In Debt and Misled: New Graduate Voices on the “Nursing Shortage”

Alicia M. Stone, MSN, RN, FNP
Veronica D. Feeg, PhD, RN, FAAN

Nursing students today have been bombarded by the media and hospital recruiters for nursing programs with claims of an open job market and easy access to well-paying career opportunities. Many applicants to nursing programs, particularly the second career seekers, apply to schools because employment in their current or anticipated field is impossible and they think the link to job status is to get a degree in nursing. They take out student loans and look forward to easily paying back thousands of dollars with their new positions. However, the outlook for nursing employment is not as it has been portrayed and many new graduates are struggling just like their non-nursing colleagues to find jobs in this economy. The difficulty for newly graduated RNs to find employment has been described in select regions, particularly the West. For example, concern is being voiced for the third consecutive year by the California Institute for Nursing and Health Care (CINHC). In their recent study of 5,147 newly licensed RNs in California, at 4-8 months post graduation, 46% were not working as registered nurses (CINHC, 2013). While the National Association of Colleges and Employers (NACE, 2011) and the past reports of the National Student Nurses’ Association (NSNA) (Mancino, 2010, 2011) echoed wide unemployment in some regions as well, there are conflicting reports about employment of new nurses. In fact, the American Association of Colleges of Nursing (AACN, 2012), who concurred with the regional variations, reported more optimistic data from their survey of nursing deans asking about their new graduate job rates: 88% and 92% employment for new BSNs and masters respectively. In all studies, however, the trends need to be heeded.

Our research team was invited to access the results of the NSNA annual survey conducted in fall 2012. The database used to disseminate the survey electronically via SurveyMonkey® was a convenience sample of nursing students who were members of NSNA with a spring 2012 graduation date on their membership record. Total number of email addresses in the sample (minus opt-outs and bounced emails) was 12,835. A total of 4,110 responses were used in the analysis, for a return rate of 32%. The published primary results of the employment survey were published in the January/February 2013 issue of Dean’s Notes (Mancino, 2013). This study was a secondary analysis by the Molloy College collaborators of the National Student Nurses’ Association (NSNA) annual survey conducted in fall 2012. The database used to disseminate the survey electronically via SurveyMonkey® was a convenience sample of nursing students who were members of NSNA with a spring 2012 graduation date on their membership record. Total number of email addresses in the sample (minus opt-outs and bounced emails) was 12,835. A total of 4,110 responses were used in the analysis, for a return rate of 32%. The published primary results of the employment survey were published in the January/February 2013 issue of Dean’s Notes (Mancino, 2013).

Recession – Impact on Hiring

In an article in the New England Journal of Medicine (Staiger, Auerbach, & Buerhaus, 2012), the authors stated that hospital employment of RNs at the beginning of the recession in 2007-2008 indicated that the decade-long shortage of RNs has changed. It was hypothesized that RNs who had not been working had returned to work, and that nurses with current jobs had negotiated for increased benefits, such as salary increases, shift premiums, and overtime pay. The authors found that the recession had led to a decrease in the number of new graduates entering the workforce and a decrease in the number of nurses leaving the workforce. In addition, they found that the number of nurses who were unemployed had decreased, and that the number of nurses who were employed part-time had increased. These findings suggest that the recession has had a significant impact on hiring in the nursing workforce.
Table 1. Types of Financing Utilized for Education

<table>
<thead>
<tr>
<th>How did you finance your nursing education? (Select all that apply.)</th>
<th>ADN Number (% by Group)</th>
<th>BSN Number (% by Group)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Aid/Loans</td>
<td>1,017 (65.2%)</td>
<td>1,355 (71.8%)</td>
</tr>
<tr>
<td>Personal Savings</td>
<td>603 (38.7%)</td>
<td>565 (30.0%)</td>
</tr>
<tr>
<td>Working – Full-time or Part-time</td>
<td>746 (47.9%)</td>
<td>897 (47.6%)</td>
</tr>
<tr>
<td>Parents Paid Tuition</td>
<td>145 (9.3%)</td>
<td>640 (33.9%)</td>
</tr>
<tr>
<td>Scholarships</td>
<td>454 (29.1%)</td>
<td>1,051 (55.7%)</td>
</tr>
<tr>
<td>Total Number of Respondents</td>
<td>1,558</td>
<td>1,886</td>
</tr>
</tbody>
</table>

