

Challenges and Opportunities Facing Nurses in an Era of Slow Jobs Recovery, Growing Interest in Advanced Practice Nurses, and Health Reform Implementation

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Overview

1. Challenges facing the registered nurse (RN) workforce
 - Key demographic trends and projections of future supply
 - Regional variations in projections
 - Rapid growth in nursing education
 - Uncertainty over how lingering effects of the Great Recession will affect the current and future workforce
2. Where there are challenges there are opportunities
3. Discussion (*at the break*)
4. *Yesterday afternoon: Challenges facing the primary care nurse practitioner workforce*
 - *Highlights of current research assessing nurse practitioners providing primary care*

Research Team

Nurse and physician workforce estimates

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Econ Research

Dave Auerbach, Rand (Boston)

John Graves, Vanderbilt

Disclosures

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Disclosure

The data and views expressed in this presentation are mine, and are not the views of the (still unfunded) National Health Care Workforce Commission

Forthcoming: Buerhaus, P. Retchin, S. The Dormant National Health Care Workforce Commission Needs Congressional Funding To Realize its Promise. *Health Affairs* (November 2013).

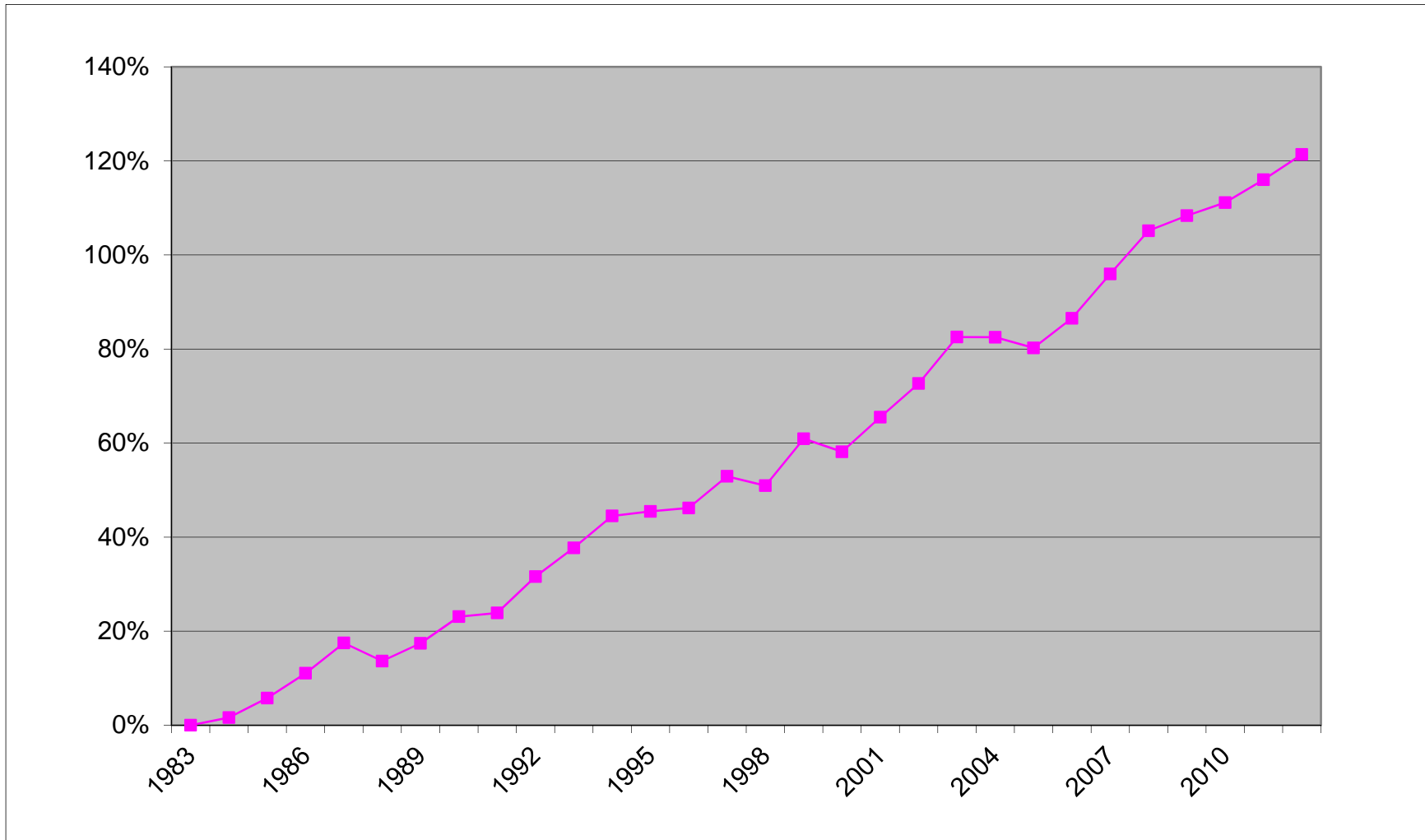
Challenges affecting the registered nurse (RN) workforce

