

## **Active and Inactive Workers on the Nurse Aide I Registry: A Wage and Employment Profile**

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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.

### **Background**

In more than three-quarters of U.S. states, state officials deem the recruitment and retention of the direct care workforce (a group of assistive healthcare workers which includes NAs, personal care workers and home health aides) to be a serious problem.<sup>1</sup> North Carolina is no exception. Turnover rates for NAs in residential care homes have hovered around 100% for the past three years and have approached 50% for home care and home health organizations in the state.<sup>2</sup> 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 NA workforce in long-term care (LTC) settings in NC. This report follows three successive reports reflecting the wage and employment patterns of active and inactive NAs. This report differs in important methodological ways from previous reports and therefore will not be directly comparable to past reports. These innovations will be presented in the methodology section. Addressing three years, 2001-2003, this study applies the new methodology retrospectively such that year by year comparisons will be attended to within this report rather than in comparison to previous reports.

### **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 (2001, 2002, 2003).*
- (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) Examine the career wage trajectories for continuously registered NAs.*

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<sup>1</sup> Harmuth S & Dyson, S. "Results of the 2003 National Survey of State Initiatives on the Long-Term Care Direct-Care Workforce" Paraprofessional Institute and the NC Department of Health and Human Services' Office of Long-Term Care, March, 2004, Available at: [www.directcareclearinghouse.org/download/2003\\_Nat\\_Survey\\_State\\_Initiatives.pdf](http://www.directcareclearinghouse.org/download/2003_Nat_Survey_State_Initiatives.pdf)

<sup>2</sup> Konrad TR, Morgan JC, & Haviland S. "Descriptive Results from the Short Turnover Survey Conducted for the Office of Long-Term Care of the NC Department of Health and Human Services, 2004" North Carolina Institute on Aging, October, 2004, Chapel Hill, NC Available at: <http://www.aging.unc.edu/research/winastepup/reports/ShortTurnoverReport2004.pdf>

## **Methodology**

Data were collected from two of North Carolina's state-operated employment-related data sources. The NC Nurse Aide I Registry contains all individuals registered as a Nurse Aide I with the state of NC at any time since 1990. This registry is maintained in two separate databases: those registrants who are currently active and those who are currently inactive. For research purposes the files were merged and registrants on the file (February 2002, February 2003, and February, 2004) were identified as either currently active or inactive. The second data set, compiled by the NC Employment Security Commission, is extracted from the Unemployment Insurance tax record and contains quarterly wage information on all workers and their wages paid by employers in NC. 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 year, this report is enhanced with two methodological innovations. First, the wages will be reported by individuals rather than by 'jobs.' This means that individuals who hold multiple jobs will not be counted more than once. Individuals were assigned to the industrial category within which they garnered fifty percent or more of their wages. If an individual did not receive at least fifty percent of their wages from within a single industrial classification category, their case was excluded from the industrial classification analyses. Second, using the NC Health Professions Data System<sup>3</sup> individuals who have gone on to attain their licensed practical or registered nurse credentials were removed from the analysis. These innovations reduce the error inherent in comparisons between active and inactive files as many nursing programs require their students to complete the Nurse Aide I curriculum even if they never work as an NA. Nurses were removed from the file the year in which they completed their credential. While these data still have limitations, the data continue to be the best source for describing the wage and employment profile for this class of worker. The wage data analyzed have been inflated to fourth quarter 2003 dollars using the Consumer Price Index for all urban consumers in the U.S. and are not seasonally adjusted. Also, outliers, individuals earning \$100,000 or more from an organization during a year, were excluded from all analyses.

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

Over the last three fiscal years (July 1, 2001-June 30, 2004) the number of newly registered, or newly 'active,' NAs still appears to be outpacing the number of NAs becoming inactive. The total number of active NAs has grown steadily from June 30, 2002 (95,092) to June 30, 2004 (106,342). Over the past three years, the ratio of newly registered to newly inactive NAs has dropped, most notably over the last year. The data also indicate that while the number of RNs/LPNs in the active registrant files is slowing rising, the proportion of RNs/LPNs to other registrants on this list remains roughly similar across the three years. The rise in inactive aides may be related to a partial recovery in the first six months of 2004 in the unemployment rate in NC. Up until this year (2004), yearly unemployment rates have continued to climb nationwide

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<sup>3</sup> We used the NC Health Professions Data System housed at the Cecil G. Sheps Center for Health Services Research (University of North Carolina at Chapel Hill) with data derived from the North Carolina Board of Nursing, effective October 2003.

from 4.7% in 2001 to 6.0% in 2003, and are higher yet in NC (6.5% in 2003).<sup>4</sup> This lack of job recovery is likely to influence the wage and employment trends of this vulnerable population.

