

Nursing Pay in the New Economy

**CT Association of Health Career
Recruiters Meeting
March 25, 2011**



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Overview

- Profile of RN Workforce
- Economic Trends
- Factors that Affect Pay
- Forms of Pay
- Collective Bargaining
- Work/Life Flexibility
- How to Analyze Pay

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What topics are of greatest interest to you?

Breaking News

■ Healthcare Reform

- ANA Files Amicus Brief in Support of Health Insurance Requirement 11/22/10
- ANA believes nurse-led care coordination, inclusive leadership structures, and a continued focus on patient choice are key in ACOs
- See <http://www.nursingworld.org/comments> for ANA's specific regulatory comments

■ “The Registered Nurse Population”, U.S. Dept. of Health and Human Services Health Resources and Services Administration, September 2010

■ “The Future of Nursing: Leading Change, Advancing Health” Committee on the Robert Wood Johnson Foundation Initiative on the Future of Nursing, at the Institute of Medicine; Institute of Medicine, released October 5, 2010

- Ensure nurses practice to full extent of education /training, improve education
- Opportunities for nurse leadership, full partners in redesign and improvement
- Improve data collection for workforce planning and policy

Profile of RN Workforce

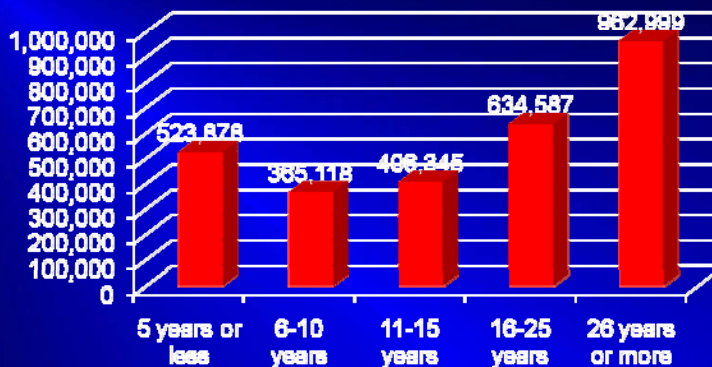
- Half of the RN population had a bachelor's or higher degree in nursing or a nursing-related field in 2008 while the other half's highest education level was a diploma or an ADN.
- 84.8% of licensed RNs were employed in nursing
- 62.2% work in hospitals, 90% under age 25 work in hospitals
- 19.1% worked on-call
- Of RNs reporting a change in employer or position, over 73% reported it was due to workplace issues like lack of good management or inadequate staffing.
- 27.5% worked overtime, averaging 7.5 hours per week
- Lawrence Associates found that the hours worked may decline substantially with increasing years of experience

*The Registered Nurse Population, U.S. Dept. of Health and Human Services Health Resources and Services Administration, September 2010

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Distribution of RNs by Years Since Graduation from Initial Nursing Education



*The Registered Nurse Population, U.S. Dept. of Health and Human Services Health Resources and Services Administration, September 2010, estimated numbers.

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Economic Trends



- Connecticut Economic Digest:
 - Only sector to gain jobs during the recession was educational and health services
- SHRM Metro Economic Outlooks:
 - NYC – education and healthcare growing
- Vacancy and Turnover
- Employment Projections

Vacancy and Turnover 07-11

- National, Health Care and Social Assistance Industry Data from Job Openings and Labor Turnover Survey, BLS.gov
- 2011 rates are preliminary findings

Month, Year	Hire Rate	Job Openings Rate	Layoffs and Discharges Rate	Other Separations Rate	Quits Rate	Total Separations Rate
Jan., 2011	2.1	2.8	0.7	0.3	1.2	2.2
Jan., 2010	2.2	3.1	0.8	0.2	1.3	2.3
Jan., 2009	2.8	3.2	1	0.5	1.5	3
Jan., 2008	3.4	4.6	1.1	0.3	2.3	3.7
Jan., 2007	3.3	4.7	0.9	0.5	2.3	3.6

- Lawrence Associates' survey: vacancy rate for RNs decreased slightly and turnover rates increased in 2010 compared to 2009.

