The INVEST Study

Investments in Nursing Value: Evidence for Sustainable Transformation

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Drs. Yakusheva and Weiss were commissioned by the American Nurses Enterprise and are solely responsible for conducting and reporting findings of the INVEST study.

Executive Summary

Nurses are the largest single component of a hospital's labor budget. The value of nurses' clinical contributions and societal benefits are widely acknowledged but the economic value to the organizations that employ nurses has been insufficiently measured and is often viewed primarily through the lens of labor cost rather than as an investment in organizational assets. This perspective can impede the development and retention of a stable, engaged nursing workforce, strategic decision-making, effective advocacy, and data-driven investment in the nursing workforce.

The Nursing Human Capital Value Model (NHCVM) (Yakusheva et al., 2024) frames the economic value of nurses as the contribution of an organization's nursing workforce to the revenue generated through the production of high quality care. From this perspective, the economic value of nursing is the return on investment (ROI) in the development of nurses as human capital assets. Without a clear understanding of how these investments relate to organizational financial outcomes, making a compelling business case for these investments remains difficult.

Study Purpose

The aim of the INVEST Study was to quantify hospital investments and ROI in the development of nurses as an organization's human capital assets and assess their relationship with hospital financial performance.

Methods

The INVEST study is a cross-sectional mixed-methods study using a national web-based survey of Chief Nurse Executives and Chief Nursing Officers. Forty-five hospitals, with a combined nursing workforce of over 80,000 nurses across the United States, provided study data. Most hospitals were large (more than 400 beds), system-affiliated, and nationally recognized with a highly educated and experienced nursing staff.

Quantitative hospital-level data included nursing workforce characteristics, investment expenditure in nursing, and hospital operating margin. Qualitative data were collected to provide rich contextual descriptions of the investments. Associations between investment expenditure and hospital operating margin were evaluated. Directed content analysis of qualitative responses identified major themes in investment strategies and barriers to financial data tracking.

Principal Findings

Investment Strategies and ROI:

- More than 50% of all nursing workforce investments during the reporting period were dedicated to wage adjustments for competitive compensation, with recruitment and retention programs (30%), continuing professional development programs (11.24%), and safety and well-being programs (7.6%) comprising the rest.
- Organizations tended to prioritize immediate organizational needs over forward-looking investments across most investment areas, (e.g., a greater focus on minimum market raises over merit increases, recruitment over retention, mandatory education over professional development, and physical health and safety over mental health).
- Hospitals tended to track investment expenditures but not return on investment. Only 13 hospitals tracked ROI in any of the investment categories.

Association of Investments in Nursing with Hospital Financial Performance:

- Investments in safety and well-being, recruitment and retention, and minimum wage adjustments were most strongly and positively associated with operating margin.

Qualitative Descriptions:

- Each hospital described a broad range of targeted investment strategies to develop, sustain, and enhance their nursing workforce as human capital assets within their organization. Many of the investments in care delivery innovations and community services were often not quantified.
- Chief Nurse Executives highlighted the challenges in ROI tracking and access to financial data.

Conclusions

These findings support the premise that organizational investments in nurses as human capital assets provide a positive ROI for healthcare organizations. This positive gain in financial performance should then be prioritized for investments in nursing to sustain and transform the nursing workforce over time. The findings provide hospital executives with foundational guidance for investment in the nursing workforce, and underscore the imperative for better availability and access to financial performance data for ROI calculation, strategic planning, and benchmarking.

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