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RN workforce update:

Current and long-range forecast



By Sean P. Clarke, PhD, RN, FAAN

Nearly 20 years ago, talk of a national RN shortage began, with projections of it reaching near-crisis proportions by 2016. Such a shortage never emerged, and at this point seems unlikely to occur in the future. What's unfolded in the American RN workforce during the past decade in terms of new entrants to the profession and changing demographics? What are the reasons for these shifts? Also, are the new predictions regarding RN supply and demand accurate? And what does this mean for nurse managers? Let's explore the issues.

Location, location, location...

Shortages, surpluses, and balanced demand for nurses or other workers relate to the number of available qualified workers in a specific labor market able to meet demand. We can examine supply and demand in a city, a state, or even an entire country—and by using different definitions. Some understand unmet demand as employers' reports of positions that can't be filled (there aren't enough qualified workers willing to accept a job at the wages offered). Demand can also be tracked in terms of new jobs added to a market or how long it takes an employer or employers in a region to fill particular jobs.



Supply in the RN workforce is the number of licensed and appropriately qualified nurses willing to accept positions in a particular area. Supply is heavily influenced by geography. Although some individuals attend nursing school intending to find work outside the area where they've studied, the vast majority of nurses pursue their educations in the communities where they hope to live and work.

Whenever you read about nursing workforce issues in professional literature, government reports, or the popular press, it's critical to know what level of geography (city, region, state, or country) is under consideration. Although trends involving an entire healthcare system, such as upturns or downturns in the economy, can affect nursing employment across the country, nursing labor markets tend to be highly local in nature. In most cases, many of the key factors related to whether there are enough nurses to meet a facility's demand for RNs will be specific to a region. These local factors include:

- the number of nursing schools producing graduates
- the number of employers of RNs and the attractiveness of the positions being offered
- the movement of RNs (new and/or experienced) into an area relative to departures (short- or long-term leaves of absence).

Consequently, your particular facility and region may or may not experience exactly what's described nationally and internationally. These distinctions have always been the case, but are more important than ever to keep in mind.

Like the weather

Gauging whether the supply of nurses matches the demand for nursing services at any given point in time is relatively easy. As we stated earlier, we can examine the number of vacant and difficult-to-fill positions in a community, region, or country. However, looking into the future is somewhat trickier, of course, and the further into the future we try to analyze, the more challenging the prediction.

Trying to predict future supply and demand begins with assumptions. At one time, for example, experts would base projections of supply on the number of college-age women in the population and the proportion who might be expected to consider nursing on the basis of economic conditions. Women pursuing more education after high school tended to choose from a limited number of fields, not enough men entered the profession to make much difference in the overall numbers of graduates, and interest in nursing seemed to rise during tougher economic times.

Even today, some people choose nursing partially in response to economic conditions. Because an absolute minimum of 2 years of higher education is required to earn credentials to practice registered nursing, regardless of program type, and the various mandated elements of nursing education programs limit how many students can attend and graduate from nursing school at any one time, it's possible to estimate how many nursing school graduates are likely to enter the market.

Demand is much more difficult to predict because it's influenced by economic forces and

leadership decisions at numerous levels. Usually attempts to project into the future are based on past trends, with an assumption that enough population growth will occur over time and spill into the number of individuals requiring RN care and services. Historically, cost-cutting in hospitals and other agencies in the face of financial challenges has decreased the number of nursing positions, but it isn't always possible to foresee these types of decisions.

This brings us to the previous projections of shortages. In the early 2000s, a series of assumptions involving slow-growing nursing education outputs and steeper increases in demands for RN services led to projections of the United States possibly being 1 million nurses short by 2020. But just as some dreaded storms never materialize—or some do, out of nowhere—overly simplified assumptions and the less predictable turns of the economy can render predictions inaccurate.

What's happened since 2000?

