## Loan Debt for New Graduates in Nursing: How Employment Post Graduation and Student Loan Debt Are Affected Over Time
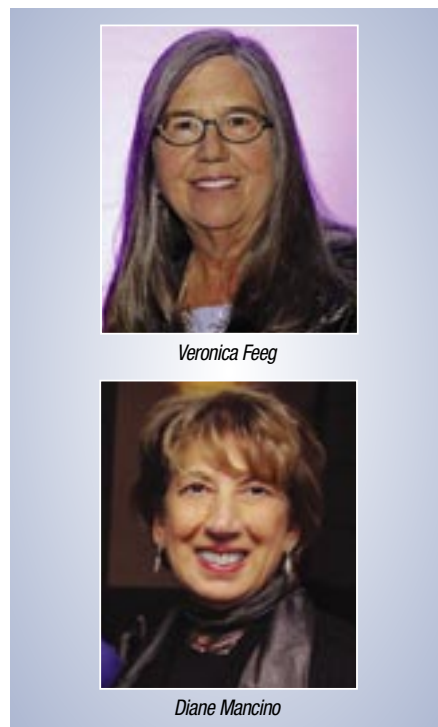
Veronica Feeg and Diane J. Mancino

As the overall economy continues to improve, the annual survey has reported on the growth of U.S. employment and associated trends. As last year, this year's results show increases in employment of registered nurse (RN) graduates from all programs, including associate degree graduates, which is good news for students. However, within those increases are potentially troubling signs of continued debt and reluctance to pursue advanced education.

Consecutive data collection of new RN graduates from the NSNA Survey reported over past years provides insight into today's RN workforce and trends in nursing education, loan debt, and the financial choices for funding school by nursing students. The findings show a continuous upward movement for new graduates finding jobs and employment opportunities in all areas of the country— up from 2017 (88%) to (89%) in 2018, with the higher employment opportunities in the central and south regions of the country (see Figure 1). While the south and central regions have sustained employment rates reported by new graduates (92%), the northeast and west regions continue to be lower than the south and central, but have all increased 2-3%.

### General Employment Trends for 2018 Versus 2017 Graduates

In September 2018, approximately 4-6 months up to a year following spring graduations, NSNA collected data from over 6,000 new RN graduates who were members of the NSNA. Data were cleaned on employment success to reflect only those who had reported employ-


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ment ("yes" or "no") (*n* = 4,897) and graduated in spring 2018, summer 2018, and winter 2017. Similar to prior years, the NSNA Survey was completed by students (*n* = 6,031) who represented the membership of NSNA from all types of RN programs (baccalaureate degree [51%], associate degree [29%], diploma [3%], accelerated bachelor of science in nursing (BSN) [15%], other pre-licensure graduate programs [1%], and a small number of post licensure RN to BSN respondents [1%]. Sixty-three percent of respondents reported if they knew their programs were public, 22% private schools, and 15% private proprietary (for-profit).

For the question, *Are you currently employed as an RN?* the response was slightly higher in 2018 (88.96%) than in 2017 (88.1%). By program types and schools, the data revealed no difference since last year in employment: 91% of the baccalaureate graduates and 87% of the associate degree in nursing (ADN) graduates. There was a sharp increase in accelerated baccalaureate graduates (85%) from 2017. The stable trends for ADN and BSN, and the increase in accelerated BSN new nurses, are a positive indicator in general for the job market (see Figure 2). The employment comparison for BSN graduates remains statistical-

