Core Skill Sectors and Industry Segments

SIA NATHO Travel Nurse Benchmarking Survey
Select Findings

2022 Update

April 9th, 2022 | Jymiela Ervin, Healthcare Staffing Analyst | Jymiela.Ervin@staffingindustry.com

Key findings and considerations

- The SIA NATHO Travel Nurse Benchmarking Survey took into consideration survey responses of US based agencies based on their individual year-end travel nurse data and metrics. The study was largely made up of RNs and LPNs, and in some instances, surgical techs.

- Among travel nurse staffing agency survey participants, revenue for 2021 increased to an astounding $16.9 billion, up from just $6.9 billion in 2020. As a percentage, aggregate revenue increased 174% between 2020 and 2021, while median revenue for the same period increased 145%.

- Hours billed increased 99% from 2020 to 2021, with a y/y median bill rate increase of 48%. Among the drivers for the increase in billed hours in 2021, was the 82% increase in the average number of travelers on assignment during 2021 compared to 2020, in addition to the 70% increase in assignments booked.

- In general, agency costs increased across the board, with the exception being housing. Travel nurse housing costs in 2021 declined 10% compared to 2020.

- As expected, wages and benefits were the costliest aspect of doing business in 2021, accounting for a median 49% of gross revenues, compared to just 40% in 2020. Also notable was that a median 14% of revenues were spent on housing stipends (not to be confused with direct housing costs), down 28% from the prior year.

- Revenue projections among participants was generally optimistic, with aggregate projected revenue growth from 1Q21 to 1Q22 being 145%. Despite demand, respondents largely reported that health systems were unwilling to accept a nurse with less than one year of clinical experience.

Results are based on the findings from our 2022 SIA NATHO Travel Nurse Benchmarking Survey, and reflect results from 28 companies, completed in February and March. We believe this sample comprises a substantial majority of all travel nurse business in the United States. Respondents reported a total of $16.9 billion in US travel nurse staffing revenue for 2021, up from $6.1 billion in US travel nurse staffing revenue in 2020. This represents over 70% of the US traveler's market in 2020.
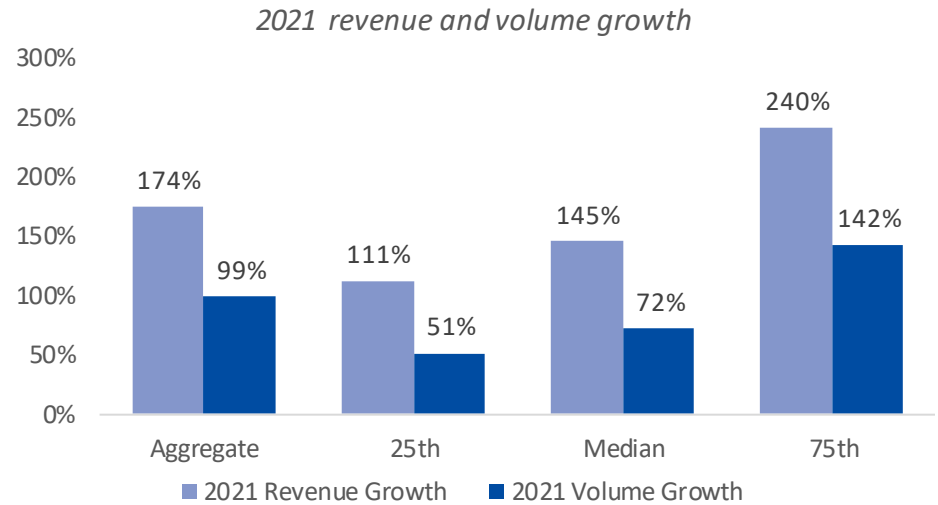
Explanation of terms used throughout the study

The results of the survey shown on the following pages are presented utilizing the following terms:

- **Aggregate** most closely approximates the market, giving more weight to larger respondents (i.e., the aggregate presents the entire market as if it were one combined company). For example, aggregate revenue growth is determined by taking all of the revenue reported from the current time period and subtracting all of revenue from the prior time period reported by the same respondents, and then dividing the difference by the total revenue reported from the prior period.

