarterly vacancy rate reported in the four years this survey has been conducted. Current vacancy rates (2013, Q4) varied by position type: 7.1% for non-staff RN positions (not general staff RN positions), 5.8% for new RN graduate positions, and 3.9% for staff RNs. Hospitals were asked whether they had created new job classifications for nurses over the past year, and the most frequently reported new positions were non-staff RN positions such as case management, care coordination, clinical documentation specialists, and informaticists. The creation of new job classes for non-staff RNs, combined with their high vacancy rates, underscore the perception that non-staff RN positions are difficult to fill.

Hospitals were asked about their expectations for hiring registered nurses in 2014 compared to 2013. More than twice as many hospitals reported expectations of increased employment compared to decreased employment of RNs over the next year. A change in the patient census was perceived as the most important driver of expectations for registered nurse employment. Those hospitals anticipating increased employment also expected an increase in the number of patients, while those anticipating decreased employment of RNs reported expectations that the patient census would be declining.

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://rnworkforce.ucsf.edu/demand-data/

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BACKGROUND: NURSE DEMAND IN CALIFORNIA

In the late 1990s, forecasts of the supply and demand of the national registered nurse (RN) workforce pointed to a significant short-term and long-term shortage.[1] In California, the documented shortage was especially acute through most of the 2000s, with a ratio of employed RNs per capita among the lowest in the United States.[2] This spurred significant action to address the relatively low supply of RNs, and resulted in successful growth of the state's 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 labor market for RNs, significantly impacting estimates of the size of the nursing shortage.[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 the financial losses in many retirement portfolios.[6]

Additionally, the recession caused significant financial challenges for hospitals, with many cutting 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 orientation programs or residencies. Empirical analyses corroborated these trends and indicated that the RN shortage had been alleviated by 2009, and that a shortage of RNs would likely not emerge again nationally until 2018.[7] Nonetheless, because the RN workforce is aging and likely to transition to retirement soon, and because the increasing number of older Americans is expected to increase demand for healthcare services, it is necessary for new and recent RN graduates to be retained in the workforce in order to meet the projected demand for nurses in the future.[8]

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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.

To better understand the impact of these changes in the nursing labor market on new RN graduates' ability to find jobs in California, in 2009 the Gordon and Betty Moore Foundation commissioned the California Institute for Nursing & Health Care (CINHC) to conduct a survey of healthcare facilities to identify their hiring plans for new RN graduates.[9] This survey revealed that approximately 40% of new California RN graduates may not find employment in California hospitals, because only 65% of hospitals indicated they were hiring new graduates. Moreover, the hospitals that were hiring new graduates were doing so in smaller numbers compared with previous years. These findings were corroborated by surveys the Moore Foundation commissioned the University of California, San Francisco (UCSF) to conduct in 2010, 2011, and 2012. This trend creates a significant challenge to develop and retain newly graduated RNs for the future, as hospitals have historically been their primary employer.[10]

Continued slow economic growth in California is likely to make the lack of job opportunities for new RN graduates persistent, even though it is anticipated that many experienced RNs will reduce their hours of work or retire as the economy recovers. Thus, there is a continued need to understand the capacity of California hospitals to hire new RN graduates so that the state can identify risks and opportunities for preparing and maintaining a nursing workforce to meet the needs of the population. This survey, supported by the Gordon and Betty Moore Foundation and conducted by UCSF, 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's acute care hospitals.

[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.

SURVEY METHODS

Two survey instruments were used to provide data for this report, one fielded by UCSF and a second fielded by Allied for Health[11] and administered by the Hospital Association of Southern California (HASC). The UCSF survey was structured to collect information from chief nurse officers (CNO) and focused on their perceptions of the labor market, expectations for hiring, and the characteristics of new graduate training programs. The Allied for Health survey was oriented toward human resources directors and used to collect staffing data, including current headcounts, new employee hires, separations, and vacancies.

These surveys were based, in part, on the questionnaire used by CINHC in the 2009 New RN Hospital Survey, the 2010 UCSF Survey of Nurse Employers, and turnover and vacancy surveys developed by Allied for Health. A team of researchers from UCSF, Allied for Health, FutureSense, Inc., CINHC, and the Moore Foundation designed the 2013 instruments to meet the research goals of the Moore Foundation, as well as optimize workforce planning and forecasting. The UCSF survey was posted online following approval by the UCSF Committee on Human Research. Pre-notification emails were sent to all CNOs using a mailing list updated from the 2012 survey. The invitation from UCSF included a link to the web address of the online version of the survey. It also included fillable-PDF forms that could be completed by the respondent and returned by email, or faxed to UCSF. The Allied for Health survey was administered online; the data were collected over a period of one month in December, 2013 and described staffing patterns for the fourth quarter of the year (October 1 – December 31, 2013). For both surveys, facilities were contacted with follow-up emails and telephone calls to encourage participation.

Survey Participation and Data Analysis

The Allied for Health survey elicited 138 unique responses, representing 154 general acute care hospitals and 31,947 beds, while the UCSF survey elicited 167 unique responses, representing 201 general acute care hospitals and 36,829 beds.[12] These totals represent approximately 35% (HASC) to 40% (UCSF) of the total number of beds at general acute care hospitals in California. In the UCSF survey, 24 respondents reported data for multiple hospital facilities; in the Allied for Health survey, 6 respondents reported data for multiple facilities.[13] A total of 80 facilities responded to both the USCF and Allied for Health surveys.

Throughout the report we provide the number of facility responses (N) represented by the statistics in tables and figures. The number of responses reflects the fact that in some cases the data represent multiple hospital facilities.

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[11] Allied for Health consists of the California Hospital Association, the Hospital Association of Southern California, the Hospital Council of Northern and Central California, and the Hospital Association of San Diego and Imperial Counties.

[12] Some responding hospitals provided data describing associated outpatient and specialty clinics, as well as long-term care facilities.

[13] The respondents are recognized as general acute care hospitals from their inclusion in the California Office of Statewide Health and Planning database, and from the American Hospital Association member database.

Some data are used to describe differences in labor market conditions across different regions in California. The multi-hospital data are included in these analyses since they were reported for facilities that were all within the same region. 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 region represents.

Table 1. Geographic regions and the counties they represent

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

Table 2 compares the distribution of hospitals that responded to each survey (or both surveys) with the distribution of general acute hospitals in California, across the geographic regions used in this report. In general hospitals that responded individually to either the USCF survey or the Allied for Health survey resemble the distribution of GAC facilities in California. However, in both surveys, responding hospitals are underrepresented by facilities in the Bay Area, and overrepresented by facilities in the Central California region.

Table 2. Distribution of responding hospitals vs. GAC hospitals in California, by region

Region	GAC hospitals in CA		UCSF survey		Allied for Health survey		UCSF & HASC survey	
	#	%	#	%	#	%	#	%
Sacramento & North CA	59	12.9	23	11.4	24	15.6	9	11.3
SF Bay Area	90	19.7	36	17.9	28	18.2	11	13.8
Central CA	82	17.9	46	22.9	29	18.8	22	27.5
Los Angeles	115	25.1	49	24.4	37	24.0	20	25.0
Inland Empire	81	17.7	30	14.9	23	14.9	12	15.0
Southern Border	31	6.8	17	8.5	13	8.4	6	7.5
Total	458	100.1	201	100.0	154	100.0	80	100.0

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

Table 3 compares the distribution of survey respondents with GAC facilities in the state based on facility size, measured as the total number of licensed beds. Respondents to the UCSF survey generally resemble the state-wide distribution of GAC facilities by size, excepting very small hospitals (fewer than 100 beds) which are underrepresented, and very large hospitals (400 beds or more) which are overrepresented. The distribution of hospitals in the Allied for Health survey data show slightly more skewing by comparison with very small hospitals and hospitals with between 100 and 199 beds are underrepresented, and hospitals with between 200 and 299 beds and 400 beds or more are overrepresented.

Table 3. Distribution of responding hospitals vs. GAC hospitals in California, by bed size, 2013

Total # of beds	GAC hospitals in CA		UCSF Survey		HASC survey	
	#	%	#	%	#	%
Less than 100 beds	152	32.6	45	22.4	34	22.1
100 - 199 beds	140	30.0	56	27.9	35	21.7
200 - 299 beds	74	15.9	36	17.9	40	26.0
300 - 399 beds	48	10.3	27	13.4	21	13.6
400 or more beds	52	11.2	37	18.4	24	15.6
Total	466	100.0	201	100.0	154	100.0

Table 4 compares the distribution of survey respondents with GAC facilities in the state, based on whether or not the geographic location of the facility is considered rural.[14] The rural/non-rural distribution of survey respondents is similar to that of GAC facilities in the state.

[14] The rural vs. non-rural status of a facility was determined using the Rural-Urban Commuting Area codes and the hospital's zip code. For more information see: http://depts.washington.edu/uwruca/

Table 4. Distribution of responding hospitals vs. GAC hospitals in California, by rural/non-rural geographic location, 2013

	GAC hospitals in CA		UCSF Survey		HASC survey	
Geographic location	#	%	#	%	#	%
Rural	66	14.4	32	16.2	23	14.9
Non-rural	393	85.6	169	83.8	131	85.1
Total	459	100.0	201	100.0	154	100.0

FINDINGS

Perception of Labor Market Conditions

Hospitals were asked to report their perception of labor market conditions for registered nurses in their region overall, as well as for experienced RNs and for new RN graduates, using a rank order scale of 1 to 5. A score of "1" indicated that demand for RNs was much less than the available supply, while a score of "5" indicated high demand for RNs and difficulty filling open positions.[15] Table 5 below compares the reported results of overall RN labor market conditions from this year's survey with the results from surveys conducted in each of the past three years (2010 – 2012).[16]

Approximately 9% of hospitals reported a perception of high demand for RNs (difficult to fill open positions), which is an increase in comparison with previous years. However, the data suggest that overall labor market demand for registered nurses weakened in 2013. For the survey conducted in fall 2010, just 36% of hospitals described demand for RNs in their region as being either moderate or high. One year later, this share had increased to 49%, and in 2012 a majority (51%) reported moderate or high demand for RNs. In 2013, only 41% of hospitals reported moderate to high demand for RNs, reversing the trend of hospital employers reporting perceptions of an improving labor market for registered nurses.[17]

The biggest change compared to one year ago is a shift in the proportion of hospitals reporting either "moderate demand" or "demand less than supply". The share of hospitals reporting moderate demand in fall 2013 declined by 12 percentage points from the previous year, while the share of hospitals reporting demand is less than the supply of available RNs increased by 10 percentage points compared to 2012. One in five hospitals reported a perception that the RN labor market in their region was balanced, which is consistent with the previous year.