Table 2. Debt Incurred from Tuition Costs

<table>
<thead>
<tr>
<th>How much do you owe in student loans?</th>
<th>Amount of Financial Debt</th>
<th>Percent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>No student loans at all</td>
<td>28.0%</td>
<td>1,141</td>
<td></td>
</tr>
<tr>
<td>Under $5,000</td>
<td>3.9%</td>
<td>157</td>
<td></td>
</tr>
<tr>
<td>$5,001 - $20,000</td>
<td>20.0%</td>
<td>822</td>
<td></td>
</tr>
<tr>
<td>$20,001 - $40,000</td>
<td>23.8%</td>
<td>970</td>
<td></td>
</tr>
<tr>
<td>$40,001 - $60,000</td>
<td>13.1%</td>
<td>535</td>
<td></td>
</tr>
<tr>
<td>$60,001 - $100,000</td>
<td>8.6%</td>
<td>348</td>
<td></td>
</tr>
<tr>
<td>Over $100,000</td>
<td>2.5%</td>
<td>102</td>
<td></td>
</tr>
</tbody>
</table>

To bolster their family’s income. With the gloomy reports of the economy, the Congressional Budget Office projects that the unemployment rate may not decrease to 5.2% until 2017 (Staiger et al., 2012). The recession has led hospitals to slow hiring and reduce training and other benefits for new hires as was once common (Benson, 2012, 2013). Administrators report experienced nurses reentering the labor market and requesting longer hours to compensate for laid off spouses. Married nurses are working an average of half an hour more per week compared to 2000-2007 data, while never-married RNs work an average of half an hour less (Benson, 2012). While there may be an increase in positions when the economy rebounds, until then, RNs may not leave their positions. Financially strained families are doubling up on work and financially pressed hospitals and clinics have found ways to adjust to the economic changes by getting more work done with lower-paid medical assistants and aides. A report by the Seattle Times (Bhatt, 2012) stated that the changes in health care delivery left hospitals and clinics in the area with fewer openings and intensified the competition for positions. They detailed 1,800 nursing job vacancies statewide in 2010 with a mismatch of 2,850 students graduating from associate or baccalaureate programs. These graduates have been paying for an education with an optimistic expectation that they will financially benefit from an investment in their future employment in the health care industry. While RN layoffs are a fraction of those in the labor force as a whole, new graduate hires in nursing and health care are generally deemed better off than new college graduates as it relates to the amount of debt that students have incurred by their education (Benson, 2012).

It is important, however, to note how much nursing student loan has mounted. The Chronicle of Higher Education (2010) stated that close to 12 million students of the 20 million who attend college borrow annually to help cover costs (60%) (American Student Assistance [ASA], 2012). Ten percent of them had borrowed $54,000 or more. The largest percentage (96%) was borrowed at private for-profit institutions. Students are starting to default on these loans with 5.4 million borrowers having at least one past due student loan account. In addition, the Federal Reserve Bank of New York (FRBNY) Consumer Credit Panel found that older students struggle more with repayment at a delinquency rate of 12% (FRBNY, 2012). These statistics are troubling for the graduate as well as the national economy.

Secondary Analysis – Financial Impact and Perceived Job Market

Using the results from the NSNA 2012 survey for our secondary analysis, we focused on the financial impact of new graduates’ education and their perceptions of the jobs they believed they would have after graduation. We found that new graduates financed their education in a variety of ways, with Associate Degree students finding less support in scholarships (29.1% vs. 55.7%) and parents (9.3% vs. 33.9%) than Baccalaureate students (see Table 1). We also found that almost all students had incurred some debt, with only 28% without any loans to repay, and 57% owing between $5,000 and $60,000 (see Table 2). Baccalaureate new graduates appeared to select more sources of financing their education, but both groups equally worked full- or part-time to pay for their education along with a significant amount of financial debt. It was clear that these respondents, whether working or not yet employed, were facing significant loan repayments as they began their new careers.

When asked if the participants believed that their nursing program “led” them about the availability of job opportunities, of all these new graduates, 955 (24%) out of 4,012 responded “yes.” One out of 5 respondents who were employed believed they were misled, and almost 1 out of 3 who were still seeking employment concurred. The open-ended responses to the follow-up, “If so, please describe how you believe your were misled,” provided insightful commentary and we subjected all of the statements to a content analysis. For both employed and unemployed respondents, 651 (16.2%) wrote comments, many of which were quite lengthy. On closer inspection, the meanings behind their answers were interesting and foreboding. Overall, the reasons cited for the lack of jobs included: (1) the market’s need for experienced nurses, (2) an over-abundance of new graduates in the area where they graduated, (3) the recession of the local economy, and (4) a lack of respect for new graduates.