- **Median** is the middle value in a set of data and gives the same weight to all respondents regardless of company size. To illustrate, the *aggregate* bill rate is determined by dividing the sum of all revenue across all respondents by the sum of all hours billed across all respondents, whereas the *median* is determined by calculating the bill rate of each respondent individually, sorting the respondents by their respective bill rates and selecting the middle value.

- **25th and 75th percentiles:** The 25th percentile is the value that 25% of firms fall at or below, and the 75th percentile is the value that 75% of firms fall at or below. Throughout, the 25th and 75th percentiles are referred to in charts and tables as "25th" and "75th". The **median** is the 50th percentile (i.e., half the firms fall at or below it).

- **A managed service provider (MSP)** is an arrangement where an outsourced company manages a client's contingent workforce needs, sometimes onsite. MSPs typically use an underlying **vendor management system (VMS)** to procure and manage the temporary staff.

- A **vendor management system** is a technology platform through which a client's contingent workforce program can be managed. A VMS can be used either as a standalone technology by a healthcare client managing its own contingent workforce needs, or by an MSP managing a program for a client.

Revenue and volume growth

- Aggregate revenue increased 174% in 2021 compared to 2020. Median revenue growth increased 145%.

- While 2021 volume growth increased far less significantly than revenue growth, the y/y gain for hours billed was far from modest at almost 100% growth.

- Both revenue and volume growth were driven by the unprecedented staffing shortages due to the pandemic. The staffing crises brought on higher demand, which fueled an increase in bill rates and hours billed.

2021 revenue and volume growth

Chart values:

	2021 Revenue Growth	2021 Volume Growth
Aggregate	174%	99%
25th	111%	51%
Median	145%	72%
75th	240%	142%

Percentage of revenue generated through an MSP

- Revenue generated via the use of an MSP in 2021 was somewhat in line with what was seen in 2020. Relatively modest y/y percentage changes were seen for both aggregate and median growth of revenues generated through an MSP. The increase isn't unexpected, as staffing suppliers turned to MSPs to gain access to a larger pool of candidates.

% of Revenue generated through an MSP

|	Aggregate	25th	Median	75th
2021	62%	40%	65%	85%
2020	58%	39%	63%	80%
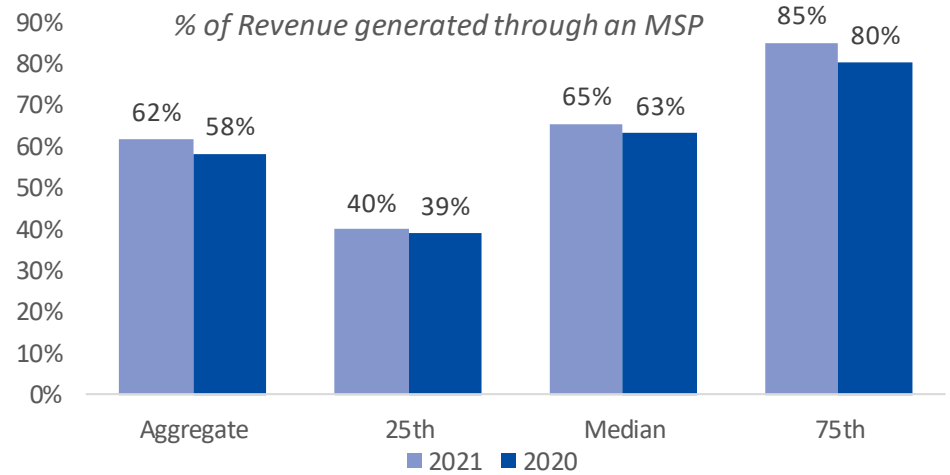
Revenue breakdown

The EBITA (earnings before interest, taxes, depreciation and amortization) margin for 2021 increased to 15% of revenues, up from 12% in 2020. This was not totally unexpected as cost buckets such as housing stipends, SG&A, and meals saw declines in their respective portions of revenues for 2021 when compared to 2020. Housing stipends dropped to just 14% of revenue in 2021. Similarly, meals and incidentals dropped two percentage points to 7% in 2021. Gross profit margin held constant at 24%.