Hospitals were asked to describe the types of RN positions that were difficult to fill. Responses indicate widespread demand for RNs with experience in critical care and intensive care units (ICUs). Survey respondents also reported strong demand for operating room (OR) nurses, labor and delivery (L&D) nurses, and RNs with expertise in the emergency department (ED). Other nursing positions for which demand is comparatively strong include clinical educators, case managers and positions in leadership.

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[15] In previous years' surveys the data were reported on a scale of 1 to 5 where 1 indicated high demand and 5 indicated low demand. Data from prior years have been recoded to match the rank order scale used in fall 2013.

[16] In previous years survey respondents were given option to describe labor market conditions as "other" and write-in a description. This option was excluded from the fall 2013 survey. To allow for comparisons across survey years, prior year survey data included in Table 5 has been adjusted to exclude "other" response values.

[17] It should be noted that this year's survey asked respondents to report perceptions of the overall labor market for RNs separately from the labor market for experienced RNs and the labor market for new RN graduates. In previous years' surveys, respondents were asked only to report on overall labor market conditions.

Table 5. Overall RN labor market demand in California, 2010 – 2013

	2010		2011		2012		2013	
Description	#	%	#	%	#	%	#	%
High demand	8	5.3	7	4.7	12	5.5	17	8.6
Moderate demand	47	30.9	65	43.9	98	45.2	64	32.3
Demand in balance with supply	18	11.8	10	6.8	43	19.8	37	18.7
Demand less than supply	41	27.0	35	23.6	37	17.1	53	26.8
Demand much less than supply	38	25.0	31	20.9	27	12.4	27	13.6
Total	152	100	148	100	217	100	198	100

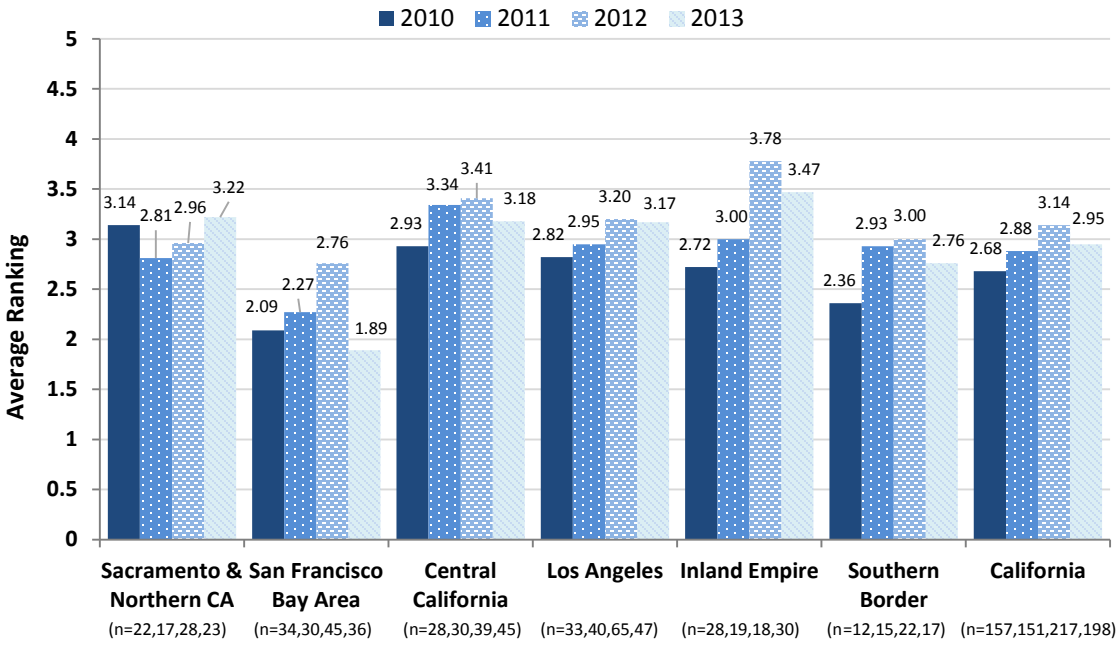
Note: percentages may not sum to 100% due to rounding.

Figure 1 below shows the average ranking of the overall labor market conditions for registered nurses by region.[18] With the exception of the Sacramento/Northern California region, hospitals reported weaker demand for registered nurses in comparison with the previous year. Consistent with prior years, overall demand for registered nurses was weakest among hospitals in the San Francisco Bay Area. Furthermore, the size of the decrease between 2012 and 2013 in average score for overall demand was largest for hospitals in the Bay Area. Demand for registered nurses was strongest in the Inland Empire region for the second consecutive year, where the mean score of 3.47 reflects a perception of labor market conditions that are somewhere between balanced and having moderate demand for RNs relative to supply.

In this year's survey, hospitals were also asked to report their perception of labor market demand specifically for experienced RNs and for new RN graduates. Figure 2 compares the average demand score for experienced RNs versus demand for newly graduated RNs by geographic region. With the exception of the San Francisco Bay Area, these data indicate that there is moderate demand, with some difficulty filling open positions, for experienced RNs across the state. In the Bay Area, hospitals characterized the labor market for experienced RNs as balanced between supply and demand. In contrast, the demand for newly graduated RNs is weak across the state. The average demand score is less than 2 in every region, which corresponds to the perception that demand is less than, or much less than the available supply of new RN graduates.

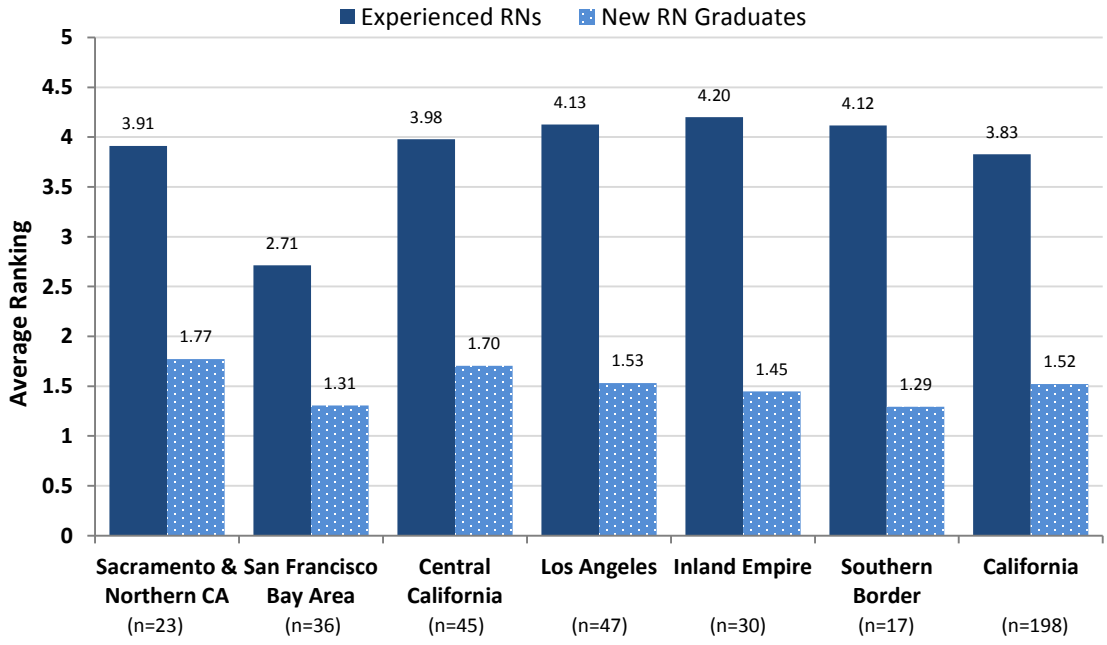
[18] Hospitals reporting "other" labor market conditions in previous years' surveys were not included in the calculation of average rankings.

Figure 1. Average ranking of overall labor market demand by geographic region, 2010 – 2013



Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

Figure 2. Average ranking of experienced and newly graduated RN labor market demand by geographic region, 2013



Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

Table 6 shows the distribution of hospitals in each region according to how they characterized the labor market for registered nurses in fall 2013. The table differentiates between the overall RN, experienced RN, and new RN graduate labor markets. These data underscore the perception of demand presented in Figure 1. A majority of hospitals in the Los Angeles region (53.2%) and 60% of hospitals in the Inland Empire reported that there was moderate demand, with some difficulty filling positions for the overall RN labor market. These two regions had the highest overall average demand scores.

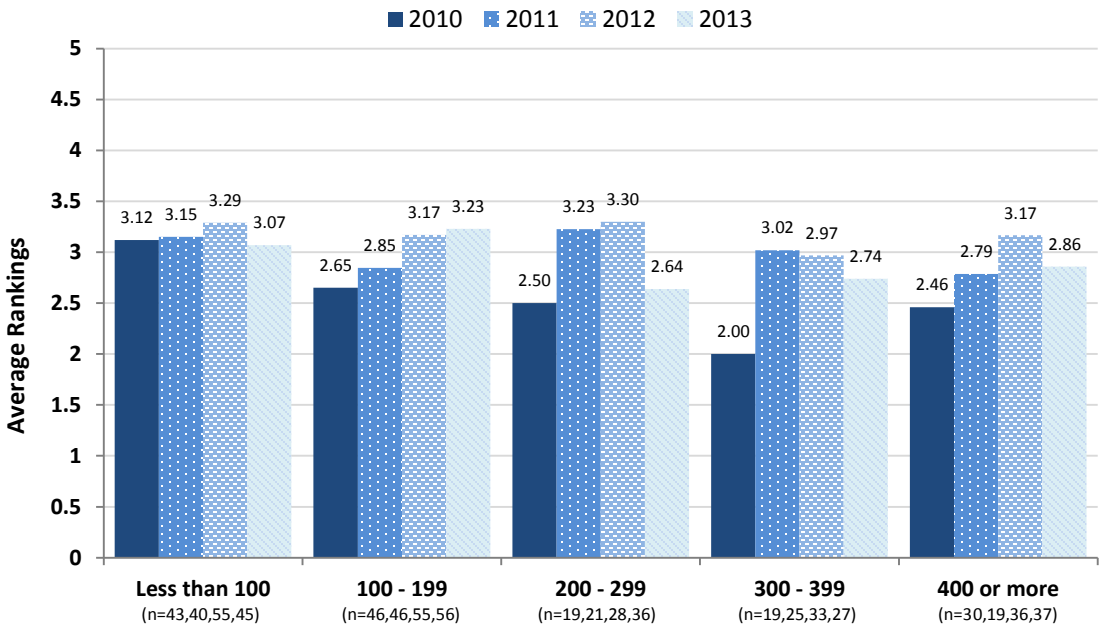
By comparison, demand for experienced RNs is strong across nearly all regions. The exception is the San Francisco Bay Area, where more than one-third (37%) of hospitals reported that demand for experienced RNs was less than the supply available, and on average the labor market was perceived as balanced. In contrast, these data describe a labor market for newly graduated RNs as being weak across the state. Anywhere from 85% to 100% of hospitals in every region reported that demand for new graduates was either "less than" or "much less than" the available supply.

