Why This Hospital Nursing Shortage Is Different

Howard S. Berliner, ScD
Eli Ginzberg, PhD

The United States is in the midst of a serious major shortage of registered nurses (RNs). This shortage will culminate in the largest deficit of hospital nurses at a time when the demand for their services will be the greatest, ie, after 2010. Nursing shortages have been a relatively common phenomenon in the United States, occurring on a periodic basis—in the late 1950s, early 1970s, late 1980s, and reemerging at the beginning of this decade. In prior years the solution to the crisis was higher wages, better benefits (including changes in scheduling), and overseas recruitment. However, this nursing shortage is different and the emerging challenge will be much greater. This article describes the quantitative dimensions of the emerging nursing shortage and discusses policy solutions currently advanced for dealing with the problem. This contribution is not intended to provide new data or analysis, but rather is meant to draw new conclusions from the existing data and deepen the analysis.

The Current Nursing Shortage

It has become commonplace to note that hospital-based nurses “love” their work and “hate” their jobs. This seems to be true for England, Canada, and other countries as well as the United States, as Aiken and colleagues have recently reported. To the extent that this sentiment accurately reflects the dominant view of hospital nursing issues, it seems to indicate that structural features of clinical nursing are serious barriers to job satisfaction. Therefore, attempts to deal with the current nursing shortage simply by increasing the supply of nurses is not likely to be successful.

In past nursing shortages, the nub of the problem seemed to be a mismatch between the demands of the market and the difficulties that hospitals encountered in raising wage levels and the willingness of nurse graduates to work for those wages. Today’s problem is more complex because it is really 3 separate, but ultimately related, problems that must be addressed: a declining number of new nurses entering the workforce; attracting new nurses to stay in hospitals; and nurses retiring or leaving the workforce early. The combination of these factors forms the basis of the emerging nursing shortage in the United States. While each of these problems has been present in the past, the additive effect of all 3 is the crux of the current and future shortage.

The Supply of Nurses

The data presented in this article, unless otherwise indicated, are derived from the National Sample Survey of Registered Nurses (March 2000). This is the seventh quadrennial survey of nurses carried out by the Health Resources and Services Administration and is the definitive source of information regarding RNs in the United States. There were almost 2.7 million individuals with nursing licenses in the United States in 2000. While this represents an increase of 1 million from 1980, the most recent period between 1996 and 2000 witnessed a rate of growth less than half of that. Almost 500,000 individuals with nursing licenses were not working in nursing in 2000, an indication that there are alternative career choices for nurses outside traditional nursing such as education, insurance, and utilization review. The average age of the current nurse workforce is 45.2 years, and only 9.1% of nurses were younger than 30 years in 2000 compared with 25.1% younger than 30 in 1980. Younger nurses are more open to accepting hospital jobs.

The majority of nurses retire from the workforce in their late 50s. This relatively short work life for nurses is explained, at least in part, by the physical demands of the job becoming more difficult as nurses age. Also relevant is the fact that many nurses enter RN training programs after they have previously worked as nurse assistants or licensed practical nurses. Approximately 37% of new students in nursing programs had worked in the health field immediately prior to their entry to an RN program. However, the most significant impact of the changing age distribution is that after the year 2010, when the baby boom generation begins to retire and greater utilization of health services most likely will occur, the small number of nurses entering the field combined with the large cohort now in their 40s with some starting to retire shortly thereafter, will lead to a dramatic shortage of nurses at the time when they will be increasingly needed.

Author Affiliations: Milano Graduate School, New School University, New York, NY (Dr Berliner), and A. Barton Hepburn Professor Emeritus, Graduate School of Business, Columbia University, New York, NY (Dr Ginzberg).

Corresponding Author and Reprints: Howard S. Berliner, ScD, Milano Graduate School, New School University, 72 Fifth Ave, #705, New York, NY 10011 (e-mail: berliner@newschool.edu).

©2002 American Medical Association. All rights reserved.
Factors Affecting the Nursing Workforce

Three reasons seem to contribute to the precipitous decrease in the number of nurses: the need for a college degree (either 2 years or 4 years, coincident with the marked decline of the nursing diploma school) keeps many potential nurse applicants out of the pool; the existence of expanded career options for women; and the fact that nurses today are so unhappy in their jobs, which deters potential entrants into the field. Financial issues do not appear to be generating the declines in nursing school enrollments as in the past. In the year 2000, the national average earnings for full-time staff nurses was $42133, although this varies widely by region. Nursing wages have kept pace with inflation but have not significantly increased beyond that level over the past 20 years. While future increases in wages might attract a larger number of entrants into nursing (mid-career or new career entrants), improved wages alone will not resolve the other issues that are keeping the supply of nurses low. This point does not seem to have had an impact on most hospital administrators who still seem to think that wages alone are the issue.

Prior nursing shortages have been resolved in part by attracting nurses from other, generally English-speaking, countries. As a result, large numbers of nurses were recruited from Canada, the English-speaking Caribbean, the Philippines, Great Britain, India, Pakistan, and English-speaking African countries. Nurses from these countries came to the United States on special work visas (H1A) that are quite restrictive. These nurses came because of the opportunity to provide a sizable number of new career nurses, if the field could be made more attractive to men.