2008 RN Employment Projections

Bureau of Labor Statistics

- 2008 RN Employment 2,618,700
- 2018 RN Projected Employment 3,200,200
- 2008 to 2018 change 22%
 - Connecticut 2008 to 2018 change 14.5%*
- Faster than the average for all occupations
- Growth rates for RNs differ by industry
 - Highest – Offices of Physicians, 48%
 - Lowest – Hospitals, public and private, 17%

*CT data from Connecticut Department of Labor

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Connecticut Employment

Industry: Nursing & Residential Care Facilities Data from Connecticut Dept. of Labor, <http://www.ctdol.state.ct.us/>

Year	January Employment (000's)	Diff
2011	62.0	2.42%
2010	60.5	-0.17%
2009	60.6	2.15%
2008	59.3	1.69%
2007	58.3	2.06%
2006	57.1	0.53%
2005	56.8	0.18%
2004	56.7	0.35%
2003	56.5	1.77%
2002	55.5	1.98%
2001	54.4	NA

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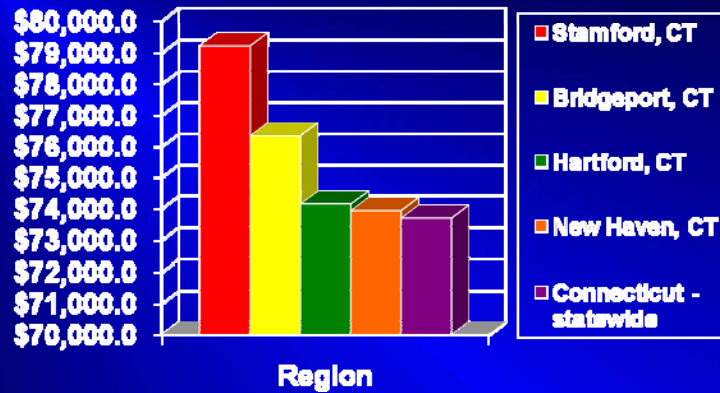
Factors that Affect Pay

Factors Affecting Wage and Salaries

- ➔ Organization Size
- Competitive Market
- ➔ Geographic Region
- Performance
- ➔ Scope of Work
- Years of Experience

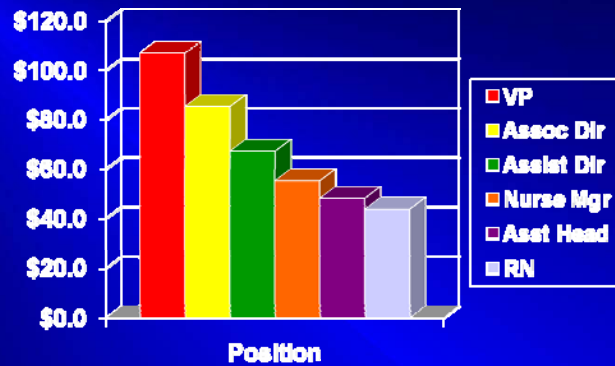


Geographic Comparison of Market Jobs - RN



Data from ERI Economic Research Institute, Inc.'s Salary Assessor, Data as of January 1, 2011

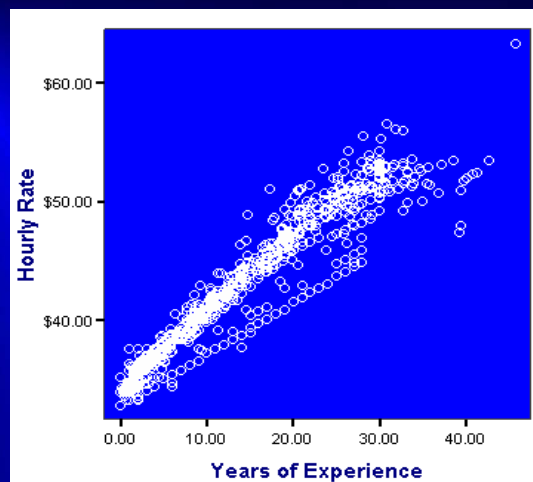
Internal and External Equity Nursing, Boroughs, Median



Lawrence Associates, AHHRA of Greater NY Survey 2010, All Respondents

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RN Hourly Rates by Years of Experience (Example Only)



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Wage and Salary Design Basics