Breakdown as a % of aggregate revenue and proportion of hourly bill rate

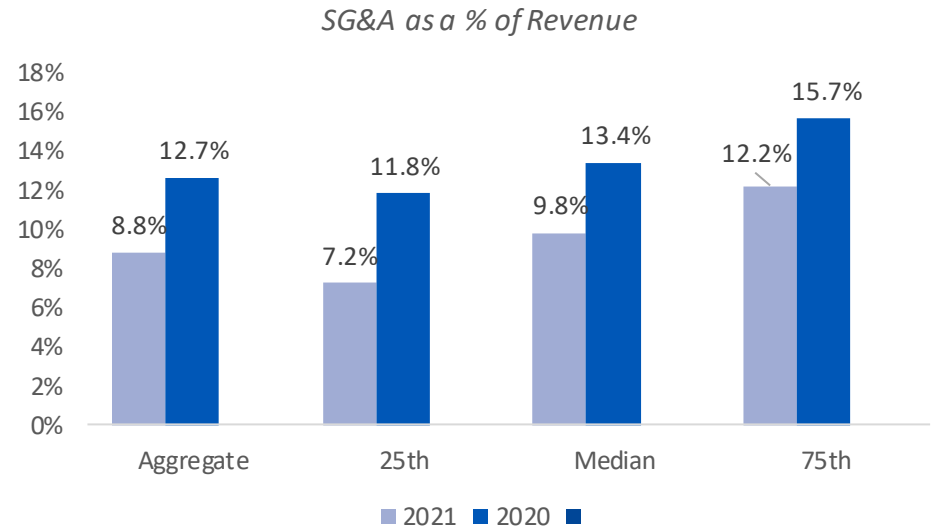|	2021		2020	
Description	**% of 2021 Revenue**	**Portion of Bill Rate**	**% of 2020 Revenue**	**Portion of Bill Rate**
Revenue	100%	$ 124.96	100%	$ 90.55
Hourly wages, bonuses, payroll taxes	51.0%	$ 63.73	44.0%	$ 39.84
Traveler Housing (utilities, etc.)	0.3%	$ 0.40	1.0%	$ 0.88
Housing Stipends	14.0%	$ 17.55	18.6%	$ 16.81
Meal and incidentals paid per diem	7.0%	$ 8.76	9.5%	$ 8.57
Professional liability insurance	0.2%	$ 0.29	0.3%	$ 0.27
Workers' comp	0.6%	$ 0.70	0.6%	$ 0.59
Other cost of sales, if applicable	3.3%	$ 4.12	3.2%	$ 2.88
Gross margin %	23.0%	$ 28.74	23.0%	$ 20.83
Sales, general and administration expense	8.8%	$ 11.01	12.7%	$ 11.47
EBITDA	15.4%	$ 19.22	11.7%	$ 10.57

Gross profit margin

- Median gross profit margin increased 60 basis points to 24.2% while aggregate gross profit margins (which are more reflective of larger companies) increased 80 basis points to 23.5%. Compensation, wages and other direct costs offset the increase in revenues, indicating that additional revenues were passed through to travelers as opposed to being absorbed within the profit margins.

