



## Cost of Nurse Turnover and Nurse Shortages

A 2014 study in [\*Policy, Politics & Nursing Practice\*](#) reveals that an estimated 17.5 percent of newly-licensed RNs leave their first nursing job within the first year, and one in three (33.5%) leave within two year <sup>1</sup> Recent studies show that an increasing number of new graduate nurses intend to leave the bedside within two years.<sup>2</sup> Streamline Verify published statistics in March 2016 that 43 percent of new graduate nurses leave their hospital positions within the first three years. An article in *Minority Nurse* reports the reason is unbearable working conditions:

- *In fact, many nurses run from the bedside as soon as possible because conditions are so deplorable. They look for jobs in advanced practice, teaching, and other non-bedside related areas of nursing, while the number of nurses taking care of the most critical patients continues to dwindle.*<sup>3</sup>

Further, worsening the national shortage of nurse is that older nurses are retiring and also fleeing from the patient bedside. A reason experienced nurses for leaving the bedside is the disproportionate numbers of continuously cycling new graduates which overburdens experienced nurses and threatens patient safety.<sup>4</sup>

In January 2016, Nursing Solutions Inc. (NSI), conducted a national survey looking at hospital turnover of nurses and cost of recruitment and training new nurses. The NSI report found the highest rate of RN turnover occurred in the Behavior Health, Emergency and Medical-Surgical areas. **The survey results showed that the cost of turnover for a bedside nurse is approximately \$37,700 to \$58,400. The cost to hospitals is an astounding \$5.2M –8.1M.**<sup>5</sup> The NSI survey also found that RN

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<sup>1</sup> Nearly One in Five New Nurses Leaves First Job Within a Year, According to Survey of Newly-Licensed Registered Nurses, The Robert Wood Johnson Foundation 2014

<sup>2</sup> Nurses at the Bedside—Who Will Be Left to Care? Kennedy, Maureen, Shawn, MA, RN, FAAN  
AJN, American Journal of Nursing: February 2018 - Volume 118 - Issue 2 - p 7

<sup>3</sup> The True Nursing Epidemic: Getting Nurses to Stay at the Bedside, Jul 8, 2018 / Magazine, Minority and Community Health

<sup>4</sup> Nurses at the Bedside—Who Will Be Left to Care? Kennedy, Maureen, Shawn, MA, RN, FAAN  
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<sup>5</sup> 2016 National Healthcare Retention & RN Staffing Report, Nursing Solutions Inc

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turnover has continued to increase from the 2014 reported numbers and that hospitals report a greater than 10 percent vacancy rate of registered nurses. A report by the American Federation of State, County and Municipal Employees states the following:

- *The American Organization of Nurse Executives concludes that "a conservative estimate" is that it costs hospitals \$10,000 in direct recruitment costs each time a RN position turns over. **On average, a facility with 400 RNs must be prepared to recruit and train up to 80 new RNs per year, representing direct costs of \$800,000 per year.***<sup>6</sup>

The literature is replete with the fact that nurse turnover is expensive ([Advisory Board, 1999](#); [Jones, 2005](#); [OBrien-Pallas et al., 2006](#); [Waldman, Kelly, Sanjeev, & Smith, 2004](#)). Recent studies prove well establish the problem continues to escalate. The cost to hospitals is enormous cutting into funds available for patient care. The result is an increase in deaths related to preventable medical errors with a conservative estimate being 250,000 deaths yearly.

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<sup>6</sup> The Cost of Failure, News Report <https://m.afscme.org/news/publications/health-care/solving-the-nursing-shortage/the-cost-of-failure>

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