

THE RENEW FUND™

BUILDING AND SUSTAINING A TALENT PIPELINE FOR NURSES

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INTRODUCTION

A functioning talent economy connects individuals with employers that depend on human talent to thrive, ensuring effective engagement for mutual growth and economic progress. But workforce shortages — driven by misalignments between education and work, rapid industry transformation, demographic shifts, and more — expose a critical gap. This disconnect hurts not only organizations but also the individuals and the communities they serve.

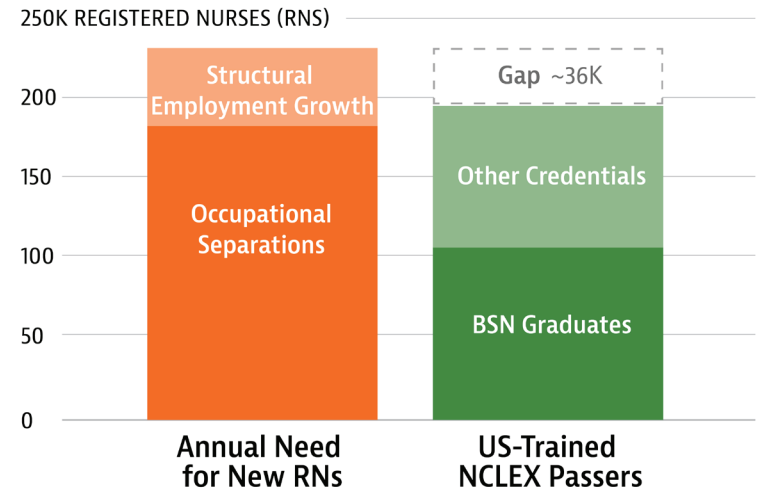
Nowhere do we see this more pronounced than in health care. Nurses are the backbone of our health care system,¹⁴⁴ but across the country, 30,000 to 40,000 fewer registered nurses (RNs) are trained each year than the number needed to meet demand.¹⁴⁵ With an annual average of 194,500 open RN positions — more than any other profession¹⁴⁶ — many hospitals are struggling to cover the gap. This costly shortage impacts patient care and imposes significant financial burdens on hospitals.

144 American Nurses Association, “What Is Nursing?” <https://www.nursingworld.org/practice-policy/workforce/what-is-nursing/>.

145 This estimate is based on an analysis of the difference between the number of nurses that are needed in America on an annual basis and the number of nurses that are being trained, using data and projections from the U.S. Department of Labor. Among other nuances, this estimate reflects individuals who are leaving nursing as well as the anticipated increases in the total number of nurses required to meet health care needs, and comparing the annual need for nurses with the number of domestically trained nurses passing the NCLEX each year, excluding the 40,000 internationally trained nurses.

146 American Nurses Association, “Nurses in the Workforce,” <https://www.nursingworld.org/practice-policy/workforce/>.

/ FIGURE 1 /
ANNUAL REGISTERED NURSE LABOR MARKET PROJECTIONS (2023-2025)



For employers, recruiting and retaining nurses is a persistent challenge — particularly for hospitals that lack the resources to compete with larger systems and draw from a much smaller local talent pool. In one survey of 130 rural hospitals, nearly all identified staffing as their top concern.¹⁴⁷ Hospitals that are part of more resource-limited public systems face the added challenge of caring for higher-need populations, often including individuals who are unhoused, low income, or navigating complex health and social crises.

In the absence of a robust, reliable talent pipeline, many hospitals have turned to contract labor to keep pace with demand. The result is a costly and unsustainable workaround: U.S. hospitals spent an estimated \$51.1 billion on contracted staff, including nurses, in 2023.¹⁴⁸ Traveling nurses, while essential in the short term, come at a premium — averaging \$2,600 per week compared to \$1,340 for permanent hospital staff.¹⁴⁹ In January 2022, traveling nurses earned 148% more than their staff-based counterparts.¹⁵⁰ Labor costs across the health care sector

147 The Chartis Group, “The COVID-19 Pandemic’s Impact on Rural Hospital Staffing,” November 2021, https://email.chartis.com/hubfs/CCRH/Chartis%20Rural_Vaccine%20Survey_FNL%2011.16.21.pdf.

