

**FOREIGN-EDUCATED NURSES: A SMALL BUT
IMPORTANT PART OF THE U.S. HEALTH WORKFORCE**

EXECUTIVE SUMMARY

Foreign-educated nurses play a vital role in relieving shortages at many U.S. hospitals. However, the entry of most foreign nurses is blocked or delayed for years due to a failure to increase immigration quotas or establish an appropriate temporary visa category for nurses. Despite acknowledged nursing shortages, U.S. immigration policy actually treats nurses worse than other professions. The medical literature shows nursing shortages contribute to death and illness for U.S. patients. While foreign-educated nurses are only one solution, research and interviews find relief from strict immigration quotas would help patients, hospitals and the nation as a whole.

- Fears that foreign nurses would overwhelm the U.S. labor market and dissuade hospitals from active recruitment of U.S. nurses are unfounded. Foreign nurses represent only 3.7 percent of the U.S. registered nurse workforce, well below New Zealand (23 percent), the United Kingdom (8 percent), Ireland (8 percent) and Canada (6 percent).
- Contrary to concerns that foreign nurses would harm the salaries of U.S. nurses, in an authoritative Department of Labor-funded analysis on the impact of foreign nurses in the 1990s World Bank economist Ruth Levine found “There was no evidence that the increased access to foreign labor under the law had negative short-term effects on the wages, benefits or working conditions in area hospitals . . . In addition, and contrary to common beliefs, we found that foreign nurses were not paid less than U.S. nurses.”
- Nursing salaries are not flat or falling. According to a May 2007 Legislative Analyst’s Office study of nurses in California: “Salaries for registered nurses have increased considerably in recent years. The average annual salary for a full-time nurse increased from about \$52,000 in 2000 to \$69,000 in 2006, an increase of 32 percent over the six-year period (13 percent after adjusting for inflation).”
- The leading country where foreign nurses employed in the U.S. received their initial education is the Philippines, followed by India, Canada and South Korea.
- Approximately 90,000 foreign-educated nurses work in the United States. California ranks first in state of employment for foreign nurses followed by Florida, New York, Texas, New Jersey and Illinois.
- Many foreign-educated nurses attend nursing school intending to work abroad and help their families. Given the important role of remittances, the Philippines and India encourage their nationals to work abroad. A family receiving remittances may be up to 10 times more likely to have a child remain in school.

Foreign-Educated Nurses: A Small But Important Part of the U.S. Health Workforce

FOREIGN-EDUCATED NURSES: A SMALL BUT IMPORTANT PORTION OF U.S. NURSE WORKFORCE

One argument commonly made against allowing in more foreign nurses is their numbers would make U.S. hospitals look less diligently for U.S. nurses. Available data and interviews show this is far enough from reality that it should not even enter the public debate.

The latest data show that foreign nurses today make up less than 4 percent of the U.S. registered nurse workforce. To place that in perspective, 23 percent of New Zealand's nurses are foreign, while 8 percent of nurses in the U.K. and Ireland (and 6 percent in Canada) are foreign-educated. Simply put, the percentage of foreign nurses in the United States is well below that of other English-speaking nations.¹

Table 1
Western Nations and Foreign-Educated Registered Nurses

Country	Foreign Nurses as Percent of Workforce
New Zealand	23 percent
United Kingdom	8 percent
Ireland	8 percent
Canada	6 percent
United States	3.7 percent

Source: Linda H. Aiken, et al, "Trends in International Nurse Migration," *Health Affairs*, vol. 23, no. 3, May/June 2004, p. 70; U.S. figure is for 2004 from *The Registered Nurse Population, Findings from the March 2004 National Sample Survey of Registered Nurses*, Health Resources and Services Administration, Table 45.

THE EXPERIENCE OF FOREIGN-EDUCATED NURSES AT U.S. HOSPITALS

Typical in the use of foreign nurses is Florida Hospital Waterman, where 15 of their 400 nurses are foreign-educated, or approximately 4 percent, roughly the national average. Diane Werts, director of nursing and quality management at Waterman, located in Tavares, Florida, said the hospital has vacancies for 44 registered nurse positions. However, the vacancies will increase in the winter when the area receives an influx of "snow birds," visitors who come to Florida in the winter months.