Median wages and number of employers per individual continued to decrease over the last three years for both active and inactive registrants (See Table 1). Wage suppression and fewer jobs available to the underemployed resulting from the persistence of high unemployment rates in North Carolina may be a factor in determining these trends. Despite this decline, inactive registrants continue to do better, on average, with higher median wages and fewer jobs per individual than active registrants. This gap, however, is less marked in this analysis than in previous analyses of these data. This difference is likely attributable to the removal of LPNs/RNs who disproportionately populated the inactive file in previous analyses.

	ACTIVE	INACTIVE
2001 Median Wages (80 <sup>th</sup> percentile)	\$14103 (\$22503)	\$15428 (\$25511)
2002 Median Wages (80 <sup>th</sup> percentile)	\$13776(\$22265)	\$15535(\$25953)
2003 Median Wages (80 <sup>th</sup> percentile)	\$13399 (\$22002)	\$15169 (\$25999)
Average Annual Change in Median Wages		
2001-2002	-2%	1%
2002-2003	-3%	-2%
2001 Average Number of Employers	1.97	1.65
2002 Average Number of Employers	1.87	1.57
2003 Average Number of Employers	1.81	1.52

### Where are active and inactive NAs?

There appears to be remarkable stability in the proportions of registrants working in LTC and non-LTC settings over the last three years (See Table 2). About 10% of the inactive registrants work in LTC settings while 44% of active registrants do so. The 10% of inactive registrants who work in LTC settings likely reflect individuals who work in settings where registration renewal is not mandatory or may represent individuals who have mistakenly allowed their registration to lapse. Roughly one quarter of active registrants worked in non-LTC health care settings over the past three years, while only about 14% of inactive registrants are employed in non-LTC health care settings. The majority of inactive registrants (who are not LPNs/RNs) can be found in non-health related jobs, unlike their active counterparts.

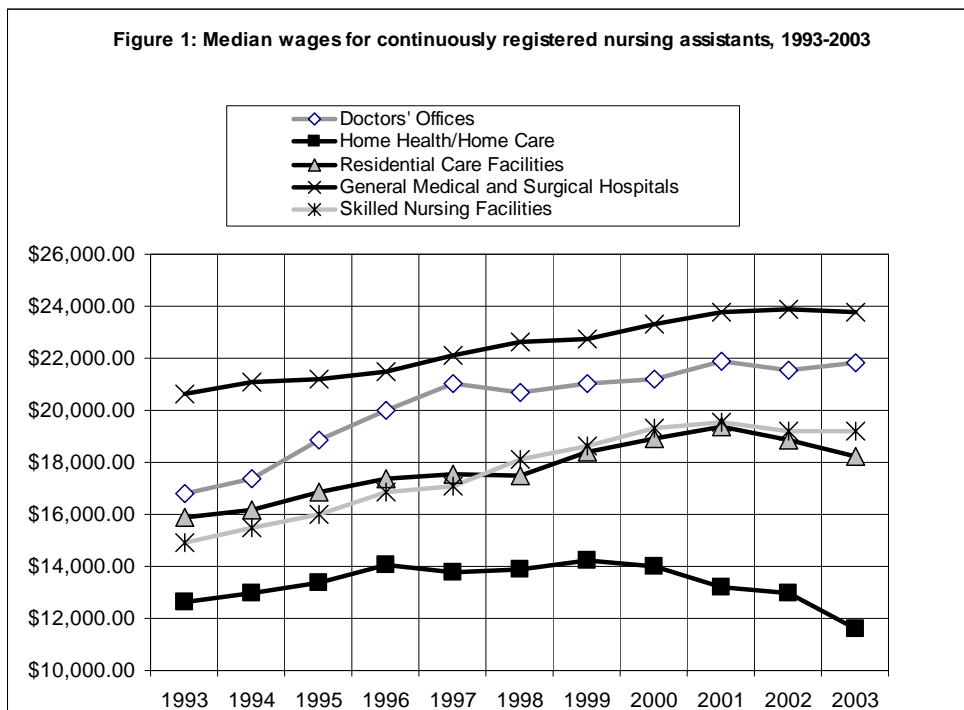
<sup>4</sup> Source: Labor Market Information, The Employment Security Commission of North Carolina, <http://www.ncesc.com/> under "Labor Market Information." Retrieved September 15, 2004.