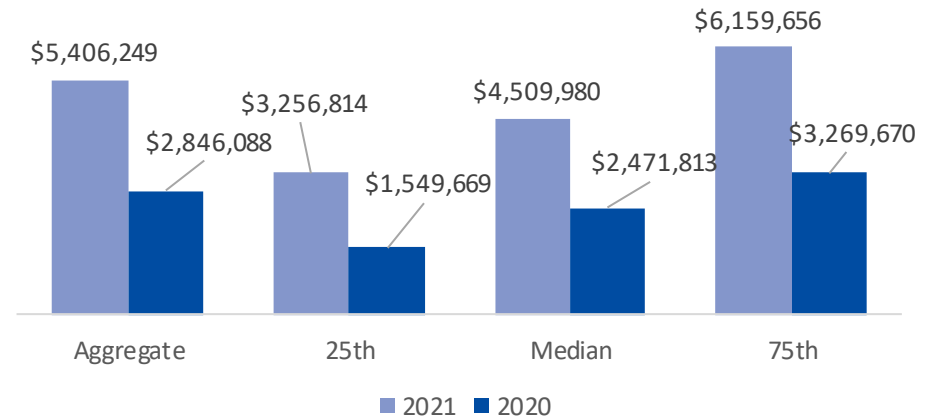*Gross Profit Margin*
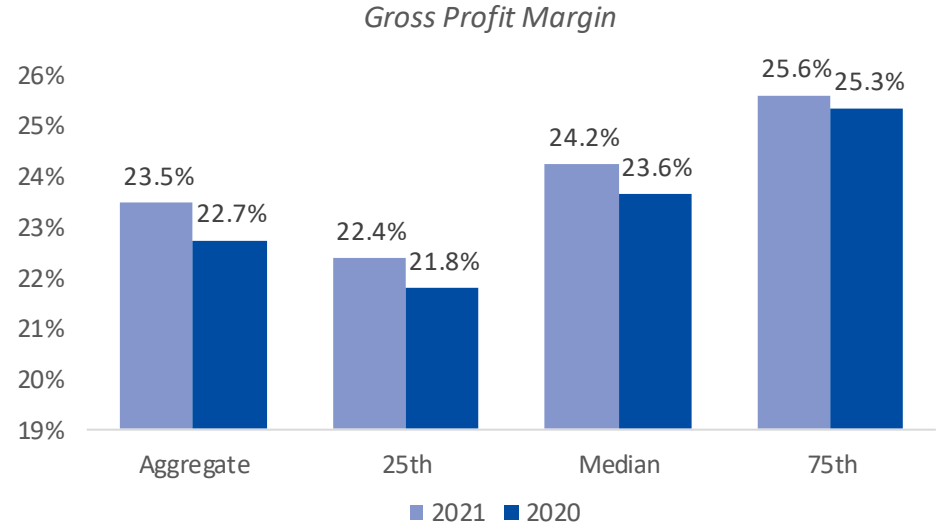
SG&A as a percentage of revenue

- Though SG&A dollars increased 90% for 2021, aggregate and median SG&A as a percentage of total revenue each declined materially.

- The decline in SG&A as a portion of revenue for 2021 is largely driven by bill rates. Though billed hours did increase for 2021, compared to 2020, volume did not increase at the rate of bill rates. As a result, SG&A was outpaced by rate-driven revenue growth.

SG&A as a % of Revenue

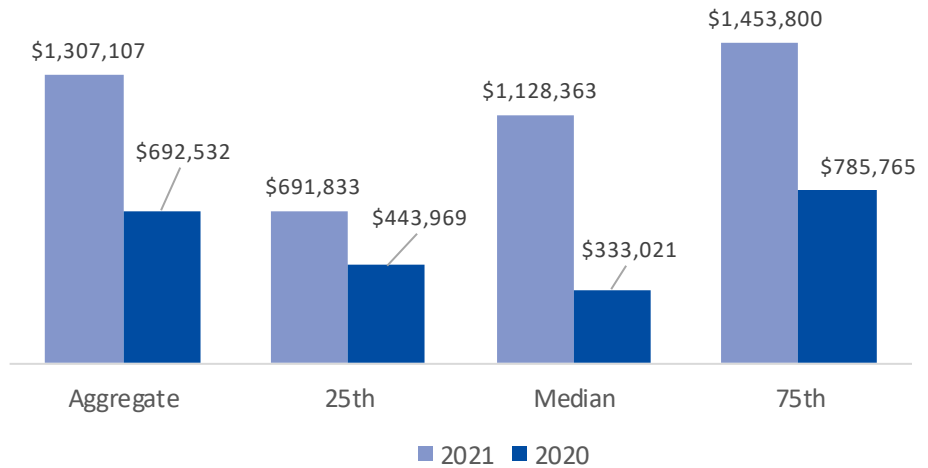|	Aggregate	25th	Median	75th
2021	8.8%	7.2%	9.8%	12.2%
2020	12.7%	11.8%	13.4%	15.7%

