ANA ISSUE BRIEF

Information and analysis on topics affecting nurses, the profession and health care.

2009 Registered Nurses Employment and Earnings

Key Points

The U.S. Bureau of Labor Statistics can provide an annual snapshot of both the concentration and the variety in the employment of registered nurses in the United States.

Introduction

Recently the U.S. Department of Labor Bureau of Labor Statistics (BLS) announced that registered nursing was the occupation that would experience the greatest absolute increase in the number of jobs over the 2008-2018 timeframe. They project an increase of 582,000 jobs for registered nurses, a 22 percent increase over the 2008 levels. One of the data sources that BLS uses in making its projections is a survey conducted on Occupational Employment Statistics (OES).[1] This note includes a brief description of the OES and some of the most recent findings regarding employment and earnings of registered nurses.

BLS Occupation Data

The OES program of the Bureau of Labor Statistics conducts a semi-annual mail survey of employers designed to produce estimates of employment and wages for 801 specific occupations. The most recent data published from this survey are for May 2009. The OES survey covers all full- and part-time wage and salary workers in nonfarm industries. The survey does not include the self-employed, owners and partners in unincorporated firms, workers in private households, or unpaid family workers. The survey also does not include persons employed by the United States military.

An occupation is a set of activities or tasks that employees are paid to perform. For the purpose of the survey those occupational characteristics for registered nurses are as follows:

> Assess patient health problems and needs, develop and implement nursing care plans, and maintain medical records. Administer nursing care to ill, injured, convalescent, or disabled patients. May advise patients on health maintenance and disease prevention or provide case management. Licensing or registration required. Include advance practice nurses such as: nurse practitioners, clinical nurse specialists, certified nurse midwives, and certified registered nurse anesthetists. Advanced practice nursing is practiced by RNs who have specialized formal, post-basic education and who function in highly autonomous and specialized roles.[2]

Some registered nurses move from performing those registered nurse functions described above into management, business, teaching, or other positions where their knowledge and skills as registered nurses is required but where those new

positions are no longer classified as registered nursing.[3] (And some registered nurses leave the profession entirely.) As a result, the OES underestimates the total employment of registered nurses per se because some registered nurses will be classified as managers, administrators, professors, etc. The OES estimates the number of registered nurses who work predominantly within the registered nurses occupational description.
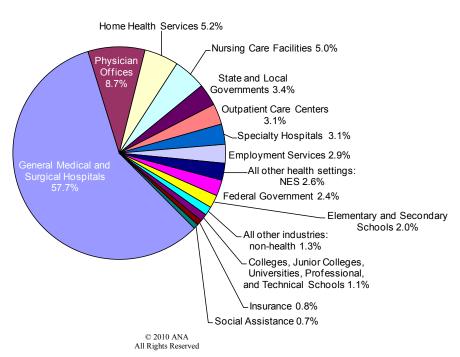
The employment estimates are based on the average employment for the most recent May and November, where employment is defined as the number of workers who can be classified as full- or part-time employees. (This includes workers on paid leave; workers on unpaid short-term absences; salaried officers, executives, and staff members, including those on temporary assignment elsewhere.)

Wages for the OES survey are straight-time, gross pay, exclusive of premium pay. Fringe benefits are not included in the survey. No specific individuals' wages are reported. Rather, respondents are asked to report the number of employees paid by occupation within specific wage intervals, regardless of part- or full-time status. A somewhat complicated algorithm is used to convert those responses to estimates of average annual and average hourly wages.