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## Figure 1.
### Percentage of New Graduates Employed by Region (2009-2018)



| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| South | 69% | 64% | 70% | 74% | 84% | 85% | 88% | 92% | 92% | 92% |
| West | 41% | 41% | 55% | 55% | 64% | 68% | 77% | 85% | 82% | 84% |
| Northeast | 50% | 50% | 61% | 60% | 71% | 72% | 82% | 88% | 85% | 87% |
| Central | 60% | 60% | 72% | 73% | 84% | 84% | 89% | 94% | 92% | 92% |
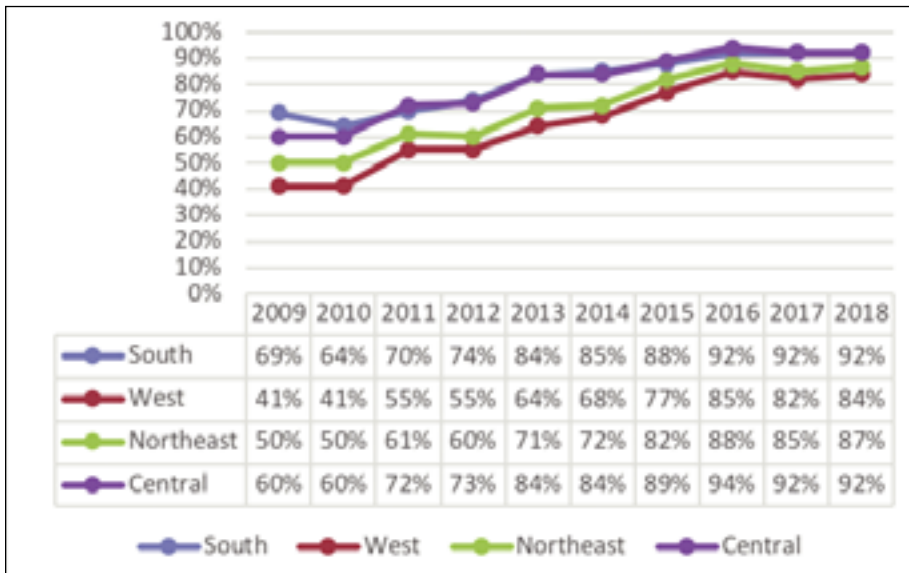
## Figure 2.
### New Graduate Employment as RNs by Types of Program
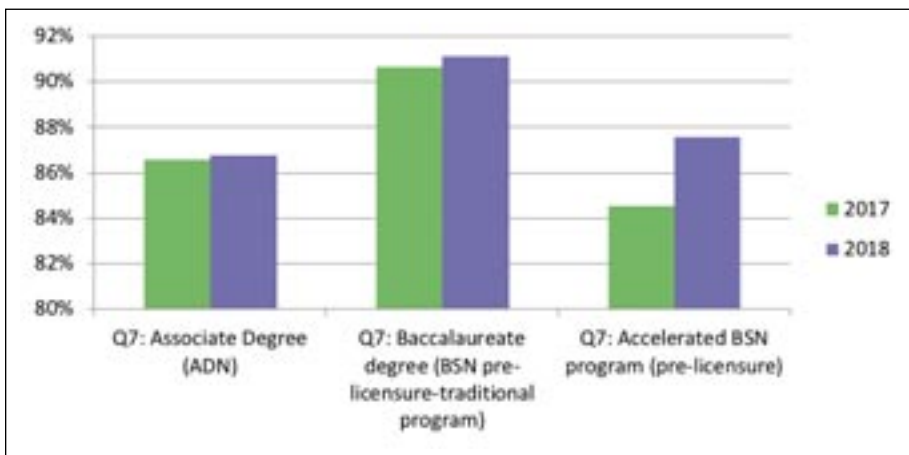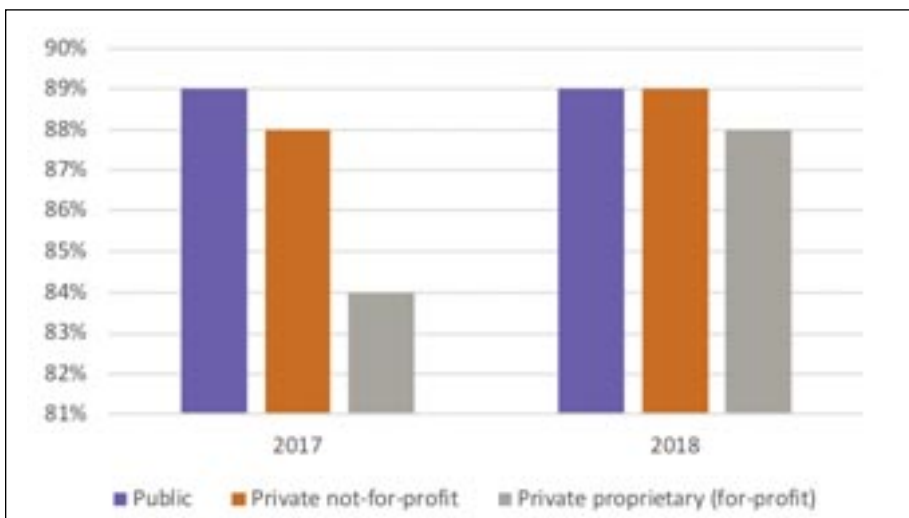*Remove the "Employment by Types of Educational Programs" in image.