In 2006, through a staffing firm specializing in foreign medical personnel, the hospital leased 8 Indian nurses for 18 months. The hospital later hired all eight on a permanent basis. Hospitals and staffing firms estimate the "conversion rate" of foreign nurses going from temporary to permanent staff is about 80 to 100 percent. As in any employment situation, not every employee is a perfect fit. If a foreign-educated nurse is not working out well at a hospital, then a staffing firm will often try to resolve the problem, including, if necessary, by relocating the nurse to another hospital, according to Laura Leigh Carroll, RN, vice president, Lloyd Staffing in Melville, New York.

Foreign-Educated Nurses: A Small But Important Part of the U.S. Health Workforce

The experience with these first 8 Indian nurses was sufficiently positive to encourage Florida Hospital Waterman to arrange to lease 7 more Indian nurses in 2007. However, only three of the nurses have been able to start work, while the other four have been delayed indefinitely because the 140,000 annual limit on employment-based immigrant visas (green cards) has been reached. Due to the competition for these green cards it could be years before the additional nurses will begin working at the hospital – if they are not hired away to work in another country.

Werts concedes that it took “a few months of coaching” for the Indian nurses to fit in completely due to cultural issues, particularly since this was the hospital's first experience with Indian nurses. They needed to address small things, such as a nurse nodding a head as if to say, “yes,” though she meant “no,” and a perhaps overly deferential posture toward physicians.

According to Werts, hiring foreign-educated nurses is one of several strategies the hospital uses to recruit nurses. The hospital advertises online, attends job fairs, receives referrals from current staff nurses and partners with its local community college. Responding to the criticism that foreign nurses could discourage the hiring of U.S. nurses, Werts said, “If a nurse in the U.S. wants to work in health care, please tell me who that it is. The current hiring environment is very competitive. I don't think there are nurses waiting on the corner without jobs.”

Government data and recent research support Werts' point. The Bureau of Labor Statistics projects that more than 1.2 million new and replacement nurses will be needed in the United States by 2014, with the 703,000 new Registered Nurse positions representing approximately 40 percent of all new jobs in health care.² The Health Resources and Services Administration (HRSA), a part of the U.S. Department of Health and Human Services, has projected the nursing shortage to grow to over one million nurses by 2020, hitting all 50 states.³ Since that Health Resources and Services Administration projection, other analysts have lowered estimates on the magnitude of the shortage, though the forecasts remain substantial. Health analysts David I. Auerbach, Peter I. Buerhaus and Douglas O. Staiger recently estimated that the current nursing shortage would grow to 340,000 by 2020. This still represents a formidable shortfall. “A shortage of 340,000 is three times larger than the size of the current shortage when it was at its peak in 2001,” note the authors. “At that time, many hospitals closed patient programs and nursing units, and the national average hospital RN [registered nurse] vacancy rate was 13 percent.” They note the revised forecast “continues to constitute a serious threat to access and efforts to improve the quality and safety of health care.”⁴

The experience with foreign-educated nurses at Sumner Regional Medical Center, located in Gallatin, Tennessee, is similar to that of Florida Hospital Waterman. Ten of Sumner's 382 registered nurses are foreign-

Foreign-Educated Nurses: A Small But Important Part of the U.S. Health Workforce

educated, all of whom came from the Philippines in 2006. The Filipino nurses are on 30-month contracts and have fit in well at the hospital, according to Deborah Strickland, vice president of clinical services at Gallatin. “We had no major cultural issues with the nurses,” finding them “kind and gracious, though not always telling you everything on their mind.” Strickland credits the screening and education efforts of the staffing firm HCCA International for ensuring a smooth transition. “We’ve found some have better critical thinking skills than U.S. graduates,” said Strickland. “They’ve also done a good job educating our staff on life elsewhere.”