The need for experienced nurses was a common, sometimes visceral response. The quotes ranged from “the ‘nursing shortage’ does not apply to new graduates” to suggestions that there are jobs – but only if one has at least one or two years of experience and is younger than 45-years-old. They expressed frustration that hospitals in their geographic region want a minimum of one year of experience. Another realization emerged from their comments that many hospitals are looking for graduates with BSN degrees over Associate degrees. Overall, the excitement of new beginnings for some is being hindered by the harsh reality of hospital economics and philosophies.

Many new graduates felt that their programs had misled them as to the prospects of employment. The analysis of their comments yielded three major themes. The theme of fabrication was strong in many of the comments. Some said that they were told they would be hired anywhere. They were led to believe that they would have a job quickly after passing the boards. Some thought that their universities were as much in the dark as they were. One respondent said, “I believe my university was either not up to date on their knowledge of the prospective job market for new graduates or they did not care because more nursing students just means more money for the university and for them.” They stated that there was not enough information given about the difficulty of getting a job. These nurses are moving forward with the lingering feelings of betrayal etched in their spirits.

Another theme that was expressed was abandonment. They were expected to pass the NCLEX, but received no help in
getting jobs. There was a desire that programs provided more job placement assistance and preparation for the search. Graduates felt that the focus was on keeping the programs from going into accreditation jeopardy from low board pass rates and not what to do afterward. This feeling of abandonment continued to plague their thoughts as they navigated through the job market.

Another theme was hopelessness. The comments indicated that there was an overabundance of programs graduating at the same time and flooding an already depressed job market – and nothing could be done about it. An interesting comment, from a respondent in Portland, OR, stated, "The metro area is saturated with nursing schools. While there are a handful of large hospital systems within the area, there is still less opportunity to be accepted into the hospitals because of budget cuts and the overwhelming amount of new graduates. There is a public appearance of a 'nursing shortage,' but in actuality, there are too many new graduates, not enough funding within the community to hire and train new graduates, and current RNs are working longer than they ever have in the past." Many respondents felt that the schools are using a myth to get more enrollments and more money from the government with too many students flooding the market. This sentiment was echoed from Cincinnati, New York, San Diego, Pittsburgh, the Twin Cities, Philadelphia, Chicago, and Atlanta (to name a few).

Discussion

The American Association of Colleges of Nursing (AACN) and leading workforce authors continue to project a nursing shortage as the population ages and nurses retire (AACN, 2012; Staiger et al., 2012). The U.S. Bureau of Labor Statistics reported that job growth in health care would outpace other industries (Dohm & Shniper, 2007). But their statistics are heavily populated by openings in long-term care facilities and ambulatory care settings. While these kinds of projections are for job growth through 2020, the present situation is still problematic, and new graduates are finding employment in the area of their choice to be a case of promises unfulfilled. The time has come to be truthful about the present market and encourage applicants to be realistic and patient in their search for employment.

The analysis of students’ voices about employment calls us to attention. The areas of fabrication, abandonment, and hopelessness are pervasive in many new graduates’ perception of their entry into the job market. Nursing departments need to work more closely with employers to present a more accurate picture of local job situations. College career counselors should be open to the availability of jobs in other geographic regions so that the areas that are in need of nurses can be accessible.

The reality of the recession is continuing to be a factor in the short term slowing of the job market. At this point, 48% of those ages 25-34 report that they are unemployed or under-employed; 70% say that it has been harder to make ends meet over the last four years (ASA, 2012). As of the first quarter in 2012, the average student loan balance for all age groups was $24,301. About one-quarter of borrowers owed more than $28,000; 10% of borrowers owed more than $54,000; 3% owed more than $100,000 (ASA, 2012). In our data, similarly, almost 24% owed up to $20,000 and 10% of the new graduates surveyed owed more than $60,000 and 2.5% reported more than $100,000 of debt. The perceptions of the graduates are that of a poor economy dashing their hopes for a good monetary return on their educational investment. The nursing workforce literature paints a conflicting picture about projections related to retiring baby-boomers and a labile set of interactions between the educators, hospital administrators, and recruiters who worry about missing signs of a future workforce that repeats the shortages from the past. While the country waits for a full recovery of employment that will ensure more jobs for nurses, the administrations of nursing programs and the media should strive to present a more realistic picture for graduates.