Table 2: North American Industry Classification (NAICS) for Active and Inactive Registered Nursing Assistants in North Carolina, 2001-2003

	Type of Employment	% Active			% Inactive		
		2001	2002	2003	2001*	2002*	2003
<b>LTC Industries</b>	Skilled Nursing Facilities	22	22	22	3	3	3
	Home Care/Home Health	12	12	12	2	2	2
	Residential Care Facilities	10	10	10	4	4	4
	<b>Total LTC Industries</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>9</b>	<b>10</b>	<b>10</b>
<b>Non-LTC Health Industries</b>	Doctors' Offices	3	3	3	6	6	6
	General Medical and Surgical Hospitals	21	21	20	8	8	8
	<b>Total Non-LTC Health Related Industries</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>13</b>	<b>14</b>	<b>14</b>
<b>Other</b>	<b>Total Other Industries</b>	<b>32</b>	<b>32</b>	<b>33</b>	<b>78</b>	<b>76</b>	<b>76</b>
Total Number of Jobs		80,027	86,307	89,093	55,792	57,802	60,149

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

The trends in median wages for continuously registered NAs (i.e., registered on the nurse aide registry for the entire period from 1993 to 2003) are shown in Figure 1. Out of the more than 232,426 persons (LPNs/RNs excluded) registered as NAs over the last decade, there were 18,688 individuals registered without interruption. This “core” workforce consists of individuals who have more or less made a career out of being a NA.



Continuously registered individuals working in non-LTC settings fare better, on average, than those in LTC settings. Within LTC settings, individuals in residential care homes and nursing homes appear to do significantly better than those in home care/home health settings. Wages in home care/home health settings appear to be dropping after a high in 1999. Whether this trend is related to reductions in the hourly pay or reductions in the hours worked per continuously registered individual cannot be determined using these data. For continuously registered individuals in residential care homes and skilled nursing facilities, the general wage trend is positive, though modest, over the last decade. Modest losses in the last three years are likely related to cyclical economic changes. Downward trends in the median wage profile of continuously registered home care/home health workers are a cause for concern given projected increased service demand as the NC population ages.

## **Discussion**

Despite some modest gains, there is substantial need for improvement in the wage and employment situation of direct care workers. Overall, active registrants fare consistently worse than inactive registrants in both wages and number of jobs held per year. The average number of jobs per year is either an indicator of job instability or one of multiple jobs held simultaneously. Both are likely evidence of lower job quality among active registrants as compared to inactive registrants. This general finding is similar to our previous reports but the wage gap between the two groups is substantially smaller. This is likely due to changes in methodology as LPNs/RNs are no longer raising the median wages of the inactive group. The trend in proportional representation among industrial categories remains steady over the last three years. Actives tend to hold jobs in healthcare, specifically LTC, more often than inactive registrants. However, a third of active registrants hold jobs outside of healthcare. The proportion of inactive registrants holding jobs outside of healthcare entirely is even more striking – over three quarters of these workers over the last three years.

The migration out of healthcare jobs by registrants may be related to the relatively flat wage trajectories of career NAs. The wage trajectories of continuously registered NAs, in most healthcare industries, show very modest improvements over the last decade. While in every industrial category, with the exception of home health/home care, wages outpace inflation, no sector shows more than a \$5000 increase over the last 10 years. In the last three years, wage trajectories are relatively flat (and declining for home health/home care). This coincides with other indicators of economic well being. The declining national economic situation serves to compound the vulnerability of this at-risk population. If the unemployment rate continues to decline, as it has over the last nine months, these trends may improve slightly.

## **North Carolina's Response**

In order to make any substantial changes in the wage and employment situation of these workers, workforce initiatives at the national, state and local levels aimed at improving career ladders and wages are required. Efforts that may impact the North Carolina direct care workforce directly are a) the Real Choice Systems Change Grant Initiatives, b) the Better Jobs, Better Care Demonstration Grant Initiatives and c) the WIN A STEP UP program (Workforce Improvement for Nursing Assistants: Supporting Training, Education, and Payment for Upgrading

Performance). These efforts are directed at both the individual LTC organization level and, more broadly, at the level of the state infrastructure. Through the Center for Medicare and Medicaid Services' Real Choice Systems Change Grant, North Carolina is developing two new job categories for direct care workers and has established a statewide association for direct care workers. Through a Better Jobs, Better Care demonstration grant from The Robert Wood Johnson Foundation and The Atlantic Philanthropies, a special licensure program is being developed for voluntary participation by home care agencies, nursing facilities and adult care homes. This special licensure program focuses on creating and sustaining a supportive workplace environment. Finally, through a collaborative effort between the NC Department of Health and Human Services and the UNC Institute on Aging, the WIN A STEP UP program is available to nursing facilities. This workforce improvement program aims to reduce turnover of nursing assistants by providing training, education and rewards.