## Figure 3.
### New Graduate Employment as RNs by Type of School –
### Public, Private, For-Profit



ly higher than ADN and other groups (Chi Sq = 20.27; $p < 0.001$), which may also be attributed to the sampling pool of the NSNA membership. Comparing graduates from types of schools, there is no longer any significant differences between employment success for public (89%), private (89%), and for-profit schools (88%), in this generally positive picture of employment increases across all programs (see Figure 3). This also indicates a strong economy with associated shortages that result in high employment rates that is shared by ADN, BSN, and accelerated BSN graduates—although there is a clear difference in employment by programs (accelerated BSN) and types of schools within these programs that warrant concern (see Figure 4).

### Trends in 2018 Respondents Plans to Stay in the Same Job Compared to Prior Years

For those respondents who are employed as a RN, there were several trends that are worth watching. When asked, *How long do you plan to stay in your current position?* there are no obvious changes over the past 3 years with generally low percentage for 1 year or less. The modal choice for all 3 years is that new graduates are expecting a 2-year stay (~35%), slightly lower than last year (1%). More revealing as a reflection of the economy is the question: *If you have an Associates or Diploma Degree, when are you planning to enroll in advanced degrees?* This question yielded a higher response for 'currently enrolled,' but decreasing responses into anticipating enrollment next year, 2 years, or 4 years, compared to the past 5 years, suggesting immediate future plans are may be stunted (see Figure 5).

The trends for the question, *What is the highest degree you are planning to achieve?* suggest a downward trajectory in 2018 from 2017 on pursuing a research-based degree (PhD, EdD) or Master's Degree in Nursing, and a simultaneous upward trajectory on pursuing a Doctor of Nursing Practice (DNP) (see Table 1). This trend has been identified in other studies and may reflect national trends related to advanced education in nursing that are contributing to the reported shortage in qualified faculty (AACN, 2018).

### Financial Impact on New Graduates Continues

While job opportunities appear to be improving, what continues to exist is the high loan debt that new nurses, like other

**Table 1.**
**Comparison of 2017 and 2018 Plans for Highest Degree**

| | Survey 2017 | | Survey 2018 | |
|---|---|---|---|---|
| | *Responses* | *Percent* | *Responses* | *Percent* |
| Masters' Degree in Nursing | 1,365 | 40.80% | 1,818 | 38.10% |
| Doctorate Nursing Practice (DNP) | 1,002 | 29.90% | 1,522 | 31.90% |
| Unsure | 427 | 12.80% | 721 | 15.10% |
| Baccalaureate Degree in Nursing | 397 | 11.90% | 537 | 11.30% |
| Doctorate (Research-based degree, PhD, EdD) | 141 | 4.20% | 135 | 2.80% |

