

**INFOGRAPHIC**

# The cost of nurse turnover—and how to maximize retention

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<https://www.chartis.com/insights/cost-nurse-turnover-and-how-maximize-retention>

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Over the past 3 years, average nursing turnover rates nationwide have trended back toward 2019 levels. However, many health systems, hospitals, and departments still have not returned to pre-pandemic turnover performance.

If that's true for your organization, it's time to give retention strategies the strategic support necessary for success.

## The financial cost of nurse turnover

Understanding the cost of nurse turnover is an essential first step to illuminate the full financial impact on the organization and support the business case for investment in solutions.

While many variables exist, the cost range depends heavily on the **percentage of agency or premium labor backfill** (excluding overtime):<sup>2</sup>



*Broken down, here's where the costs lie:*

|         |                                                   |
|---------|---------------------------------------------------|
| 18%     | Annual turnover rate <sup>2</sup>                 |
| \$44    | Average hourly RN pay <sup>3</sup>                |
| \$132   | Hourly premium labor rate <sup>4</sup>            |
| 20%     | Estimated fringe and benefits                     |
| \$4,700 | Recruiting expenses per FTE <sup>5</sup>          |
| 95 days | Average time to fill a nursing role <sup>6</sup>  |
| 1 week  | Accrued vacation payout                           |
| 6 weeks | Weeks of orientation<br>(paid nonproductive time) |

*Translated to an organization with 1,000 nursing FTEs and agency/premium backfill of 40% to 80%, we estimate the annual incremental cost of turnover ranges from:*

***\$9M to \$13M per year***

## Other costs

Beyond the immediate financial cost, high nurse turnover rates impact many other outcomes, including:

- Patient access
- Quality of care
- Patient safety
- Patient engagement
- Lost revenue

## How to improve nurse retention

Many organizations have leaned heavily on base salary compensation investments and talent acquisition enhancements to address retention challenges. However, solutions must be multidimensional.

Organizations also need a deeper understanding of their unique situation to develop custom strategies. The framework below illustrates the interconnected dimensions organizations need to address so they can foster nurse retention.

### Key elements for nurse retention



No hospital is immune to nurse turnover. But the financial and care delivery cost is high. The path forward starts with quantifying the cost of turnover across the organization. Next, your organization should work to understand the causes of turnover at a site- and role-specific level. From there, you can develop a comprehensive action plan to reduce turnover and position your organization as an employer of choice.

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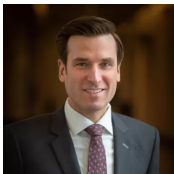
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