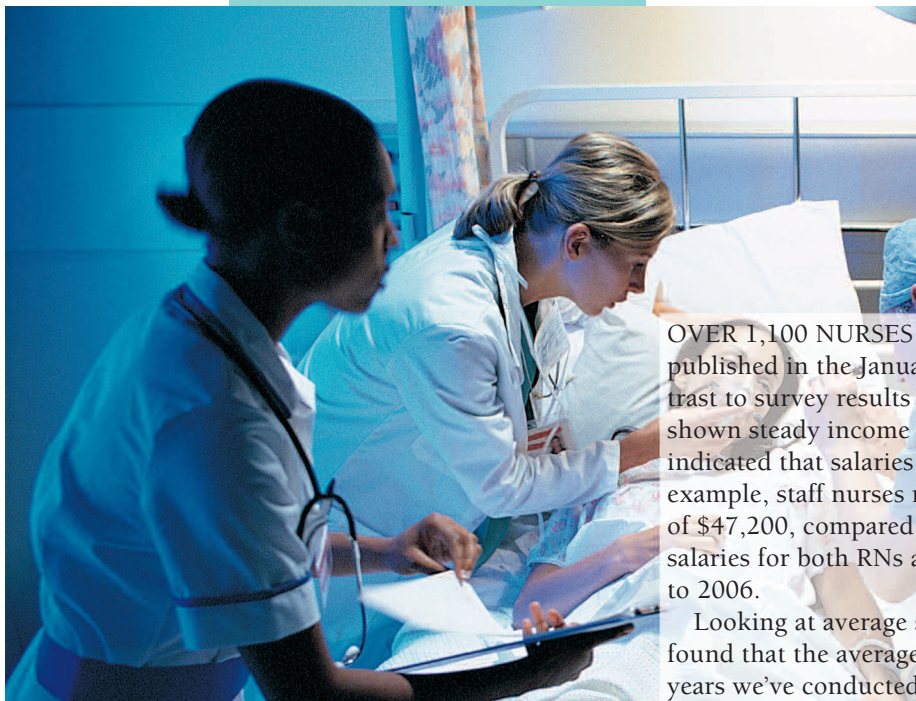


Nursing2006

SALARY SURVEY

BY CHERYL L. MEE, RN, BC, CMSRN, MSN



Are salaries and benefits starting to level off for nurses?

Consider the evidence in our seventh annual nationwide survey.

OVER 1,100 NURSES responded to our salary survey published in the January issue of *Nursing2006*. In contrast to survey results from previous years, which have shown steady income gains for nurses, this year's survey indicated that salaries were generally flat. In 2006, for example, staff nurses reported an average annual income of \$47,200, compared with \$47,600 in 2005. Starting salaries for both RNs and LPNs were also flat from 2005 to 2006.

Looking at average salaries for all respondents, we found that the average dropped for the first time in the 7 years we've conducted this survey, from \$58,600 in 2005 to \$51,000 in 2006. However, a significant change in the profile of nurses responding in 2006 probably explains this difference. (See *Salaries take a tumble* on page 50.)

Here are a few other key findings:

- Managers reported an average salary of \$62,800, down from \$68,000 in 2005.
- Advanced practice nurses reported an average annual salary of \$69,600, significantly less than the \$73,200 reported in 2005.
- Nurses in salaried positions made an average of \$10,000 more per year than those paid by the hour.
- Salaries flatten when nurses are in a position for more than 10 years. Nurses working in the same position for 11 to 15 years report a salary of \$56,000; those holding their positions for over 15 years made \$56,700.
- As in previous years, men in nursing made more money than women. The average salary for all male respondents was \$54,600, compared with \$50,600 for women—an 8% difference. Looking at RNs specifically, the gender gap was about 6%. But for LPNs, the gap was even wider: 16%.

Now let's look at some other survey highlights and trends.

About this survey

This survey was published in the January issue of *Nursing2006* and posted online. Nurses could return results by mail, by fax, or online. The sample was a convenience nonprobability sample. Not all respondents answered all questions, and figures have been rounded.

A typical respondent to this salary survey fits this profile:

- RN (73%)
- female (92%)
- has been in nursing for more than 15 years (47%)
- works in a hospital (57%)
- works as a staff nurse (59%)
- works full-time (86%)
- is compensated on an hourly basis (77%) rather than by salary
- has a bachelor's degree (31%) or an associate degree (28%).