**Figure 4.**
**New Graduate Comparisons of RNs by Type of School –**
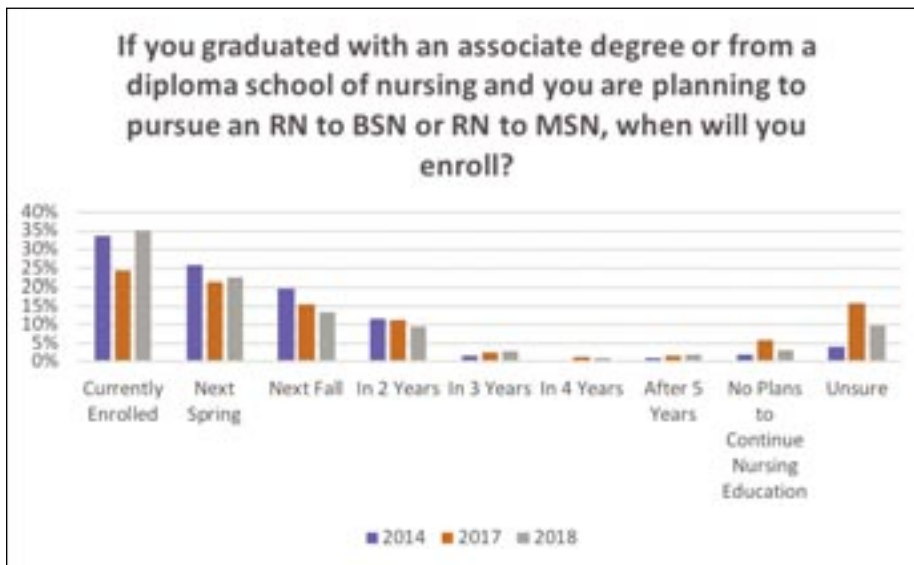**Public, Private, For-Profit**
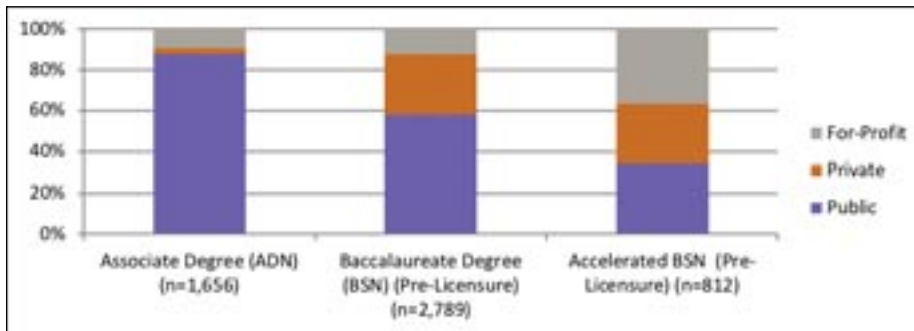


**Figure 5.**
**Trends in Planning to Enroll in Advanced Degree**



college graduates, take with them beyond graduation. Loan debt can be described relative to investment in educational pathways and choices in types of schools that impact their future plans and choices they make in job acceptances.

For all ADN and BSN respondents who answered how much they owe for their education (3,895), many continue to report having substantial student loans to repay. When analyzed by public, private, and for-profit nursing programs, the significant differences in loan debt and employment continue to suggest that for-profit schools add the burden of carrying higher debt into new nurses' futures. The amount of loan debt is staggering, with some students owing as much as $80,000-$120,000. The percentage of ADN and BSN student loan debt inter-sects at the $20,000-$40,000 level (average loan debt for all college students is approximately $37,000) (Friedman, 2018) (see Figure 6). The amount of loan debt by school type suggest that the percentage of public school borrowers have less debt than for-profit school borrowers (see Figure 7). An important consideration in the loan forgiveness versus free college should be knowing how students report their financing decisions in order to get an education. The NSNA respondent results suggest that ADN students differ in their school financing from BSN students (i.e. working, spouse, employer, parents, credit cards, home equity loans, and sources of scholarships) and they both use many ways to pay for their careers. With the current discussion about loan debt or free college, these differences need consideration for nursing students (see Figure 8).