Demographic and Employment Trends through 2012

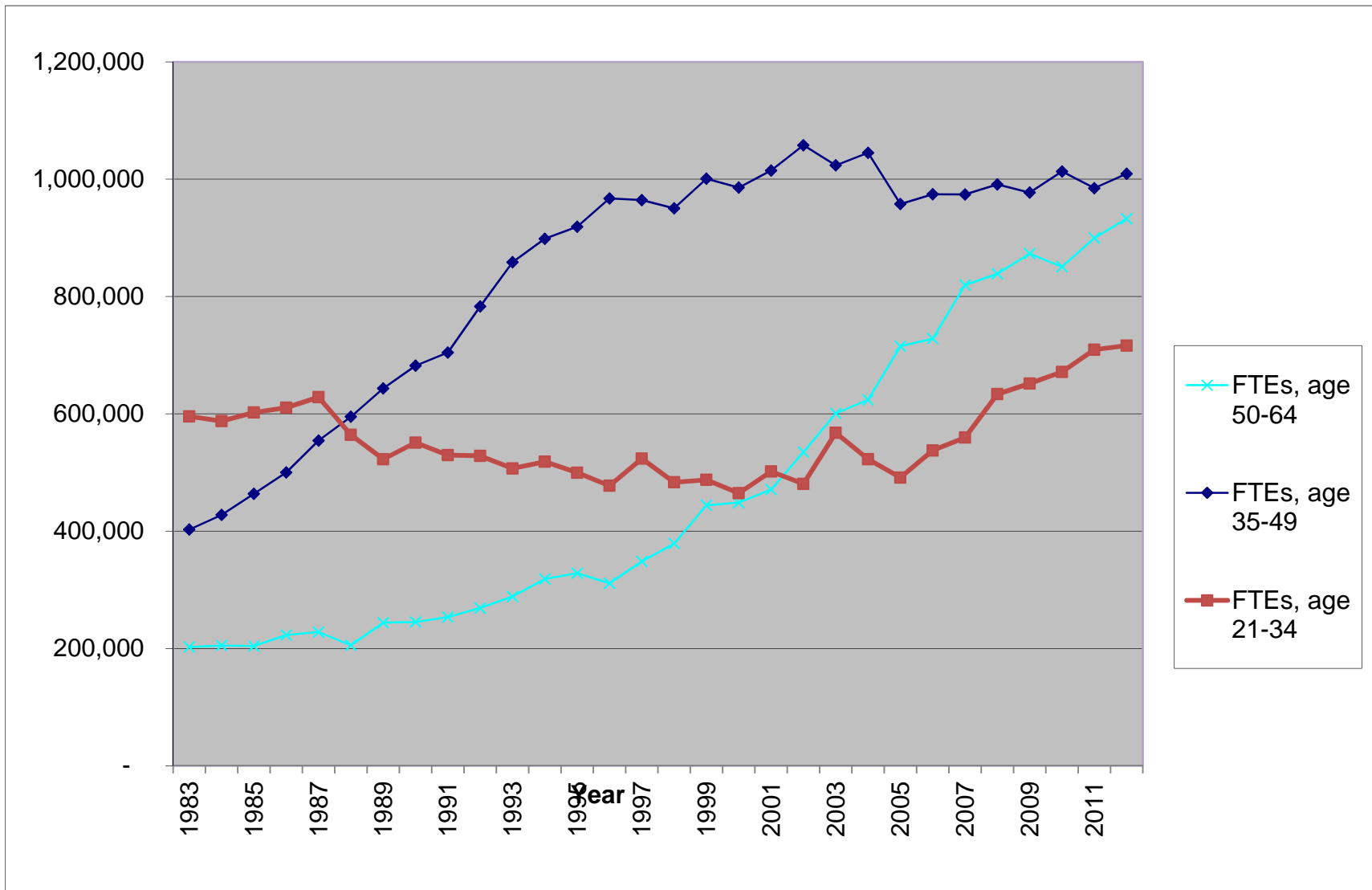
- Mostly white (78%)
- Total employed RNs = 2.9 m
 - Total FTE RNs = 2.7 m
 - Total hospital FTEs = 1.6 m (62%)
- Average age 43.4, in hospitals 42.6
 - ≈ 933,000 RNs between ages 50-64 (35%)