Table 6. RN labor market demand by geographic region, 2013

	Region					
	Sac/ North CA	SF Bay Area	Central CA	LA	Inland Empire	South Border
Overall RN labor market	%	%	%	%	%	%
High demand	21.7	0.0	11.1	4.3	13.3	5.9
Moderate demand	21.7	8.3	37.8	53.2	46.7	0.0
Demand in balance with supply	26.1	8.3	17.8	8.5	20.0	58.8
Demand less than supply	17.4	47.2	24.4	23.4	13.3	35.3
Demand much less than supply	13.0	36.1	8.9	10.6	6.7	0.0
Total hospitals	23	36	45	47	30	17
Experienced RN labor market						
High demand	39.1	5.7	33.3	42.6	43.3	41.2
Moderate demand	30.4	20.0	48.9	38.3	40.0	41.2
Demand in balance with supply	17.4	25.7	6.7	10.6	10.0	5.9
Demand less than supply	8.7	37.1	4.4	6.4	6.7	11.8
Demand much less than supply	4.3	11.4	6.7	2.1	0.0	0.0
Total hospitals	23	35	45	47	30	17
New RN graduate labor market						
High demand	4.5	0.0	4.5	0.0	0.0	0.0
Moderate demand	4.5	2.8	0.0	4.3	0.0	0.0
Demand in balance with supply	0.0	2.8	6.8	10.6	3.4	0.0
Demand less than supply	45.5	16.7	38.6	19.1	37.9	29.4
Demand much less than supply	45.5	77.8	50.0	66.0	58.6	70.6
Total hospitals	22	36	44	47	29	17

Figure 3 compares the average demand score for the overall RN labor market by hospital size (total number of licensed beds) for each of the four years the survey has been conducted. With the exception of hospitals ranging in size from 100 – 199 beds, overall demand for RNs declined in fall 2013 compared with the previous year. These data also indicate that demand is stronger among smaller hospitals (those with fewer than 200 beds). The biggest change over the past year is seen among hospitals ranging in size from 200 – 299 total beds, where the average demand score declined from 3.30 to 2.64. Smaller hospitals reported labor market conditions in fall 2013 as generally balanced between supply and demand, while larger hospitals characterized conditions as demand being less than the available supply of RNs.

Figure 3. Average ranking of overall labor market demand by hospital bed-size, 2010 – 2013



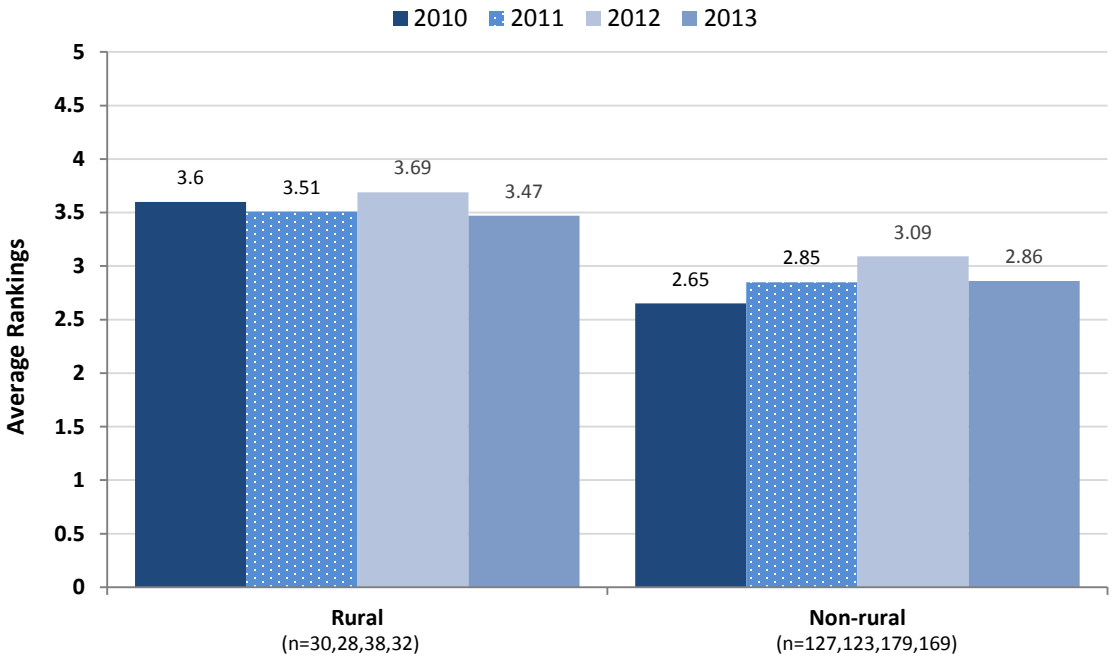
Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

The differences in the labor market conditions for experienced RNs compared to new RN graduates by hospital size are consistent with data presented above (Figure 2 & Table 6). For experienced RNs, the average demand scores ranged from 3.5 to 4.0 indicating moderately high demand, with some difficulty filling open positions. Smaller hospitals reported perceptions of slightly stronger demand in comparison with larger hospitals. Demand for new RN graduates was consistently weak among hospitals of all sizes. The average demand scores ranged from 1.2 to 1.75 indicating a general perception of demand being less than or much less than the available supply of new RN graduates. Smaller hospitals reported marginally stronger demand for new graduates in comparison with larger hospitals.

Figure 4 below compares average demand score for the overall RN labor market by whether or not the hospital is located in a geographically rural area. The average score among rural hospitals has been stable over time, with scores indicating a perception that demand for RNs is somewhere between balanced with supply, and moderately high (some difficulty filling open positions). Among hospitals in non-rural areas, the average demand score fell slightly compared

to one year ago, reversing a trend in which demand had been growing stronger. As in previous survey years, rural hospitals reported stronger demand for RNs on average in comparison with non-rural hospitals.

Figure 4. Average ranking of RN labor market demand by geography, 2010 – 2013



Note: 1 indicates that demand is much less than supply; 5 indicates that demand is much greater than supply. (Lower numbers indicate greater surplus of nurses.)

The differences in the labor market conditions for experienced RNs compared to new RN graduates by geography are consistent with data presented above (Figure 2 & Table 6). For experienced RNs, the average demand scores for both rural and non-rural hospitals indicated moderately high demand, with some difficulty filling open positions. The average score for non-rural hospitals was slightly higher by comparison with rural hospitals. Reported demand for new RN graduates was weak for both rural and non-rural hospitals, with average demand scores indicating a general perception of demand being much less than/much less than the available supply of new RN graduates. However, in contrast with reported conditions for experienced RNs, rural hospitals reported somewhat higher demand for new RN graduates in comparison with non-rural hospitals.

Nurse recruitment: Comparison with last year

Hospitals were asked whether the recruitment of RNs, licensed vocational nurses (LVNs), and unlicensed assistants/aides was currently “more difficult”, “about the same”, or “less difficult” than it was last year. Table 7 shows that a majority of hospitals reported that difficulty recruiting for staff nursing positions in fall 2013 was about the same as it was in fall 2012. Unlike previous years, the 2013 survey featured additional questions on the difficulty of recruiting for Nurse Practitioner (NP), Certified Nurse Midwife (CNM), Certified Registered Nurse Anesthetist (CRNA), and Clinical Nurse Specialist (CNS) positions.

For all types of nursing positions, hospitals most frequently reported that recruitment conditions were unchanged from one year ago. However, the extent to which hospitals felt this to be the case varied by the type of nursing position. For example, nearly 90% of hospitals reported that the level of difficulty recruiting certified nurse midwives (CNMs) was unchanged compared to a year ago, while only 52% of hospitals felt the same way about "other RN positions," which includes managers, specialists, and other non-staff-nursing roles.

"Other RN" positions have become more difficult to fill. Approximately 39% of hospitals in the fall 2013 survey reported having greater difficulty recruiting for these positions compared to a year ago. This represents an increase in comparison with the fall 2012 survey, when just 26% of hospitals reported the same perception. Job titles for "other RN" positions most frequently identified as difficult to recruit for included case managers, informatics nurses, clinical educators, department managers, and positions at the director level.

Staff RN jobs are marginally more difficult to fill than they were in 2012. Fourteen percent of hospitals reported having greater difficulty recruiting for staff RN positions compared to one year ago; in the fall 2012 survey the share was 10%. This is also the case for unlicensed aides/assistants, with 9% of hospitals reporting increased difficulty recruiting in fall 2013 compared to just 5% in the fall 2012 survey. For the second consecutive year, hospitals reported that LVNs were the easiest position to recruit. In each of the past two years, approximately 30% of all hospitals indicated that recruitment of LVNs was less difficult in comparison with the previous year.

Among advanced practice RNs, Clinical Nurse Specialist (CNS) was the position most frequently reported as being more difficult to recruit compared to one year ago. In contrast, hospitals most frequently reported that it had become less difficult to recruit certified registered nurse anesthetists (CRNAs) in comparison with the previous year.