148 American Hospital Association, “The Cost of Caring: Challenges Facing America’s Hospitals in 2025,” <https://www.aha.org/costsofcaring#:~:text=Hospitals%20continue%20to%20turn%20to,on%20contracted%20staff%20in%202023>.

149 Curchin, Emma and Center for Economic and Policy Research. 2023. “How Does Travel Nurse Pay Compare to Permanent Staff Nurses?” <https://cepr.net/publications/how-does-travel-nurse-pay-compare-to-permanent-staff-nurses>.

150 Ibid.

rose by more than \$42.5 billion between 2021 and 2023 alone, now accounting for nearly 60% of hospital operating expenses.¹⁵¹

And yet, though there is a shortage of nurses, there is no shortage of people who *want* to become nurses. According to the American Association of Colleges of Nursing (AACN), in 2023 65,766 qualified applications were not accepted by U.S. nursing schools because of a lack of capacity to enroll and educate them.¹⁵² Individuals with low and moderate incomes face additional barriers, as the total cost of attendance for undergraduate nursing programs often exceeds the limits of federal financial aid — including Pell grants, which don't have to be repaid and are a critical tool for expanding access. These financial limits force students to make up the difference, often by borrowing private student loans that come with high interest rates.

In other words, when our health care system can least afford it, barriers to entry are making it more difficult, particularly for those from low-to-moderate income backgrounds, to pursue a nursing career.

Nursing is a necessary profession and an opportunity to serve and help people. For many, it is also a path to a rewarding, in-demand, and well-paid career. While exact earnings vary by geography, type of health care facility, and type of nursing role, the median hourly rate for nurses is \$45 nationally, with an average starting salary at \$30.84/hour¹⁵³ and a median annual salary of \$93,600.¹⁵⁴

► In other words, when our health care system can least afford it, barriers to entry are making it more difficult, particularly those from low-to-moderate income backgrounds, to pursue a nursing career.

Improving the supply of nurses goes beyond simply filling workforce demands and provides immense benefits to our society. Study after study shows that lower nurse-to-patient ratios and more nurses with

151 American Hospital Association, “The Cost of Caring.”

152 American Association of Colleges of Nursing, “New AACN Data Points to Enrollment Challenges Facing U.S. Schools of Nursing,” April 15, 2024, <https://www.aacnnursing.org/news-data/all-news/new-aacn-data-points-to-enrollment-challenges-facing-us-schools-of-nursing#:~:text=Even%20though%20enrollments%20were%20down,pool%20of%20potential%20nurse%20educators>.

153 Payscale, “Average Registered Nurse (RN) Hourly Pay,” [https://www.payscale.com/research/US/Job=Registered_Nurse_\(RN\)/Hourly_Rate/b6142914/Entry-Level](https://www.payscale.com/research/US/Job=Registered_Nurse_(RN)/Hourly_Rate/b6142914/Entry-Level).

154 U.S. Bureau of Labor Statistics, “Occupational Outlook Handbook: Registered Nurses,” <https://www.bls.gov/ooh/healthcare/registered-nurses.htm>.

bachelor's degrees¹⁵⁵ result in better health outcomes for patients¹⁵⁶ and reduced turnover,¹⁵⁷ ultimately lowering costs to the health care system. This begs the question: How can we reimagine talent pipelines to place more qualified nurses in our understaffed health care system?

ALIGNING EDUCATION AND WORK AT WESTERN GOVERNORS UNIVERSITY

Founded in 1997, Western Governors University (WGU) was conceived by a group of 19 governors to address many challenges that persist today, including workforce shortages, barriers to enrollment, and a lack of alignment between higher education institutions and industry. Recognizing that far too many individuals were unable to access a pathway to opportunity, the nonprofit university was designed to bring affordable, accessible, flexible, and high-quality, workforce-aligned education opportunities to individuals looking to improve their lives.

It was in that spirit that WGU founded the Michael O. Leavitt School of Health (formerly College of Health Professions) in 2006, supported by a grant from Hospital Corporation of America (HCA) to develop health care education programs to combat staffing shortages. Soon after, three more health care corporations — Cedars-Sinai, Kaiser Permanente, and Tenet Healthcare — partnered with WGU to advise on the standards and practices essential for skilled employees to master.