Like Waterman, Gallatin views the use of foreign nurses as one part of a “multifaceted strategy” to filling hospital shortages of nursing personnel. Strickland views the use of foreign nurses as more stable than short-term contracts, adding that short-term contacts with firms “will not contribute to a long-term solution.”

At Havasu Regional Medical Center in Lake Havasu City, Arizona, attracting nurses to a mostly rural setting is not easy. Located two hours from Las Vegas and three hours from Phoenix, when the hospital lacks personnel it must turn away patients. This means local residents must drive about an hour away for the next nearest medical establishment. Similar to Florida Hospital Waterman, the Arizona hospital experiences an influx of “snow birds” from northern states and Canada in the winter months that creates increased demand for hospital beds, physicians and nurses.

Approximately 12 of the 160 registered nurses at Havasu Regional Medical Center are foreign educated. “We’re very grateful to have the foreign nurses on board,” said Karen Amen, chief nursing officer/chief clinical officer at Havasu Regional Medical Center. Most are from the Philippines and a few are from India.

The hiring of foreign-educated nurses has not prevented the hospital from using a variety of methods to recruit registered nurses domestically, including working with student nurses on “externship” programs in the hospital and tuition reimbursements totaling up to \$5,000. When recruiting domestically the hospital will pay moving expenses and bonuses for U.S. nurses in exchange for a 24-month commitment.

NURSING WAGES

In a recent article in the *San Diego Union-Tribune*, columnist Dean Calbreath argued, “Nurses say the availability of foreign workers is one reason hospitals have been able to slow their wage growth.”⁵ However, available evidence disputes this assertion. Nursing salaries are not flat or falling. According to a May 2007 Legislative Analyst’s Office study of nurses in California: “Salaries for registered nurses have increased considerably in recent years. The average annual salary for a full-time nurse increased from about \$52,000 in 2000 to \$69,000 in 2006, an increase of 32 percent over the six-year period (13 percent after adjusting for inflation).”⁶

Foreign-Educated Nurses: A Small But Important Part of the U.S. Health Workforce

World Bank economist Ruth Levine authored an authoritative Department of Labor-funded analysis on the impact of foreign nurses in four U.S. cities in the 1990s. As she testified on its findings before the U.S. Senate, “There was no evidence that the increased access to foreign labor under the law had negative short-term effects on the wages, benefits or working conditions in area hospitals. . . . In addition, and contrary to common beliefs, we found that foreign nurses were not paid less than U.S. nurses and were not exposed to worse working conditions. . . . This is because of the small numbers of foreign nurses in the labor market, and the fact that nurse wages are not much affected by supply factors. Wages are much more affected by other forces in the market, including insurance reimbursement policy and the dynamics of the health care industry.”⁷

Under the law, when a nurse is sponsored for permanent residence, he or she must be paid the higher of the prevailing wage or actual wage paid to other similarly employed nurses in that geographic area. Some nurse union advocates have argued that international nurses who have worked overseas should be paid at the level of their overseas experience – even if they’ve never worked in the United States. But staffing experts point out this misses the distinctions between nursing responsibilities in the United States and most international settings.

“If a U.S. nurse and an international nurse have the same number of years of experience at the bedside, they are *not* equal,” said Karen Fleming, vice president, HCCA International, a nurse staffing firm in Franklin, Tennessee. “We ensure that not only do our international nurses have a solid nursing education, but that they have two years of bedside experience in an acute care environment in their home country or abroad. However, no matter how great that experience might be, it does not compare to that of a US nurse with two years of bedside experience.”