How differentials differ

Seventy percent of all respondents reported pay differentials for off shifts. Nurses most likely to get shift differentials worked in these settings: hospitals (92%, up from 87% in 2005), rehabilitation (69%), and long-term care (66%).

Fifteen percent of all respondents reported a differential for being certified—down from 19% in 2005. Hospital nurses (21%) were most likely to receive this benefit.

Differential pay for a BSN was reported by only 14% of all respondents—down from 16% in 2005. Among nurses working in hospitals, 19% received this benefit.

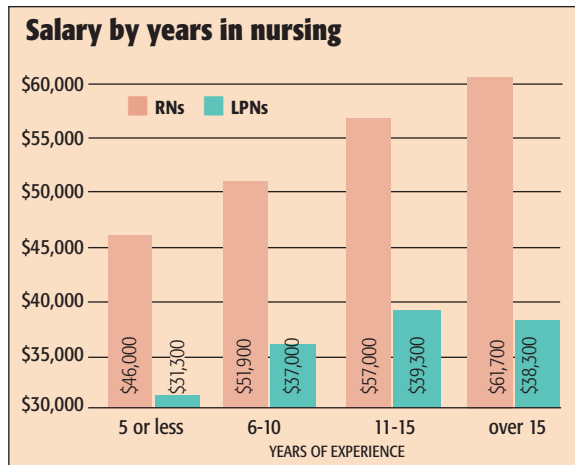
Thirty-four percent of all respondents and 51% of hospital nurses reported a differential for working shifts in the charge nurse role.

Only 9% of respondents reported that their facility pays a differential for work in a specialty area. This number has decreased over the years, down from 12% in 2005 and 14% in 2004. This may reflect the fact that most units require special skills, so all units are in a sense “specialized.”

Certification and education pay

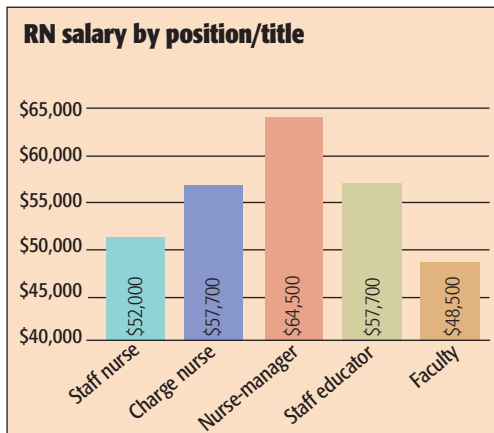
Among all nurses, those who reported being certified in a specialty made \$9,200 more annually than nurses who weren't certified. With one exception, compensation also increased with advances in education, as indicated by these average annual salaries:

- LPNs, \$36,700
- RNs with a diploma, \$57,400
- RNs with a BSN, \$55,300
- RNs with an MSN, \$60,500



- RNs with an associate degree, \$50,100
- RNs with a BSN, \$55,300
- RNs with an MSN, \$60,500.

The high annual salary for diploma RNs is consistent with our findings from previous surveys. The most likely reason is that on average, diploma RNs have been in the profession longer than other RNs.



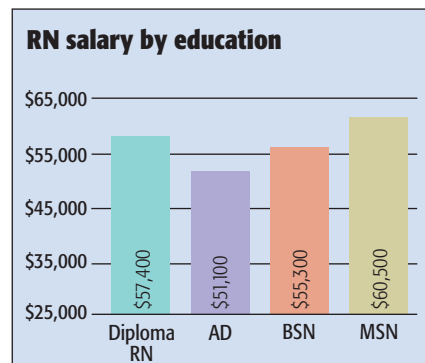
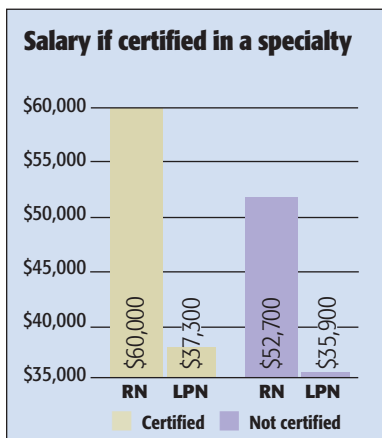
Tuition reimbursement was reported as a benefit by 64% of all respondents and by 80% of hospital nurses. This benefit was reported least frequently by nurses working in community/home health care (34%) and long-term care (44%).

Less reimbursement, fewer bonuses

Nurses reporting reimbursement for continuing-education activities dropped to 52% in 2006, down from 70% in 2005

and 77% in 2004. Nurses working in hospitals were most likely to report this benefit (57%). Only 37% of nurses working in long-term care enjoyed this benefit.

