How to transform nursing from a cost center to a value center with return on investment



Ovid® Synthesis
by Wolters Kluwer

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Executive summary

From a financial perspective, nursing has traditionally been miscategorized as a cost center within healthcare organizations. However, a more accurate view recognizes the significant economic value that nurses contribute. Investing in the nursing workforce accordingly represents a shift in strategic thinking. To demonstrate this potential, the American Nurses Enterprise (ANE) has introduced the new Nursing Human Capital Value Model. This framework illustrates how strategic Investments in nurses can create a financially sustainable cycle of value for the entire organization. Despite the model's potential, barriers can impede its implementation. A key challenge is ensuring that nursing professionals are equipped to utilize metrics such as return on investment (ROI) to clearly demonstrate and quantify their contributions. This paper outlines recent developments that enable nurses to do so.

Introduction

The scope, complexity, and value of nursing are well recognized within the profession. However, within organizational contexts, nursing is frequently perceived as a cost center rather than as a critical contributor to human capital.[1]

Constituting a substantial portion of the healthcare workforce, nurses account for a significant percentage of an organization's operational budget.[2] When leadership views nurses primarily as an expense, it can limit the appreciation of their economic contribution to patient outcomes and cost-containment efforts.[3]

For instance, nurse practitioners can serve as a cost-effective alternative to physicians. But a cost perspective does not capture the full extent of their impact.[1] A fundamental shift in perspective is required, moving the focus from cost to **value and innovation**.



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From cost center to value center

Nurses are a strategic asset and human capital investment. Nurses must communicate that to themselves, then to organizational leaders. That's the first step in re-imagining the economic value of nursing.[1] However, challenges exist in doing so.

No universal definition of nursing "value" exists. The Agency for Healthcare Research and Quality (AHRQ) defines it as "a multidimensional concept that is thought to encompass effectiveness, efficiency, equity, patient-centeredness, safety, and timeliness."[2]

How can you articulate that in tangible terms and translate it into quantifiable metrics?

Expenditures on assets that generate long-term benefits use ROI to define their value.[2]

Several key events and publications since 2023 have propelled those efforts forward.

June 2023

The ANE, through its Institute for Nursing Research & Quality Management, commissioned **the two-year Economic Value of Nursing Project**.

April 2024

The ANE sponsored a **"Reimagining the Economic Value of Nursing" Summit** to further the conversation of recognizing and leveraging the economic value of nursing across U.S. healthcare organizations.

December 2024

The **Nursing Human Capital Value Model** authored by Olga Yakusheva, Kathryn A. Lee, and Marianne Weiss was published in the *International Journal of Nursing Studies*.

January 2025

The ANE launched Phase 2 of its 2-year Economic Value of Nursing Project with the INVEST Study (Investing in Nursing Value: Evidence for Sustainable Transformation).

September 2025

The ANE published results from Phase 1 of its 2-year Economic Value of Nursing Project, authored by Olga Yakusheva, Marianne Weiss, Tanya Mulvey, Anabel F. Castillo, and Marcela Cámpoli, in *The Journal of Nursing Administration*.