Fleming stresses the differences inherent in the U.S. hospital setting: “The U.S. nursing practice is unique to any other in the world. American nurses are the direct link between the patient in the hospital and the physician in his or her office. The U.S. nurse assumes far greater responsibility in their practice than nurses in any other environment throughout the world. International nurses only practice these technical skills when they begin their nursing in the United States and it takes time to hone these skills. More important is developing the international nurse’s critical thinking skills required to be the coordinator of care. The nurse is the one on the front line and in the best position to know the most about any of his or her patients. Learning to challenge a physician’s order because the nurse at the bedside is in a better position to assess what is going on than the physician in the office does not come naturally to an international nurse and must be developed on the job in the United States.”⁸

As discussed in a September 2007 NFAP study, wage increases alone are unlikely to solve the nursing shortage. Analysts note even with substantial increases in salaries and nurse graduation rates, the nursing gap is likely to persist for another decade.⁹ Financial considerations are likely to constrain wage growth, while capacity issues bedevil nursing schools.

Foreign-Educated Nurses: A Small But Important Part of the U.S. Health Workforce

NURSING FACULTY SHORTAGES REMAIN A PROBLEM

So far, U.S. nursing schools have shown they do not have enough capacity to accommodate significant increases in their graduation rates. “In 2005, schools of nursing were forced to reject 147,000 qualified applicants because of shortages of faculty, classroom space, and clinical placement sites for students.”¹⁰ Almost three quarters (71 percent) of nursing schools responding to a 2006 American Association of College of Nursing survey listed faculty shortages as a reason for not accepting all qualified applicants into their academic programs.¹¹ Given that even optimistic projections assume a continued nurse shortage lasting a decade or more, policymakers concerned about the shortage’s impact on U.S. hospital patients must consider relaxing current immigration quotas.

CURRENT IMMIGRATION RULES

Due to inadequate green card quotas, a skilled foreign professional could wait 5 years or more to immigrate legally to the United States. In the high tech sector, some professionals and researchers can gain entry on temporary visas, particularly H-1B visas, although the supply of those has been exhausted before the start of the past several fiscal years. Such professionals can work in the United States while waiting for a green card (permanent residence), although it entails much hardship and uncertainty.

However, the vast majority of nurses cannot enter the United States and work on temporary visas. “Most people agree that the shortage of nurses is as bad or worse than any other profession, yet ironically from an immigration perspective nurses are treated worse than almost any profession,” said Greg Siskind, an attorney with Siskind Susser Bland in Memphis, Tennessee.¹²

Foreign nurses are ineligible for H-1B temporary visas. Nurses from Canada and Mexico may enter on temporary TN visas (under NAFTA), while the seldom-used H-1C visa allows some nurses to work on a temporary basis (limited to 500 annually and restricted to about 14 hospitals under the statute). Congress recognized the labor supply problems with nurses when in 2005 it allocated 50,000 extra green cards (for permanent residence) with a priority for foreign nurses and others who qualified under Schedule A (DOL designation of shortage occupations) to be sponsored by employers in the United States. That extra green card allocation has been exhausted. Even though foreign nurses receive essentially a “fast track” through part of the immigration process by being listed under Schedule A because of their status as a shortage occupation, it does no good in practice, since due to the 140,000 annual limit (and long backlog) on employment-based green cards nurses today must wait at least five years to immigrate and work in the United States.

Foreign-Educated Nurses: A Small But Important Part of the U.S. Health Workforce

Due to “per country limits” on the proportion of immigrants coming from a single country in a given year, the wait for green cards is likely to be longer than five years for potential immigrants from India and the Philippines, which is where most foreign nurses seeking to enter the United States now live.

To become eligible to work in the United States foreign nurses must demonstrate they meet the licensing requirements in the state of intended employment and pass (oral and written) English exams and internationally standardized tests demonstrating knowledge of nursing.¹³

HEALTH IMPACT OF THE NURSING SHORTAGE

A September 2007 National Foundation for American Policy study concluded, “An extensive review of the medical literature finds that a shortage of nurses at U.S. hospitals is leading to increased death and illness for Americans.”¹⁴ A *Journal of the American Medical Association (JAMA)* study on general, orthopedic and vascular surgery patients at hospitals implied “the odds of patient mortality increased 7 percent for every additional patient in the average nurse’s workload in the hospital.” The study found that increasing a nurse’s workload from 4 to 8 patients would be accompanied by a 31 percent increase in patient mortality. It concluded: “These effects imply that, all else being equal, substantial decreases in mortality rates could result from increasing registered nurse staffing, especially for patients who develop complications.”¹⁵

ARE WE ENCOURAGING A BRAIN DRAIN?