- Recruitment, Turnover/Retention
- Competitors – Local
 - Structured (Ranges, Internal and External Equity)
 - Many Forms of Pay Over-and-Above Base
 - Collectively Bargained
 - Employee Engagement
 - Performance, Years of Experience, Seniority
 - Work/Life (It's not just about the compensation)

Salary Budget Increases

- Hospitals, All Sizes, National, Eastern U.S. and Connecticut

Region	Ees	2010 Actual Increases (% (n))			2011 Projected Increases (% (n))		
		General Increases / COLA	Merit Increases	Total Increases	General Increases / COLA	Merit Increases	Total Increases
National	Nonex Hrly Nonunion	1.7 (54)	2.1 (149)	2.5 (190)	2.2 (43)	2.6 (127)	3.0 (165)
	Exempt Salaried	1.8 (48)	2.2 (161)	2.4 (197)	2.2 (38)	2.7 (139)	2.9 (171)
Eastern U.S.	Nonex Hrly Nonunion	2.2 (11)	2.2 (39)	2.6 (50)	2.2 (8)	2.7 (36)	3.0 (45)
	Exempt Salaried	2.2 (10)	2.2 (42)	2.4 (51)	2.2 (7)	2.7 (39)	2.8 (46)
CT	Nonex Hrly Nonunion	* (*)	2.6 (8)	3.1 (9)	* (*)	2.5 (8)	2.9 (9)
	Exempt Salaried	- (-)	2.6 (9)	2.6 (9)	* (*)	2.5 (8)	2.5 (9)

*Data from WorldatWork's 2010-2011 Salary Budget Survey

Salary Increases for Nursing Positions

Position Title	Number of Orgs.	2009 Avg Base	2010 Avg Base	Diff
Administrative Nursing Supervisor	22	\$43.98	\$51.07	16.1%
Nurse Manager - Perioperative	14	\$51.69	\$57.20	10.7%
Nurse Manager - ER	15	\$50.69	\$53.83	6.2%
Infection Control Nurse	27	\$45.51	\$47.88	5.2%
Registered Nurse	42	\$38.68	\$40.63	5.0%
Certified Nursing Assistant	31	\$16.46	\$17.28	5.0%
Nurse Manager - All	34	\$50.19	\$52.48	4.6%
Nurse Practitioner	38	\$50.00	\$52.26	4.5%
Nurse Educator	35	\$46.65	\$48.48	3.9%
Clinical Nurse Specialist	20	\$50.95	\$52.30	2.7%
Recruiter - Nurse	18	\$47.07	\$47.61	1.1%
Care Manager	18	\$45.08	\$45.57	1.1%
Licensed Practical Nurse	39	\$24.67	\$24.78	0.4%
Nurse Anesthetist	13	\$70.11	\$70.05	-0.1%
Assistant Head Nurse (or Assistant Nurse Manager)	24	\$48.12	\$46.31	-3.8%
Average Diff for Nursing Positions:				4.2%

Lawrence Associates, AHHRA of Greater NY Survey 2010, All Respondents

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Connecticut and NYC RN Pay

Registered Nurse	Base Salary			Total Compensation		
	1 Yr	7 Yrs	14 Yrs	1 Yr	7 Yrs	14 Yrs
Connecticut - statewide	\$59,415	\$73,682	\$86,475	\$60,157	\$74,644	\$87,620
Manhattan, New York	\$63,186	\$78,445	\$92,410	\$64,016	\$79,512	\$93,676

Head Nurse	Base Salary			Total Compensation		
	1 Yr	7 Yrs	14 Yrs	1 Yr	7 Yrs	14 Yrs
Connecticut - statewide	\$76,984	\$94,076	\$107,884	\$78,698	\$96,735	\$111,365
Manhattan, New York	\$82,209	\$100,179	\$114,862	\$84,018	\$102,984	\$118,538

Data from ERI Economic Research Institute, Inc.'s Salary Assessor, Data as of January 1, 2011

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Ratio of RN to Head Nurse Pay, Connecticut

Ratio of RN to Head Nurse (7 yrs, Connecticut - Statewide)

	Base	Ratio to Head Nurse	Total Comp.	Ratio to Head Nurse
Head Nurse	\$94,076	100%	\$96,735	100%
RN	\$73,682	78%	\$74,644	77%

