

## Where have all the nurse aides gone? Part III.

Thomas R. Konrad  
Jennifer Craft Morgan  
Sara Haviland

*North Carolina Institute on Aging  
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This report results from a study commissioned by the North Carolina Department of Health and Human Services and conducted and compiled by the North Carolina Institute on Aging (NCIOA). Using two employment-related databases maintained by the state, the NC wage and employment histories and the NC Nurse Aide Registry, information was compiled about individuals who are registered as nursing assistants (NAs) with the state of North Carolina.

*The specific objectives of this study were to:*

- (1) compare measures of wage and job stability for active (registered as a NA) and inactive (no longer registered as a NA) registrants across three years (1998, 2001, 2002).*
- (2) estimate the extent to which active and inactive NAs in North Carolina are employed in long term care and other healthcare sectors, and*
- (3) determine if career progression is evident for continuously registered NAs.*

### **Background**

Long term care (LTC) organizations will experience dramatic increases in demand for services as the baby boom generation ages. Like many states, however, North Carolina is experiencing marked NA recruitment and retention problems for both residential and community-based programs that assist elderly and individuals with disabilities. In an effort to address this growing problem the Office of Long Term Care of the NC Department of Health and Human Services has commissioned the NC Institute on Aging (NCIOA) to compile, examine, and analyze data on the direct care worker context in LTC settings in NC. 'Direct care worker' is a global term that includes any unlicensed assistive personnel in health care (e.g., nursing assistants, personal care workers, home health aides). The NCIOA is currently tracking both direct care worker turnover in LTC and NA registrant wages. A short staffing and turnover survey was included as an insert with the 2001 and 2002 licensure renewal applications for each of the three primary types of licensed facilities/agencies that employ NAs (nursing homes, adult care homes, and home care/home health and hospice). During the last four years the turnover rate for direct care workers in North Carolina has been consistently high. Data for 2001-2002 indicates that adult care homes and nursing homes suffer the most pronounced with turnover rates exceeding 95% in 2002<sup>1</sup>. Home care, home health, and hospice agencies have considerable turnover, but their

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<sup>1</sup> See Konrad, 2003. "Descriptive Results from the Annual Short Turnover Surveys Conducted for the Office of Long-Term Care of the NC Department of Health and Human Services, 2003" at <http://www.aging.unc.edu/research/winastepup/reports/ShortTurnoverReport2002data.PDF>.

turnover is much less dramatic (under 40%). This report is the third part in an ongoing study of the nursing assistant workforce in NC. The general understanding of the overall employment patterns of the NA workforce provided here should enable the authors to address some of the questions surrounding the turnover crisis and will provide some new observations regarding NA work experience in NC.

## Methodology

Data were collected from two of North Carolina’s state-operated employment-related data sources. The NC Nurse Aide Registry contains all individuals registered as a Nurse Aide I with the state of NC at anytime since 1990. Registrants on the file (February, 2003) were identified as either currently active or inactive. The second data set, the NC wage and employment histories, contains information on all workers and their wages paid by employers in NC. These data were extracted from summary quarterly reports filed by employers with the NC Employment Security Commission. The NC Department of Labor (NCDOL) linked these two data sources at the request of NCIOA and merged them to create a file with registrants' wages (as reported by employers) and regional characteristics available for analyses. Due to confidentiality issues, our partners at the NCDOL provide the data only in aggregated tables. This requires that the unit of analysis be “jobs” rather than individuals. Jobs with different employers are counted separately; different jobs at the same place of employment are counted as a single job. Thus, individuals who hold multiple jobs may be counted multiple times. While these data have limitations associated with the non-independence created by counting jobs rather than individual NAs, they are currently the only data of this type on this workforce. Despite this weakness analyses of these data should clarify the patterns of employment for these workers. The wage data analyzed here reflect “nominal wages” (i.e., not adjusted for inflation) unless specifically noted otherwise.

