Money Matters

Economic cycles trigger ups and downs in nursing—from job security and increased enrollments to lower staffing levels and postponed retirements

By Phil McPeck
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The recession that ended last year turned out to be a dark cloud with a silver lining for nursing. On the upside, the downturn in the economy highlighted the demand for RNs and the seeming insatiable nursing shortage.

With an almost ironclad guarantee of employment, the recession-aided by marketing campaigns-swelled nursing school enrollment. Second-degree programs that speed professionals from other industries into nursing especially flourished.

Also on the upside, RNs didn't experience the layoffs that crippled manufacturing industries, and their salaries continued to advance through the recession that consumed 2002.

On the downside, however, nurses may have to cope for years with the effects of a weak and uncertain economy. In the extreme, some RNs have come to realize that they must continue working instead of savoring retirement. Staffing also remains an issue, with heavier workloads for lighter staffs, which is also a product of the recession.

"Historically, in periods of economic recession, nursing sees an influx of new applicants. It offers young men and women job security at a time when people in a variety of other industries are losing jobs," said Judith Shindul-Rothschild, Ph.D., MSN, RN, of the William F. Connell School of Nursing at Boston College.

All Nursing Schools [allnursingschools.com], an Internet resource representing 170 nursing schools, experienced a 93 percent increase in visitors to its Web site-to about 4.8 million-and a 95 percent jump in inquiries to schools in the year ending Sept. 30, said Mike Mathieu, president and founder of site owner All Star Directories.

"Second-degree students in particular, helped along by the weak economy, are turning to nursing as a career," Mathieu said. Inquiries do not translate one-for-one into students, but 37 percent of the information requests for bachelor's degree programs came from nontraditional students, he said.

In a survey of 578 nursing schools, or about 85 percent of four-year degree programs in the United States, the American Association of Colleges of Nursing reported that overall enrollment in undergraduate programs was up more than 16 percent in the fall of 2003.

Boston College reflects the yin-yang of recession and nursing. The college admits only its top applicants, regardless of their field of study.
"From one year to the next, we don't know who we're going to get," Shindul-Rothschild said. Yet the nursing freshman class is up 53 percent, to 80 students, "the biggest jump ever. We're thrilled," she said, adding that nursing is attracting "very competitive applicants" who just as easily could choose to be in education, arts and sciences, social work or business, and who have the underpinnings to be future nursing leaders.

**Top of the pops**

Shindul-Rothschild attributes the rush to nursing to two things: recession and an awakened interest in service professions in the aftermath of Sept. 11, which contributed to the economic downturn.

Nowhere is the increasing interest in nursing school more evident than at Vanderbilt University in Nashville, Tenn. Enrollment is a record 264 students for this academic year, with a waiting list of more than 35 academically qualified students. Vanderbilt three-semester "bridge" program for students with other degrees surged to 148 students from 124.

The second-degree program experience is similar at the University of Arizona, where 48 students with non-nursing degrees are finding their way to the profession, lured partly by the opportunity to work anywhere and without the fear of layoffs.

"There's such a high demand for nurses everywhere in the country. I want to have the security of knowing that I'll be able to find a job," said Jameela Ameen, 27, who graduated in 1999 from UofA with a degree in molecular and cellular biology. "One of the problems I had after working five years on my degree was that there just wasn't a job market, especially here in Arizona, for a molecular and cellular biologist with a bachelor's degree," she said.

Ameen worked for a time as a lab technician at University Medical Center in Tucson, then joined a company that made artificial hearts. When that didn't pan out after a couple of months, she spent two years with the U.S. Border Patrol before deciding she needed something more conducive to family life. She was accepted into the UofA's 14-month accelerated BSN program and expects to graduate in August.

So will classmate Michael Grizinski, 49, who has a bachelor's degree in premedical sociology from Notre Dame University and a master's degree in microbiology. For 18 years, Grizinski cobbled together a career mostly at the UofA, moving from one grant-funded position to another and department to department when budgets were cut.

"If the grant wasn't renewed, you were gone," said Grizinski, which accounted for his stints in cancer research, optical sciences pathology, microbiology, veterinary sciences and plant sciences. Along the way, he worked at an environmental testing lab in Flagstaff, Ariz., and joined a cancer diagnostics startup company in Tucson, but was laid off after eight months when the company switched directions.

"I started doing some soul searching," said Grizinski, who once considered medical school. A local news story about the depth of the nursing shortage tipped him to the accelerated nursing degree program and he was accepted.

In conjunction with the College of Nursing, University Medical Center and Carondelet Health Network each underwrite 24 students, in exchange for a two-year work commitment.
after graduation.

"Not having to worry about tuition is a blessing. I'm surviving on savings to make it through school," Grizinski said. The beauty of nursing, he said, is its variety, from bedside practice to academics, research and pharmacology, as well as the ability to work at will.

"I guess I could see myself retiring," he said, although he is inclined to be like his late father, a general practice physician. "My dad practiced medicine for 54 years. He kept practicing until he was forced [by prostate cancer] to step down."

