

# NURSING

GEORGETOWN UNIVERSITY



Center  
on Education  
and the Workforce

McCourt School of Public Policy

## Can It Remain a Source of Upward Mobility Amidst Healthcare Turmoil?

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2017



**Executive Summary**

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Over the past few decades, in good economic times and bad, employment in the healthcare professions has been a good bet. During the Great Recession, the healthcare industry added the most jobs, while most other industries were in decline. Today, in the post-recession economy, the job prospects for nurses are still very good. The latest projections from the US Bureau of Labor Statistics indicate that, through 2024, there will be 1.18 million new and replacement job openings for registered nurses (RNs) and 322,000 new and replacement job openings for licensed practical nurses/licensed vocational nurses (LPNs/LVNs).<sup>1</sup>

However, the healthcare system is also at the center of a contentious and long-running political debate. Proposed legislation that would repeal and replace the Affordable Care Act (ACA), also known as Obamacare, would roll back substantial expansions of Medicaid as well as subsidies for private insurance companies to create state exchanges and marketplaces. The implications of such changes for the job market would be quite serious,<sup>2</sup> as repealing those pieces of the ACA would result in the loss of millions of jobs—both jobs directly related to healthcare and downstream jobs.<sup>3</sup> The result would be a significant contraction in state economies.<sup>4</sup> Repeal and replacement of the ACA would put 156,000 nursing jobs at risk in the first year (2019) alone, as the demand for healthcare services will decline if health insurance coverage decreases.<sup>5</sup>

Significant retrenchment in US healthcare would ripple through the economy for some time. Healthcare makes up more than one-sixth of the US economy.<sup>6</sup> Nursing is the largest healthcare profession: the nursing workforce consists of 3.2 million RNs and 720,000 LPNs/LVNs.

Nursing is a complex and ever-changing profession. Successful nurses combine scientific knowledge with good interpersonal communication skills and the ability to make good decisions, often in stressful situations. Registered nurses need to possess the sensitivity and social acumen to take care of patients, along with the thinking and reasoning skills to assess patients' conditions and administer appropriate treatment. Nursing historically has been a particularly important profession in the upward mobility of women. While men are becoming nurses in greater numbers, still 90 percent of nurses are women. Nursing jobs, particularly at the RN level, pay more than the average job for a worker with a bachelor's degree.

The requirements and demographics of nursing are quickly changing. Over the past 35 years, there has been a tremendous amount of upskilling in the nursing profession. Education requirements are greater, with 66 percent of registered nursing (RN) jobs requiring a Bachelor of Science in Nursing (BSN) or higher. In 1980, only 32 percent of RNs held a BSN or higher (Figure 1).

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1 US Bureau of Labor Statistics, *Employment Projections: 2014–2024*, 2015.

