

**FOR IMMEDIATE RELEASE**

**Nursefinders, Inc. Launches New Nurse Staffing Expense Survey**  
***Impact of work-related stress, nursing turnover rates and wages, and trends in nurse staffing agency utilization among key findings***

Arlington, Texas — August 15, 2005 — Nursefinders, Inc. announces the results of its first-ever Nurse Staffing Expense Survey. The survey, conducted quarterly of U.S. healthcare facility executives, is designed to uncover trends in nurse-staffing expenditures and related topics. Highlights of this quarter's survey (2Q05) include the finding that despite the severe nursing shortage, healthcare facilities see nurse turnover stabilizing, while hourly wages are on the rise to help combat vacancies. Click here for the full report: <http://www.nursefinders.com/press-room/press-releases/nf-2005-08-16.jsp>.

**2<sup>nd</sup> Quarter Key Findings:**

**Nurse Turnover and Recruitment Bonuses Stabilizing, Hourly Wages Rising**

As healthcare facilities look for ways to better manage recruitment and labor costs, there are signs of a silver lining. While roughly one-third (32%) of healthcare facilities reported increased turnover in their nursing staff as compared to last year, a majority of facilities (62%) said turnover rates in 2Q05 remained stable with prior quarter levels, and 62% expect turnover rates to remain stable in the upcoming quarter.

Although most healthcare facilities reported flat spending on referral and sign-on bonuses, an indication that facilities may have reached the maximum return on investment related to these recruitment tools, hourly wages are on the rise. Nearly half (49%) of healthcare facilities report an increase in hourly wages in 2Q05, as compared to the prior quarter, and 65% report an increase as compared to this time last year. More than half of facilities (55%) foresee continued increases in hourly wages in 3Q05.

Nursefinders, Inc. Chief Executive Officer Bob Livonius commented, "Although vacancy rates at U.S. healthcare facilities remain at an alarming level given the increasing demand for patient care and shortage of nurses, our survey findings signal a stabilization of turnover. This will be an important index to watch over the next few quarters as we explore whether healthcare facilities have 'hit the bottom' in terms of nurse staff turnover in the near-term."

**Work-related Stress Noted as Major Factor in Nurses Leaving Jobs, Profession – Contributing to a \$26 Billion Challenge for Hospitals in the U.S.**

Healthcare facilities overwhelmingly recognize work-related stress as a major factor in the nurse shortage and in nurse turnover. The majority of healthcare facilities believe work-related stress is a major factor in the overall nursing shortage (85%), nurses leaving the profession entirely (77%), and nurses leaving hospital duty (76%). Taking into account reported turnover rates of 20% among the 2 million nurses in the U.S., work-related stress is contributing to a \$26 billion challenge for U.S. healthcare facilities.

The good news is that some U.S. healthcare facilities are attempting to curb one of the factors that contribute to work-related stress – overtime. While a near majority of facilities (45%) expect overtime expenditures to remain stable in 3Q05, a third (33%) plan to decrease mandatory overtime expenditures for nursing staff. Nearly a quarter

(22%) of facilities plan to increase mandatory overtime expenditures. When asked about voluntary overtime for the same group, 29% said they plan to increase expenditures, while 16% plan to decrease expenditures.

“We believe it is a very positive sign that a third of facilities surveyed plan to decrease mandatory overtime for their full-time nurses in the third quarter and 16% plan to reduce voluntary overtime,” commented Livonius. “While there are many factors that contribute to work-related stress, consistent overtime certainly plays a role in job burn out, poor patient care, and ultimately turnover. Overtime usage may be a tempting short-term solution to staff shortages, but employers need to consider the potential negative effects in the long-term.”

### **Nurse Staffing Agencies Play a Role in Battling Nurse Shortage**

Despite a clear majority (66%) of facilities reporting that healthcare staffing agencies are meeting 90%-100% of their staffing needs, agency utilization in terms of expenditure varies. Forty-one percent of healthcare facilities surveyed report increased spending on agency nurses as compared to last year. However, when compared to 1Q05, 33% of healthcare facilities increased agency nurse spending, 37% remained stable, and 30% decreased agency nurse spending.

“Despite the ability of healthcare agencies to effectively address staff shortages, as well as reduce overtime, work-related stress and turnover, some facilities may still view healthcare staffing agencies as an expense,” stated Livonius. “To the contrary, healthcare systems who utilize our agency workforce solutions, technology, and Managed Services Programs (MSP) achieve on average 20%-25% savings in overall labor expenditures, while streamlining internal processes and improving the supply of qualified healthcare staff.”

John Hughes, vice president and CFO of NetCare, a healthcare system that utilizes a staffing agency Managed Services Program (MSP), commented, “While our staffing agency MSP agreement allows our organization to achieve our financial performance objectives, the primary value is the assurance of quality nursing care that enables NetCare to manage medical risk factors and exceed accreditation standards. Our ability to access a sufficient supply of qualified caregivers helps increase morale and decrease turnover of full time staff while assuring the highest quality patient outcomes.”

The Nursefinders, Inc. Nurse Staffing Expense Survey is conducted quarterly with a panel of 75 healthcare executives, each representing unique healthcare facilities which vary in revenue size and number of beds, including hospitals, long-term acute care and other facilities, from across the country.

### **About Nursefinders, Inc.**

Headquartered in Arlington, Texas, Nursefinders, Inc. provides comprehensive home health care services in various states nationwide and health care staffing services to more than 4,700 hospitals, nursing homes and clinics across the country. Nursefinders has a system-wide network of approximately 120 offices in the United States providing RN's, LPN/LVNs, home health aides, therapists, nursing assistants, companions and other health care and medical clerical professionals for staffing needs. Since 1974, Nursefinders has placed more than 3.5 million nurses in more than 10 million shifts and

32 million home care visits. For more information about the company, visit [www.nursefinders.com](http://www.nursefinders.com).

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Contact: Tricia Boone  
The Marcom Group for Nursefinders, Inc.  
954-757-4942, [tricia@marcomgroupinc.com](mailto:tricia@marcomgroupinc.com)