**Discussion**

The 'see-saw' impact of the U.S. economy on associated reports about nursing shortages have been identified for more than a decade in *DEAN'S Notes* from the NSNA Annual New Graduate Survey (Feeg & Mancino, 2017). The booming economy is a double-edged sword – good job opportunities for new grads (i.e. employment) versus employers facing critical shortages in the healthcare workforce and understaffing for employed nurses. It ultimately means that what is good for job market shoppers is bad for patients who are consumers. Previous annual surveys have demonstrated that new graduates are being increasingly employed following their education in all four U.S. regions (Feeg & Mancino, 2016; Feeg & Mancino, 2017; Feeg & Mancino, 2018). While it has been a relief for those with loans that continue to mirror the national student loan debt, it has had an impact on new graduates contemplating further education (Feeg & Mancino, 2018). Loan debt from their nursing education has become an impor-

**Figure 6.**
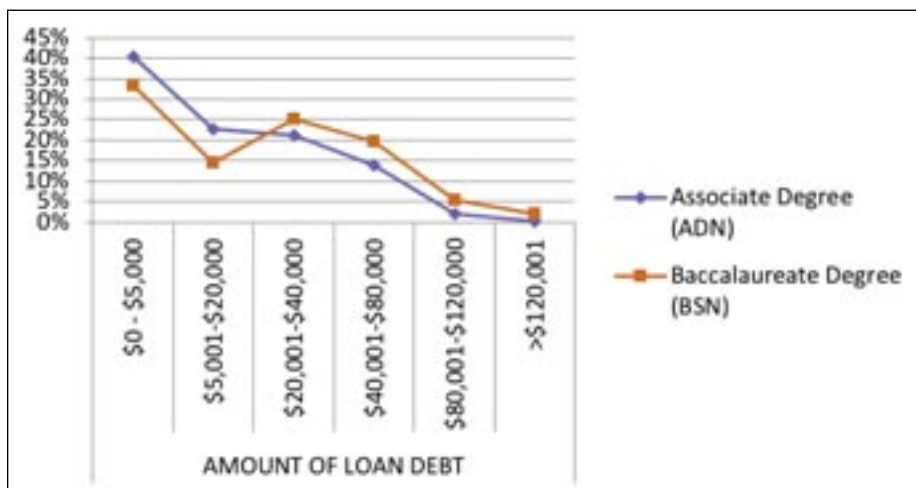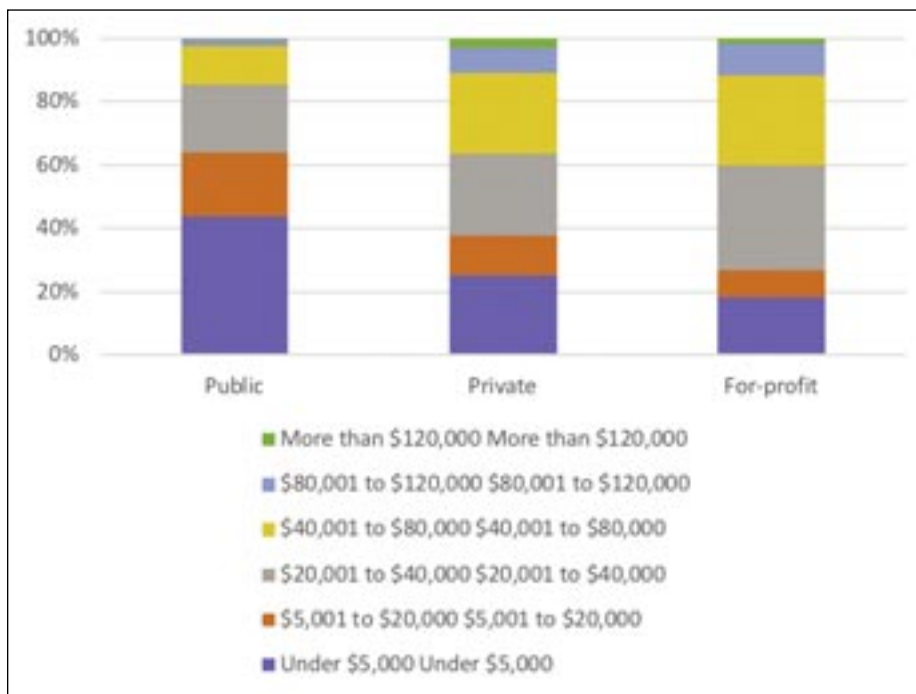**Comparison of Program Types by 'How Much Do You Owe?'**