While some argue America is encouraging a “brain drain” of nurses from developing countries, in fact, many foreign-educated nurses go to nursing school with the intention of working abroad and helping their families. Given the important role of remittances to local economies, the Philippines and India encourage work abroad for their nationals. In fact, a family receiving remittances in a foreign country may be up to 10 times more likely to have a child remain in school.¹⁶ Even if the United States were to restrict the admission of foreign nurses (essentially our current policy), such nurses would still find work in Saudi Arabia, the United Kingdom and other countries.

COUNTRY OF ORIGIN

As Table 2 shows the leading country where foreign nurses employed in the U.S. received their initial education is the Philippines, followed by India, Canada and South Korea, according to the Commission on Graduates of Foreign Nursing Schools.¹⁷

Table 2
Country of Origin for Foreign-Educated Registered Nurses

Country Where Nurses Received Initial Nursing Education
Philippines
India
Canada
South Korea

Source: 2007 data from the Commission on Graduates of Foreign Nursing Schools for nurses who passed the Visa Screen to become eligible to work in the United States.

TOP STATES FOR FOREIGN-EDUCATED NURSES

Table 3 shows that of the approximately 90,000 foreign-educated nurses in the United States, California ranks first in state of employment followed by Florida, New York, Texas, New Jersey and Illinois.

Table 3
Top States Employing Foreign-Educated Registered Nurses

State Employing Foreign-Educated Nurses	Estimated Number of Foreign Nurses Employed
California	25,717
Florida	9,627
New York	9,337
Texas	6,738
New Jersey	6,160
Illinois	5,060
Other States	27,221
Total in U.S.	89,860

Source: *The Registered Nurse Population, Findings from the March 2004 National Sample Survey of Registered Nurses*, Health Resources and Services Administration, Table 46.

WHERE DO FOREIGN-EDUCATED NURSES WORK?

Most foreign-educated staff nurses work in hospitals in the United States (73 percent). Approximately 10 percent work in nursing homes or extended care facilities. About 3 percent work in ambulatory care settings and nursing education. (See Table 4)

Foreign-Educated Nurses: A Small But Important Part of the U.S. Health Workforce

Table 4
Employment Setting of Foreign-Educated Staff Nurses

Employment Setting of Foreign-Educated Nurses	Staff Nurse
Hospital	73.1 percent
Nursing Home/Extended Care Facility	10.4 percent
Ambulatory Care Setting	3.0 percent
Nursing Education	2.8 percent
Community/Public Health Setting	1.6 percent
Other/Not Known	9.1 percent

Source: *The Registered Nurse Population, Findings from the March 2004 National Sample Survey of Registered Nurses*, Health Resources and Services Administration, Table 47.

CONCLUSION

Foreign-educated nurses play a vital role in relieving nursing shortages at many U.S. hospitals. However, the entry of most foreign nurses is currently blocked or delayed for years due to Congress' failure to increase immigration quotas or establish an appropriate temporary visa category for nurses.

Fears that foreign nurses will overwhelm the U.S. labor market and dissuade hospitals from active recruitment of U.S. nurses are unfounded. Currently foreign nurses represent only 3.7 percent of the U.S. registered nurse workforce, well below the proportion in New Zealand (23 percent), the United Kingdom (8 percent), Ireland (8 percent) and Canada (6 percent). Contrary to concerns that foreign nurses would harm the salaries of U.S. nurses, in an authoritative Department of Labor-funded analysis on the impact of foreign nurses in the 1990s World Bank economist Ruth Levine found "There was no evidence that the increased access to foreign labor under the law had negative short-term effects on the wages, benefits or working conditions in area hospitals . . . In addition, and contrary to common beliefs, we found that foreign nurses were not paid less than U.S. nurses."