Legend: ■ 2021 ■ 2020 ■

Revenue and gross profit per recruiter

- Like what was reflected in our 2020 study, 2021 revenues and gross profits per recruiter increased materially as bill rates saw unprecedented highs.

- Median revenue per recruiter increased to $4.5 million for 2021, compared to just $2.4 million in 2020. Similarly, median gross profit per recruiter, nearly quadrupled to $1.1 million in 2021, compared to just $333K in 2020.
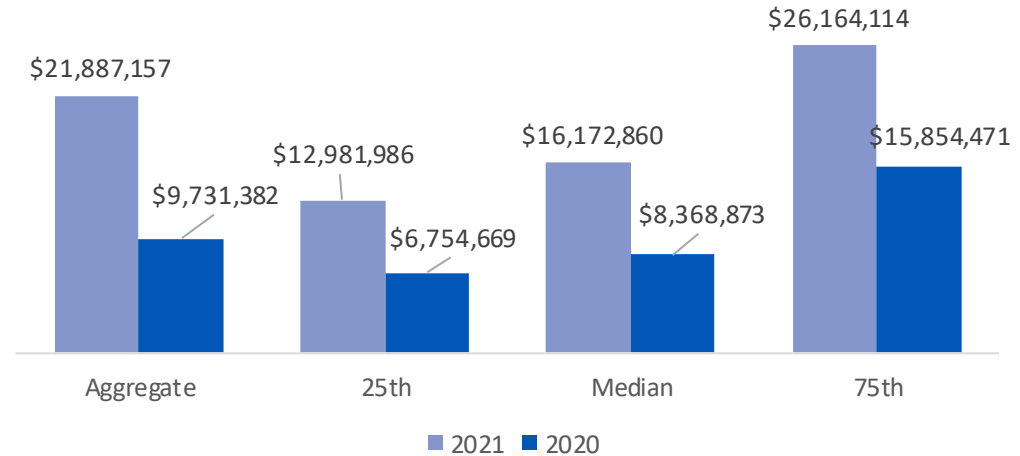
Revenue per recruiter

$5,406,249
$2,846,088
$3,256,814
$1,549,669
$4,509,980
$2,471,813
$6,159,656
$3,269,670