The collaboration led to a focus on nursing degrees, including master's degrees in leadership and education and an RN-to-BSN degree in 2007. Following grants from the Robert Wood Johnson Foundation, the state of California, and the U.S. Department of Labor, in 2009 the school launched the nation's first competency-based BSN Prelicensure program to provide a path to licensure for aspiring nurses. Just as mastery is required for certification in fields like law and aviation, WGU's competency-based model requires learners to demonstrate mastery of the module or specific subject matter before they can advance through their coursework. Critically, students may progress through their initial coursework as quickly as they are able, often

155 American Association of Colleges of Nursing, "The Impact of Education on Nursing Practice," fact sheet, <https://www.aacnnursing.org/news-data/fact-sheets/impact-of-education-on-nursing-practice#:~:text=There%20is%20a%20growing%20body,Quality%20and%20Patient%20Safety%2C%20Dr.>

156 National Institute of Nursing Research, "Evidence that Reducing Patient-to-Nurse Staffing Ratios Can Save Lives and Money," October 29, 2021, <https://www.ninr.nih.gov/newsandevents/featured-research/evidence-reducing-patient-nurse-staffing-ratios-can-save-lives-and#:~:text=Having%20more%20nurses%20can%20increase,determining%20ways%20to%20improve%20healthcare.>

157 Matthew D. McHugh, Linda H. Aiken, Douglas M. Sloane, Carol Windsor, Clint Douglas, and Patsy Yates, "Effects of Nurse-to-Patient Ratio Legislation on Nurse Staffing and Patient Mortality, Readmissions, and Length of Stay: A Prospective Study in a Panel of Hospitals," *Lancet* 397, no. 10288 (May 22, 2021): 1905–1913, [https://pmc.ncbi.nlm.nih.gov/articles/PMC8408834/#:~:text=Studying%20outcomes%20of%20nearly%20half,act%2C%20we%20are%20going%20backwards. doi:10.1016/S0140-6736\(21\)00768-6.](https://pmc.ncbi.nlm.nih.gov/articles/PMC8408834/#:~:text=Studying%20outcomes%20of%20nearly%20half,act%2C%20we%20are%20going%20backwards. doi:10.1016/S0140-6736(21)00768-6.)

helping them complete their education more quickly and contribute to their career of choice.¹⁵⁸

Since its founding, the Leavitt School of Health has focused on expanding access to nursing education by scaling its prelicensure program across states while meeting the requirements of state boards of nursing. Now offered in 24 states, the program is designed to be flexible and accessible: The first two or so years are fully online and self-paced, allowing students to learn on their own schedules. In the final two years, students apply their knowledge through clinical rotations in local health care facilities and attend two in-person sessions at one of WGU's Clinical Learning and Simulation Labs. This hybrid model not only meets students where they are but also removes many of the traditional barriers to entering the nursing profession.

Yet even with WGU's innovative approach, financial obstacles persist, especially for learners in underserved communities. To meet the growing demand for nurses and build a stronger health care workforce, a new funding model is essential — one that aligns the interests of students, universities, and employers to eliminate financial barriers and empower more individuals to pursue impactful careers that improve their lives and the communities in which they serve.

MEETING THE CHALLENGE IN TRAVIS COUNTY, TEXAS

In Travis County, Texas, the population continues to grow amid the same hiring challenges faced by other health care networks around the country. Researchers project that the demand for nurses in Texas will outstrip supply at a 16% deficit by 2032.¹⁵⁹ While Texas' state legislature has proposed additional funding to help close the gap,¹⁶⁰ addressing the state's nursing shortage will require more than just money; it will also require stakeholders working together.

Central Health — also known as the Travis County Hospital District, which includes the capital city of Austin — is among those stakeholders working toward change with the University of Texas at Austin, including with partners at Dell Medical School at UT Austin.¹⁶¹ In 2023, the Travis

158 Carrie B. Lenburg, "The Framework, Concepts and Methods of the Competency Outcomes and Performance Assessment (COPA) Model," *Online Journal of Issues in Nursing* 4, no. 2, manuscript 2, September 30, 1999, <https://ojin.nursingworld.org/table-of-contents/volume-4-1999/number-2-september-1999/copa-model>. doi: 10.3912/OJIN.Vol4No02Man02.