Reimbursement for conferences and travel fees was even more rare, with only 38% of all nurses reporting



“I have two sons working in factories who make more money than I do and

this benefit. Among work settings, nurses in community/home health care settings were most likely to offer this benefit (48%) and long-term-care facilities least likely. However, 77% of faculty members report receiving this benefit.

Sign-on bonuses were reported as a benefit by only 26% of all respondents; hospital nurses were most likely to report this benefit (36%).

Other bonuses and benefits were reported by respondents as follows:

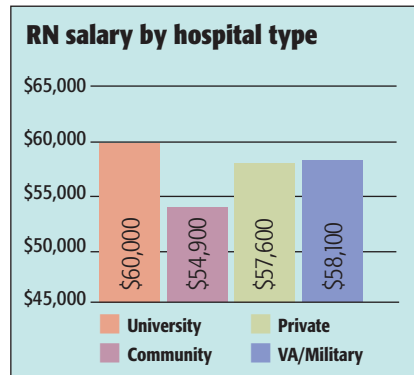
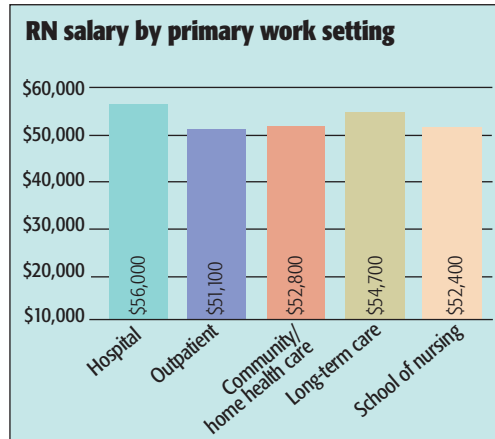
- reimbursement for certification fees, 21%
- incentive bonus, 14%
- child care on the premises, 10%
- retention bonus, 8%.

Weighing hospital size and location

Salaries generally rose as hospital size increased: Nurses working in facilities with 100 beds or less averaged \$46,700; those working in facilities with 300 to 500 beds averaged \$56,000. But nurses working at the largest facilities (over 500 beds) reported an average salary of just \$53,700.

Location matters too, with urban and suburban hospitals paying better than small town and rural counterparts:

- urban, \$54,000



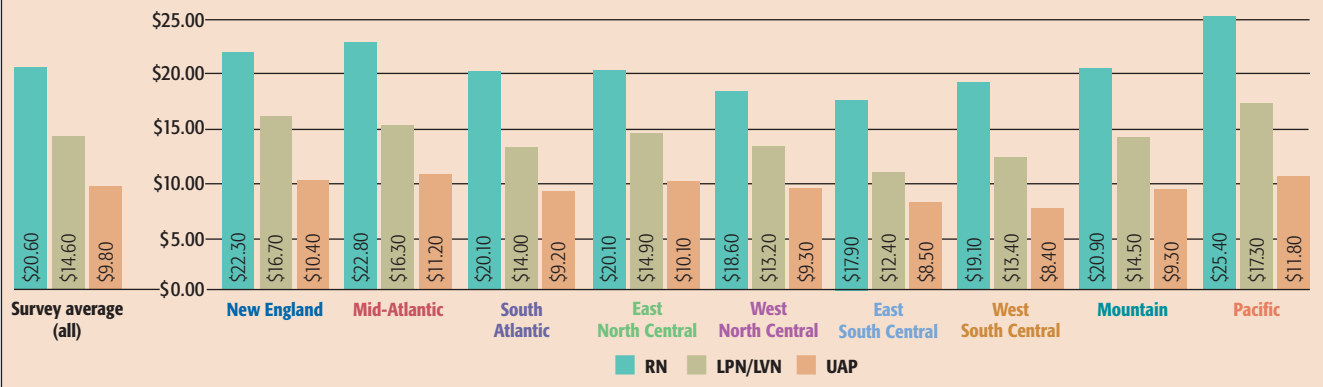
- rural, \$47,600
- suburban, \$52,700
- small town, \$46,800.

See *Current average full-time salary by region* for a breakdown of average salaries from all respondents, RNs only, and LPNs only.

“It’s high time that nurses’ salaries started reflecting the level of stress the job entails. I’m convinced that if that ever happens, we’ll be earning twice as much as physicians do.”

