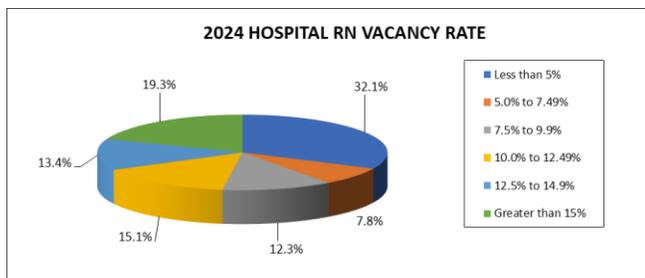


# 2025 RN Labor Market Update

The RN labor shortage continues to challenge hospitals to control costs, improve quality, expand service lines and grow bed capacity. Through 2033, the Bureau of Labor Statistics (BLS) projects that RN employment will grow by 6%, thus outpacing the average of all other occupations. While RN labor supply will grow, it will lag demand, particularly given the aging population.

Besides the nursing care needs for people living longer and the subsequent rise in chronic conditions, there is a need to replace RNs who retire. According to the NCHWA Nursing Workforce Dashboard, approximately thirty-four percent (34%) of RNs are Baby Boomers. All of whom will reach retirement age by 2030.

A mass exodus of RN experience and knowledge is on the horizon. Maintaining adequate levels of nursing staff is critical to reducing burnout, patient errors and mortality rates, and is linked to higher job satisfaction. While nursing supply varies geographically; on a national level, a major crisis remains and is deteriorating.



The RN Recruitment Difficulty Index measures the amount of time it takes a hospital to recruit an experienced RN replacement. Currently, the average time-to-fill stands at 86 days. Given this 3-month lag, hospitals have historically been reliant on contract labor. Unfortunately, this is a heavy burden on hospital margins.

### **FINANCIAL TOLL OF TRAVEL RNs**

Nationally, the average travel nurse fee is \$90/hour and ranges to \$127/hour. In comparing the annual cost of a travel RN at \$187K to that of

an employed staff RN at \$112K (*includes 28% cost of benefits*), it is obvious that employed RNs provide a cost savings opportunity of \$74.8K per hire.

### **STAFFING STRATEGIES AND ROI**

A quantifiable measure of the severity of an institution’s increasing vacancies is contract labor use, RN turnover and their associated costs. Trending RN turnover, based on historical data, is a leading indicator of future hospital financial pressure. Management must identify contract labor costs and not view it as an “operating expense”, but rather view it as aggregated with labor costs and integrated within the position control system. This integration with the payroll cost line, will provide insight into the actual direct cost of labor, turnover, vacancies, and sluggish recruitment efforts.

For every 20 travel RNs eliminated, a hospital can save on average \$1,497,000. Partnering with an experienced vendor that can successfully navigate volume recruitment with a quick time-to-fill is paramount.

### **CONCLUSION**

In short, the nursing shortage remains. To strengthen the bottom line, hospitals need to build retention capacity, manage vacancies, bolster recruitment initiatives and control labor costs. The battle for RN talent continues and NSI can help.

At **NSI Nursing Solutions**, we encourage our clients to minimize excess labor utilization and focus on a strategy that embraces full staffing, builds retention and enhances ROI. Since 2000, NSI has helped clients open towers, expand bed capacity, and stabilize their workforce.

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