Data: Analysis of Current Population Survey

Percent employment growth, RNs 1983 -2012



Total FTE RNs by Age Group



Projections of size of RN workforce through 2030

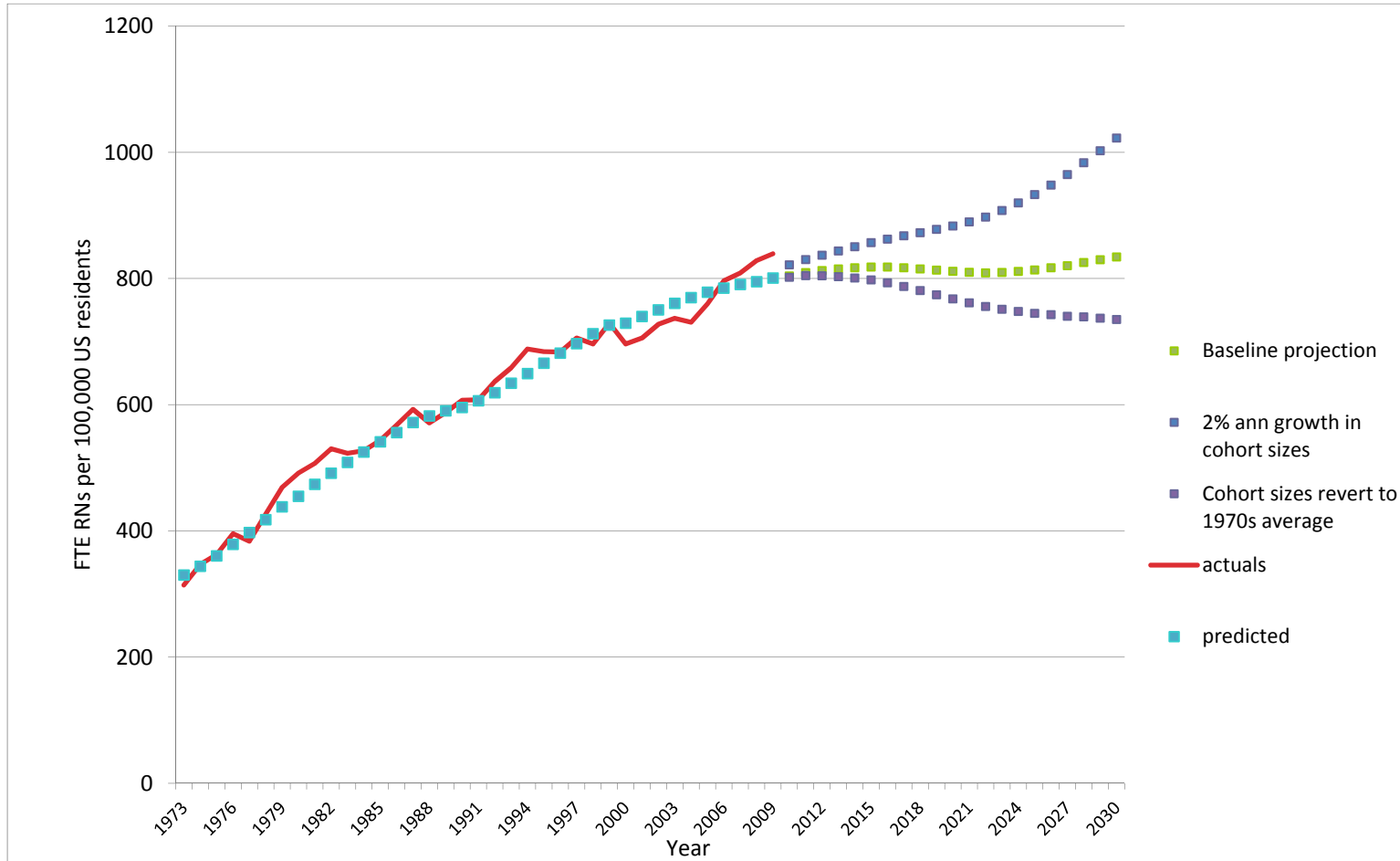
Projections

Two major effects

- Large cohorts in their 30s entered nursing, aided by growth in accelerated degree programs and associate degree programs
- Recent entry by large numbers of young people ... Entering nursing at levels comparable to entry by the large baby boom generation

Auerbach, Buerhaus, Staiger. Registered Nurse Supply Grows Faster Than Projected Amid Surge In New Entrants Ages 23–26. *Health Affairs*, 30,12 (2011): 2286–2292

Projected FTE RN Workforce though 2030



How did increased interest in nursing happen?

- Johnson & Johnson Campaign for Nursing's Future
 - Timely information on shortage, image, opportunities
 - > \$60m over 10 years, >\$15M for scholarships, etc.
- Reinforced by
 - STTI campaign
 - RWJF (appx \$500m) through multiple initiatives
 - Extensive private sector support
 - Development of state workforce centers
- Two recessions (2001/02 and 2007/09)
- Education innovations and expanding education capacity
 - new programs, increases in class size

Very good news on future supply but there are no projections of future demand for RNs

Demand expected to increase, due to:

- Growth in total size of US population
- Aging population
- Obesity, diabetes, cancer, etc.
- ACA health insurance reforms
- Quality and safety pressures
- Physician shortages

September 2013. GAO Report to Congress: HRSA Action Needed to Publish Timely National Supply and Demand Projections

Will all areas of the country
experience growth in the
RN workforce?

Nope

Faster per capita growth of RNs in Midwest and South through 2030

Midwest: WI, MI, IL, IN, OH, MO, ND, SD, NE, KS, MN, IA

- 38% of RNs under age 40 today, fewer older RNs
- ↑ *17% projected per capita growth for region*

South: DE, MD, DC, VA, WV, NC, SC, GA, FL, KY, TN, MS, AL, OK,
TX AR, LA

- 40% of RNs under age 40 today, fewer older RNs
- ↑ *11% projected per capita growth for region*

Buerhaus, P, Auerbach, D., Staiger, D., & Muench, P. (2013) Projections of the long-term growth of the registered nurses workforce: A regional Analysis. *Nursing Economic\$* 31(1): 13-17.