Today, qualified women go into virtually every field. For example, women now make up close to half of entering medical school classes and a large proportion of law and business school entering classes as well. While this has been a great boon for qualified women, it has been less than optimal for nursing, which must now compete for educated women who have a substantial number of alternate career options. Moreover, many hospital nurses opt to become nurse practitioners as a way to provide care for the ill, along with the intellectual challenges of dealing with disease and illness. This is something that cannot be achieved in law or business and should be a marketing opportunity for nursing. Better ways of informing prospective students about what nurses do must be formulated and marketed to teenagers in high school so that they can see the broader advantages of nursing as a career in caring and science.

Working Conditions and Job Dissatisfaction

Nurses are greatly dissatisfied with their jobs. Aiken and colleagues report that more than 40% of nurses working in hospital jobs report being dissatisfied with their jobs, while in other professions only 10% to 15% of workers report dissatisfaction. Moreover, the dissatisfaction of US nurses is greater than for nurses in other countries.
Recent reports by the American Hospital Association\(^9\) and a report issued by the Robert Wood Johnson Foundation\(^1\) are exemplary in their discussion of ways to increase the pool of nurses but silent on dealing with working conditions. However, in our view, this approach is extremely short-sighted. Every study and poll that has asked nurses about their jobs has found significant elements of discontent with their specific work environments. To ignore this is to relegate nursing to continual upheaval and distress.

Even if constructive strategies could become effective to increase the number of individuals entering nursing, the working condition issues that drive nurses out of the field and into less onerous work would still remain. Recent data from New York City indicate that 50% of new nurses working in hospitals leave before the end of their second year of employment.\(^10\) To the extent that this is not atypical for much of the country, the implication is that twice as many nurses would need to enter the field to maintain the current low supply. As long as hospitals understaff their nursing units, require nurses to float from unit to unit, require mandatory overtime, and disrespect their nurses in general, the constant high turnover in the nursing profession will continue. While it is beyond the scope of this article to address issues such as mandatory minimum staffing ratios and other strategies that nursing unions and other groups are proposing,\(^11\) it is clear that hospital management will have to pay significantly more attention to improving the working conditions of nurses than they have in the past.

**Early Retirement**

Another problem relates to nurses’ tendency to retire in their mid and later 50s, which deprives newer nurses of the opportunity to learn valuable skills and knowledge from older workers. Among the reasons nurses retire early are less need for income in 2-worker families with grown children, the physical demands of the profession, and the lack of financial incentives for nurses to continue working.

A fairly recent development in hospitals has been to reward nurses for service longevity; perhaps the reworking of pensions and increased compensation can entice more nurses to stay on the job. However, hospitals would still have to deal with the growing physical burdens of nursing at a time when nurses are finding it difficult to continue to lift and move patients and equipment without assistance. The answers to these problems seem to be to increase the number of assistive staff to help moderate some of the more strenuous physical demands of the job, and to use the experience of nurses for other purposes than direct patient care. For example, older nurses could be relieved of some of their shifts so that they could mentor younger nurses or join the faculty of nursing schools. Older nurses could also work in areas of the hospital that require less demanding physical efforts and could provide many with renewed interest in their field. Hospital administration might consider reducing the long-term stress on nurses in demanding environments through a program of job rotation. Younger nurses might begin to feel differently about their jobs if they saw that nursing can still be a rewarding career as they grow older.

**Conclusions**

Nursing shortages occur relatively frequently and have, in the past, been solved largely through increasing wages and benefits. This is as economic theory would have it. The nursing shortage that the United States faces today—which if corrective actions are not taken, will become substantially worse in 2010 and beyond—is not likely to respond solely to economic solutions. Market solutions (eg, wage increases) may help moderate the problem in the short term, but will not resolve the fundamental imbalances that plague nursing. While significantly more spending will be required to help reduce the problem of the nursing shortage, hospital administrators also must address all 3 dimensions of the problem (declining numbers entering the profession, retention in hospital jobs, and early retirement) before real progress can occur in increasing the nursing supply and alleviating even worse shortfalls in the future. The numbers and diversity of individuals entering nursing must be increased; the working conditions of nurses must be improved; and mechanisms and incentives must be developed to keep nurses working longer.

The recently signed Nurse Reinvestment Act\(^12\) is intended to provide scholarships and loans to help increase the numbers of individuals entering nursing and also offers internship and mentoring programs for new nurses and career ladder programs for job advancement. While this act is a laudable step in the right direction, it explicitly does not address the fundamental issues of work conditions. These are not insoluble problems, but they do require that hospital administrators and state and national policymakers expand their vision beyond attracting more individuals into the profession.

**References**


8. Medical schools in the United States [appendix 1A: Table 2]. *JAMA.* 2002;288:1137-1145.


©2002 American Medical Association. All rights reserved.