Table 7. Difficulty recruiting compared to last year, by position, 2013 (Q4)

	Difficulty Recruiting Compared to Last Year						
	More difficult		Less difficult		No change		Responses
Position	#	%	#	%	#	%	#
Staff RN	27	14.4	36	19.3	124	66.3	187
NP	17	13.4	13	10.2	97	76.4	127
CNM	2	2.4	7	8.2	76	89.4	85
CRNA	5	6.0	11	13.1	68	81.0	84
CNS	21	18.3	11	9.6	83	72.2	115
Other RN	64	39.3	15	9.2	84	51.5	163
LVN	2	1.7	36	29.8	83	68.6	121
Unlicensed Aide/Assistant	14	8.8	24	15.0	122	76.3	160

Tables 8 and 9 list the most frequently reported units in which NPs and CNSs are employed by hospitals. Among those hospitals that employ NPs, ambulatory care/outpatient clinic was reported three times as often as any other unit type. Employment settings for CNSs are

markedly different by comparison. Among hospitals that utilize Clinical Nurse Specialists, employment in the ICU was reported four times as often as any other unit type.

Table 8. Units where Nurse Practitioners are employed

Description	#
Ambulatory Care Clinic	68
Intensive Care (ICU)	23
Emergency Department	22
Cardiac Unit	11
Medical-Surgical	11

Table 9. Units where Clinical Nurse Specialists are employed

Description	#
Intensive Care (ICU)	69
Emergency Department	17
Education	16
Medical-Surgical	15
Pediatrics	13

Current Employment of Nurses[19]

Responding hospitals reported total current employment[20] of 70,911 registered nurses (Table 10). Hospitals were asked to differentiate between staff RNs,[21] who represent more than 90% of all employed registered nurses, and non-staff RNs, who include managers and educators. Hospitals also were 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, care coordinators and educators; and specialty nurses, including quality specialists and informaticists.

Table 10 presents total current employment and the distribution of employment by full-time versus part-time status. There is wide variation in the distribution of full-time and part-time employment across the different nursing positions. Staff RNs are more likely to work part-time in comparison with all other positions (approximately 29% of all employed staff RNs). In contrast, new RN graduates are employed almost exclusively full-time (9 out of every 10 positions).

These data also indicate an increase in full-time employment of registered nurses in comparison with the previous year. In fall 2013, 72% of employed RNs were working full-time, compared to 65% in fall 2012. The largest increase in full-time employment occurred for staff RNs: 71% in fall

[19] Staffing data are derived from the HASC Healthcare Workforce Survey, which is conducted quarterly. The data used in this report refer to the period from October 1, 2013 to December 31, 2013.

[20] Current employment refers to the number of employees as of the pay period closest to December 31, 2013.

[21] Staff RNs include "new RN graduates", who are defined as registered nurses with less than six months of nursing experience.

2013 versus 64% in fall 2012. The share of non-staff RNs working full-time increased as well, from 84% in fall 2012 to 87% in fall 2013. The increase in full-time employment also impacted LVNs and unlicensed aides/assistants. The share of LVNs working full-time increased from 77% in fall 2012 to 83% in fall 2013; for unlicensed aides/assistants the increase was from 76% in fall 2012 to 80% in fall 2013.

Table 10 also suggests there have been small shifts over the past year in the number of nursing positions relative to one another. For example, in fall 2012, hospitals reported approximately 18 staff RNs for every 1 non-staff RN; in fall 2013 this ratio decreased to 14:1. The ratio of staff RNs to unlicensed aides/assistants also declined between fall 2012 and 2013, from 10:1 to 8:1. In fall 2013, hospitals reported a staff RN to LVN ratio of 23:1, down very slightly from the ratio of 24:1 reported in 2012.

Table 10. Number of current staff (headcount) by position, 2013 (Q4)

	Full-time		Part-time		
Description	Headcount	% of total	Headcount	% of total	Total
All Registered Nurses	51,176	72.2	19,735	27.8	70,911
Staff RNs	45,893	70.7	19,025	29.3	64,918
Other RNs	4,007	87.0	601	13.0	4,608
New RN Graduates	1,262	92.0	109	8.0	1,371
Licensed Vocational Nurses	2,273	83.4	454	16.6	2,727
Aides/Assistants	5,818	79.6	1,489	20.4	7,307

Hospitals were asked to report on the shift lengths used when scheduling nursing staff. Table 11 describes their responses. Almost all hospitals utilize twelve-hour shifts, and approximately 60% use eight-hour shift lengths. Far less commonly reported was the use of a 10-hour shift.

Table 11. Shift lengths in scheduling, 2013

Description	#	%
12-hour shifts	182	94.3
10-hour shifts	72	37.3
8-hour shifts	118	61.1
Other	11	5.7
Responses	193	-

Per Diem, Contract & Agency Employment

Tables 12 and 13 present hospital use of per diem, contract, and agency employees, by position type. Among registered nurses, the rate of per diem employee use is much higher for experienced staff RNs (14.2%) compared with either non-staff RNs (8.3%) or new RN graduates (4.3%). However, registered nurses work less frequently as per diem employees compared to either LVNs and unlicensed aides/assistants.

The share of all registered nurses who work as per diem employees is slightly lower in comparison with the previous year (13.6% in 2013 versus 14.7% in 2012). However, the historical data in Table 12 show that use of per diem RNs has fluctuated in a narrow range between 12% and 15% of current RN staff. For LVNs and unlicensed aide/assistants the reported rate of per diem utilization increased. In fall 2013, hospitals reported that per diem LVNs accounted for 19.5% of all employed LVNs, compared to 15.2% in fall 2012. For unlicensed aides/assistants the rate increased from 18.1% in fall 2012 to 20% in fall 2013. These data indicate an upward trend in the use of per diem LVNs and unlicensed aides/assistants over the past three survey cycles.

Contract and agency employees were far less frequently reported as compared with per diem employees. And as with per diem employees, the use of contract and agency RNs has fluctuated in recent years. The data presented in Table 13 suggest a small upward trend in the use of contract and agency LVNs over the past three years. It's important to keep in mind, however, that the actual number of employees is very small.

Table 12. Per Diem, contract, and agency staff as share of current staff, 2013 (Q4)[22]

Per Diem Employees	# of positions	% of current staff
All Registered Nurses	9,636	13.6
Staff RNs	9,192	14.2
Other RNs	384	8.3
New RN Graduates	60	4.3
Licensed Vocational Nurses	532	19.5
Aides/Assistants	1,463	20.0
Contract Employees		
Registered Nurses	910	1.3
Licensed Vocational Nurses	97	3.6
Aides/Assistants	54	0.7
Agency Employees		
Registered Nurses	448	0.6
Licensed Vocational Nurses	89	3.3
Aides/Assistants	149	2.0

[22] The per diem, contract, and agency share of current staff is calculated as follows: (number of per diem/full-time contract/full-time agency positions as of the pay period closest to December 31, 2013) / (number of regular staff positions as of the pay period closest to December 31, 2013)

Table 13. Per diem, contract, and agency staff as share of current staff, 2010 – 2013

	% of Current Staff			
Per Diem Employees	2010	2011	2012	2013
Registered Nurses	12.8	12.4	14.7	13.6
Licensed Vocational Nurses	16.9	8.6	15.2	19.5
Aides/Assistants	17.1	14.0	18.1	20.0
Contract Employees				
Registered Nurses	1.6	2.7	0.8	1.3
Licensed Vocational Nurses	0.4	0.1	1.2	3.6
Aides/Assistants	0.3	0.0	0.1	0.7
Agency Employees				
Registered Nurses	1.0	0.2	0.6	0.6
Licensed Vocational Nurses	1.0	0.3	0.1	3.3
Aides/Assistants	1.5	0.3	1.5	2.0

Staff Separations by Position

Table 14 presents data describing nurses who left their positions in the fourth quarter of 2013. Total separation rates were highest for non-staff RNs, LVNs, and unlicensed aides/assistants, and lowest for staff RNs. A comparison of full-time versus part-time data shows that separation rates were generally the same for staff RNs, the full-time rate was higher for non-staff RNs, while part-time separation rates were higher for LVNs and unlicensed aides/assistants. Table 15 presents annualized separation rates[23] for the period 2010 – 2013 for registered nurses. The data indicate that the total RN separation rate has increased each year since 2010.

Table 14. Separations (turnover) as a share of current staff, by position, 2013 (Q4)[24]

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	1,218	2.4	439	2.2	1,657	2.3
Staff RNs	1,084	2.3	424	2.2	1,508	2.3
Other RNs	134	3.4	15	2.6	149	3.3
Licensed Vocational Nurses	70	3.1	16	3.4	86	3.2
Aides/Assistants	162	2.8	88	5.9	250	3.4

Note: Staff RNs include new RN graduates. New RN graduates are also defined as having less than 6 months of experience.

[23] Data were reported on a quarterly basis in their original form. We have annualized the rate by multiplying the quarterly average by a factor of four.

[24] The separation rate was calculated as follows: (number of positions at the start of the quarter beginning October 1, 2013) / (number of separations occurring during the quarter October 1, 2013 – December 31, 2013).

Table 15. RN separations (turnover) as a share of current staff, 2010 – 2013

	Total Separation Rate (%)			
Description	2010	2011	2012	2013
All Registered Nurses	8.2	8.5	8.6	8.8

New Employee Hiring by Position

Table 16 describes nursing personnel who were hired as new employees in the fourth quarter of 2013. Unlicensed aides/assistants had the highest overall hiring rate in the quarter. [25] A comparison of full-time versus part-time hiring rates indicates that the full-time rate was higher for staff and non-staff RNs, but that the part-time rate was higher for LVNs and unlicensed aides/assistants. Table 17 presents annualized hiring rates[26] for the period 2010 – 2013 for registered nurses. The data indicate that the total RN hiring rate has fluctuated in recent years, but was marginally higher in 2013 compared to 2012.

Table 16. Reported new employees as a share of current staff, by position, 2013 (Q4)

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	1,690	3.3	332	1.7	2,022	2.8
Staff RNs*	1,592	3.5	322	1.7	1,914	2.9
Other RNs	98	2.5	10	1.7	108	2.4
Licensed Vocational Nurses	56	2.5	13	2.8	69	2.5
Aides/Assistants	226	3.9	87	5.8	313	4.2

Note: Staff RNs include new RN graduates. New RN graduates are also defined as having less than 6 months of experience.27

Table 17. Reported new employees as a share of current staff, by position, 2010 – 2013

	Total Hiring Rate (%)			
Description	2010	2011	2012	2013
All Registered Nurses	9.1	10.8	9.8	10.2

Taken together, the separation rates and hiring rates presented in Tables 14 and Table 16 offer a mixed picture of registered nurse employment. Full-time staff RNs had a hiring rate 3.5%

[25] The hiring rate was calculated as follows: (number of positions at the start of the quarter beginning October 1, 2013) / (number of new employees hired during the quarter October 1, 2013 – December 31, 2013)

[26] Data were reported on a quarterly basis in their original form. We have annualized the rate by multiplying the quarterly average by a factor of four.