Employment Settings

The BLS data include full and part-time workers but not the self-employed. (Based on a sampling frame of approximately 1.2 million establishments/employers it is possible that some nurses might be represented more than once.) The estimated employment counts and distribution by industrial grouping[4] are displayed in Exhibits 1 and 2, below. These data are arrayed

Exhibit 1: Distribution of Employment Registered Nurses, May 2009

Home Health Services 5.2%
Physician Offices 8.7%
Nursing Care Facilities 5.0%
State and Local Governments 3.4%
Outpatient Care Centers 3.1%
Specialty Hospitals 3.1%
Employment Services 2.9%
All other health settings: NES 2.6%
Federal Government 2.4%
Elementary and Secondary Schools 2.0%
General Medical and Surgical Hospitals 57.7%
All other industries: non-health 1.3%
Colleges, Junior Colleges, Universities, Professional, and Technical Schools 1.1%
Insurance 0.8%
Social Assistance 0.7%

in descending numerical order. In 2009 there were 2,583,770 jobs employing registered nurses. The vast majority (85.4%) of those jobs were in settings associated with health care or social assistance. In addition, many registered nurses perform clinical functions in employment sectors not directly associated with the health industry. Hundreds of thousands of registered nurses are employed in government, education, and insurance.

The primary employment setting for registered nurses involved general medical and surgical hospitals. 57.7 percent of registered nurses jobs are in that sector. The next four top sectors each employ approximately three percent or more of registered nurses: physicians' offices, home health services, nursing care facilities, and outpatient care facilities. The top five sectors represent 80 percent of all U.S. jobs for registered nurses.

Exhibit 2: Employment of Registered Nurses, U.S. May 2009

Industry or setting	Total Employment	Percent
All employment settings	2,583,770	100.0%
General Medical and Surgical Hospitals	1,492,000	57.7
Offices of Physicians	223,970	8.7
Home Health Care Services	134,420	5.2
Nursing Care Facilities	128,420	5.0
Outpatient Care Centers	81,230	3.1
Employment Services	73,700	2.9
Federal Executive Branch	62,760	2.4
Elementary and Secondary Schools	50,770	2.0
Specialty (except Psychiatric and Substance Abuse) Hospitals	47,020	1.8
Local Government	45,970	1.8
State Government	40,890	1.6
Psychiatric and Substance Abuse Hospitals	32,830	1.3
Colleges Universities and Professional Schools	28,330	1.1
Community Care Facilities for the Elderly	26,250	1.0
Insurance Carriers	16,620	0.6
Individual and Family Services	14,960	0.6
Offices of Other Health Practitioners	14,160	0.5
Residential Mental Retardation Mental Health and Substance Abuse Facilities	10,590	0.4
Other Ambulatory Health Care Services	10,540	0.4
Management of Companies and Enterprises	8,760	0.3

Source: Bureau of Labor Statistics, U.S. Department of Labor,
Occupational Employment Statistics, accessed May 17, 2010 [www.bls.gov/oes/]

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Nearly 74 thousand registered nurses are employed by employment services. Those are firms that provide locum tenens services and other temporary staffing positions. Growth in the use of employment services to provide temporary staff has been increasing throughout the economy and especially in the health services sectors. The recession, however, appears to have affected this sector of RN employment more than any other. The OES estimate for 2008 was 91,980 RN jobs with employment services. In all likelihood the reduced nurse turnover during the recession lessened the needs for temporary replacements. Tightened budget for all employers in health care settings and other industries could logically have turned away from the higher fees associated with agency staffing. In fact the employment services sector exhibited substantial job losses across a wide variety of occupations. There was an aggregate job loss of 24 percent from May 2008 to May 2009.[5]

The federal and state and local governments employed nearly 150 thousand registered nurses in 2009. One might infer that these sectors employ the bulk of public health nurses. (The OES itself does not provide that additional detail. And, as with the rest of the health economy, public health nursing remains only a very small part of the nursing world.) 80 thousand registered nurses were employed in the education sectors. 51 thousand were employed in primary and secondary schools, likely to provide school nursing services. The remaining 30 thousand registered nurses in education were employed in technical schools, colleges, and universities—primarily providing direct clinical services to students. (Full time faculty would be counted as educators rather than registered nurses, although depending on the institution, some of those involved in clinical training and supervising students might be attributed to either category. The May 2009 OES does indicate that there were 49,140 jobs employing nursing instructors and teachers[6] but that includes all instructors not just those who were also registered nurses. The total would include physicians, technicians, psychologists, and other occupations whose knowledge or skills were important for training nurses.)

