



The Critical Role of Travel Nurses in the Pandemic

Introduction: A “Pre-Existing Condition”

Throughout the COVID-19 pandemic, the importance of adequate clinical staffing in both numbers and quality has been a priority and a challenge. There has been growing attention on travel nurse staffing, as rapidly rising demand increased nurse compensation, which among other factors has drawn more nurses into travel nursing, shifting the pre-pandemic paradigm. In this analysis, AMN Healthcare examines the conditions behind these demand and supply dynamics, the impact on nurse compensation, and the resulting costs for travel nurses.

Nurse shortages in the United States emerged in the post-World War II era when many nurses left the field as their spouses returned to civilian life. Shortages have recurred periodically ever since and were getting progressively worse leading up to the pandemic. A wave of retirements among Baby Boomer nurses, an aging U.S. populace requiring more complex and greater amounts of patient care, a lack of faculty at nurse training programs, and understaffing related to burnout and job quits are commonly cited reasons for projected nurse shortages. A 2021 study projects that 900,000 nurses will retire over the next five years and employers will need to hire 1.1 million nurses by 2026 (Bateman et al., 2021).

900,000

nurses will retire over the next five years

1,100,000

nurses will need to be hired by 2026

The COVID-19 pandemic dramatically accelerated and worsened nursing shortages. The number of patients seeking treatment surged, at first in regional pulses and then widespread across the country. Due to grueling double and triple shifts, serious health risks (including fatalities) among nurses, a rising level of abuse from patients and families, and unsupportive attitudes among some people, thousands of nurses and other healthcare workers have decided to leave bedside care positions.

Many critical care units at hospitals, including ICUs and emergency departments, were overwhelmed with patients during the pandemic and needed to immediately ramp up staffing to handle the surge. Such conditions continued throughout the pandemic and grew to include intermediate care nurses and medical-surgical nurses as well. As a result, the demand for nurses rose to unprecedented levels. Workforce shortages are now the number one issue confronting hospitals in the United States, according to an annual survey of healthcare executives, eclipsing financial challenges for the first time since the survey began in 2004 (ACHE, 2021).

Nursing shortages impact patient care, a situation that intensifies during a sustained crisis like the pandemic. In the COVID-19 crisis, the entire care environment changed rapidly and continually, particularly in the early stages, driven by shortages of supplies, insufficient testing capacity, few effective treatments, families unable to participate in care, healthcare workers pivoting to new roles with limited training, support staff and services restricted due to high infection risk, and many other factors. Nurses have been in the middle of this predicament, which has now shifted from an acute crisis to a chronic state and will be in a recovery stage for years to come.



The Role of Travel Nurses

Approximately 3.1 million nurses are working in patient-care roles in the United States (AMN, 2022), with approximately 60% of them in hospitals (Spetz, 2020). A poll conducted in September 2021 showed that 18% of healthcare staff had quit since the pandemic began, and another 31% had thought about leaving their employer (Galvin, 2021). The numbers may have worsened since those surveys were taken. This particularly adverse form of attrition has intensified the impact of the wave of nurse retirements and other reasons for shortages.

3.1MM

nurses now working
in patient care roles

Travel nurses have been a critical part of U.S. hospital staffing for over 40 years. They have historically been used as a flexible staffing component to supplement the permanent nurse staff, filling extra shifts to avoid understaffing, providing additional help during leaves of absence and peak seasonal care, and helping to cope with specialty and regional shortages. In the U.S. nurse workforce, approximately 63,000, or about 2%, were working as travel nurses in Q4 2021 (AMN, 2022). Though a small percentage of the overall workforce, travel nurses are essential to maintain staffing levels and fill gaps as necessary to keep open hospital beds, hospital units and wings, and sometimes even entire facilities, such as nursing homes.