Aggregate   25th   Median   75th

■ 2021   ■ 2020

Gross profit per recruiter

$1,307,107
$692,532
$691,833
$443,969
$1,128,363
$333,021
$1,453,800
$785,765

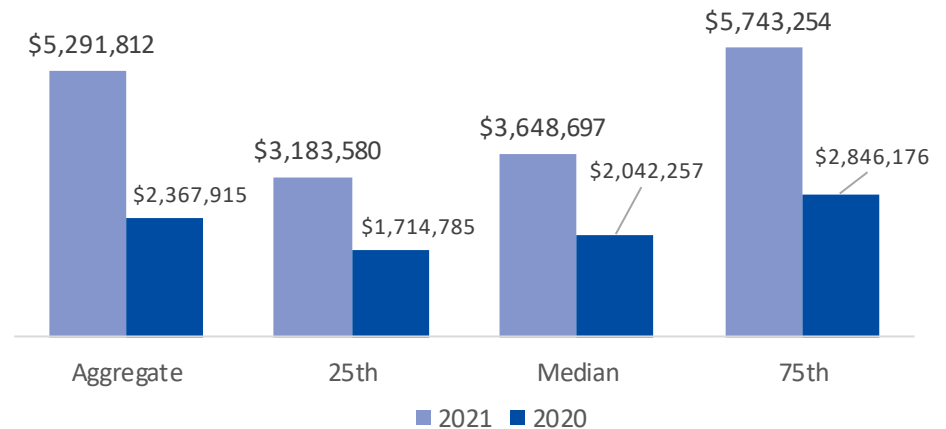Aggregate   25th   Median   75th

■ 2021   ■ 2020

Revenue and gross profit per account manager

- Aggregate and median growth for revenues generated per account manager were up substantially. Median growth nearly doubled between 2020 and 2021. The increase was largely driven by the exploding market and the increase in travelers per account manager.

- Due to the increase in operating costs for the year, the increase in gross profit per account manager was not quite as astounding as revenues. However, median growth in profits from 2020 to 2021 was far from modest, as this figure increased $1.6 million per account manager.

Revenue per account manager

	2021	2020
Aggregate	$21,887,157	$9,731,382
25th	$12,981,986	$6,754,669
Median	$16,172,860	$8,368,873
75th	$26,164,114	$15,854,471

■ 2021 ■ 2020

Gross profit per account manager

	2021	2020
Aggregate	$5,291,812	$2,367,915
25th	$3,183,580	$1,714,785
Median	$3,648,697	$2,042,257
75th	$5,743,254	$2,846,176

■ 2021 ■ 2020

2021 SIA NATHO Travel Nurse Benchmarking Survey

Company information:

1.1	Company name	
1.2	Contact name	
1.3	Contact email address	
1.4	Contact phone number	

1.5   Other services your firm offers besides travel nursing:

Travel allied health staffing	Select Yes or No
Per diem staffing	Select Yes or No
Locum tenens/physician staffing	Select Yes or No
Interim health leader staffing	Select Yes or No
Direct hire	Select Yes or No
Other non-healthcare staffing	Select Yes or No

1.6   Did your company make any acquisitions from 1/1/20 to 12/31/21 that add to travel nurse revenue?   Select Yes or No

Please either include all travel nurse revenue and hours billed of the acquired or divested company in both time periods, or exclude from both time periods.

This ensures that growth is not inflated by acquisitions. nor undercounted by major divestitures.

Revenue and volume data:

		2021	2020	*With the exception of 2.3, enter information for entire calendar year*
2.1	Total travel nurse revenue			*Revenue should be net of any VMS or MSP fees paid. Do not include any*
2.2	Total travel nurse hours billed			*revenue, A/R or hours billed through your own MSP on behalf of other*
2.3	Accounts receivable on 12/31/2021 and 12/31/2020			*suppliers.*
2.4	% of revenue generated through an MSP			*Can be either through your own MSP or another company's MSP.*
2.5	% of revenue generated through a standalone VMS			*Standalone VMS revenue excludes that generated through an MSP.*

2021 SIA NATHO Travel Nurse Benchmarking Survey (continued)

Cost of traveler data		2021	2020	Enter information for entire calendar year
3.1	Hourly wages, bonuses, payroll taxes			*Exclude internal employe costs.*
3.2	Cost of traveler housing (i.e., rent, furniture rental, utilities, etc.)			*Do NOT include housing stipends, meals & incidental per diems.*
3.3	Cost of housing stipends paid			
3.4	Cost of meals & incidentals per diems paid			
3.5	Cost of professional liability insurance			*Exclude internal employe costs.*
3.6	Cost of workers' compensation			*Exclude internal employe costs.*
3.7	Other cost of sales, if applicable			*Exclude internal employe costs.*
	Total cost of sales	$ -	$ -	
	Gross margin %			
3.8	Sales, general and administration expense			*SG&A expense includes internal employee and operational costs below*
	EBITDA	$ -	$ -	*the gross profit line. SG&A expense excludes depreciation, amortization,*
	EBITDA %			*interest, taxes.*
3.9	% of assignments where traveler took company-paid housing			