159 Texas Nurses Association, "Press Release: 27 Organizations Join to Announce Nursing Shortage Reduction Coalition," February 14, 2023, <https://www.texasnurses.org/news/631976/Press-Release-27-Organizations-Join-to-Announce-Nursing-Shortage-Reduction-Coalition.htm#:~:text=Lieutenant%20Governor%20Dan%20Patrick%20identified,and%20Perry%20as%20Joint%20Authors>.

160 Texas Hospital Association, "The Workforce Pipeline," <https://www.tha.org/issues/workforce/#:~:text=In%202023%2C%20more%20than%2060,among%20them%20Senate%20Bill%2025>.

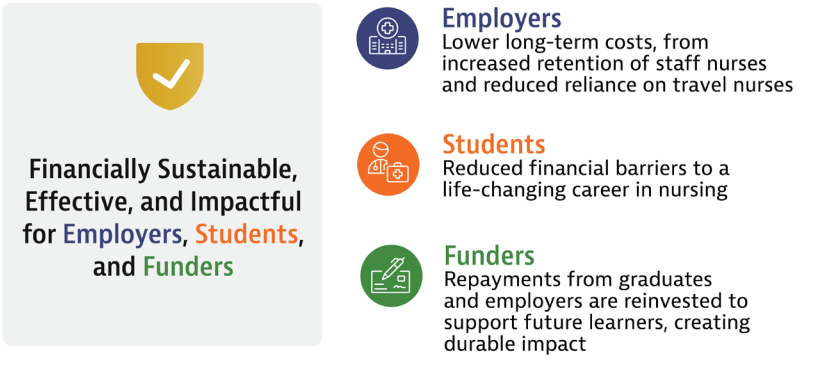
161 University of Texas System, "Collaboration Is Key to Addressing Texas Nursing Shortage," August 8, 2024, <https://www.utsystem.edu/news/2024/08/08/collaboration-key-addressing-texas-nursing-shortage#:~:text=In%20Texas%2C%20the%20demand%20for,our%20state's%20rapidly%20growing%20population>.

County Hospital District served more than 150,000 people, or about one in nine of the county’s residents.¹⁶² Many are at great risk of falling through the cracks: They may be low income, unhoused, or experiencing other crises. That is why it is critical that health care services go beyond safety net health care to build a comprehensive, high-quality system that can help tackle these complex health disparities. Central Health’s medical team is regularly in the field, enrolling individuals who are unsheltered, uninsured, or underserved in our Medical Access Program (MAP) or MAP BASIC, two health care options for low-income residents of Travis County, to ensure they can receive high-quality care.¹⁶³ In 2024, Central Health launched 16 specialty and diagnostic medical lines, making significant strides to reduce gaps in care by offering critical medical services to patients who need it most.¹⁶⁴

A BETTER WAY TO FINANCE PATHWAYS TO EDUCATION: LAUNCHING THE RENEW FUND™

To further address critical workforce shortages like those experienced in health care, WGU and Social Finance launched the Reinvesting in Nursing Education and Workforce (ReNEW) Fund in July 2024. The ReNEW Fund is a national nursing fund designed to address America’s health care talent crisis and create economic opportunity for aspiring nurses by working in partnership with employers. When Central Health joined the ReNEW Fund as an employer partner in early 2025, it set the stage for a new talent pipeline of nurses to serve Travis County, Texas, residents with low income.

/ **FIGURE 2** / KEY BENEFITS OF THE RENEW FUND MODEL



162 Central Health, “About Us,” <https://www.centralhealth.net/about-central-health/>.

163 Central Health, “Central Health’s Work Helps Unhoused Residents Achieve Better Health as They Move Out of Homelessness,” February 5, 2025, <https://www.centralhealth.net/homelessness-crisis-response/>.

164 Central Health, “Central Health’s 2024 Annual Report Highlights 2024 Expansion and New Services,” April 9, 2025, <https://www.centralhealth.net/central-healths-2024-annual-report-highlights-2024-expansion-and-new-services/>.

The innovative financing model provides an opportunity to identify talent and help them overcome the financial barriers preventing them from a career in nursing, while partnering with health care employers in their community who need local nurses. The ReNEW Fund not only addresses workforce needs in health care but also provides a model that could be replicated in other industries to enable economic mobility and a qualified workforce for the future.