Declining per capita growth of RNs in West and Northeast regions

West: ID, MT, WY, NV, UT, CO, AZ, NM, AK, WA, OR, CA,
HI

- Fewer (38%) of RNs under age 40 today, but > older
- ↓ *2.5% projected per capita growth*

Northeast: MA, NH, VT, ME, RI, CT, NY, PA, NJ

- Fewer (32%) of RNs under age 40 today, but > older
- ↓ *6.2% projected per capita growth*

Trends in nursing education output and capacity (preliminary)

- Data
 - Integrated Postsecondary Education Data System (IPEDs)
 - Through 2012
- Overstates number of new RN graduates
 - RNs who obtain a BSN

Dramatic growth in output and capacity (preliminary)

- Number of new RN graduates more than doubled from 74,000 in 2002 to 181,000 in 2012
- Broad based, rapid growth among
 - All demographic groups (Men, Hispanics, African Americans)
 - In private and public institutions
 - In associate and bachelor's degree programs
 - And especially in **private for-profit schools**
 - In 2002: under 20 programs, 349 graduates
 - **In 2012: over 200 programs, 19,000 graduates**

Auerbach, Staiger, Muench, Buerhaus (April 18, 2013). The Nursing Workforce in an Era of Health Reform. *The New England Journal of Medicine* 368(16):1470-1472. *updated data through 2012

Uncertainty over how lingering effects of the Great Recession will affect the current workforce and alter projections of the future

Countercyclical Nature of Health Industry

- Job gains in health care occur *faster* during recessions than in non-recessionary periods
 - During 18 month Great Recession, health care industry added 428,000 jobs ... national economy lost 7.5 million
 - In 2007 & 2008, *hospital* RN employment increased 243,000 FTEs, a record!
 - Decade long RN shortage all but ended

Source: Staiger, Auerbach, Buerhaus. (April 19, 2012). Registered nurse labor supply: Are we currently in a bubble? *New England Journal of Medicine*, 336;16:1463-65

Since recession ended in 2009

- Many older RNs have stayed in workforce (particularly in hospitals), thereby decreasing employment opportunities for young RN graduates
- Yet, total RN employment grew, again, and at a strong pace, adding nearly 125,000 RNs during 2011 and 2012!
- Employment has grown substantially faster in non-hospital settings compared to hospitals

What will happen next?

- If a strong jobs recovery occurs, will large numbers of older RNs retire? “Bubble bursts”
 - This would open up jobs for younger RNs, particularly in hospitals
- If the jobs recovery continues to linger, as expected, and new economic pressures bear down on all health care providers, will young people still choose to become RNs?
 - If they don't, will shut off the flow into the nursing profession that is needed to grow the future supply

Summary

- Nearly one million RNs over 50 today ... many retiring over decade
- Yet, long-term projections turning positive... great development!
 - Driven largely by surge of young people becoming RNs
- Big initiatives can work!
- Regional variations in growth
 - Negative per capita growth in Northeast and West relative to South and Midwest regions of US

Summary Con't

- Surprising growth in nursing education – both numbers and capacity, private for-profit
- Baccalaureates on the rise, overtaking associates
- But, without estimates of demand, can't gauge timing and size of potential longer-term shortage
- Must continue to grow supply
 - Sustain and nourish the surge of young people entering nursing

2. Where there are challenges there are opportunities

For Employers: Impending Retirement of RN workforce

- Challenge: Plan for retiring workforce
 - Anticipate, have a plan, be ready for *rapid* exit
 - Alternatively, could be *slow* exit
- Opportunity: move marginal, low-performers out of organization (not providing good value) to make room for new graduates

For Educators

- Challenge: Preparing students for a delivery system that doesn't yet exist
 - Coordination, collaboration, teamwork, prevention, value driven, population focused, etc.
- Rapid expansion of nursing education programs
- Opportunity: Increase commitment to producing the highest quality of nurse possible, and hold poor educators and low performing education programs (all levels and types) accountable

Educators and Employers Together

- Challenges: Educators want and need students, even though can't ensure jobs currently available
- Employers (hospitals) can't use all of the new graduates now, but they know they will need them sometime in the future
- Opportunity: Can we figure out a way to work together to keep educating more RNs and provide meaningful transition jobs and work experience until employment picks up?

Thank You