2 Ku et al., "Repealing Federal Health Reform," 2017.

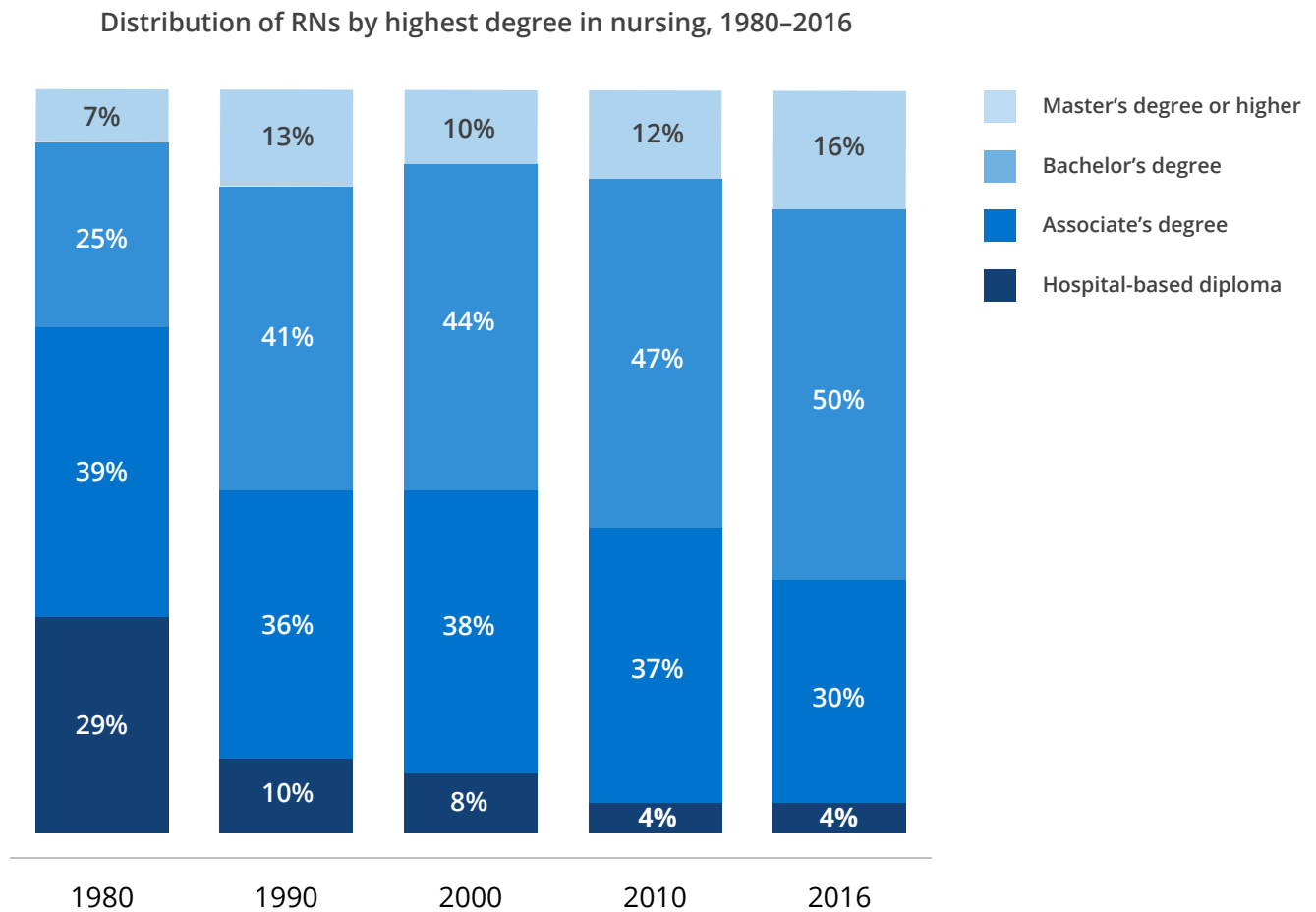
3 George Washington University's Milken Institute School of Public Health and the Commonwealth Fund estimate that more than one million healthcare jobs could be lost if the Senate votes to repeal the Affordable Care Act.

4 Lucia and Jacobs, *California's Projected Economic Losses under ACA Repeal*, 2016.

5 The Congressional Budget Office estimates that 23 million people will lose health coverage under the American Healthcare Act as passed by the House of Representatives. Congressional Budget Office, "H.R.1628, American Healthcare Act of 2017: Cost Estimate," 2017.

6 Carnevale et al., *Healthcare*, 2012.

**Figure 1.** Among RNs in the field, 66 percent held a BSN or higher in 2016.



Note: Percentages may not total 100 due to rounding.