Send your questions and comments to diane@nsna.org. DN


David R. Ranck received an expense-paid trip to the NSNA 61st Annual Convention in Charlotte, NC, in April, where he was honored. Amanda Wolff, Executive Marketing Manager at Elsevier, presented the award.

Mr. Ranck has served for over 35 years as a professional consultant and parliamentarian to the Student Nurses’ Association of Pennsylvania (SNAP) Board of Directors. Countless nursing students have been affected by his dedicated, passion, and expertise. NSNA congratulates Mr. Ranck for this merited award and recognition.

"There are not enough words to signify the amount of dedication Mr. Ranck has committed to our organization on both a state and national level," says Kayleigh Jackson, 2012-2013 SNAP President. "He has exponentially influenced the idea of the evolving professional nurse and as he continues his involvement with SNAP, it is certain that his positive contributions will keep us advancing." DN

To Diane @ nsna.org. DN

The National Student Nurses’ Association (NSNA) is pleased to announce David R. Ranck, MEd, RN, as the recipient of the 2013 NSNA Leader of Leaders Award. The award, sponsored by Elsevier, is presented each year to an outstanding dean, faculty advisor, or state consultant who has provided exceptional commitment to his or her students and to NSNA.

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David R. Ranck accepted the Leader of Leaders Award from Amanda Wolff.
**2013 NSNA MidYear Career Planning Conference Schedule**

**The Galt House Hotel • Louisville, Kentucky • November 7–10, 2013**

**Thursday, November 7, 2013**

8:30 a.m. – 10:30 a.m.  
*Breakfast and Update on Activities from the National Council of State Boards of Nursing (1.5 contact hours)*  
**Speaker:** Nancy Spector, PhD, RN, Director of Regulatory Innovations, National Council of State Boards of Nursing, Chicago, IL

11:00 a.m. – 12:30 p.m.  
*Student Evaluation in Nursing Education Formative and Summative Effectiveness (1.5 contact hours)*  
**Speaker:** Lole Marshall, PhD, RN, Nurse Education Consultant, author, speaker, Miami, FL

2:45 p.m. – 4:15 p.m.  
*Mentoring and Coaching Nursing Students (1.5 contact hours)*  
**Speaker:** Lole Marshall, PhD, RN, Nurse Education Consultant, author, speaker, Miami, FL

5:00 p.m. – 6:30 p.m.  
*Opening Session and Keynote Address*

**Friday, November 8, 2013**

8:00 a.m. – 10:45 a.m.  
*Leadership University Consultant Advisor Certificate Program Part I (4.0 contact hours)*  
**Speakers:** Dr. Diane Manchino, NSNA Executive Director; Dev Persaud, MA, NSNA Director of Finance and Administration; Rebecca Patton, MSN, RN, CNOR, FAAN, ANA appointed consultant; and Dr. Cheryl Taylor, NLN appointed consultant

9:00 a.m. – 10:30 a.m.  
*Yes We Can and We Must: Teach Nursing Students to be Politically Active (1.5 contact hours)*  
**Speaker:** Rosemary Mortimer, MS Ed, MS, RN, CCBE, Johns Hopkins University School of Nursing, Baltimore, MD

11:00 a.m. – 1:30 p.m.  
*Career Development Center Open*

11:00 a.m. – 1:30 p.m.  
*Poster Sessions Open – New this year!*

**Saturday, November 9, 2013**

9:00 a.m. – 10:45 a.m.  
*NSNA Leadership U Consultant Advisor Certificate Program Part II (completion)*

10:45 a.m. – 1:15 p.m.  
*Career Development Center Open*

3:15 p.m. – 4:45 p.m.  
*Consultants and Advisors: Avoiding Pitfalls: Developing Successful Organizational Strategies (1.5 contact hours)*  
**Moderators:** Dr. Cheryl Taylor, NLN appointed consultant, and Rebecca Patton, MSN, RN, CNOR, FAAN, ANA appointed consultant

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*This activity has been submitted to the North Carolina Nurses Association for approval to award contact hours. The North Carolina Nurses Association is accredited as an approver of continuing nursing education by the American Nurses Credentialing Center’s Commission on Accreditation.*