[27] New RN graduates are included with Staff RNs in this table because of the comparatively small number of current staff identified as new RN graduates. Since new graduates are defined as having less than six months experience, a quarterly hiring rate isn't a useful measure of labor market conditions faced by new graduates.

versus a 2.3% separation rate, compared with part-time staff RNs who had a hiring rate of 1.7% versus 2.2% separation rate.[28] For non-staff RNs, hiring rates were lower than separation rates for both full-time and part-time positions: 2.5% hiring rate versus 3.4% separation for full-time non-staff RNs; 1.7% hiring rate versus 2.6% separation rate for part-time non-staff RNs.

New RN Graduates

Approximately 76% of hospitals reported hiring new RN graduates in 2013. Table 18 shows that in each year since 2010 the share of hospitals reporting having hired new RN graduates has declined. Mirroring this trend, the share of hospitals reporting that they do not hire new RN graduates has increased over time. In fall 2013, 16% of responding hospitals indicated they do not hire new RN graduates.

Table 18. Hiring of new RN graduates, 2010 – 2013

	2010		2011		2012		2013	
Description	#	%	#	%	#	%	#	%
Hired this year	88	84.6	123	82.6	166	77.6	146	76.0
Normally hire – not this year	7	6.7	14	9.4	27	12.6	15	7.8
Do not hire	9	8.7	12	8.0	21	9.8	31	16.1
Total	104	100.0	149	100.0	214	100.0	192	99.9

Of those hospitals that do hire new RN graduates, graduates are more likely to be hired into full-time positions. Table 19 shows that approximately one full-time new RN graduate was hired for every three full-time staff RNs hired during the quarter. The overall ratio of new RN graduates hired to staff RNs hired was marginally smaller, but represents an increase by comparison with fall 2012, when the overall reported ratio was approximately one new RN graduate for every four staff RNs hired.

Table 19. Ratio of new RN graduates hired to staff RNs hired, 2013 (Q4)

	Full-time		Part-time		Total	
Description	#	Ratio	#	Ratio	#	Ratio
New RN Graduates hired	405	0.34	43	0.15	448	0.31

Table 20 outlines expectations for new RN graduate hiring in 2014, relative to 2013. A majority of hospitals (61%) indicated they expected no change in the level of new graduate hiring in 2014. However, the share of hospitals reporting expectations for increased hiring of new graduates next year was somewhat larger in comparison with one year ago, while the share of

[28] The hiring rate for staff RNs is unaffected by the addition of new RN graduates; because of the small total number of employees considered to be new RN graduates, the hiring rate is the same whether or not they are included.

hospitals reporting an expectation that hiring of new graduates would decline in 2014 was smaller.

Table 20. Expectations for new graduate hiring in the next year, 2011/12 – 2013/14

	2011/12		2012/13		2013/14	
Description	#	%	#	%	#	%
Increase hiring of new graduates	30	21.6	43	22.3	39	24.1
Decrease hiring of new graduates	26	18.7	43	22.3	24	14.8
No difference in new graduate hiring	83	59.7	107	55.4	99	61.1
Total	139	100	193	100	162	100

Hospitals were asked to cite reasons for why they expected hiring of new graduate registered nurses in 2014 to be different from 2013. Those indicating an expected *increase* in new graduate hiring most frequently reported anticipating fewer experienced RNs available in the coming years, resulting in a greater number of nursing vacancies. These hospitals also reported an expectation that new graduates would bring about a desired culture change, and an interest in filling open specialty positions with new graduates trained in-house. Hospitals reporting an expectation of *decreased* hiring of new RN graduates most frequently reported anticipating that there would be fewer nursing vacancies next year.

Hospitals were asked whether or not they have new RN graduates on staff who are currently working in non-nursing roles. Table 21 shows that more than one-quarter of hospitals have hired new RN graduates into non-nursing positions. The most frequently reported reason for doing so was the lack of available positions for new graduates. In many cases, respondents were referring to incumbent employees who had recently completed a nursing degree, noting that there is a lack of capacity in their residency programs, and these incumbent employees remained in their non-nursing roles while waiting for a nursing position to become available. Another scenario frequently reported involved hiring new graduates (not incumbent employees) as nursing assistants or patient care assistants. This is being done in order to keep the new graduate engaged and improve the chances of being accepted into the hospital's clinical nurse residency program.

Table 21. Hiring of new graduates into non-staff RN roles, 2013

Description	#	%
Yes – new graduates work in non-nursing roles	55	28.6
No – new graduates do not work in non-nursing roles	137	71.4
Responses	192	100

Hospitals that indicated they do not hire new RN graduates were asked whether there were conditions, if met, which would cause them to consider hiring new graduates. The barriers to hiring new graduates included a lack of patient volume necessary to provide adequate training, a lack of mentors/preceptors available to train new graduates, a labor market that favors experienced RNs, and budgetary constraints; these factors prevented them from establishing or expanding clinical residency programs. Those hospitals who indicated a willingness to consider

hiring new graduates reported a need for institutional commitment to support new graduate development into nursing roles, as well as financial support to cover the costs of training.

Hospitals were also asked whether they have a hiring policy regarding RNs who do not have experience in an acute care setting. Table 22 presents the distribution of responses from the past three survey years. Sixty-seven percent of hospitals reported that they hire registered nurses who do not have acute care experience, though approximately 48% indicated that these RNs would be hired into positions for recent or new graduates. This is consistent with previous years.

Table 22. Hiring of registered nurses who do not have acute care experience, 2010 – 2013

	2010		2011		2012		2013	
Description	#	%	#	%	#	%	#	%
Hire into experienced positions	19	22.3	23	15.8	41	19.3	35	18.2
Hire into new graduate positions	36	42.4	65	44.5	84	39.6	93	48.4
Do not hire	30	35.3	58	39.7	87	41	64	33.3
Total	85	100	146	100	212	100	192	100

The hospitals that hire registered nurses without acute care experience were asked whether they have a training or "bridge" program designed for these RNs. Sixty-two percent reported having such a program. 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 RN graduate training program (or a modified version of it).

Requirements for RN Employment

Table 23 compares hospital responses from the three most recent surveys regarding requirements that must be met in order to be hired into a general staff nursing position. These data indicate that the share of hospitals with a minimum experience requirement for staff RN positions has increased. In 2011, just over half of responding hospitals reported a minimum experience requirement, whereas in 2013 the share was approximately 64%. Hospitals were asked to specify the number of months of experience required and approximately 69% reported 12 months.

Although small in number, the share of hospitals that require baccalaureate training as a condition for employment doubled between 2011 (4%) and 2013 (8%). In combination, the share of hospitals that either requires or prefers new staff RN hires to have baccalaureate training has increased from 74% in 2011 to 80% in 2013. Hospitals were also asked to report whether new staff RNs need to have experience in any specific areas of care. The most frequently reported types of care were critical care, ICU, pediatrics, orthopedics, labor and delivery, and telemetry.

Table 23. Requirements for registered nursing employment, 2011 – 2013

	2011		2012		2013	
Description	#	%	#	%	#	%
Minimum experience requirement	79	52.3	117	53.7	124	63.9
Baccalaureate degree preferred	105	69.5	148	67.9	140	72.2
Baccalaureate degree required	7	4.6	16	7.3	16	8.2
Specific experience requirement	79	52.3	121	55.5	110	56.7
No experience required for employment	32	21.2	47	21.6	24	12.4
Total	151	--	218	--	194	--

Baccalaureate-prepared Nurses

Hospitals were asked to report whether or not they had goals or plans in place to increase the number of baccalaureate-trained nurses on staff. Table 24 shows that two out three hospitals indicated having a plan to do so. Table 25 shows that 36% of hospitals who reported plans to increase the number of baccalaureate-trained RNs have a specific target in mind. Hospitals were split in terms of how large an increase they were targeting, with roughly half reporting plans to increase the number of BSN-trained nurses by at least 76%.

Table 24. Plans to increase BSN-prepared nurses, 2013

Description	#	%
Plan to increase the share of BSN-prepared RNs	126	66.0
No plan to increase share of BSN-prepared RNs	65	34.0
Total	191	100

Table 25. Targeted increase of BSN-prepared nurses, 2013

Description	%
No specific target	63.9
Have a target percentage	36.1
0-25%	43.6
26-50%	2.6
51-75%	7.7
76-100%	46.2

RNs trained below the baccalaureate level represent a substantial share of California's nursing workforce. Hospitals were asked whether new hires who hold either an AD or diploma are required to complete a BSN degree and, if so, how much time they have to complete it. Table 26 shows that very few hospitals require newly hired employees that don't already hold a BSN to obtain one (11%). For those that do have this requirement, a time table of 2 to 3 years to completion was commonly reported.