A raincheck on retirement

For many nurses, particularly women who are single, any retirement coming out of the recession seems out of the question.

Take Maurcena Wells, RN, of Albuquerque, N.M. After 36 years at two hospitals and under a succession of owners, last year she felt that for health and safety reasons she no longer could work on-call nights. So she opted for PRN as a registered nurse first assistant in neurosurgery.

Wells, 64, began drawing a pension at age 55 from 16 years with one hospital. "It barely covers utilities," she said. A second retirement account, built during the last 20 years at another facility and invested in stock market mutual funds, awaits her, but the decline in the value of the market through the recession has eroded her retirement to the point that Wells said it will not sustain the income she needs.

"I plan to keep working as long as I can because I do need the income. I still want to take trips and do some things to the house: new carpet, painting," she said. "I have to keep working."

Wells said that after February, she will reassess her Social Security benefit and look at how much she will be able to draw from retirement to see whether the figures add up. By then she will be eligible for Medicare, but that alone-a savings of more than $300 a month in health insurance premiums-probably isn't enough to spring her from the workforce, she said.

"There are other people who are sort of in the same boat as I am," she said.

Various retirement studies bear her out. A Heinz Foundation study determined that only 18 percent of women aged 65 and older receive any pension benefit. Because Social Security is calculated on lifetime earnings, women-who often enter the workforce later than men and drop out for years to raise families-often do not receive income sufficient to retire.

Furthermore, the international professional services firm Watson Wyatt Worldwide found in a 2002 survey that 80 percent of Americans aged 55 and older say that their anticipated standard of living in retirement is directly tied to a pension and retiree health benefits.

Benefits' burden

Health benefits are so valuable that they have become a major focus of contract negotiations by United American Nurses, the AFL-CIO collective bargaining organization that represents
100,000 RNs in 24 states, the District of Columbia and Virgin Islands, National Executive Director Susan Bianchi-Sand said.

"We know that nurses have a fairly high percentage of some kind of health care, but have none after they retire. We know that they're staying in the job just to maintain those benefits," she said.

Bianchi-Sand said she hasn't tested it, but she suspects that many nurses stay on the job and in increasingly difficult situations because a spouse in a less recession-proof industry has lost work and benefits. "As unemployment goes up, the index of opportunity to become sole supporters goes up," she said.

"Their jobs are fairly secure, but around them-in the hospital and in their family situation-the economy has put a greater stress on the nurse. We know the rate of people who are uninsured or are underinsured is growing," meaning people delay appropriate medical care. "The patients are sicker in some part because they don't have health insurance," Bianchi-Sand said.

Budget cuts as a result of recession-whether federal, state or local-also make RNs' jobs more difficult by pulling money from the system-money that in good economic times provides equipment and proper nursing and support staff, Bianchi-Sand said. "The employers are not really hiring adequately to cover the needs of their hospitals, so more responsibility, more pressure is placed on the nurse," she said.

Shindul-Rothschild, whose doctorate degree is in social economics and who teaches graduate-level health economics at Boston College's School of Nursing, has long studied the relationship between the economy and nursing.

"I have been following trends in the quality of nurses' worklife since 1989," she said. In 1989, 1994 and 2002, she surveyed 1,000 Massachusetts RNs about their perceptions of work and particularly staffing.

"What I've seen is that we're not back to the levels we were in '89, but we're not as bad off as we were in '94. We've gained some ground from the mid-1990s, when the corporatization of health care and managed care was going on at a frenzied pace; [when] the downsizing of hospitals and improving the competitive edge of providers by cutting back staff and replacing nurses with unlicensed assistive personnel was really at its peak.

"I think people recognize now, with some strong research, that not only did this not make economic sense, it certainly did not make sense for patient outcomes," she said.

Although Bianchi-Sand said that nurses have been behind the curve on pay, a New York University professor lists pay as a factor that highly recommends nursing as a career, in and out of recession.

"Think about a 22-year-old who just graduated with a degree in psychology and gets a job in an advertising agency for $24,000 a year or somebody who gets a computer degree and gets a job ... for $30,000," nursing school professor Christine Kovner, Ph.D., MSN, RN, said. "Graduates from a nursing program in New York are going to get $58,000 for working 48 weeks out of the year-four weeks' vacation, 10 sick days and the opportunity that anytime they want more money, they can just say I'll work on Saturday or Sunday."
Kovner is in the second round of interviews and research into factors in RNs' decision to work full time, part time and not at all. Findings of her study are to be published later this year.

In the meantime, Kovner said she would like to say that the move to nursing, including what she described as a dramatic increase in the second-degree program at NYU, is because it's an interesting profession and not just because of the recession, job security and pay.

But only time will tell.

Her assessment, though, is that for whatever reason—the recession included—nursing school enrollments are up sufficiently to make a significant impact on the nursing shortage. The question is: Are the enrollments going to be for just the next two or three years? Are they going to be sustained over time?

The risk, Kovner said, is that in a post-recession economy, "as soon as word gets out that there seem to be enough nurses, applications tend to go way down and you have another crisis."

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