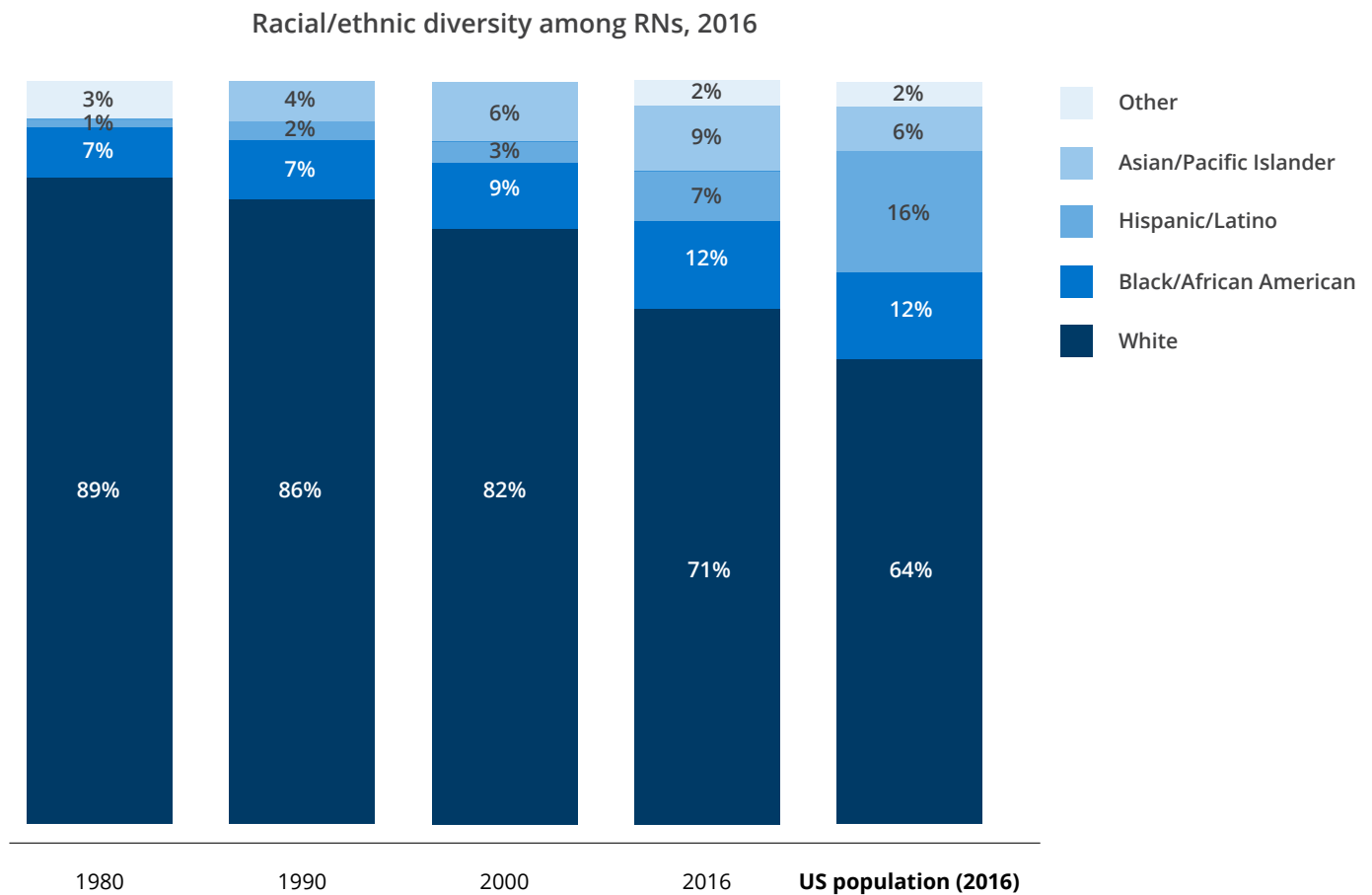
Source: Georgetown University Center on Education and the Workforce analysis of US Census Bureau and Bureau of Labor Statistics, *Current Population Survey (CPS) March Supplement* data, 1980-2016.

Advanced degrees and specific certifications, such as advanced cardiac life support and medical coding, are becoming increasingly common additional credentials for RNs. Among RNs, 16 percent have graduate degrees: a Master of Science in Nursing (MSN), a Doctor of Nursing Practice (DNP), or a Doctor of Nursing Science (DNS). LPNs/LVNs, meanwhile, generally have much lower educational attainment. To become an LPN/LVN, a student is required to have only a one-year certificate or diploma, typically offered by community colleges.

Many nurses are working learners. Ten percent of nurses (RNs or LPNs/LVNs) who are working, either full time or part time, are enrolled in postsecondary institutions. Most working nurses are age 35 or younger. At the same time, the ranks of nurses are becoming more diverse.<sup>7</sup> In 2016, 29 percent of all registered nurses were from diverse racial and ethnic backgrounds, up from 11 percent in 1980.

<sup>7</sup> Foreign-born nurses make up 19 percent of the nursing workforce with a bachelor's degree. Over the past three decades, most of the foreign-born nurses have come from Asian, Middle Eastern, and African countries, a contrast with the earlier predominance of nurses from Europe.

**Figure 2.** White RNs are overrepresented relative to their population share, while minority RNs, especially Latinos, are underrepresented.