Current starting hourly rate for RNs, LPNs, and UAPs

Applying the hourly rates below to a 40-hour workweek, we found that the national average starting annual salary is \$42,848 for RNs, \$30,368 for LPNs, and \$20,384 for unlicensed assistive personnel (UAPs).



also get profit sharing bonuses as well as retirement and health benefits.”

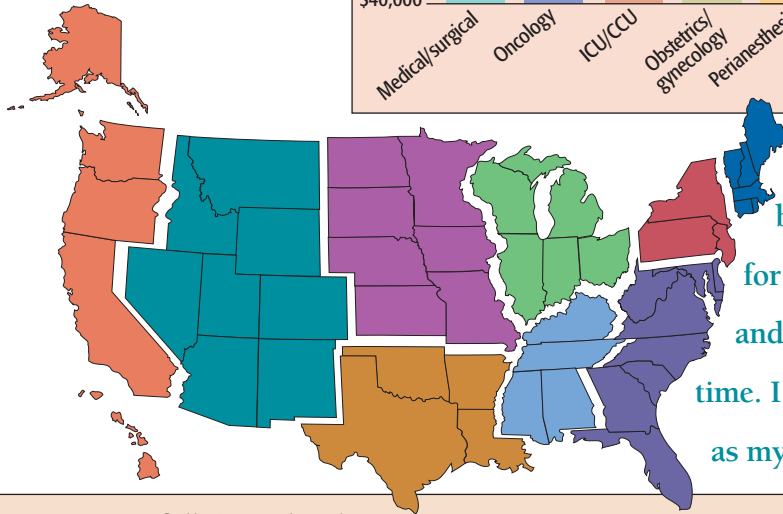
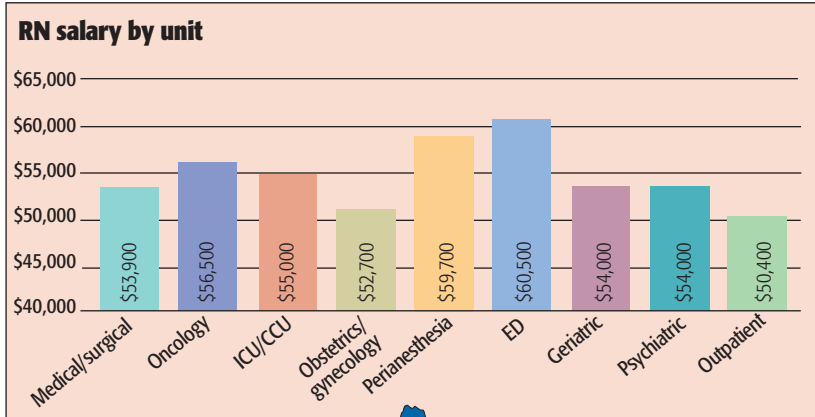
Which nursing units pay best?

This year, the highest paying unit in our survey was perianesthesia/operating room, where nurses averaged \$59,200. This high average may reflect responses by well-paid nurse-anesthetists. On average, other units paid as follows:

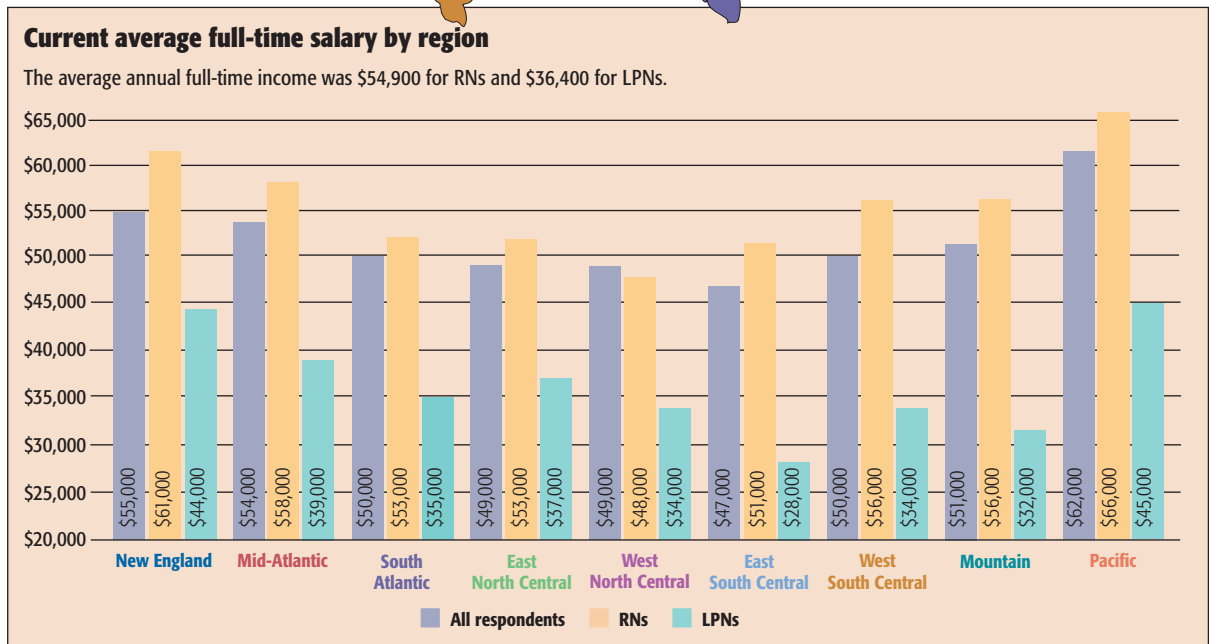
- emergency department, \$58,300
- oncology, \$56,400
- intensive care unit/critical care unit, \$54,400
- medical/surgical, \$50,100
- obstetrics/gynecology/nursery, \$49,900
- psychiatric, \$49,600