Projections regarding the future of the nursing workforce at the turn of the millennium were based largely on trends and events from nearly 2 decades ago. The years 1995 to 2000 were difficult ones in the healthcare industry, marked by a massive wave of restructuring intended to curb costs, during which many nurses and other healthcare personnel were laid off. Not surprisingly, hearing that jobs were being cut, fewer people applied to and attended nursing school—enrollments and graduations were essentially cut in half from the mid-90s to the end of the decade.

In 2000, researchers projecting out 10 to 20 years saw an increased need for nurses, but little growth in nursing school enrollments. However, they didn't know about several forces that would affect healthcare—the backlash around cost-cutting and restructuring, the economic impact of the 9/11 terrorist attack and how it would affect labor markets and career choices, and the global economic crisis of 2008.

and anxieties first after 9/11 and then after 2008, looking to “safe bet” college majors and taking notice of media reports about impending shortages. As a result, enrollments and graduations from American RN education programs doubled in the following 15 years and have now surpassed 1995 figures.

3. Especially after the financial crisis of 2008, nurses, particularly those age 50 and older, delayed

of clients for the healthcare system, many questions aren't completely resolved in terms of where patients receive care, how many staff members need to be employed, and what their roles and qualifications will be. RNs undoubtedly have a secure future in the healthcare system by virtue of their skill sets and broad scopes of practice. It's clear that their place in the healthcare system will continue to evolve.



Whether or not there are enough nurses to meet a facility's demand for RNs will mostly be specific to a region.

Forecasts didn't count on the following four trends that resulted from these developments:

1. After many years of job roll-backs, healthcare employment patterns started to rebound. By 2000, organizations were back in hiring mode and voicing concerns that they wouldn't be able to onboard enough nurses to meet future demands, given the aging of the population. The message about an urgent need for nurses was taken up by a variety of advocacy groups, as well as the popular media.

2. Nursing schools, after downsizing their classes between 1995 and 2000, responded to healthcare industry reports that graduations were too low to meet system demands and rapidly increased their class sizes. Subsequently, students and families responded to economic trends

their retirements in much higher numbers than were predicted and have stayed in the workforce.

4. In the wake of the 2008 global financial crisis, healthcare became one of many industries that “rebooted” in the face of changes in government spending priorities and overall economic trends. New patterns in service delivery and hiring continue to emerge, and it's becoming increasingly obvious that healthcare continues to grow as a sector of the economy; many new jobs are sprouting, and retiring nurses will need to be replaced.

Keep in mind, however, that RN positions aren't going to expand in perfect synchrony with population growth or the increased numbers of older adults in the population. Although various forces are leading to increasing numbers

What's happening now?

Just a little more than 15 years ago, many researchers and commentators were sure that relatively low numbers of applications and graduations from nursing schools (a clear pattern by the end of the 1990s), along with high levels of retirements and an ever-growing and continually aging American population, would lead to widespread shortages. Although there are still areas of the country where RNs aren't willing to work for going wages to fill all open positions, few experts, if any, would say that the United States as a whole is currently in a nursing shortage.

In most major U.S. metropolitan areas, nurses, especially new nurse graduates (who require extensive orientation), are facing a buyer's market. Trend observers now note that while

many healthcare employers have downsized their recruitment efforts, prospects for new graduates in many areas are looking up after a hiring slowdown for several years after 2008 that led to longer job searches and fewer choices coming out of nursing school. A larger number of 2016 graduates are finding their first jobs within a few months of graduation, and many even have employment lined up before graduation. Overall, nationally, there seems to be a balance between supply and demand, and entry of foreign-educated nurses into the United States has slowed to a trickle.