It works like this: The ReNEW Fund helps cover the final two years of WGU's BSN Prelicensure program, including direct costs (tuition and fees) and indirect costs (e.g., travel-related expenses for two in-person nursing lab simulations and child care and living expenses during seven clinical rotations). These costs are covered through zero-interest, outcomes-based loans. Pell-eligible students, identified through their Free Application for Federal Student Aid (FAFSA), are invited to apply for this support as part of their financial aid package.

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While pursuing the final courses of their degree, student borrowers funded through the ReNEW Fund are connected with health care employers like Central Health, who may offer them nursing positions upon graduation and passage of the RN licensure exam. Once a graduate begins working for the ReNEW Fund employer partner, that employer pays into the Fund at key milestones during the nurse's first three years on the job. These payments into the Fund are tied to the employer's benefit from retaining a skilled nurse and relieve the nurse of the obligation to repay the zero-interest loan. If a ReNEW borrower leaves the employer prior to the three-year work commitment or opts for work for a different employer, the individual is responsible for repaying the loan's remaining principal balance — though only if they earn at least \$60,000 annually.¹⁶⁵ This structure encourages long-term employment and protects graduates from repayment unless they're earning more than a minimum income threshold.

As an employer partner, Central Health's payments into the ReNEW Fund covering the graduates they employ will be used to cover costs for future nursing students — creating a sustainable model that transforms the investment made in each individual student into lasting impact by

¹⁶⁵ Western Governors University, "WGU and Social Finance Announce New Fund to Prepare Historically Underserved Students for Careers in Nursing," press release, <https://www.wgu.edu/newsroom/press-release/2024/07/wgu-social-finance-fund-underserved-students-nursing.html>.

broadening access to education and strengthening the future of the nursing workforce.

For health care employers like Central Health, ReNEW offers a smarter investment: The cost of supporting a full-time nurse through the Fund is far lower over time than relying on expensive travel nurses or the replacement cost of filling nurse vacancies. For students, it removes financial barriers to a life-changing career. And for funders, it creates a durable impact — because every repayment from graduates or employers is reinvested to support future learners. This cycle of reinvestment makes the ReNEW Fund not only effective but also financially sustainable — designed to serve today's nursing needs and those of generations to come.

Central Health chose to partner with WGU and the ReNEW Fund because of their shared commitment to expanding access, advancing equity, and strengthening the health care workforce in the communities we serve. This partnership reflects a shared belief that when education, health care, community, and employers come together, we can create meaningful pathways for individuals to grow, serve, and thrive. By removing barriers for aspiring nurses in the final stages of their education, we strengthen the pipeline of future caregivers and hire talent that reflects the area where we operate.

▶ For health care employers like Central Health, ReNEW offers a smarter investment: The cost of supporting a full-time nurse through the Fund is far lower over time than relying on expensive travel nurses or the replacement cost of filling nurse vacancies.

The goal is bold: \$100 million to create a self-sustaining engine for nursing talent. Seeded by an initial \$10 million grant from WGU, the Fund began supporting students in the summer of 2024. More employers and philanthropic partners are on the horizon.

CONCLUSION

There is no single, silver-bullet solution to workforce shortages like we're seeing with nursing, but one thing is for certain: Partnerships are critical.

Educating and placing qualified nurses will require stakeholders to work together in a multitude of ways to realign incentives. Only when we collaborate can we offer individuals who want to be a nurse the access they need to training, financing, and stable employment — which in turn enables hospitals to have enough well-trained nurses to offer the

best possible care to their patients without worrying about turnover or paying for expensive alternatives.

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Over the next five years, the ReNEW Fund aims to connect 3,500 nurses with well-paying careers in communities urgently in need of health care professionals. We're optimistic this momentum will grow as more institutions recognize the power of WGU's innovative, outcomes-based approach — aligning aspiring nurses with employers like Central Health through ReNEW's forward-thinking, shared-commitment model designed to strengthen and retain the workforce.

ReNEW offers a collaborative approach to talent development that helps address staffing shortages while expanding access to career advancement. By aligning the interests of students, universities, employers, and funders, the ReNEW Fund demonstrates how shared responsibility can solve deep-rooted challenges — expanding economic opportunity, strengthening local health care systems, and creating a replicable model for talent development across sectors.

Scott Pulsipher serves as President of nonprofit Western Governors University (WGU), the nation's first and largest competency-based university.

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