Data from ERI Economic Research Institute, Inc.'s Salary Assessor, Data as of January 1, 2011

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Other Pay/Programs

- Merit Pay, Step Increases, Scale Movement
- Shift Differentials
- Bachelor's, Master's – Typically \$.50 - \$1.50
- Preceptor's – Typically \$1.00 - \$1.50
- Charge Pay – Typically \$.75 - \$1.25
- Float Pay – Typically \$3.00 - \$5.00
- Certification Pay – Typically \$1,500 - \$2,500 (lump sum)
- Hiring, Sign-on Bonus
- Tuition Forgiveness
- Compressed Workweek
- Bonus/incentives

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Forms of Pay

- Which of the following forms of pay do you report under the Hourly Wtd Average?

Response:	Yes		No / No Response	
	# Resp.	% of Total	# Resp.	% of Total
Base or Step Rate (including experience)	48	82.8%	10	17.2%
Competency Increment	5	8.6%	53	91.4%
Degree Pay/ Education	12	20.7%	46	79.3%
Certification Pay	18	31.0%	40	69.0%
Preceptor Pay	7	12.1%	51	87.9%
Charge Pay	6	10.3%	52	89.7%
Float Pay	3	5.2%	55	94.8%
Other	1	1.7%	57	98.3%

Shift Differentials

- In one survey about half of surveyed hospitals report a minimum number of hours must be worked after the second/ third shift start time to be paid for entire shift
- Majority pay shift differentials as a dollar increment rather than as a percent of pay. Some pay combo rate.

2010 AHHA Shift Differentials

Position and Organization		2ND SHIFT \$	3RD SHIFT \$	WKND SHIFT \$
1. Administrative Nursing Supervisor	# Responses	6	6	0
	Mean	\$2.50	\$3.61	\$.
2. Assistant Head Nurse (or Assistant Nurse Manager)	# Responses	12	11	0
	Mean	\$2.39	\$2.84	\$.
3. Nurse Manager - All	# Responses	7	7	0
	Mean	\$3.23	\$3.99	\$.
6. Registered Nurse	# Responses	28	27	5
	Mean	\$2.57	\$3.21	\$2.54

Impact of Certification Pay

PayScale Top Results for Certifications

- [Registered Nurse \(RN\)](#)
- [Licensed Practical Nurse \(LPN\)](#)
- [Licensed Vocational Nurse \(LVN\)](#)
- [Certified Critical Care Registered Nurse \(CCRN\)](#)
- [Registered Nurse Certified \(RN-C\)](#)
- [Oncology Certified Nurse \(OCN\)](#)
- [Certified Nurse, Operating Room \(CNOR\)](#)
- [Certified Emergency Nurse \(CEN\)](#)
- [Family Nurse Practitioner \(FNP\)](#)
- [Certified Registered Nurse Anesthetist \(CRNA\)](#)
- [Registered Nurse, Board Certified \(RN-BC\)](#)
- [Certified Hospice and Palliative Nurse \(CHPN\)](#)
- [Advanced Practice Registered Nurse-Board Certified \(APRN-BC\)](#)
- [Certified Nurse Midwife \(CNM\)](#)
- [Advanced Registered Nurse Practitioner \(ARNP\)](#)
- [Certified Pediatric Nurse \(CPN\)](#)
- [Women's Health Care Nurse Practitioner \(WHNP\)](#)
- [Certified Rehabilitation Registered Nurse \(CRRN\)](#)
- [Certified Family Nurse Practitioner \(CFNP\)](#)
- [Adult Nurse Practitioner \(ANP\)](#)