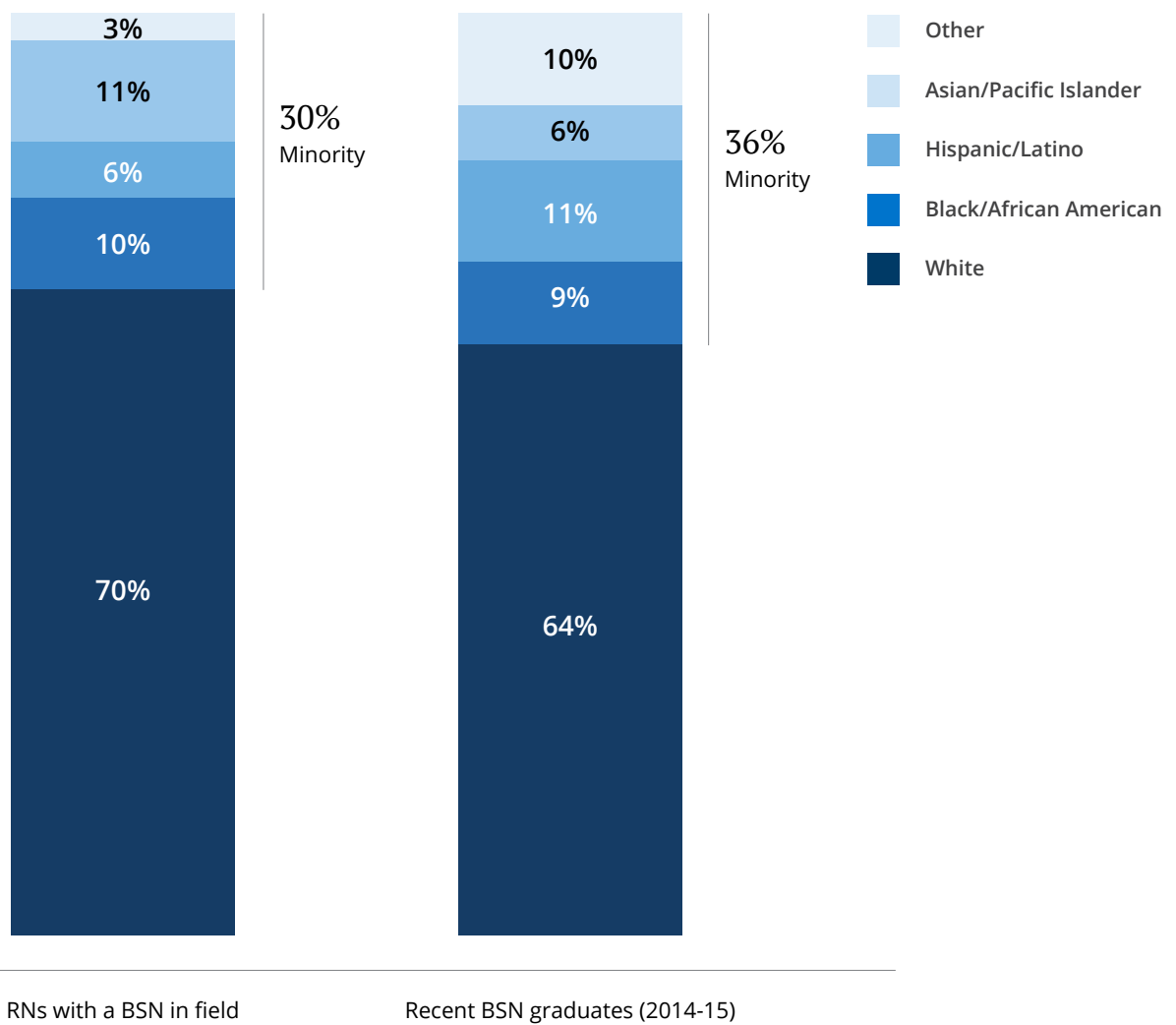
Note: Percentages may not total 100 due to rounding.

Source: Georgetown University Center on Education and the Workforce analysis of US Census Bureau and Bureau of Labor Statistics, *Current Population Survey (CPS) March Supplement*, 1980-2016.