Table 26. Requirements for new hires to complete a BSN degree within a certain time, 2013

Description	#	%
Requirement that new hires complete BSN	21	11.1
No requirement	168	88.9
Total	189	100

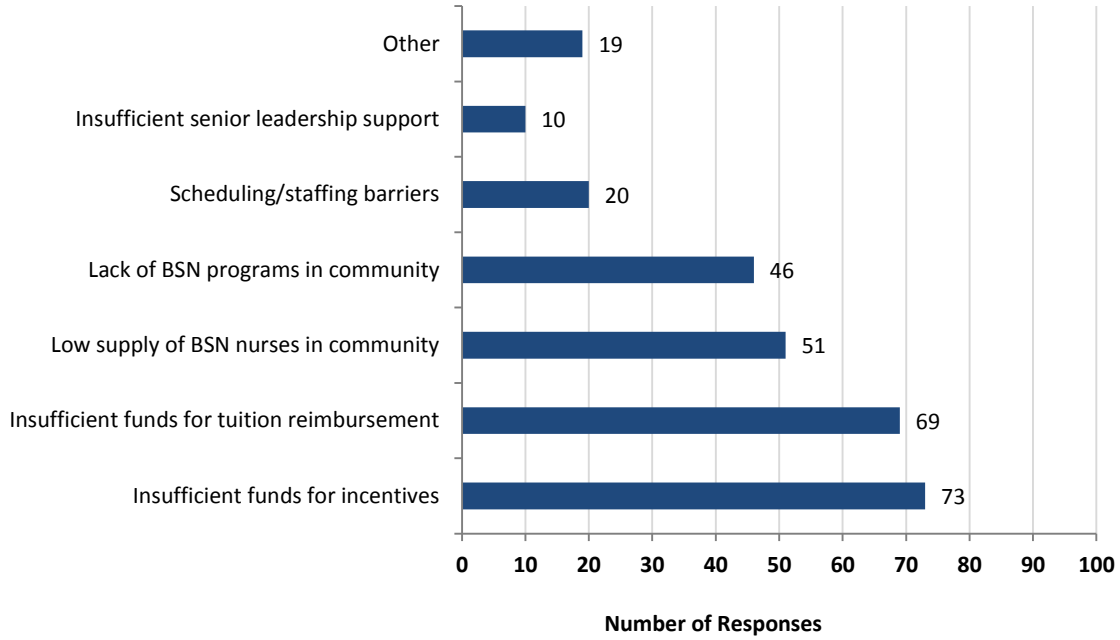
Despite the fact that few hospitals require newly hired RNs who are trained below the baccalaureate level to obtain a BSN, nearly half of all hospitals reported that RNs who do not have a BSN face limits to being promoted beyond the position of staff nurse (Table 27).

Table 27. Impact of BSN on promotion, 2013

Description	#	%
Lack of BSN will limit promotions	91	47.9
Lack of BSN has no impact	99	52.1
Total	190	100

Approximately one-third of all hospitals reported facing at least one barrier to increasing the number of baccalaureate-trained nurses on staff. All of these hospitals indicated that there were insufficient funds to provide incentives (e.g. promotion, pay differential, or bonus) for incumbent RNs who complete baccalaureate degrees. Nearly as many hospitals reported that a lack of funds for tuition reimbursement was an important barrier. Hospitals were given the chance to write in responses describing perceived barriers to increasing the number of BSN-prepared nurses on staff. The most common write-in response was that incumbent nurses were not motivated to pursue a BSN degree because they did not perceive that it added value to their clinical skills or increase their earning potential.

Figure 5. Barriers to increasing the number of BSN-prepared nurses



Note: 73 different hospitals reported at least one barrier to increasing percentage of BSN-prepared nurses.

Another reported barrier to increasing the number of baccalaureate-trained nurses was a lack of BSN education programs in the community. Hospitals were asked to report on the types of on-site nursing education programs they offer (Table 28). In total, approximately 30% of all hospitals reported at least one type of on-site training program. The most common type was the RN to BSN program, offered by nearly 60% of hospitals that had some kind of on-site education program. Hospitals were given the chance to write in responses describing on-site nursing education. The most common response described partnerships with local colleges or universities.

Table 28. Programs available for on-site education, 2013

Description	#	%
LVN to RN	9	15.3
RN to BSN	34	57.6
MSN	19	32.2
Specialty certification	13	22.0
Other	21	35.6
Responses	59	--

Clinical Residency Programs for New RN Graduates

Approximately 55% of responding hospitals reported having a formal clinical training program (residency) for new RN graduates. Table 29 shows that this share has fluctuated over time but the share in 2013 is the lowest it has been in any of the four years this survey has been conducted. Comments made by hospitals throughout the survey suggest that fewer hospitals

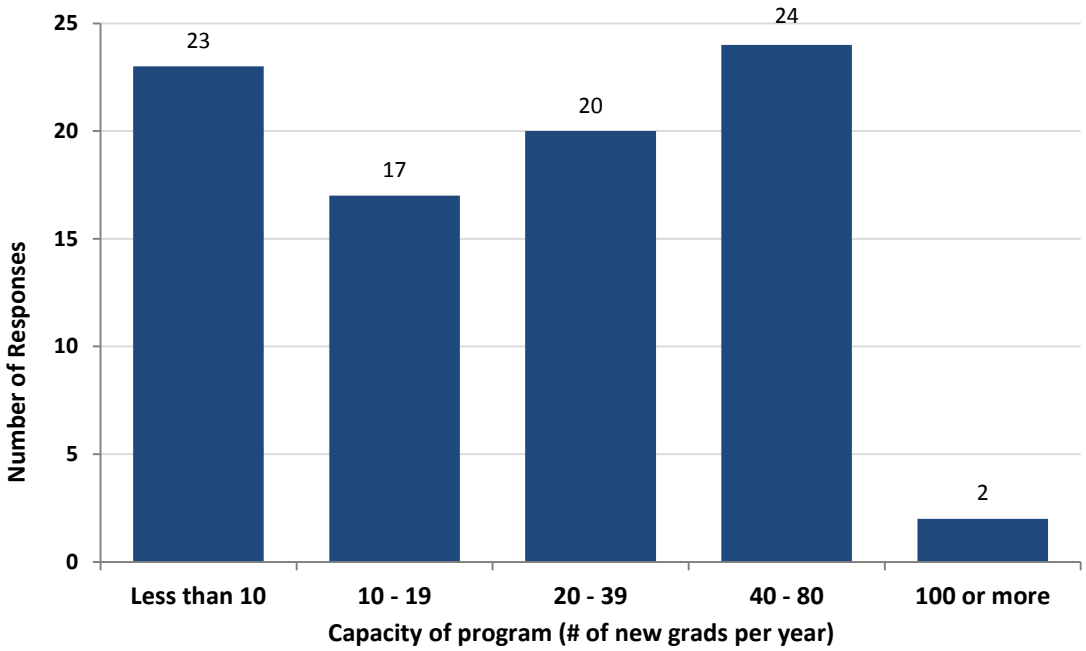
are implementing residency programs due to a lack of resources (whether financial or human capital). However, year-to-year differences should be interpreted with caution because the sample of responding hospitals is different in each survey year.

Table 29. Clinical residency programs for new RN graduates, 2010 – 2013

	2010		2011		2012		2013	
Description	#	%	#	%	#	%	#	%
Residency	64	67.4	86	61.4	140	70.7	105	54.7
No residency	31	32.6	54	38.6	58	29.3	87	45.3
Total	95	100	140	100	198	100	192	100

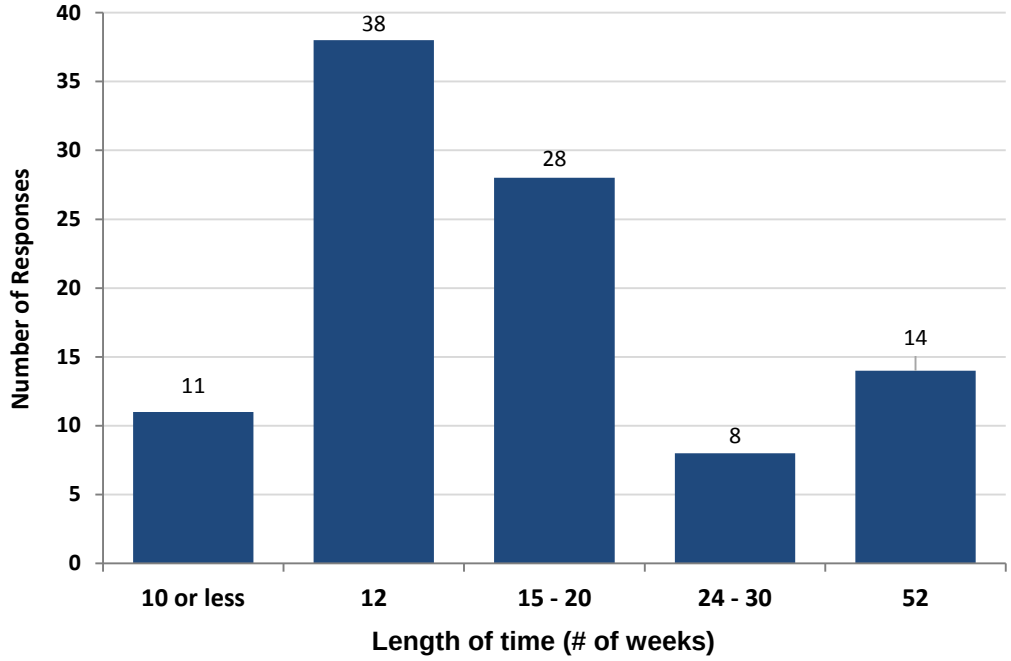
Hospitals with residency programs for new RN graduates were asked to report the capacity of their program (number of new RN graduates trained per year). Figure 6 below shows that programs training fewer than 40 new graduates per year represent 79% of all programs. A small number of programs reported having capacity to train 100 or more new RN graduates per year. These findings are consistent with data from previous years' surveys.

Figure 6. Capacity of clinical residency program, 2013



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 training was 12 weeks (Figure 7). Approximately 78% of hospitals reported residency programs taking less than 20 weeks to complete. A smaller share of hospitals (14%) reported residency programs lasting for an entire year. As with the data describing capacity of training programs (Figure 6), these findings are consistent with data reported in previous surveys.

Figure 7. Length of clinical residency program, 2013



Hospitals with residency programs for new RN graduates were asked whether their program had been developed internally, by an external organization, or in partnership with a school of nursing. Table 30 shows that in 2013, 8 out of 10 residency programs were developed internally. Table 31 compares responses from all years in which this survey has been conducted.[29] There was a small difference in the distribution in 2011, but generally these data indicate that clinical residency programs are predominantly designed through an internal development process.

[29] The response category describing clinical residencies developed in "partnership with a school of nursing" was new in the 2013 survey. It has been excluded from the comparisons in Table 31 and the 2013 distribution (%) was recalculated on this basis.

Table 30. Clinical residency programs for new graduate by type of design, 2013

Description	#	%
Externally developed	18	17.1
Internally developed	84	80.0
Partnership with school of nursing	3	2.9
Total	105	100

Table 31. Internal versus. External design of new graduate training program, 2010 – 2013

	2010		2011		2012		2013	
Description	#	%	#	%	#	%	#	%
Externally developed	11	19.6	11	13.0	25	18.1	18	17.6
Internally developed	45	80.4	74	87.0	113	81.9	84	82.4
Total	56	100	85	100	138	100	102	100

Hospitals with residency programs for new RN graduates were asked to report on the different clinical practice areas the programs cover. Table 32 shows the frequency with which each practice area was reported. The most frequently reported clinical practice area was medical-surgical. This represents a shift in comparison with the previous year. The top five most frequently reported areas of clinical training remained consistent, but nearly twice as many hospitals reported medical-surgical training in 2013 by comparison with 2012.