Wound Ostomy Certification

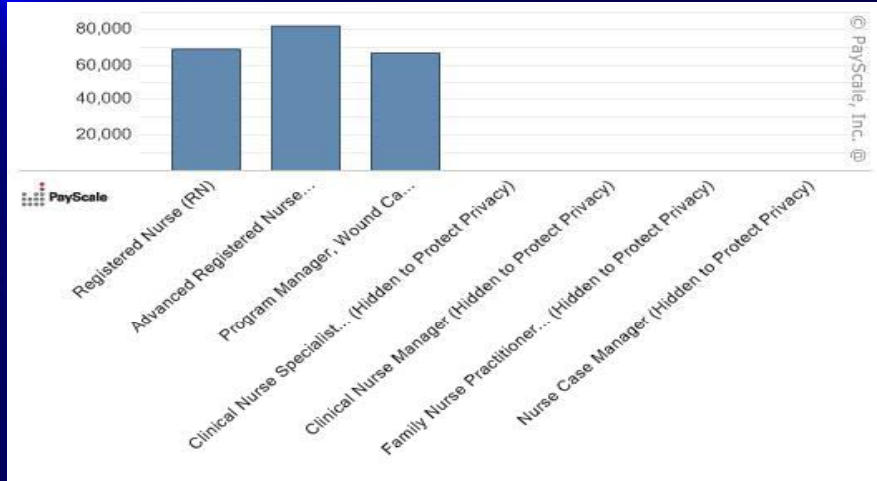
Incremental Value of WOC:

- WOCN Certification Board study of the value of this certification
<http://www.wocncb.org/enews/0409/section1.php#1d> . - \$75,000 vs. \$73,000

Category	WOCNCB Certified	Not WOCNCB Certified
Overall Job Satisfaction Rating: "Very Satisfied"	44.9%	38.5%
Precepted a nurse in a WOC program in the last two years	36.3%	5.2%
Median annual salary compensation	\$75,000	\$73,000

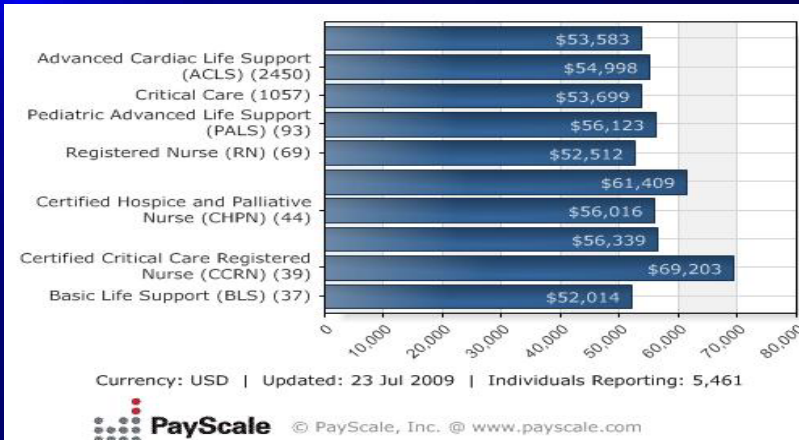
Wound Ostomy Certification

PayScale, Median Salary by Job—Certified Wound Ostomy Continence Nurse, National



Wound Ostomy Certification

PayScale, Median Salary by Certification –RN , National



Collective Bargaining

- Pension plans are underfunded due to economic downturn, performance and loss of value.
- Decreased pay adjustments used to fund pension plans.

Industry Collective Bargaining Trends

Healthcare practitioner and technical occupations (in thousands)*

Year	Total	Union Members	% of Total	Represented by Union	% of Total
2000	5349	693	13.0%	810	15.1%
2001	5534	695	12.6%	803	14.5%
2002	5825	725	12.4%	822	14.1%
2003	5961	733	12.3%	853	14.3%
2004	6052	762	12.6%	882	14.6%
2005	6175	782	12.7%	892	14.4%
2006	6383	800	12.5%	904	14.2%
2007	6558	883	13.5%	992	15.1%
2008	6813	928	13.6%	1045	15.3%
2009	7067	962	13.6%	1096	15.5%
2010	7188	957	13.3%	1076	15.0%

*Data from Union affiliation data from the Current Population Survey, BLS.gov

Labor Activity in CT

Table 1: Top States – RC Petitions Filed in Health Care Sector

State	2009		Jan. 1 – June 30, 2010	
	Number of Petitions Filed	Percentage of Total	Number of Petitions Filed	Percentage of Total
California	114	31.6%	29	17.0%
New York	49	13.6%	21	12.3%
Pennsylvania	17	4.7%	17	9.9%
Connecticut	8	2.2%	11	6.4%
Minnesota	18	5.0%	10	5.8%
New Jersey	18	5.0%	10	5.8%
Texas	1	0.3%	10	5.8%
Florida	4	1.1%	8	4.7%
Massachusetts	25	6.9%	8	4.7%
Michigan	21	5.8%	8	4.7%