The shift to the BSN as the dominant nursing credential requirement, especially in hospitals, risks leaving Black and Latino nurses behind. Whites represent 64 percent of the US population and 71 percent of RNs with a BSN.<sup>8</sup> Latino nurses account for only 7 percent of RNs with a BSN, while 16 percent of the US population is Latino (Figure 2). However, the most recent cohort of BSN graduates is more diverse, with nurses from diverse backgrounds representing 36 percent of awarded BSNs in 2014-15 (Figure 3).

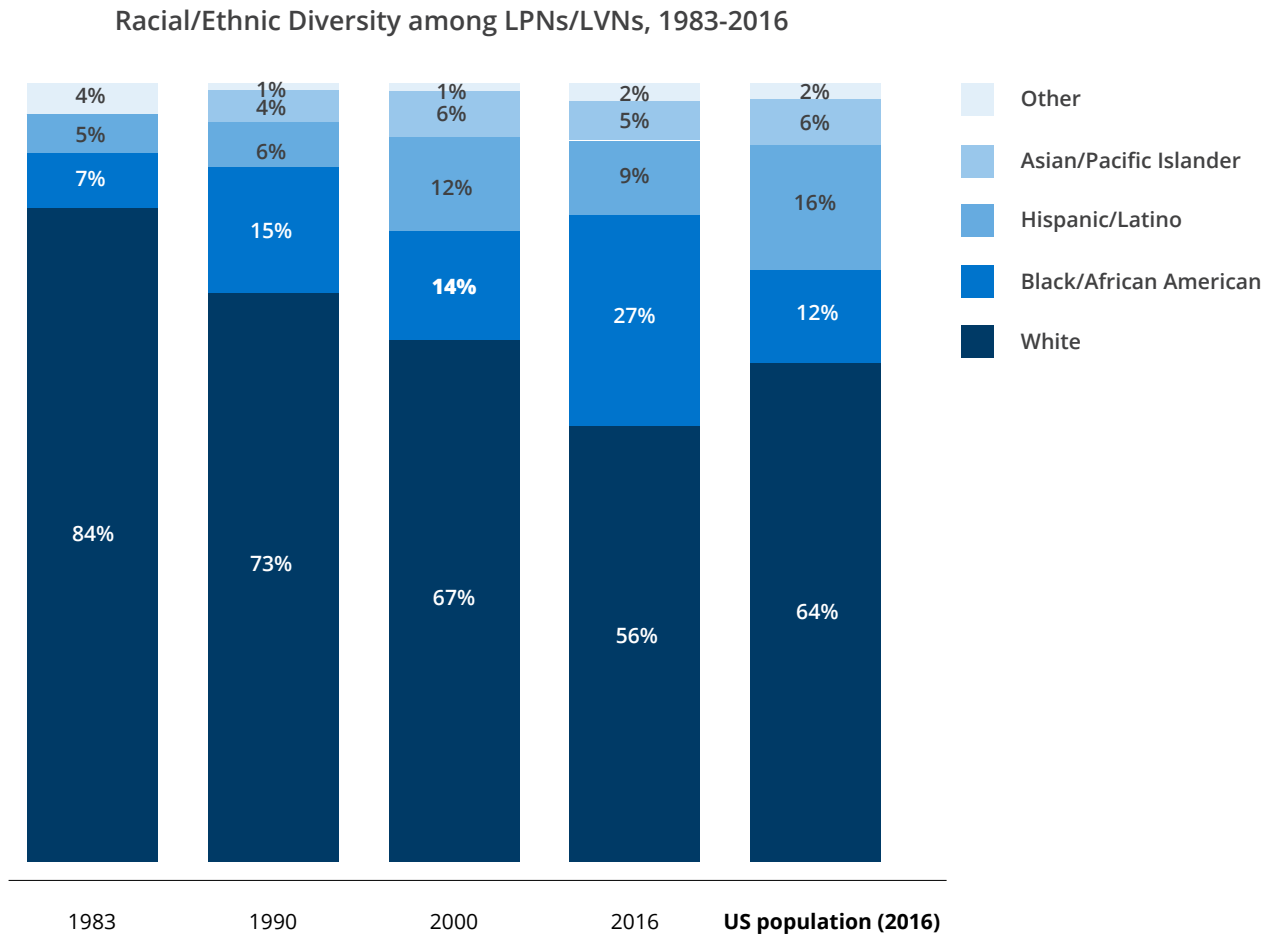
<sup>8</sup> Of Asians with a BSN or higher, 80 percent are foreign-born.