October 2025

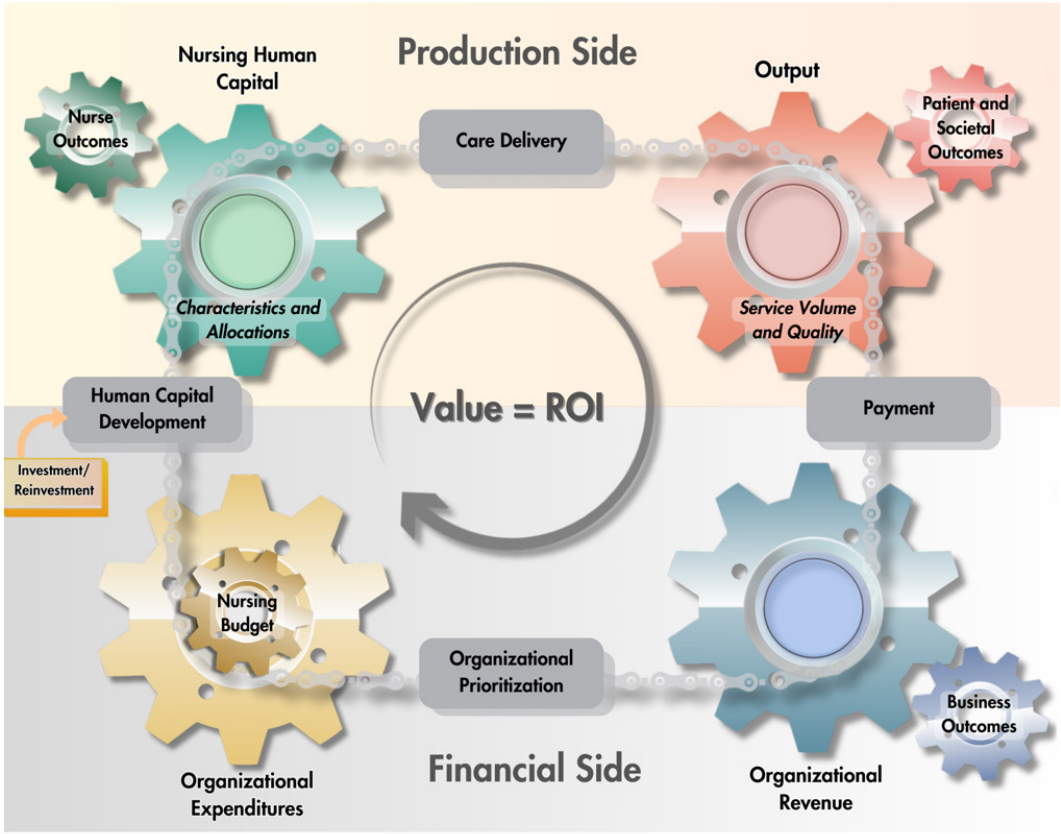
A **systematic review** of the organizational return on investment in nursing, authored by Olga Yakusheva, Kathryn Lee, Alissa V. Fial, and Marianne E. Weiss, was published in the *International Journal of Nursing Studies*.

The Nursing Human Capital Value Model

This model is the result of a two-year (2023–2025) project by the ANE to develop a conceptual model for the economic value of nursing.[1] The model incorporates human capital, economic, and value theories to:[1,2]

- Reframe nursing as a vital economic asset
- Show that investments in nurses' education, training, well-being, and work environment generate organizational and financial ROI
- Demonstrate that investing in human capital assets can become a self-perpetuating, financially sustainable cycle of value.

ROI moves the investment theory of value into the realm of measurable results that validate the value of human capital investment.



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Why ROI is integral to showing the economic value of nursing

The Nursing Human Capital Value Model illustrates how ROI is central to sustainable value generation. ROI moves the investment theory of value into the realm of measurable results that validate the value of human capital investment.

Expenditures on assets that generate long-term benefits use ROI to define their value.[2] ROI describes how many dollars are gained for each dollar spent over time — from the initial investment to the breakeven point and across the total operational lifespan.[1]

ROI also makes the case for how nursing innovation can drive a self-perpetuating cycle of care delivery, service quality, and revenue that supports organizational priorities and is a smart investment in human capital development.[1] This makes ROI invaluable for reframing nursing evidence-based practice (EBP), quality improvement (QI), and research projects as revenue-generating investments that deserve funding and support.

Challenges in articulating ROI

Nurses historically have not been expected to report ROI metrics. "Putting nursing forward and in front of ROI is important. But, for the most part, unless a nurse has gone through their masters in business, we don't learn that in our basic BSN training," says Una T. Hopkins, DNP, RN, FNP-BC, NE-BC, FACCC; Director of Nursing Research, Montefiore Einstein; 2025–2026 President, Association of Cancer Care Centers.

A paucity of data exists for articulating the value of nursing in terms of ROI — and, by extension, justification for investing in nursing. Olga Yakusheva, PhD, MSPE, FAAN, Professor of Nursing at Johns Hopkins School of Nursing, summarizes the problem: "Limited evidence exists on how investments in nursing contribute to organizational revenue generation, what investments are the most effective, and how the organizational context may impact financial ROI from nursing investments."[1]

A deeper understanding of ROI will help close this knowledge gap, enabling nurses to make a compelling case for organizational investment in nursing.

Not all ROI is created equal

If ROI is often incomplete, what constitutes a complete ROI evaluation?

ROI is determined through the investment-production-revenue cycle — starting with the cost of the initial investment, then its impact on the volume/quality/cost of healthcare services, and finally its impact on gross and net revenue.[2] Accurate assessment of the ROI requires careful attention to all three components of the cycle.