Candidate data		2021	2020	Enter information for entire calendar year
4.1	Average travel nurse FTEs on assignment during the year			
4.2	Total assignments booked			*Do not include extensions.*
4.3	Total candidate profiles submitted to facilities			*May include multiple files out for a candidate.*
4.4	Rebook rate (% of travelers that are rebooked)			*Includes rebookings at another facility and extensions.*
4.5	Total weeks booked (one week = 36 hours)			
4.6	Total booked weeks lost (one week = 36 hours)			*Includes all pre-start cancels & post-start terminations (for clinical and non-clinical reasons, whether hospital or traveler initiated)*

2021 SIA NATHO Travel Nurse Benchmarking Survey (continued)

Other headcount data

Note: One FTE equals a full year. An employee who works for six months would count as 0.5 FTE. Also, if an FTE has split responsibilities and spends half of his time recruiting and half as an account manager, the worker would count as 0.5 recruiter FTE and 0.5 account manager FTE.

		2021	2020	Enter information for entire calendar year
5.1	Total internal FTEs dedicated to travel nursing business			
5.2	Total travel nurse recruiter FTEs in the year			Recruiters source and engage candidates.
5.3	Total compensation expense for all travel nurse recruiter FTEs			Includes base salary, bonus and commission expense.
5.4	% of travel nurse recruiter comp made up by base salary			Proportion represented by base salary only.
5.5	% of travel nurse recruiter comp made up by commission			Proportion represented by commission and bonus only.
5.6	Total travel nurse account manager FTEs in the year			Account managers serve and manage candidate profile flow with clients.
5.7	Total comp expense for all travel nurse account manager FTEs			Includes base salary, bonus and commission expense.
5.8	% of travel nurse acct manager comp made up by base salary			Proportion represented by base salary only.
5.9	% of travel nurse acct manager comp made up by commission			Proportion represented by commission and bonus only.

Assignment mix

		2021	2020	Enter information for entire calendar year
6.1	% of assignments in which an RN was placed			Proportion of 4.1 represented by RNs.
6.2	% of assignments in which an LPN was placed			Proportion of 4.1 represented by LPNs.
6.3	% of assignments in which a surgical technician was placed			Proportion of 4.1 represented by surgical technicians.
6.4	% of assignments in which an advanced practice nurse was placed			Proportion of 4.1 represented by advanced practice nurses.

2021 SIA NATHO Travel Nurse Benchmarking Survey (continued)

2022 Additional Information			
7.1 Projected organic travel nurse revenue growth (1Q22/1Q21) expressed as a percentage change			*Organic growth (do not include revenue from acquisitions)*
7.2 Rank the strength of demand for each nursing specialty from 1-5 (1 - Significantly below average; 2 - Somewhat below average; 3 - Average (pre-pandemic levels); 4 - Above Average; 5 - Significantly above average)			
•ICU			
•Med/Surg			
•Surgery/OR			
•NICU			
•Emergency			
•Ambulatory			
•Cardiac			
•Geriatrics			
•Other (use free text)			
7.3 Roughly what percentage of orders are willing to accept a nurse with less than one year of clinical experience?			

About Staffing Industry Analysts (SIA)

Founded in 1989, SIA is the global advisor on staffing and workforce solutions. Our proprietary research covers all categorie s of employed and non-employed work including temporary staffing, independent contracting and other types of contingent labor.

SIA's independent and objective analysis provides insights into the services and suppliers operating in the workforce solutio ns ecosystem including staffing firms, managed service providers, recruitment process outsourcers, payrolling/compliance firms and talent acquisition technology specialists such as vendor management systems, online staffing platforms, crowdsourcing and online work services. We also provide training and accreditation with our unique Certified Contingent Workforce Professio nal (CCWP) program.

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