**Figure 3.** Recent BSN graduates are more diverse than all RNs with a BSN.



Source: Georgetown University Center on Education and the Workforce analysis of US Census Bureau and Bureau of Labor Statistics, *Current Population Survey (CPS) March Supplement*, 2016, and National Center for Educational Statistics (NCES), *Integrated Postsecondary Education Data System (IPEDS) Completions Survey*, 2014-2015.

**Figure 4.** Nursing is diversifying from the bottom up: 43 percent of the LPN/LVN workforce is from diverse racial and ethnic backgrounds.



Note: Percentages may not total 100 due to rounding.

Source: Georgetown University Center on Education and the Workforce analysis of US Census Bureau and Bureau of Labor Statistics, *Current Population Survey (CPS) March Supplement data, 1980-2016*.

Unlike the RN workforce, the LPN/LVN workforce reflects relatively greater diversity. The share of minority LPNs/LVNs increased from 16 percent in 1983 to 43 percent in 2016 (Figure 4).<sup>9</sup>

Annual earnings for RNs average \$67,000 a year, \$7,000 higher than the average for all prime-age workers (ages 25 to 54). Pay increases with education and seniority. Nurses with a BSN have average annual earnings of \$68,000, which is \$8,000 higher than the average for all women with a bachelor’s degree (but \$20,000 below the average for all men with a bachelor’s degree). Male nurses on average are paid more than female nurses at every education level. The gender wage gap is particularly pronounced at the BSN level, where male nurses earn 19 percent more than female nurses. For RNs with an Associate Degree in Nursing (ADN), the gender wage gap is 5 percent.

<sup>9</sup> Georgetown University Center on Education and the Workforce analysis of *Current Population Survey, March Supplement, 1983-2016*.

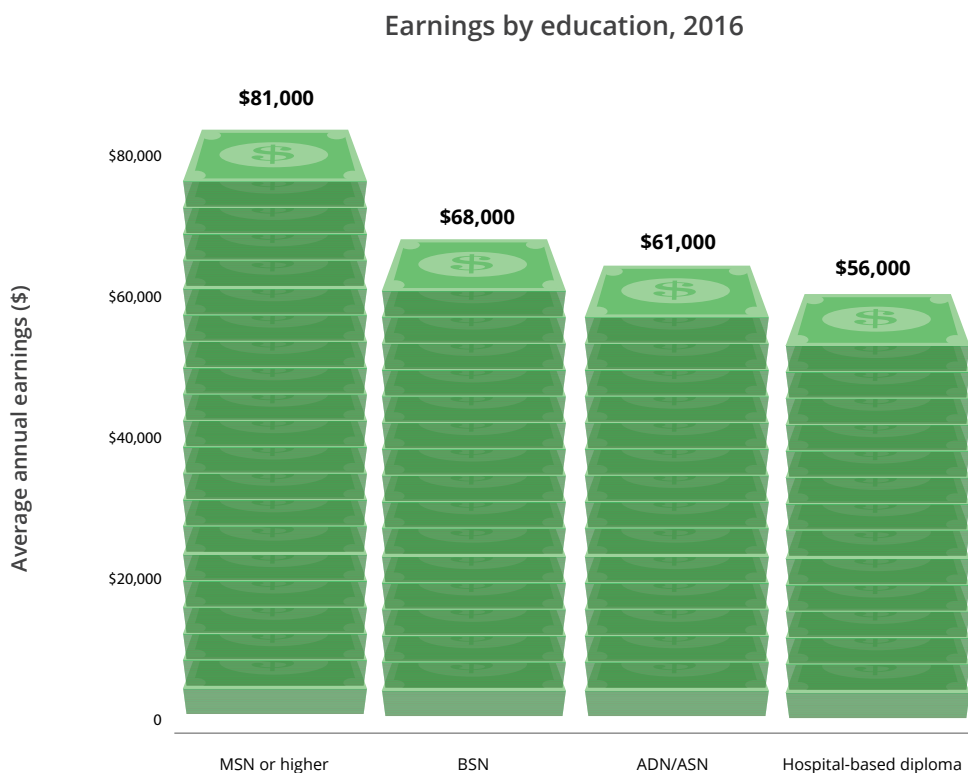
Annual earnings for LPNs/LVNs average \$46,000. This is \$3,000 less than the average salary for all full-time, full-year prime-age workers with some college but no degree, but it is \$5,000 more than the average earnings for full-time prime-age women with some college but no degree.