In the future, it is likely that a growing number of nurses will choose to serve as travel nurses. The AMN Healthcare 2021 Survey of Registered Nurses (AMN, 2021) found that 13% of nurses plan to work as travel nurses in the coming year. That is more than double the number tracked in 2017, when 6% of nurses said they planned to work as travel nurses, and higher than in 2019, when the rate was 8% of nurses. Among Millennial nurses surveyed in 2021, 16% said they plan to work as travel nurses in the coming year, compared to 13% of Gen X nurses, and 9% of Baby Boomer nurses, underlining the preference for flexible work among younger nurses entering the workforce. The steady rise in generational preference for flexible career opportunities demonstrates its expanding appeal in the current healthcare ecosystem and could be a factor in its growing utilization. The nursing workforce, the larger healthcare workforce, and the overall U.S. workforce is becoming increasingly mobile and flexible. Even absent the severe nurse shortage, more nurses may want to experience the travel “gig” work style in the future.

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The value and essential contributions of travel nurses have increased tremendously during the COVID-19 crisis. AMN Healthcare alone deployed more than 97,000 healthcare professionals in 2021, with many placements at facilities on the front lines of COVID-19 care. For example, through closely coordinated efforts with healthcare systems and state governments, AMN Healthcare helped mobilize multiple emergency hospitals requiring hundreds of nurses and other healthcare professionals to treat the COVID-19 patient surge. AMN Healthcare also supported FEMA efforts to vaccinate the population of the United States through mass vaccination sites, local efforts with hospital systems, and mobile units in vulnerable communities. Other healthcare staffing companies have also contributed positively to help care for our nation’s patients and healthcare professionals.

97,000

deployed healthcare
professionals in 2021
by AMN Healthcare

Many hospitals throughout the country would be understaffed and unable to deliver quality care if not for the work of travel nurses and other travel healthcare professionals. One healthcare industry leader summed it up this way, “If the healthcare staffing industry didn’t exist, our country would have needed to create it in a matter of weeks.” Travel nurses are highly qualified healthcare professionals who work on-demand to enhance patient care by helping hospitals address critical staffing shortages and patient needs. They continue to be on the front line and first-in-line in the nationwide response to COVID-19, and they are experiencing the stress and burn-out from working in the pandemic like other nurse.

Why Does the Cost of Travel Nurses Increase During a Pandemic?

As the duration of the pandemic persisted well beyond early expectations, demand for travel nurses accelerated. From year-end 2019 through 2021, AMN Healthcare experienced a 194% increase in demand for travel nurses, and the compensation requirements for nurses willing to take these assignments increased correspondingly. As an example, from Q4 2019 to Q4 2021, compensation for AMN Healthcare travel nurses working on assignment tripled and more in some situations.

The reason for compensation increases is that as nurse shortages intensified, attracting travel nurses to fill rising demand for their services has required paying them more. Nurses have earned more money during the pandemic because they are taking jobs in high-skilled, high-demand, and high-stress patient-care environments while making personal sacrifices. Increased nurse compensation similarly occurs when travel nurses are used to fill openings in crisis situations such as the aftermaths of hurricanes or other natural disasters.



From year-end 2019 through 2021, AMN Healthcare experienced a 194% increase in demand for travel nurses

The higher rates that hospitals and other healthcare facilities are paying are driven by higher compensation for the nurses they need to deliver patient care. Both travel nurses and permanent nurses are being paid more for their expertise, commitment, compassion, and courage because the market now recognizes their increasing value.

Staffing companies do not set travel nurse prices. Like other service industries, pricing is primarily defined by the competitive environment, which is driven by the availability of labor and compensation levels required to recruit qualified talent. In addition, since these nurses are moving to the work location, housing, travel accommodations, and other support costs must be factored into pricing as well. Healthcare organizations partner with staffing companies in evaluating the market, then hospitals decide the price they are willing to pay based on their specific needs and other factors. AMN Healthcare provides data at a national, regional, and specialty level to our healthcare clients and helps them make informed decisions within their market environment. Hospitals balance the cost of travel nurses relative to their ability to fill job openings. The more critical the job, the more highly specialized and fewer candidates available, the higher the nurse compensation and resulting pricing.