In today's fiscally constrained economy, healthcare organizations must prioritize investments with high ROI over those with low or unknown ROI.[4] An incomplete ROI evaluation limits the strength of a business case one can make for organizational investment in nurses' growth and development.[2]

Thus, it is essential for nurses to thoroughly understand ROI so they can leverage it to demonstrate why the organization should invest in nursing human capital development.[4] To champion that cause, they must reliably link patient outcomes to nursing care and connect ROI directly to nursing investments.

The findings from a 2025 systematic review by Yakusheva et al. elaborate on the problem:[4]



Existing evidence of organizational financial ROI in nursing is limited and contradictory.



Most studies examined nursing as a labor expense.



Many studies and improvement projects addressed economic outcomes only indirectly.



Only 12 of the 59 included studies had complete ROI evaluations that could inform organizations about the financial consequences of investing in nursing.



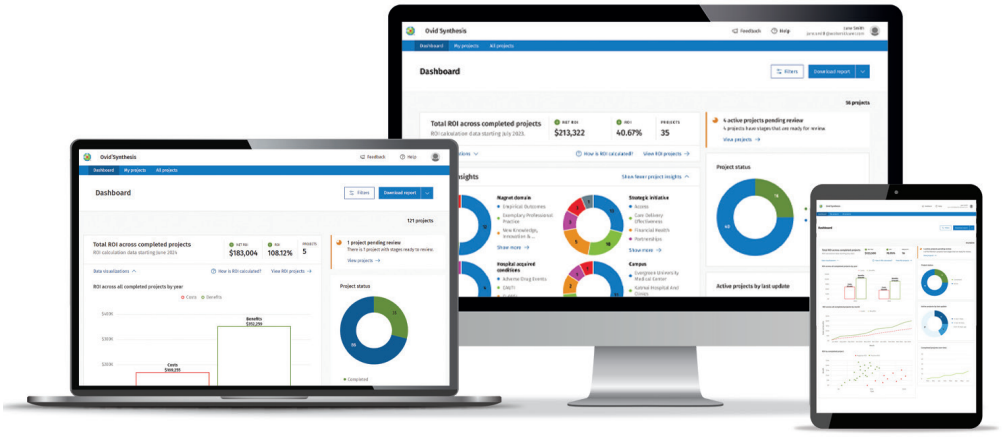
Partial ROI evaluations can give rise to misleading conclusions.

Ovid® Synthesis takes the guesswork out of measuring ROI

Ovid® Synthesis can demonstrate both the clinical and financial value of nursing research, EBP, and QI projects.

How it works

- **Prompts the nursing team** to consider costs and benefits associated with their initiative
- **Provides built-in access** to healthcare benchmark data for costs, if you don't have access to organizational data
- **Automatically calculates** and visualizes the net ROI at an individual, department, and system-level
- **Allows leadership** to track savings year over year
- **Facilitates export** of project reports detailing ROI data
- **Flags projects** with negative ROI to prevent cost-ineffective implementations
- **Highlights projects** with positive ROI so that they can be disseminated and implemented in other areas of the organization
- **Realizes ROI** and reinforces the value of your projects to gain funding and investment in nursing development.





"Ovid Synthesis can capture and communicate the ROI of your initiatives. Then, when you demonstrate positive ROI to executive leadership, tell them you want half of those dollars to come back to nursing to fuel future improvement projects."

– Bernadette Melnyk, PhD, APRN-CNP, EBP-C, FAANP, FNAP, FAAN

Solution supports the Nursing Human Capital Model

Devin Carr, DNP, RN, RRT, ACNS-BC, NEA-BC, CPPS, Chief Nursing Officer, Maine Medical Center, states, "We want to demonstrate the value of nursing, not just the cost of nursing. By leveraging Ovid Synthesis and its ROI features, nurses will no longer be seen as cost centers but as strategic drivers of value, equipped with tools that demonstrate their positive impact."

Ovid Synthesis has proven to be a game-changer for clinical improvement projects, as highlighted in a recent issue of *Journal for Nurses in Professional Development*.[5] Additional user data from our 2025 evaluation survey. The findings reveal a 111 percent increase in the number of completed initiatives, showcasing the effectiveness of Ovid Synthesis in enabling nursing to improve the quality and quantity of their improvement initiatives, and leaders to gain visibility into nursing's impact and ROI in real-time.

How Ovid Synthesis impacts quality and quantity of improvement projects (the return on investment achieved) — results from a 2025 user survey:

111%
increase in completed projects — more than doubling annual output

25%
fewer hours spent on project execution

26%
reduction in time spent on monthly reporting

27%
fewer hours required for project oversight

Contact your Ovid representative to learn more, or email sales@ovid.com

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