### How do active registrants compare to inactive registrants over time?

Over the last three fiscal years (July 1, 2000-June 30, 2003) the number of newly registered, or ‘active,’ NAs appears to be outpacing the number of NAs becoming inactive. The total number of active NAs has grown steadily from June 30, 2000 (84,148) to June 30, 2003 (102,109) (See Table 1). Over the past year, the ratio of newly registered to newly inactive NAs has remained fairly consistent, a change from the increase observed during the previous year.

TABLE 1: NEWLY ACTIVE NURSING ASSISTANTS AND NEWLY INACTIVE NURSING ASSISTANTS IN NORTH CAROLINA (JULY 1, 2000 –JUNE 30, 2003)			
	7/1/2000- 6/30/2001	7/1/2001- 6/30/2002	7/1/2002- 6/30/2003
Total number of active NAs:	87,384	95,092	102,109
Number of newly active NAs:	15,540	18,825	18,664
Number of NAs who became inactive:	13,304	11,117	11,474
Ratio of newly active to newly inactive:	1.17	1.69	1.63

Whether this phenomenon is reflective of an increase in the number of NAs committed to the occupation or is simply due to a decrease in the availability of other jobs due to a downturn in the economy cannot be determined from these data. Between July 2000 and June 2003, however,

there has been a general increase in the NC unemployment rates as reported by the Employment Security Commission; continued monitoring of these trends may allow us to distinguish these factors in the future.

Active registrants in 2002, as in 1998 and 2000, are worse off when compared to inactive registrants in terms of both median nominal wages and average number of employers (See Table 2). Over the past year the average number of employers reported by the two groups appears to have declined. Additionally, the average annual change in wages for inactive registrants has increased more rapidly (8%) than for those who remain active (3%). This may be an indicator of better wages and wage growth in non-NA jobs. The ceiling for active registrant wages appears to have remained relatively steady based on the reported wages at the 80<sup>th</sup> percentile; while ceiling wages for inactives have increased also indicating a disparity in wage growth for active and inactive registrants.

Table 2: Comparing Median Wages and Average Number of Employers for Active and Inactive Registered Nursing Assistants in North Carolina (1998-2001)*		
	ACTIVE	INACTIVE
1998 Median Wages (80 <sup>th</sup> percentile)	\$11358 (\$18360)	\$14425 (\$25505)
2001 Median Wages (80 <sup>th</sup> percentile)	\$12877 (\$20883)	\$17359 (\$30975)
2002 Median Wages (80 <sup>th</sup> percentile)	\$13298 (\$21538)	\$18719 (\$33986)
Average Annual Change in Median Wages		
1998-2001	4%	7%
2001-2002	3%	8%
1998 Average Number of Employers	1.89	1.05
2001 Average Number of Employers	2.30	1.95
2002 Average Number of Employers	1.86	1.56

\*Registered nurses and licensed practical nurses were not removed from either the active or inactive files prior to calculating median wages or average numbers of employers.

### Where are active and inactive NAs?

The NC Nurse Aide Registry file data collected in February 2003 was merged with data from the corresponding NC Employment Security Commission Summary Reports (NCESCR) in order to obtain 2000, 2001 and 2002 wages for this population. Merging the current registry file with the summary reports and looking back across years allows the authors to better analyze trends in NA employment patterns over time using job-level data.

There has been an increase of active NAs working in all healthcare sectors (See Table 3). Over the three-year period active NAs have increased from 34% to 41% in LTC sectors, such as home health, nursing and personal care facilities, skilled nursing facilities, and intermediate care facilities. Active NAs have also increased in number from 15% to 19% in other health settings (i.e., non-LTC) over the three-year period, including doctors' offices and general medical and surgical hospitals.