- pediatrics, \$45,600
- geriatric, \$44,900.

Ironically, the lowest pay went to nurses caring for some of the most vulnerable patients: children and older adults.



“I work very hard, 12-hour shifts, but I feel I’m well compensated for this work. I love what I do and can’t afford to retire at this time. I plan to work as long as my knees hold out.”



Salaries take a tumble

In 2006, the average annual salary for all respondents was \$51,000—a dramatic drop from last year’s average of \$58,600. Comparing data with that from the 2005 survey, however, we found that the profile of this year’s average respondent changed significantly in 2006. These changes in key areas suggest that the drop reflects a change in who responded to this self-selecting survey rather than a trend in the workplace. Here are some key demographic shifts that help explain why reported salaries dropped in 2006.

- In 2006, a larger proportion of respondents reported working in nursing for less than 5 years (27% versus 16% in 2005). At the same time, fewer respondents have been working for more than 15 years (47% in 2006 versus 58% in 2005). More experienced nurses earn more money.
- Fewer respondents worked in hospitals (57% in 2006 versus 61% in 2005). In general, hospitals pay better than other health care settings.
- More respondents to the 2006 survey worked as staff nurses (59% versus 33% in 2005), and fewer commanded higher salaries as managers or supervisors (only 11% in 2006 versus 32% in 2005).
- The percentages of RNs, LPNs, and advanced practice nurses (APNs) shifted considerably from 2005 to 2006, resulting in fewer respondents in higher-paying positions. In 2006, the mix was RN, 73%; LPN, 24%; APN, 3%. In 2005, the mix was RN, 83%; LPN, 11%; APN, 6%.
- Only 23% of 2006 respondents were compensated by salary (rather than hourly), compared with 45% in 2005. Salaried nurses typically make more per year than hourly wage earners.

Testing the pull of Magnet hospitals

For the first time this year, we asked nurses to indicate whether they worked in Magnet hospitals. Interestingly, we found that these hospitals, known for being great places for nurses to work, don’t necessarily pay better salaries than non-Magnet facilities.

Among the 11% of all respondents who reported working in a Magnet hospital, the average salary was \$50,100—slightly less than the \$51,100 average for those not working in a

A look at LPNs

This year, 267 LPNs responded to our survey. The average LPN was a 43-year-old woman with 12 years’ experience in nursing.

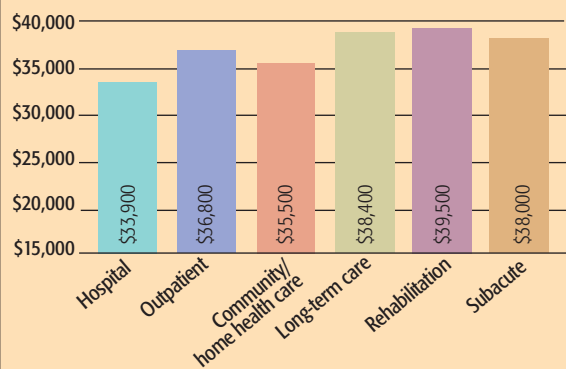
Almost 40% of LPN respondents reported over 15 years’ experience, and 83% worked full-time. The highest percentage (30%) reported working in a long-term-care facility, and nearly as many (29%) worked in a hospital. This is a dramatic shift from last year’s survey findings: In 2005, 40% of LPNs worked in long-term-care facilities and only 22% worked in hospitals.