- Connecticut won 75% (6/8) of Representation Certification (RC) elections in the health care sector in 2009
- Connecticut won 100% (7/7) of RC elections in the health care sector in Jan. 1 – June 30, 2010

*Data from ASHRA/IRI 35th Labor Activity in Health Care Report, Sep. 2010

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Importance of Work Life Issues

- It's not just about the compensation, sometimes it's really about....
 - Schedule (work hours)
 - Relationship with supervisor/coworkers
 - Benefits
 - Training and Development Opportunities



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Work Schedule Flexibility

- Typically, 8 hour shifts with an evening shift at 3PM and the night shift at 11PM
- Also, 12 hour shifts starting at 7AM and 7PM
- Some 12 hour shifts starting at 11AM and 11PM
- Additional shifts depending on the position, department and other circumstances

How to analyze pay? RN, Hartford, CT

Survey	Survey Position	Survey Cut	Aged Average Base Salary	# of Orgs.
ERI Salary Assessor	Registered Nurse (General Duty Nurse; Medical Staff Nurse; Staff Nurse)	Hospitals, Hartford, CT	\$72,705	NA
ERI Salary Assessor	Registered Nurse (General Duty Nurse; Medical Staff Nurse; Staff Nurse)	Hospitals, Manhattan, NY	\$76,977	NA
ERI Salary Assessor	Registered Nurse (General Duty Nurse; Medical Staff Nurse; Staff Nurse)	Hospitals, Springfield, MA	\$65,681	NA
ERI Salary Assessor	Registered Nurse (General Duty Nurse; Medical Staff Nurse; Staff Nurse)	Hartford, CT	\$74,750	NA
Lawrence Associates	Registered Nurse	All Orgs. (Greater NY and surrounding areas)	\$87,642	34
BLS.gov	Registered Nurse	Connecticut	\$76,603	NA
BLS.gov	Registered Nurse	National, General Medical and Surgical Hospitals	\$72,150	NA

Data has been aged to July 1, 2011 at 3% annualized.

Analytic Tools

- Scope of responsibility?
 - Job description, resume
- Quality and replicable survey?
 - Number of responses?
- Geographic differences?
- Current pay?
- Salary range?

Base Range Minimum	Base Range Midpoint	Base Range Maximum	Range Spread
\$55,927	\$72,705	\$89,483	60%



Frequently Asked Questions aka, Let's just pay more!!!

1. We are not paying enough. I cannot live without Jane Smith. Without her, the department would crumble. She has been taking on so much more responsibility and she is so busy all the time. I would like to make her a manager and give her a 20% raise. What paperwork do I need to complete?
2. We are not paying enough. We just had 2 (or 3, 4, 5) people leave in the last few months. Let's increase our salaries so people will stay. How soon can we do that?
3. We are not paying enough. We just made an offer to a candidate and she rejected it. We need this person. Why don't we just bring her in at what she wants (even though it's the same as our 20 year stellar employee)?
4. We are not paying enough. We just made an offer to a candidate and he rejected it. Why don't we just bump our incumbents up a little so we can pay the candidate what he wants?
5. We are not paying enough. One of my employees told me his friend at another hospital is making \$10,000 more than him for the exact same position. Can we match that?
6. We are not paying enough. Our most recent candidate who rejected our offer said he got an offer from another hospital for \$5.00 more per hour. Can we match that offer?

Resources

Lawrence Associates has developed online resources to assure that nonprofits have the most current information on important compensation topics.

These resources can be accessed directly from our [Website](http://www.lawrenceassociates.com) at www.lawrenceassociates.com

- ✓ [Video and slides of Lawrence Associates' webinars on executive compensation](#)
- ✓ Our continually updated [Blog](#) about executive compensation topics.
- ✓ Our executive compensation [NewsFeed](#) selecting articles directly from the news about executive compensation across industries and regions.
- ✓ Our [Resources/News](#) page that includes articles, IRS pronouncements and regulatory activity and resource information.
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