Nurse residency value calculation

Calculating return on investment cost avoidance

Calculating the return on investment (ROI) is one way to measure the value the Vizient/AACN Nurse Residency Program™ brings to the organization.

The purpose of creating an ROI cost avoidance calculation is to highlight how the program supports retaining the new graduate nurse and contributes to the organization's financial health.

Value formula

- Enter the number of new nursing graduates who left the organization within the last year (X): _____
- Enter the total number of new graduate nurses hired within the last year (Y): _____ (X/Y = current new graduate/first-year nurse turnover)
- Calculate potential turnover (Z): Y × 32.8[1]% = _____
- X x $88,000[2] = A
- Z x $88,000[2] = B
- B - A = Program Benefit: _____
- Turnover averted: X-Z

Estimate Program Costs

- Annual cost (C): _____
- Nurse resident salary for sessions (48 hours of sessions × nurse resident hourly rate) (D): _____
- C + D = Program Costs: _____
- Program Benefit _____ – Program Costs _____ = ROI cost savings_____

References

[1]NSI Nursing Solutions Incorporated (2023). 2023 NSI National Heath Care Retention & RN Staffing Report. Retrieved from https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf

[2] Jones C.B. (2008). Revisiting nurse turnover costs: adjusting for inflation. The Journal of Nursing Administration, 38(1),11-8. doi: 10.1097/01.NNA.0000295636.03216.6f.

To learn more, please contact NRPinfo@vizientinc.com.

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