Earnings of registered nurses in 2009

Across all employment sectors the 2009 average annual wage for registered nurses was $66,530. The median annual wage was $63,750, that is, half of those employed in registered nurses positions were paid less than that amount and the other half were paid more.[7] Across the various industries, the highest average annual wage was reported for the Medical Equipment and Supplies Manufacturing industries: $77,870. (Don't all rush to send out new resumes. This sector employed only one one-thousandth of one percent of all registered nurses.) The industry reporting the lowest average annual wage for registered nurses, $46,430, was Educational Support Services, but again only a relative handful of nurses work in that industry.

The federal government considered as an industry employed nearly 63 thousand registered nurses in 2009, and paid the highest average salaries among major employers at $77,780 per year. Nearly 80 percent of federal registered nurses work with the Veterans Administration.

Exhibit 3: Employment and Average Annual Wages of Registered Nurses, U.S. May 2009

Industry (NAICS Code)	Employment	Annual mean wage
Federal Executive Branch (OES designation) (999100)	62,760	$77,830
Specialty (except Psychiatric and Substance Abuse) Hospitals (622300)	47,020	$71,170
Employment Services (561300)	73,700	$70,120
Offices of Other Health Practitioners (621300)	14,160	$67,820
General Medical and Surgical Hospitals (622100)	1,492,000	$67,740
Offices of Physicians (621100)	223,970	$67,290
Management of Companies and Enterprises (551100)	8,760	$67,070
Colleges Universities and Professional Schools (611300)	28,330	$66,610
Insurance Carriers (524100)	16,620	$66,340
Outpatient Care Centers (621400)	81,230	$65,690
Other Ambulatory Health Care Services (621900)	10,540	$63,820
Psychiatric and Substance Abuse Hospitals (622200)	32,830	$63,650
Home Health Care Services (621600)	134,420	$63,300
Local Government (OES designation) (999300)	45,970	$62,680
State Government (OES designation) (999200)	40,890	$62,310
Individual and Family Services (624100)	14,960	$60,040
Nursing Care Facilities (623100)	128,420	$59,320
Residential Mental Retardation Mental Health and Substance Abuse Facilities (623200)	10,590	$57,660
Community Care Facilities for the Elderly (623300)	26,250	$57,460
Elementary and Secondary Schools (611100)	50,770	$52,400

Source: Bureau of Labor Statistics, U.S. Department of Labor, Occupational Employment Statistics, accessed May 17, 2010, [www.bls.gov/oes/]

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Reviewing the top 20 industries[8] in terms of registered nurse employment can give a more representative picture of the variation in wages across primary employment settings. The top 20 industry categories for nurses are displayed in Exhibit 3. (The smallest of those industries, Management of Companies and Enterprises, was estimated to have employed 8760 registered nurses in 2009.)

The federal government considered as an industry employed nearly 63 thousand registered nurses in 2009, and paid the highest average salaries at $77,830 per year. Nearly 80 percent of federal registered nurses work with the Veterans Administration. Substantial numbers of nurses also work as civilian employees of the Defense Department and in the Commissioned Corp of the Public Health Service. In addition to providing public health nursing services, many also work in the various agencies of the Department of Health and Human Services in policy analysis and/or research. At the opposite extreme of the top 20 industries with respect to employment of registered nurses is the category of Elementary and Secondary schools with estimated average annual wages of $52,400.