The LPN/LVN is a growing field. The number of sub-baccalaureate LPN/LVN credentials nearly doubled between 2000 and 2015.

The highest degree earned, nursing specialty, and job setting have clear relationships to earnings. RNs with a master’s or a doctoral degree have the highest real annual mean earnings (\$81,000), while those with a hospital-based diploma have the lowest (\$56,000). In general, nurses with BSNs (\$68,000) make more than nurses with ADN/ASNs (\$61,000) (Figure 5).

Specialty plays a significant role in earnings. Nurse anesthetists have the highest annual earnings (\$153,000). Nurse practitioners and nurse midwives combined have the next highest earnings (\$83,000), the same average earnings as RNs in management and administration roles (\$83,000).<sup>10</sup>

**Figure 12.** Registered nurses with an MSN or higher have the highest earnings, while those with a nursing diploma have the lowest earnings.



Source: Georgetown University Center on Education and the Workforce analysis of US Census Bureau and Bureau of Labor Statistics, *Current Population Survey (CPS) March Supplement* data, 2016.

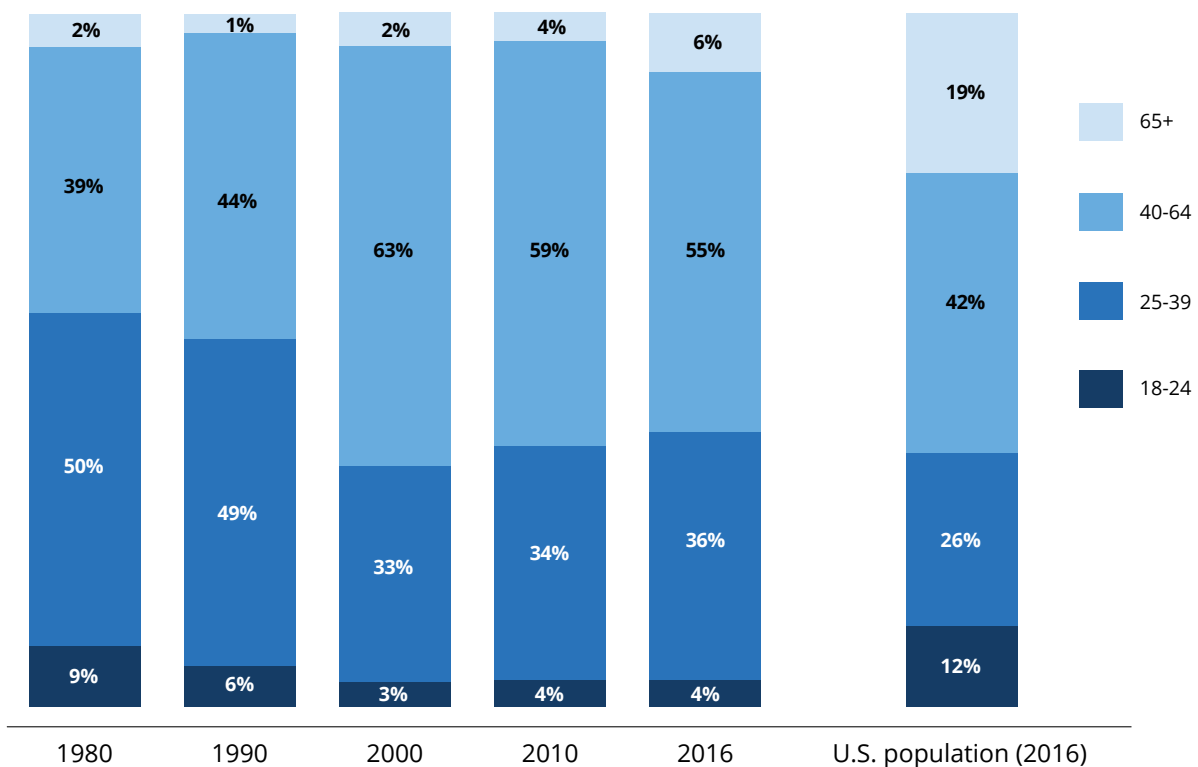
10 Georgetown University Center on Education and the Workforce analysis of Health Resources and Services Administration (HRSA), *National Sample Survey of Registered Nurses (NSSRN)*, 2008. US Bureau of Labor Statistics, *Occupational Employment Statistics (OES)*, 2015, reports even higher salaries for nurse anesthetists (\$160,000), nurse practitioners (\$101,000), and nurse midwives (\$94,000).