The appearance of the four trends above led to a different picture of nurse employment than most people expected. And all four—especially the second and fourth trends (outputs of nursing education programs and patterns of RN employment)—have now been incorporated into revised projections of RN supply and demand. These new projections released over the past few years don't predict widespread or deep shortages of RNs within the United States.¹ But despite this, none of the experts project that RNs will be evenly distributed across the country, and most believe that nurse shortages *will* emerge, deepen, or continue in a number of states. For instance, a major U.S. federal government-sponsored report predicts that Maine, Georgia, Maryland, North and South Carolina, Alaska, Arizona, California, Colorado, Hawaii, Nevada, New Mexico, Oregon, and Washington will all face significant RN shortages in the middle of the next decade.²

We must bear in mind that these estimates are as vulner-

able to errors in their underlying assumptions as earlier ones. Unforeseen economic or political events, including changes in policies that influence the number of students enrolled in nursing education programs and/or demand for nurses in the country's various areas, may change the overall profile.¹

There are legitimate concerns that if these projections and the caveats are misunderstood, we may see decreases in workforce investments regarding nursing education capacity (critical masses of instructors and the infrastructure needed to educate nurses, including clinical placements). And an inattention to longstanding workplace problems may continue to make retaining nurses in some settings challenging. It's also feared that if not seen in full context, incorrectly interpreted predictions may lead to decreases in interest in the profession among many, from high school students through career-changing adults, who currently seriously consider entering nursing in the next few years.

By increasing U.S. nursing education capacity, it's obvious that we've averted a serious crisis that may have caused huge care quality and safety problems. Simply put, we still need people to go to nursing school and for RNs to pursue lengthy careers in the field. That said, entrants into the field, particularly nurses contemplating stopping their educations at associate degrees, as well as those who are hoping to work in parts of the country where nurses tend to be well-paid, should be aware that they may face competition, especially immediately coming out of school.

Setting the scene

Although upward of 80% of nurses obtain their first jobs after becoming licensed in hospitals, on the whole, only 60% of U.S. nurses in the workforce are hospital-based, and not all of them are inpatient clinical nurses. A variety of ambulatory, outpatient, home care, and public and community-based service settings and long-term-care facilities account for the other 40%, as do nurse educators. There's a great deal of ongoing effort in healthcare to keep patients out of high-cost settings such as acute care hospitals, but it's still unclear exactly how the Affordable Care Act and other trends in health insurance reimbursement will impact hiring growth. It may be that more RNs become employees in hospitals but aren't necessarily assigned to inpatient direct care. And it may come to pass that increasingly, nurses work in community and outpatient settings closer to where patients live, or that home-based (or Internet-based) services will become a relatively common area of nursing practice.

A variety of groups, including men, Black Americans, Latinos/Hispanics, and Native Americans have been historically underrepresented within the nursing profession. A discussion of the reasons for this, its consequences for the healthcare system, and society and possible solutions are beyond the scope of this article. However, there are a number of indications that diversity in the RN population is increasing over the past 15 years. Men now represent approximately 1/10th of U.S. RNs (up from 3% in 1970). Statistics show slow but steady improvement of representation

of Black Americans (from 9% to 11% between 2001 and 2013) and Latinos (from 4% to 6% over the same time period); however, these numbers are still well under the approximate 15% of the population at large who fall into these two demographics.³ We can expect efforts to continue in terms of diversifying enrollments in nursing schools in the coming years, but workplaces and the broader profession will need to be purposeful in working to retain individuals from diverse backgrounds.³

Where do we go from here?

Overall, the news is actually good. Healthcare will continue to be a major sector of the U.S. economy, and, in fact, is expected to grow faster than any other in terms of added jobs. But changes in workplaces and composition of the workforce will continue to be an important feature of the U.S. RN workforce. Recruiting into nursing needs to continue,

and nurses, themselves, should prepare for the future by keeping their eyes on how nursing care helps patients become and stay healthy, and allows the health-care system to work smoothly. When in school getting ready for the work world and in building their careers, nurses will need to focus on skills that apply across settings and roles, and count far less on particular job types or on working in specific institutions than they might have in the past.

It's probably more vital than ever that local leaders in health-care, such as nurse managers, take stock of the ages and likely retirement dates of staff members, examine the relationships they have with local schools of nursing, and assess the attractiveness of the salaries and working conditions they're offering. Waiting until there's a local crisis obviously isn't the best strategy. So while it's a happy development that deep and widespread U.S. RN shortages are no longer

expected, we still have a great deal of workforce planning and development ahead of us. **NM**

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