Within Industry Variations

Obviously within a particular industry not every registered nurse has the same wage. Among other reasons, longevity in the job and achievement of additional certifications can lead to increases. The discussion above focused on the inter-industry rather than within-industry differences in wages. Because of the dominance of the hospital sector for RNs a graph displaying the distribution of average industry wages (weighted by employment) across all sectors would appear relatively flat. However, within each industry the OES statistics also capture low to high variation in wages. In effect, BLS sorts the wages within an industry from low to high and then identifies selected wage percentiles. For example, for a given industry the 10th percentile represents the highest wage among RNs whose wages are in the bottom or lowest one tenth of that industry. Similarly, BLS estimates the 25th, 50th, 75th and 90th percentiles. The latter is the highest wage among RNs that are in the bottom 90 percent of all RNs, (also therefore the lowest wage among RNs whose wages are in the top 10 percent.)
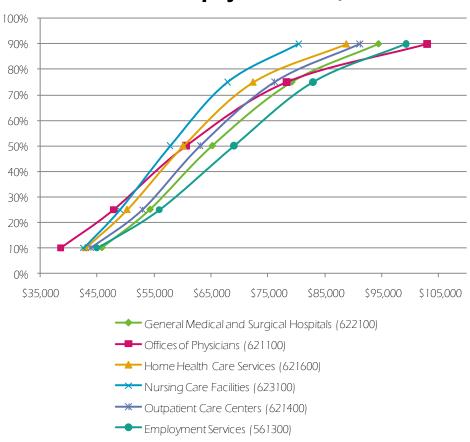
Typically, within any industry employing registered nurses wages reported for the 90th percentile are just more than double those reported at the 10th percentile. The patterns for the top five employment sectors are depicted in Exhibit 4. For example, within the general medical and surgical hospital category 10 percent of registered nurses have annual salaries of $45,780 or less. At the other end of the spectrum, 10 percent of hospital nurses were paid at least $94,470. One observes that for nursing care facilities and home health care services wages at the 10th percentile are relatively comparable: $42,560 and $43,020, respectively. By the 90th percentile wages in the two sectors diverge somewhat: $80,440 and $91,210, respectively. A comparable pattern can also be seen for hospitals and employment services

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with similar low end wages and an increasing differential at the higher end. (Outpatient care centers tend to mirror hospitals but at a consistently lower level across the distribution.) Physician offices, however, the second biggest setting for registered nurses exhibits greater relative variation than some of the other industries. Wages at the 10th percentile are lower than any other setting within the top five. At the 90th percentile wages in physician offices exceed those of the other four industries in question: $102,970.

Exhibit 4: Distribution of Registered Nurse Wages
Selected Employment Sectors, 2009

- General Medical and Surgical Hospitals (622100)
- Offices of Physicians (621100)
- Home Health Care Services (621600)
- Nursing Care Facilities (623100)
- Outpatient Care Centers (621400)
- Employment Services (561300)

In all cases the variation in wages is a function of training and experience of the nurse and geographic location. In the case of physician offices other important factors will be specialty, practice size, and the payer mix with respect to patients. Nurses' advanced training, geographic cost differences, and longevity of the relevant nurse's association with a particular physician practice can also contribute to wage differentials at the high end of the distribution.

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Conclusion

This has been just a snapshot of registered nurse employment and earnings from the perspective of one single data set collected by the U.S. government. And what was presented above included just a few highlights from those data. These data remain in the public domain and can be accessed at http://www.bls.gov/OES/. The OES was not designed to collect data on registered nurses only so some interesting questions cannot be answered with those data. On the other hand, there are a different set of issues that can be explored with those data such as those involving comparisons of registered nurses to other health professionals. In addition, the OES data can be accessed at a state or local MSA level to examine any geographic variations.

Endnotes:

1. Bureau of Labor Statistics, U.S. Department of Labor, Occupational Employment Statistics, [www.bls.gov/oes/]
2. http://www.bls.gov/soc/soc_j1l1.htm
3. See, for example, the BLS Occupational Outlook Handbook, which describes opportunities for registered nurses' advancement. http://www.bls.gov/oco/ocos083.htm.
4. Some OES categories have been combined for the purpose of this discussion. 111 industries at varying levels of aggregation report sufficient employment of registered nurses to create statistically valid estimates. The resulting 15 original or combined industrial groups represent 100 percent of the May 2008 employment of registered nurses.
5. http://www.bls.gov/oes/highlight_jobloss.pdf
6. http://www.bls.gov/oes/2009/may/oes251072.htm
7. Recall that this survey collects only data on wages not benefits. These statistics are also calculated estimates of what full time nurses earn based on blending the rates reported for both full time and part time nurses.
8. At the NAICS 4-digit level of aggregation. There are some industries reported in the OES at a more disaggregated level.