	% Active			% Inactive		
	2000*	2001	2002*	2000	2001	2002*
Long Term Care Sectors (i.e.; Home Health, Nursing and Personal Care Facilities, Skilled Nursing Facilities and ICFs)	34	39	41	19	16	12
Non-LTC Health Sectors (i.e.; Doctors' Offices, General medical and surgical hospitals)	15	16	19	21	23	24
Other <sup>2</sup>	52	45	39	60	61	63

*\*The sums of the values in these categories are 100% due to rounding error.*

The distribution of inactive NAs across employment sectors has also changed over the three-year period. Inactive NAs experienced a decline in percentage of jobs held in LTC sectors over the three-year period (19% in 2000 to 12% in 2002) while active NAs experienced an increase in these sectors. This may indicate that more LTC organizations are choosing to hire or retain registered NAs over non-registered workers. Inactive NAs did experience an increase in non-LTC health sectors (21% in 2000 to 24% in 2002) that paralleled an increase in these sectors for active NAs.

While there was an improvement in the percentages of active registrants working in health-related sectors between 2000 and 2002, the percentage of NAs working outside of these sectors remains substantial. Also, the percentage of active NAs declined in sectors outside of LTC and non-LTC health sectors (from 52% in 2000 to 39% in 2002). We estimate, from another source<sup>3</sup>, that approximately 57% of active registrants are working in LTC settings in 2003.

### **Is career progression evident for NAs who are continuously registered?**

To answer this question, we need to examine trends in median wages for continuously registered NAs (i.e., registered on the nurse aide registry for the entire period from 1993 to 2002). Out of the more than 241,629 persons registered as NAs over the last decade, there were 20,335 individuals registered without interruption. This "core" workforce consists of individuals we presume have made a career out of being a NA. Figure 1 demonstrates the median annual wages for continuously registered NAs adjusted to 2002 dollars.<sup>4</sup>

Figure 1 shows that overall wages of continuously registered NAs working in skilled nursing facilities exceed those in other long-term care settings. Jobs, for this core workforce, in skilled nursing facilities have higher starting wages and a steeper rate of growth than those who work in personal care facilities, home health care, and residential care. This may be due either to better NA job ladders within skill nursing homes than other LTC organizations or may be due to the

<sup>2</sup> "Other" category includes trade, transportation, and utilities, schools, social services, private households, public administration, and temp agencies.

<sup>3</sup> Preliminary results of a telephone survey of active registrants conducted by the WIN A STEP UP project (2003).

<sup>4</sup> 2002 dollars are determined using the Consumer Price Index for the Southeast.

greater mobility of nursing home NAs within skilled nursing facilities. With the exception of skilled nursing facilities, wages for continuously registered NAs are relatively flat in long term care over the period between 1993 and 2002.



Continuously registered NAs in other health sectors have experienced greater wage growth over the decade than continuously registered NAs in the long term care sector. Hospital jobs, on average, accrue higher wages than do doctors' offices and other health related jobs. Hospitals also seem to have a more consistent upward wage trajectory, while the trajectory for continuously registered NAs in doctors' offices is much less consistent.

### Conclusion

While modest improvements in the economic experience of NA registrants in NC are seen above, substantial challenges still exist for improving the wages and stability for this workforce. This study indicates two modest improvements. First, the number of newly active NAs continues to outpace the number of newly inactive NAs. Retaining more individuals on the registry than are lost may either be due to an increase in the overall supply of direct care workers in NC or may be due to an increased commitment of LTC establishments to encourage employees to remain or become registered since not all LTC establishments are required to hire registered

NAs. An increasing proportion of active NAs are working in health sectors. This profile also illustrates substantial and enduring challenges. The number of NAs becoming inactive is still quite high (11,474 became inactive during the last fiscal year). Inactive NAs appear to be returning to the service jobs they had previously and are still faring better economically than active NAs. Active NA wages are lower than inactive wages and the rate of wage increase is slowing for active while it is increasing for inactive NAs. Inactive NAs also enjoy greater job stability as indicated by inactive NAs having fewer employers per year than active NAs. LTC sectors, finally, are not as lucrative and do not offer as much career wage progression as the non-LTC health employment sectors. This is yet another barrier to recruitment and retention of NAs into the LTC sector.