Table 32. Reported clinical practice areas for new graduate training programs, 2012 – 2013

	2012	2013
Clinical Practice Area	#	#
Medical-Surgical	51	99
Critical Care	81	69
Emergency Department	84	68
Delivery Room/Postpartum/Newborn Nursery	68	56
OR/Peri-operative	56	55
Pediatrics/Neonatal	44	35
Ambulatory Care	22	15
Psychiatry	19	15
Rehabilitation	17	15
Skilled Nursing	10	7
Home Health	0	0
Other*	9	7

Note: In 2013, “Other” included telemetry, oncology, OBGYN and orthopedic nursing.

Current Vacancies[30]

Table 33 presents reported vacancy rates by position for the fourth quarter of 2013. The overall vacancy rate for registered nursing positions was 4.2%, but there are differences in the rate depending on the nursing position. Non-staff RN vacancy rates were considerably higher than staff RN rates, for both full-time and part-time positions. Similarly, vacancy rates for both full-time and part-time positions open to new RN graduates were much higher than those for staff RNs. Vacancy rates were also high for full-time and part-time LVNs, as well as part-time unlicensed aides/assistants.

These data underscore the finding that non-staff RN positions are difficult to fill, as indicated by hospitals' perceptions of demand and the challenge of recruiting. They also underscore that new RN graduates are predominantly hired into full-time positions (there were six times as many full-time vacancies as part-time vacancies for new graduates); however, part-time positions for new RN graduates, although few in number, may also be harder to fill. Table 34 shows the average quarterly vacancy rate for registered nurses from 2010 to 2012. The 2013 average vacancy rate is the highest reported in the four years this survey has been conducted.

Table 33. Current vacancy rates by position, 2013 (Q4)

	Full-time		Part-time		Total	
Description	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
All Registered Nurses	2,534	4.7%	584	2.9%	3,118	4.2%
Staff RNs	2,136	4.4%	532	2.7%	2,668	3.9%
Other RNs	311	7.2%	40	6.2%	351	7.1%
New RN Graduates	73	5.5%	12	9.9%	85	5.8%
Licensed Vocational Nurses	115	4.8%	24	5.0%	139	4.8%
Aides/Assistants	230	3.8%	97	6.1%	327	4.3%

Table 34. Average quarterly vacancy rate for registered nurses, 2010 – 2013

	Average Quarterly Vacancy Rate (%)			
Description	2010	2011	2012	2013
All Registered Nurses	3.4	4.0	3.7	4.2

Recruitment of Foreign RNs

Hospitals were asked whether they are actively engaged in recruiting foreign-trained RNs. Table 35 shows that only 2.6% of hospitals reported that they are currently recruiting foreign-educated RNs to fill open staff positions. This is slightly higher than the previous year, but is still much smaller than the share of hospitals engaged in recruiting foreign-trained RNs in 2010.

[30] Vacancy data are derived from the quarterly HASC Healthcare Workforce Survey and represent openings as of the pay period closest to December 31, 2013.

Table 35. Current recruitment of foreign-trained registered nurses, 2010 – 2013

	2010		2011		2012		2013	
Description	#	%	#	%	#	%	#	%
Recruiting foreign-trained RNs	7	6.7	6	4	4	1.9	5	2.6
Not recruiting foreign-trained RNs	97	93.3	143	96	211	98.1	185	97.4
Total	104	100	149	100	215	100	190	100

Changes Experienced In the Past Year

Hospitals were asked about changes in RN employment levels during the past year, including new RN graduates and advanced practice nurses (APRN). Table 36 shows that across all RN positions, the most frequent response was that there was no change in RN employment levels during the past year. Approximately one-third of all hospitals reported increased hiring of both staff RNs and Nurse Practitioners; for new RN graduates, one-quarter of hospitals reported increased employment. For staff RNs, non-staff RNs, new RN graduates and Nurse Practitioners, the share of hospitals reporting increased employment in the past year was larger than the share reporting decreased employment. The opposite was true for all other nursing positions; for LVNs, nearly nine times as many hospitals reported decreased employment compared to increased employment.

Table 36. Employment of RNs in the past year, 2013

	Increased Employment		Decreased Employment		No Change		Total
Position	#	%	#	%	#	%	#
Staff RNs	62	32.0	42	21.6	90	46.4	194
Other RNs	43	23.8	31	17.1	107	59.1	181
New RN Graduates	39	24.1	24	14.8	99	61.1	162
Nurse Practitioner	51	32.9	5	3.2	99	63.9	155
Nurse Midwife	4	3.1	18	13.7	109	83.2	131
Nurse Anesthetist	5	3.7	16	11.9	114	84.4	135
Clinical Nurse Specialist	28	18.7	24	16.0	98	65.3	150
LVNs	11	6.6	88	53.0	67	40.4	166
Unlicensed Aide/Assistants	29	16.2	47	26.3	103	57.5	179

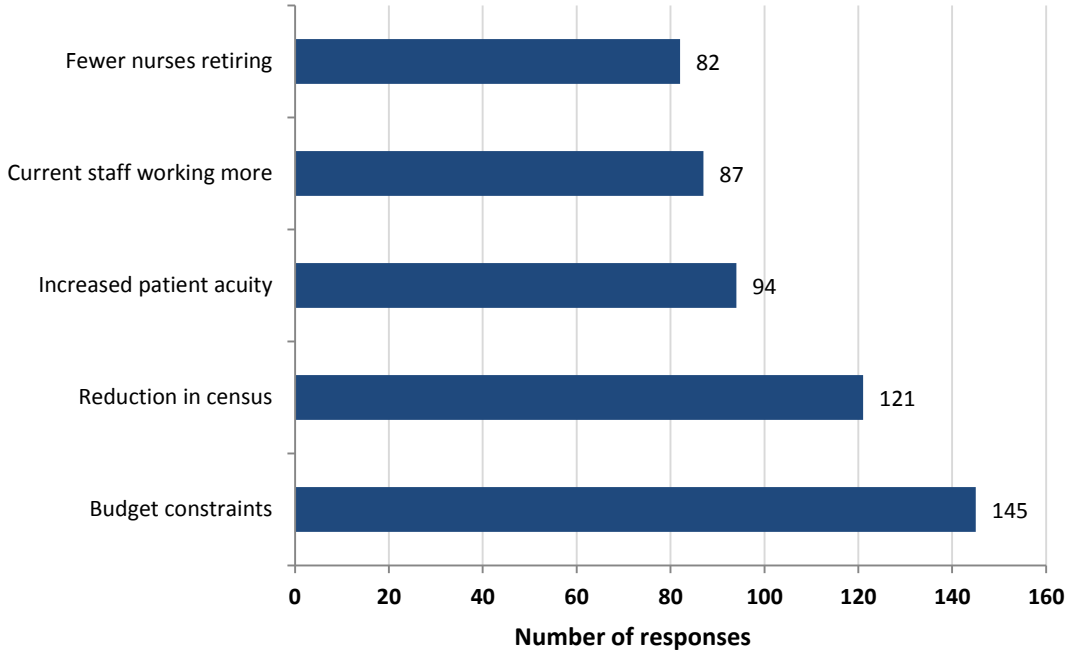
Table 37 presents hospital responses regarding the utilization of temporary and travelling nurses in the past year. Most hospitals reported a decrease or no change in the use of either temporary or traveler nurses over the past year. Just under one-half (45%) of hospitals reported a decrease in the use of temporary nurses over the past year; approximately one-third (35%) of hospitals reported a decrease in the use of traveling nurses.

Table 37. Employment of temporary and travelling nurses, 2013

	Increased Employment		Decreased Employment		No Change		Total
Position	#	%	#	%	#	%	
Temporary (agency nurses)	32	18.4	78	44.8	64	36.8	174
Traveling nurses	46	25.4	63	34.8	72	39.8	181

Hospitals were asked about other types of environmental changes they have experienced in the past year. Figure 8 shows the five most frequently reported environmental changes. More than 70% of all hospitals reported budget constraints in the past year, and 60% reported a reduction in patient census. These are consistent with the results of past surveys, indicating that these conditions remain persistent concerns for general acute care hospitals in California.

Figure 8. Environmental changes experienced by hospitals in the past year, 2013



Note: 160 hospitals reported at least one type of environmental change

Table 38 presents hospital responses describing shifts in hiring patterns over the past year, in their own inpatient care, ambulatory care, home health care, and long-term care departments. Hiring for inpatient care stands out for the fact that nearly as many hospitals reported increased hiring as reported no change in hiring. For the other settings, the share of hospitals reporting no change in hiring ranged from 70% to 80%. With the exception of long-term care, more hospitals reported an increase in hiring compared to a decrease in hiring.

Table 38. Shift in hiring in the past year, 2013

	Increased hiring		Decrease hiring		No change		
Description	#	%	#	%	#	%	Total
Inpatient care	75	39.1	35	18.2	82	42.7	192
Ambulatory care	31	19.4	18	11.3	111	69.4	160
Home health care	14	12.4	4	3.5	95	84.1	113
Long-term care	10	8.9	11	9.8	91	81.3	112

Hospitals were asked to report whether they had created new job classifications over the past year. Table 39 shows that more than 40% of hospitals indicated they had created new job classifications in the past year. The most frequently reported new job classifications were related to either case management or care coordination, including care navigators in specialty areas. Hospitals also frequently reported new job classes had been created for clinical documentation specialists and informaticists. The challenges associated with hiring or moving RNs into these new roles included finding qualified RNs with enough experience and the right set of skills, overcoming administrative obstacles associated with creating a new position, and securing adequate resources to budget for the new position.

Table 39. Creation of new job classifications in the past year, 2013

Description	#	%
New job classifications	82	42.7
No planned new job classifications	110	57.3
Responses	192	100

Employment Expectations for the Next Year

Hospitals were asked to report on expectations for RN employment in the coming year. Table 40 compares hospital responses in each year the survey has been conducted (2010 – 2013). The fall 2013 data resemble the pattern of responses reported in 2012: most hospitals do not expect RN employment to be any different in 2014 compared to 2013. However, the share of hospitals indicating expectations of increased RN employment next year is slightly larger compared with the survey conducted in fall 2012, while the share reporting an expectation of lower RN employment is slightly smaller. Overall, these data suggest a slight trend of improving expectations for RN employment.

