# Increase Employee Retention to Overcome Rising Labor Costs

A competitive labor market, increased labor costs and staffing shortages are some of the contributing factors that present major challenges for healthcare employers.

As turnover, hiring and wage value costs continue to rise, employers should consider how they can improve retention.

## A Look at Rising Labor Costs in Healthcare

The average hospital lost

### $5.2 – 9 million

in bedside RN turnover costs in 2021, according to the 2022 NSI National Healthcare Retention & RN Staffing Report.[1]

The average cost of filling a senior-level healthcare role is

### $5,699

in recruitment costs and

### 207 days

in time to fill.[2]

Overall, hospitals and health systems across the U.S. are paying

### $24 billion more per year

for qualified clinical labor than pre-pandemic costs, according to PINC AI data analysis.[3]

## Focus on an Employee Retention Strategy to Curb Rising Labor Costs

The best approach for healthcare employers to reduce labor costs is to improve their employee retention strategy.

By focusing on their employee retention strategy, employers can reduce the need to constantly hire and refill open roles. Through increased financial wellness benefits such as on-demand pay, employers can reduce turnover rates and keep valuable employees longer. According to a 2021 Mercator Report sponsored by DailyPay,

DailyPay has helped to improve employee retention among those who use DailyPay by

**73%**

in nursing home staff

**27%**

in caregivers
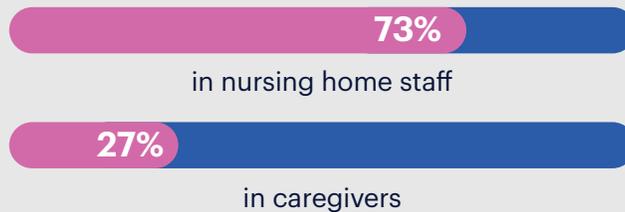
### Learn how DailyPay can help.

**Book a Demo**

[1] https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf
[2] https://www.recruitingnewsnetwork.com/posts/recruiting-time-to-fill-and-costs-spiking-in-healthcare
[3] https://www.premierinc.com/newsroom/blog/pinc-ai-data-shows-hospitals-paying-24b-more-for-labor-amid-covid-19-pandemic
[4] https://www.dailypay.com/mercator-report-2021/

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