**Figure 7.**
**Comparison of Loan Debt for Borrowers by School Types**



tant precursor to new graduates starting their careers and planning to advance. The NSNA 2018 New Graduate Survey results continue to provide insight into important trends in types of nursing education, debt, employment, and plans for advancement in the profession.

According to a *Bloomberg* report, the student loan debt crisis is about to get worse. Student loans have seen almost 157% in cumulative growth over the last 11 years and the number keeps growing (Griffin, 2018, p. 1). According to Millett

(2016), average debt increase from college student loans can be attributed to falling family incomes, rising tuition, and decreasing public investment in higher education. Tuition and fees have skyrocketed and loans are being issued at unprecedented rates, while students spend more time working than studying. Food insecurity is being reported across campuses with stories about students having to choose paying tuition over buying food (Laterman, 2019). Delinquencies escalated as for-profit colleges pitched

themselves as a way to escape low-paying jobs, but many students in the end have accrued debt without employment. In 2011, half of all student borrowers attended for-profit universities and community colleges (Griffin, 2018). In nursing, prospects of moving from $13.72 per hour as a nursing assistant (U.S. Bureau of Labor Statistics, 2018a) to $34.48 per hour as a RN (U.S. Bureau of Labor Statistics, 2018b) have been the driver for applicants to attend community colleges and being susceptible to predatory for-profit recruiting practices.

In the season of presidential primary races, the conversation about student loan debt fills the airwaves with different approaches on how to solve the problem. For new nurses, the good news is that their likelihood of employment in their field of study is better than other college graduates; nonetheless, the cost of tuition and how students have accepted the inevitable debt to get a nursing degree may have lasting effects on their future buying power and decisions about advanced nursing education. The bad news is it will take effort to make loan debt forgiveness happen and if it does, it may not affect the new graduates of 2018.

As the overall economy continues to improve, the annual survey has reported on the growth of U.S. RN employment and associated trends. As in 2017, the 2018 results show increases in employment of RN graduates from all programs continue, including associate degree graduates, which is good news for students. However, within those increases are potentially troubling signs of continued debt and reluctance to pursue advanced education. While Congress considers increasing funding for graduate level nursing education in the Title VIII Nursing Workforce Reauthorization Act of 2019, undergraduate nursing education remains underfunded. Students will continue to seek loans to support their education and build even higher debt along the way. Funding for education in general will be a plank in the platform for the 2020 national elections.

Academic progression for associate degree education will continue to decline as RNs entering the profession are more readily accessing entry-level positions. This is especially true in shortage and rural areas. The gradual increase in employment for all new grads indicates a slow-moving shortage approaching in some geographic areas. In large urban areas that are well endowed with baccalaureate nursing programs, associate

