

2011 FINAL:

LABOR MARKET SUPPLY-DEMAND ANALYSIS FOR LICENSED PRACTICAL NURSES (LPNs) NORTHEASTERN ILLINOIS / METROPOLITAN CHICAGO AREA

Demand:

1. Determine current/base year occupational employment and projected growth rate.

a. Reconcile with other data sources (e.g., IDFPR licensure data).

Number of LPNs, 2011 (IDFPR) = 11,587

Percentage of licensed LPNs retired = 5.7%

Number of patient-care LPNs = (LPNs) less (% retired) = 10,927

Number of LPNs, 2011 (IDES estimate) = 18,595

* Current Occupational Employment, Licensed Practical Nurses = 14,761

b. Compare IDES projections to national growth rates and industry studies.

Employment trends in the Chicago Metro Area in Healthcare over the last 5 years:

- the annual growth rate for Healthcare jobs has ranged from 1.5% to 2.7%;
- within just Ambulatory Health Care (34% of Healthcare employment), from 3.3% to 4.6%;
- within just Hospitals (34% of Healthcare employment), from -1.8% to 1.4%; and,
- within just Nursing & Residential Care Facilities (16% of Healthcare emp.), from 0.7% to 2.7%.

(Note: the annual growth for all jobs in the Chicago Metro Area has ranged from -5.2% to 1.4%.)

Projected (BLS/IDES) growth rates for this occupation:

Nation = 2.07%

State = 2.03%

* Consensus occupational growth rate = 1.90% = 280 new LPN positions per year

2. Account for possible adjustments to separation/replacement rates based upon occupational- or industry-specific studies of vacancy rates and turnover rates.

- The IDES replacement rate = 2.84% (includes separations from the occupation due to retirement, death, occupational transfer and for family or health reasons).
- Data on planned years until retirement from the IDFPR 2007 Nursing Workforce Survey Report indicate an annualized retirement rate that ranges from 3.9% in the first year to 18.2% in 6 to 10 years.
- MCHC Vacancy Surveys from 2008 to 2011 (conducted each January and July) indicate vacancy rates for LPNs in Northeastern IL ranging from 1.2 % to 8.8%, (January 2011 = 2.4%). (The MCHC vacancy rate includes separations, retirement, turnover and job growth.)

* Consensus replacement rate = 2.4% = 354 jobs due to replacement needs each year

* (Current Employment) X (consensus growth rate) + (Job Replacement Openings) =

Demand for Licensed Practical Nurses in NE EDR= 634 LPN job openings per year

Supply:

1. Account for all sources of education and training.

a. Create a data base of program completers.

b. Calculate an average annual supply by program level - best-fit supply trend/projection.

c. Utilize administrative files to adjust supply figure (e.g., licensure rates from IDFPR).

2. Supply adjustments needed to account for leakage, e.g., from IL (leaving the state for employment); from the industry (LPN employed in non-healthcare occupation); and, from labor force (further education, not working).

- 5-year (2006-2010) avg. educ. completers (public & private) LPN programs = 691.
- Over those same five years, 89% of tested completers passed the NCLEX test = 664 per year.
- Based upon licensure data from IDFPR, from 2006-2010 (the same 5 years):
 - annual number of new licensed LPNs has increased substantially from 350 to 1,139.
- From 2001 to 2010, 4,843 LPNs were licensed in NE IL (preliminary). 10.6% are not working in any industry in any county in IL. Of those working:
 - 62.6 % work in Nursing and Residential Care Facilities;
 - 15.4 % in Ambulatory Health Care Services; and
 - 6.6 % in Hospitals.(13.4 % are working in non-healthcare industries, majority of those are in Misc. Services, Personnel Supply, Government, and Education industries.)

Projected Annual Supply of Licensed Practical Nurses in NE EDR=

Based upon recent trends, New Active Licensed LPNs each year = 950
(less) avg. leakage rate of 10.0% = (less 95) = 855

Estimated Annual Supply-Demand Balance of LPNs in NE EDR=

Demand = 635 v. Supply = 855 >> Probable surplus of 220.

Data Sources:

- Illinois Department of Employment Security
- Illinois Department of Financial and Professional Regulation (e.g., 2007 Nursing Workforce Survey Report)
- U.S. Department of Labor, Bureau of Labor Statistics
- Illinois State Board of Education
- Illinois Community College Board
- Illinois Department of Commerce and Economic Opportunity (e.g., Critical Skills Shortage Database)
- Other (e.g., Department of Defense data on military separatees to IL; ISBE summary data on private business and vocational schools)