During hospital restructuring in the 1990s, many hospitals drastically cut LPN positions. These survey results suggest that the pendulum is now swinging back as hospitals recognize the value LPNs bring to the workplace.

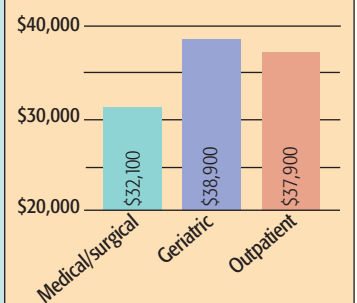
LPNs reported their positions as follows:

- staff nurse, 69%
- charge nurse or assistant nurse-manager, 14%
- manager, 5%
- educator or case manager, 2%.

LPN salary by primary work setting



LPN salary by unit



“My students get out of school and make one and a half times more than I do as their faculty.”

Magnet hospital. Looking at RNs specifically, we found that the average salary was \$52,600 for those working at a Magnet hospital, compared with \$55,300 for RNs not working in a Magnet hospital.

For LPNs, the gap was even more striking: The average salary for LPNs at Magnet hospitals was \$33,200, compared with \$36,500 for those at non-Magnet facilities.

Magnet hospitals have been well documented as providing a very positive work environment for nurses. This, along with good benefits, may offset the salary shortfall. For example, 33% of Magnet hospital nurses reported sign-on bonuses, versus only 26% of those working in non-Magnet hospitals. Most nurses in Magnet facilities (86%) report that their facilities pay a shift differential, compared with 68% of nurses working in non-Magnet facilities. Here's how respondents reported other key benefits:

- pay differential for BSN: Magnet, 18%; non-Magnet, 13%
- charge nurse differential: Magnet, 44%; non-Magnet, 34%
- tuition reimbursement: Magnet, 80%; non-Magnet, 63%
- reimbursement for continuing-education activities: Magnet, 63%; non-Magnet, 50%
- reimbursement for conference and travel fees: Magnet, 44%; non-Magnet, 38%
- reimbursement for certification fees: Magnet, 26%; non-Magnet, 20%
- flexible scheduling: Magnet, 60%; non-Magnet, 43%
- child care: Magnet, 25%; non-Magnet, 8%
- retention bonus: Magnet, 12%; non-Magnet, 7%.

Unions linked to better salaries and benefits

This year's survey was also the first to ask nurses about union membership. We found that nurses who belong to a union—14% of all respondents—make more money: \$57,000 annually versus \$49,900 for nonunion nurses.

Among RNs, 16% reported working in a union. Their average salary was \$62,800, compared with \$53,400 for RNs not in a union.

Only 10% of LPNs reported belonging to a union. Because of the small number (27 nurses), we can't draw valid conclusions from the LPN data.

Whether in a union or not, about 26% of nurses reported sign-on bonuses at their facilities. But nurses belonging to a union were more likely to get a shift differential (82% union versus 67% nonunion), a differential for certification (33% versus 12%), a differential for a BSN degree (34% versus 10%), a charge nurse differential (47% versus 32%), and continuing-education reimbursement (61% versus 50%). Reimbursement for tuition and

“Another hospital in my city pays nurses a higher salary, but my hospital is the preferred employer because of better working conditions.”

for conference/travel fees was about the same for both groups.

This survey didn't address union fees or other costs related to belonging to a union.

Looking at the big picture

Spurred by the nursing shortage, employers have made major adjustments in salaries, benefits, and hiring practices in the past few years. The flat salaries we're seeing now may reflect, in part, a predictable leveling off of these recruitment and retention initiatives.

Even so, many major trends we've noted in the past still hold true. For example, nurses make more money if they're certified and hold higher educational degrees. And men still make more money than women.

This year for the first time, we surveyed Magnet hospital employment and union membership. Results indicate that both provide strong advantages for nurses. We'll track trends in these areas in future surveys.

As the Magnet hospital data suggest, a nurse's annual salary isn't the only—or even the most important—ingredient in job satisfaction. So if you're considering a job change, look at the big picture. Additional benefits you value and a positive working environment may compensate for a salary shortfall. ♦♦

Cheryl L. Mee is editor-in-chief of *Nursing2006* and adjunct faculty for Immaculata (Pa.) University.