Call it the shortage that won't quit. Job incentives for nurses that began in the 1990s lured more into the workforce. But not enough. The U.S. Department of Health and Human Services estimates that by 2020, hospitals will be shy almost 810,000 nurses. That represents a 29 percent vacancy rate, up from 7 percent today. "The shortages threaten to grow so big they'll cripple our healthcare system," says Peter Buerhaus, an associate dean at Vanderbilt University's School of Nursing. "We're headed for a crisis."

The trouble is that most nurses are now headed toward retirement. In the 1980s and 1990s, enrollment in nursing schools sank as young women took advantage of increased career opportunities in other fields. By 2000, the average age of RNs was about 43. In the past few years, high wages have drawn former nurses back to hospitals--but two thirds of the new hires are older than 50, making things more lopsided than ever. Nursing schools would have to increase enrollment by 40 percent annually just to compensate for retiring RNs. That's going to be hard, because schools recently had to turn away 26,000 qualified undergraduate candidates for lack of space: They don't have enough faculty. To deal with the problem, states and healthcare companies are luring nursing faculty by funding more positions. Buerhaus predicts more already-trained nurses will be brought in from abroad. Yet it may not be enough: Seventy-eight million graying baby boomers will contribute to a 40 percent increase in demand for hospital nurses over the next two decades. -Angie C. Marek