Nursing salaries are not flat or falling. According to a May 2007 Legislative Analyst's Office study of nurses in California: "Salaries for registered nurses have increased considerably in recent years. The average annual salary for a full-time nurse increased from about \$52,000 in 2000 to \$69,000 in 2006, an increase of 32 percent over the six-year period (13 percent after adjusting for inflation)."

The medical literature shows nursing shortages contribute to death and illness for patients at U.S. hospitals. Increasing faculty at nursing schools to boost domestic supply remains a key long-term solution. While foreign-educated nurses are only one solution to relieving the nursing shortage, research and interviews with nurse administrators find relief from current strict immigration quotas would help U.S. patients, hospitals and the nation as a whole.

END NOTES

¹ Linda H. Aiken, James Buchan, Julie Sochalski, Barbara Nichols, and Mary Powell, "Trends in International Nurse Migration," *Health Affairs*, vol. 23, no. 3, May/June 2004, p. 70. U.S. figure is for 2004 from *The Registered Nurse Population, Findings from the March 2004 National Sample Survey of Registered Nurses*, Health Resources and Services Administration, Table 45.

² <http://www.aacn.nche.edu/Media/FactSheets/NursingShortage.htm>;

<http://www.bls.gov/opub/mlr/2005/11/art5full.pdf>.

³ Ibid.; <http://bhpr.hrsa.gov/healthworkforce/reports/behindrnprojections/index.htm>.

⁴ David I Auerbach, Peter I. Buerhaus and Douglas O. Staiger, "Better Late Than Never: Workforce Supply Implications of Later Entry Into Nursing," *Health Affairs*, 26, no. 1 (2007), p. 184.

⁵ Dean Calbreath, "Nursing Jobs Are Hot, But There's a Catch," *San Diego Union-Tribune*, September 9, 2007.

⁶ Elizabeth Hill, Ensuring an Adequate Health Workforce: Improving State Nursing Programs, Legislative Analyst's Office, May 2007, p. 4.

⁷ Testimony of Ruth E. Levine in hearing on "Rural and Urban Health Care Needs," Senate Immigration Subcommittee, May 22, 2001.

⁸ Written explanation provided by Karen Fleming.

⁹ Joanne Spetz and Ruth Given, "The Future of the Nurse Shortage: Will Wage Increases Close the Gap?," *Health Affairs*, vol. 22, no. 6, November/December 2003, p. 205.

¹⁰ David I. Auerbach et al, p. 184.

¹¹ American Association of College of Nursing, Nursing Shortage Fact Sheet.

¹² Interview with NFAP.

¹³ More information on the requirements for entering the United States as a nurse are available on the website of the Commission on Graduates of Foreign Nursing Schools at <http://www.cgfn.org/>.

¹⁴ Stuart Anderson, *Deadly Consequences: The Hidden Impact of America's Nursing Shortage*, NFAP Policy Brief, September 2007, p. 1.

¹⁵ Ibid.; Linda H. Aiken, Sean P. Clarke, Douglas M. Sloane, Julie Sochalski and Jeffrey H. Silber, (2002). "Hospital Nurse Staffing and Patient Mortality, Nurse Burnout, and Job Dissatisfaction," *JAMA*, 2002, 288: 1987-1993.

¹⁶ Philippe Legrain, *Immigrants, Your Country Needs Them*, Princeton University Press, 2007.

¹⁷ <http://www.cgfn.org/sections/tools/stats/vs07-1.shtml>.

ABOUT THE NATIONAL FOUNDATION FOR AMERICAN POLICY

Established in the Fall 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) non-profit, non-partisan public policy research organization based in Arlington, Virginia focusing on trade, immigration and related issues. The Advisory Board members include Columbia University economist Jagdish Bhagwati, Ohio University economist Richard Vedder and other prominent individuals. Over the past 24 months, NFAP's research has been written about in the *Wall Street Journal*, the *New York Times*, the *Washington Post*, and other major media outlets. The organization's reports can be found at www.nfap.com.