**Figure 8.**
**'How Did You Finance Your Nursing Education?'**
(Select all that apply.)
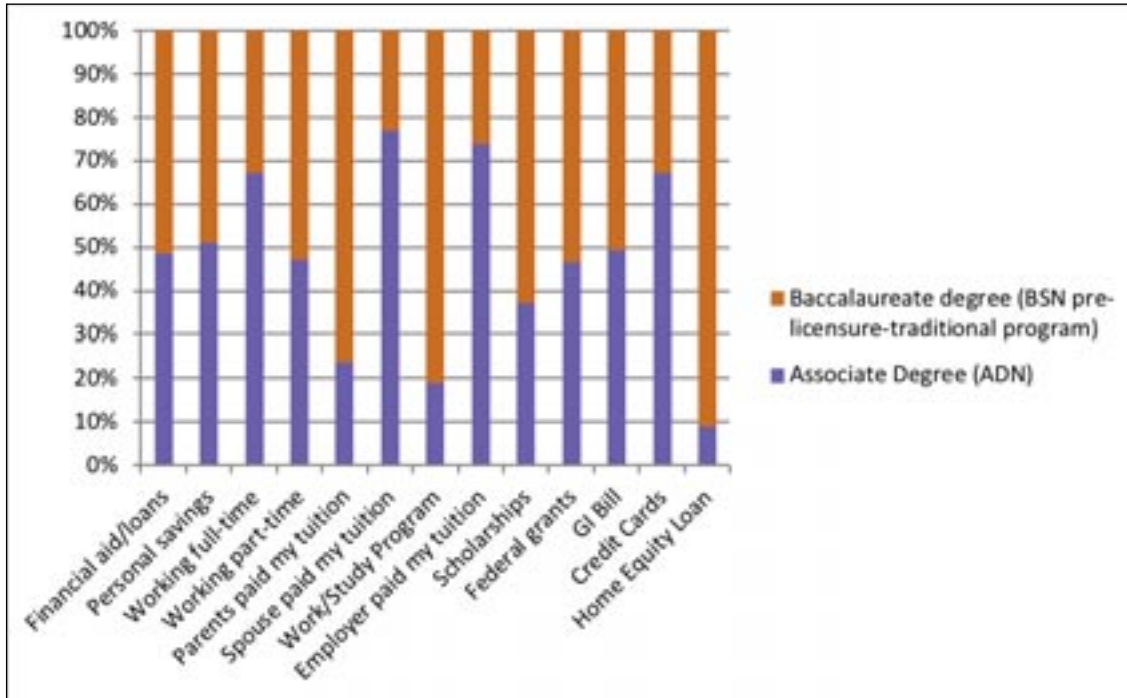


degree graduates will be more likely to immediately enroll in completion programs or remain unemployable unless they relocate to shortage areas.

Perhaps of greater concern is the steep and continuous decline in academic progression toward research doctorates. Table 1, which compares 2017 and 2018 plans for highest degrees, indicates a considerable decrease from year-to-year in the number of new RNs headed toward PhD and EdD degrees. The profession is already experiencing an oversupply of advance practice nurses in some geographic areas and a severe undersupply of nurses prepared to advance the profession through research. The long-term implications of a shortage of doctorally prepared researchers may have a devastating impact on both the science of nursing practice and the science of nursing education. The fierce competition for DNP students by institutions of higher learning indicates that this will not change soon. Placing higher value on, and allocating funding to support, research doctorates may help to reverse this trend.

Another concern not being addressed by the profession is the tremendous growth of new pre-licensure nursing programs throughout the country and especially in states such as Florida. This proliferation, primarily of proprietary programs, is an outcome of limited admissions and enrollments in public and private nursing programs partly due to faculty shortages. It is eye-opening to peruse state board exam pass rates for sub-standard programs where students who, now enrolled, recognize the poor quality of their education. Unfortunately, they become captives as they are unable to transfer credits to other nursing programs. In some cases, the programs close as quickly as they open leaving students with loans and no degrees. Informing the consumers of nursing education is essential to prevent this travesty.

We have watched the employment rate of new graduate RNs swing from 56% employed in 2009 to 89% employed in 2018. NSNA is now preparing to capture new graduate workforce data for 2019. We look forward to seeing what emerging trends will be captured as we launch the 11th consecutive Annual Survey. Stay tuned. **DN**

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