In today's market, there are many nursing positions in critical need and far too few candidates to fill them. Like any skilled professionals in high demand, travel nurses earn what the market is willing to pay them for their knowledge and capabilities. Travel nurses pursue opportunities that best suit their needs and personal goals.

Staffing companies do not exercise control over pricing in the market. Blaming staffing companies for the cost of travel nursing is like blaming real estate agents for the cost of housing. The dynamics of supply and demand and the compensation required to fill the job ultimately set the price.

Nurse Compensation Rising More than Agency Pricing

As referenced above, the amount being paid to travel nurses has greatly increased during the pandemic. For the period from Q4 2019 through Q4 2021, the compensation AMN Healthcare pays to nursing staff has increased by 186%. The growth of the rates at which the company charges its clients has been significantly lower.

The current COVID-19 crisis has drawn nationwide attention – not all of it constructive or accurate -- to the pre-existing nursing shortage. Certain industry lobbyists have criticized the healthcare staffing industry and are pushing for legislation that would suppress nurse wages. This could counteract efforts to bring more nurses to patient care, discouraging them from entering or reentering the market – when the country needs to do the exact opposite.

Long-Term Solutions to the Nurse Staffing Crisis

As the industry leader in healthcare total talent solutions, AMN Healthcare listens and talks extensively with patient-care organizations and understands the challenges they are facing as they try to find solutions to healthcare labor shortage problems. The country needs solutions that involve increasing the availability, scope of practice, mobility, safety, and well-being of nurses.

There is no singular fix to the supply shortage in healthcare staffing. However, incremental progress can be made by focusing on some specific initiatives, including support for public and private investments in nursing. The existing nurse supply can be optimized by expanding the state nurse licensing compact, making it easier for hospitals to attract talent from all over the country. Immigration reform would help bring more trained, high-quality clinicians into the country. AMN has aligned with clients and professional organizations and significantly increased its investments to address clinician education, workforce diversity, the resiliency of clinicians, and clinician wellness programs.

AMN also supports other long-term solutions to the nurse shortage, such as an increase in compensation for nursing school faculty, which would help open a path to nursing for thousands of nursing school applicants who are turned away each year due to lack of capacity. Solutions should be engaged to increase schedule flexibility and restructure tasks to make the daily lives of nurses more appealing and to increase long-term nurse retention. Increased use of support staff and robotics can relieve nurses of the physically taxing aspects of their jobs. Innovative technology can expand the reach of the nurse workforce.

Addressing the long-term nurse shortage is the most appropriate way to ensure health systems, communities, and patients have the nurses they need, and travel nurse staffing costs remain reasonable. Solving this workforce crisis is a difficult challenge, however progress can be made if there is broad collaboration among all sectors.

Visit [AMNHealthcare.com](https://www.AMNHealthcare.com) for more information.

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ABOUT AMN HEALTHCARE

AMN Healthcare is the leader and innovator in total talent solutions for healthcare organizations across the nation. The Company provides access to the most comprehensive network of quality healthcare professionals through its innovative recruitment strategies and breadth of career opportunities. With insights and expertise, AMN Healthcare helps providers optimize their workforce to successfully reduce complexity, increase efficiency and improve patient outcomes. AMN total talent solutions include managed services programs, clinical and interim healthcare leaders, temporary staffing, executive search solutions, vendor management systems, recruitment process outsourcing, predictive modeling, language interpretation services, revenue cycle solutions, credentialing, and other services. Clients include acute-care hospitals, community health centers and clinics, physician practice groups, retail and urgent care centers, home health facilities, schools, and many other healthcare settings. AMN Healthcare is committed to fostering and maintaining a diverse team that reflects the communities we serve. Our commitment to the inclusion of many different backgrounds, experiences and perspectives enables our innovation and leadership in the healthcare services industry. For more information about AMN Healthcare, visit www.AMNHealthcare.com.

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