Hospitals often pay more than physician’s offices or nursing homes. At least in part, this is a result of educational requirements. Hospitals increasingly require the BSN as an entry-level qualification for nurses. The entry-level educational requirements tend to be lower at other healthcare institutions.

The average age of the nursing workforce has been rising. The average age of RNs was 45 in 2016, compared to 38 in 1980. Sixty-one percent of RNs are 40 years of age or older (Figure 6), and 39 percent are 50 or older.<sup>11</sup> The average age of LPNs/LVNs was 42 in 2016, with 56 percent of LPNs/LVNs 40 years of age or older, and 36 percent 50 or older. As the current workforce ages and eventually retires, shortages in the workforce could result if replacement workers in nursing are not trained quickly enough. Moreover, the rising entry-level education requirements make it much more difficult for new nurses to replace older nurses, who might be relatively less educated but have a wealth of hands-on experience.

**Figure 18.** As of 2016, 61 percent of all RNs were 40 or older, a 20 percentage point increase since 1980.



Note: Percentages may not total 100 due to rounding.

Source: Georgetown University Center on Education and the Workforce analysis of US Census Bureau and Bureau of Labor Statistics, *Current Population Survey (CPS) March Supplement* data, 1980-2016.

<sup>11</sup> Georgetown University Center on Education and the Workforce analysis of *Current Population Survey (CPS) March Supplement*, 1980-2016. The National Forum of State Nursing Workforce Centers and the National Council of State Boards of Nursing, *2015 National Nursing Workforce Study*, 2015 finds that 50 percent of licensed RNs are 50 years of age or older. The licensed RN population is different than the working RN population, which many statistics in this report are based on. Not all professionals licensed as RNs work in nursing positions (specifically positions classified under nursing occupations by US Bureau of Labor Statistics). For example, in 2013, out of 5.2 million licensed RNs, 3.6 million worked in nursing occupations. Carnevale, Smith, and Gulish, *Nursing*, 2015.

# Conclusion

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Any healthcare legislation that may come out of Congress will have a major impact on nurses. Potentially 156,000 nursing jobs may be at risk if the ACA is repealed. As the largest occupation among the healthcare professions, nurses would feel the brunt of job losses in the repeal and replace process.

Though the occupation is becoming more diverse, close to 90 percent of nurses are still women, and the majority are White women. Increasing diversity across all the healthcare professions, including nursing, represents an important positive trend for professionals who are serving an increasingly diverse patient population. Latinos, in particular, are still substantially underrepresented among nurses. Furthermore, Black and Latino nurses are disproportionately working as LPNs/LVNs, while White and Asian nurses are disproportionately working as RNs.

The education requirements for registered nursing have also been growing substantially, with 66 percent of RNs now holding a BSN or higher. This trend toward requiring the BSN has helped to ensure continued high quality of care delivered by registered nurses and solidified their professional reputation among healthcare practitioners, yet it also has acted as an additional barrier for some groups, who have gravitated instead toward the lower-skills, lower-paid LPN/LVN workforce.

The increased presence of nurses from diverse backgrounds in the LPN/LVN workforce suggests that promoting career pathways for LPNs/LVNs to advance to licensed RNs, especially for nurses from traditionally underrepresented backgrounds, could be a promising strategy for increasing the diversity of the RN workforce. However, only 18 percent of RNs get their start as LPNs/LVNs. The LPN/LVN-to-RN career pathway historically has been time-consuming, expensive, and difficult to navigate. So, if nursing is to maintain its high professional standards while also increasing diversity and promoting upward mobility, the field must have more than just well-developed career pathways in place. It must also ensure that more nurses have sufficient support along those pathways to succeed in making it to higher-skill positions with higher earnings and greater autonomy.

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