Table 40. Expectations for RN employment in the next year, 2010/11 – 2013 /14

	2010/11		2011/12		2012/13		2013/14	
Description	#	%	#	%	#	%	#	%
Increased employment	32	31.4	35	23.5	67	31.2	68	35.1
No change in employment	51	50.0	101	67.8	111	51.6	97	50.0
Decreased employment	19	18.6	13	8.7	37	17.2	29	14.9
Total	102	100	149	100	215	100	194	100

Hospitals were asked to cite reasons for why they expected RN employment in 2014 to be different from 2013. Figure 9 shows the frequency with which specific reasons were reported by hospitals that expected an *increase* in RN employment. Nearly 60% of hospitals anticipated that an increase in the patient census would lead to an increase in RN employment next year. Approximately one-quarter of hospitals cited increased patient acuity and an increase in bed capacity as reasons for the anticipated increase in RN employment.

Figure 9. Reasons for expected increase in 2014 RN employment

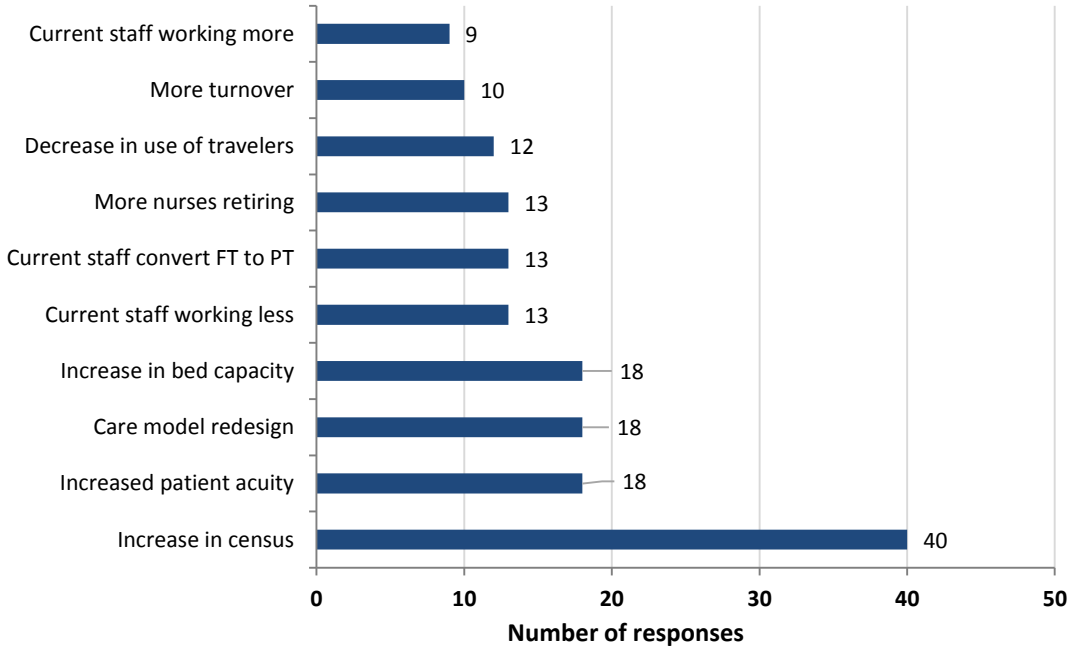


Figure 10 focuses on hospitals that reported an expected *decrease* in RN employment. Nearly 80% of hospitals reported that a reduction in the patient census would lead to decreased RN employment next year. These same hospitals also reported budget constraints, a hiring freeze, and lower turnover as reasons for the expected decline in 2014 RN employment.

Figure 10. Reasons for expected decrease in 2014 RN employment

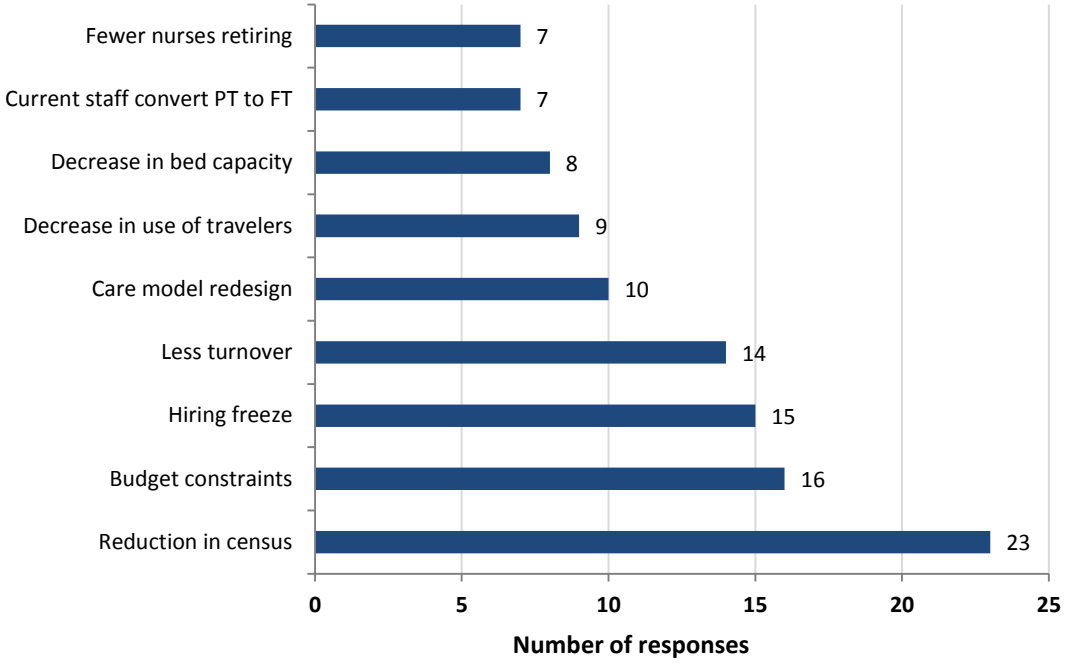


Table 41 details hospitals' expectations about anticipated shifts in hiring patterns for the upcoming year, in their own inpatient care, ambulatory care, home health care, and long-term care departments. Hospital responses resemble the general shifts they reported for the past year (see Table 38 above). Anticipated hiring for inpatient care is notable because nearly as many hospitals reported an expectation of increased hiring as did an expectation that there will be no change in hiring. For the other settings, the share of hospitals reporting no anticipated change in hiring ranged from 70% to 80%. And as with hiring shifts experienced in the past year (Table 38), with the exception of long-term care settings, more hospitals reported an expectation that hiring would increase rather than decrease in the upcoming year.

Table 41. Expected shift in hiring for the upcoming year by work setting, 2013/14

	Increase		Decrease		No Change		
Description	#	%	#	%	#	%	Total
Inpatient care	62	32.5	35	18.3	94	49.2	191
Ambulatory care	41	26.3	8	5.1	107	68.6	156
Home health care	14	13.6	0	0.0	89	86.4	103
Long-term care	8	7.6	8	7.6	89	84.8	105

Table 42 describes hospital responses regarding whether they anticipate creating new job classifications for RNs in the upcoming year. Only one-quarter of hospitals reported that they expected to create new RN-related job classes in 2014 (compared to more than 40% having created new job classifications in the past year). Hospitals that do anticipate creating new job classes indicated the new positions would be related to either case management or care coordination, or be for clinical documentation specialists and informaticists. Hospitals were asked what strategies they would employ to achieve the transition to new roles; the most frequent response involved plans to develop specialized training and competency programs.

Table 42. Planned new job classifications in the coming year, 2013

Description	#	%
Planned new job classifications	46	25.1
No planned new job classifications	137	74.9
Total	183	100

CONCLUSIONS

After consecutive years of indications that labor market conditions face by registered nurses were improving, the fall 2013 survey data suggest that overall demand for registered nurses has weakened. However, the labor market for RNs is segmented between those who have experience and new RN graduates. Hospitals characterized demand for experienced RNs as moderately strong, with some difficulty filling open positions. RNs with experience as case managers, informatics nurses, clinical educators, department managers, or director-level experience are in demand. In contrast, newly graduated nurses are expected to continue to face challenging employment conditions, as hospitals across the state characterized demand for new graduates as being much less than the available supply.

Newly graduated RNs cannot easily obtain the experience needed to compete in the current labor market if they are unable to find entry-level positions or participate in a training or residency program. The lack of jobs for newly graduated nurses is concerning for several reasons. 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 and have families to support. In addition, the skills and knowledge of new graduates may deteriorate as they are out of work; obtaining RN positions and regaining their skills in the future may prove challenging.

Several potential solutions to this problem have been proposed, including the 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. This year's survey results indicate that some hospitals are hiring newly graduated RNs into non-nursing positions as a consequence of there being so few available nursing positions. Hospitals reported hiring new graduates into positions as nursing assistants and patient care assistants. This is done in order to keep new graduates engaged and improve the chances of being accepted into the hospital's clinical residency program. Hospitals also reported that incumbent employees who had recently completed a nursing degree were remaining in their non-nursing positions, waiting for a spot in the hospital's clinical residency program.

However, the share of hospitals in this year's survey that reported they have a formal residency program was the smallest in the four years this survey has been conducted. Many hospitals indicated that a lack of resources was preventing them from expanding (and in some cases causing them to reduce) the number of available training slots. The share of hospitals that simply do not hire new RN graduates was also the largest it has been in the four years this survey has been conducted. The reasons for not hiring new graduates ranged from a lack of staff resources needed to mentor new graduates or establish a needed clinical residency program, to the simple fact that current labor market conditions favor RNs with experience.

More hospitals reported an expectation that hiring of registered nurses would increase over the next year than reported hiring would decline. The reasons for this included an expectation that the patient census would be larger, and that patient acuity would be higher. At some point the perceived surplus of RNs may vanish, as components of healthcare reform continue to be implemented, as the population across the state grows older, and as more nurses reach retirement age. In the interim, it is essential that programs be established (either in the private or

public sector) in which new graduates are able to use and develop their knowledge and skills to ensure an adequate supply of RNs in the future. This may include expanded efforts by employers to develop the skills of new graduates and to fill positions that are normally reserved for experienced nurses. Without these efforts, California's strong investment in nursing education may be lost.

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