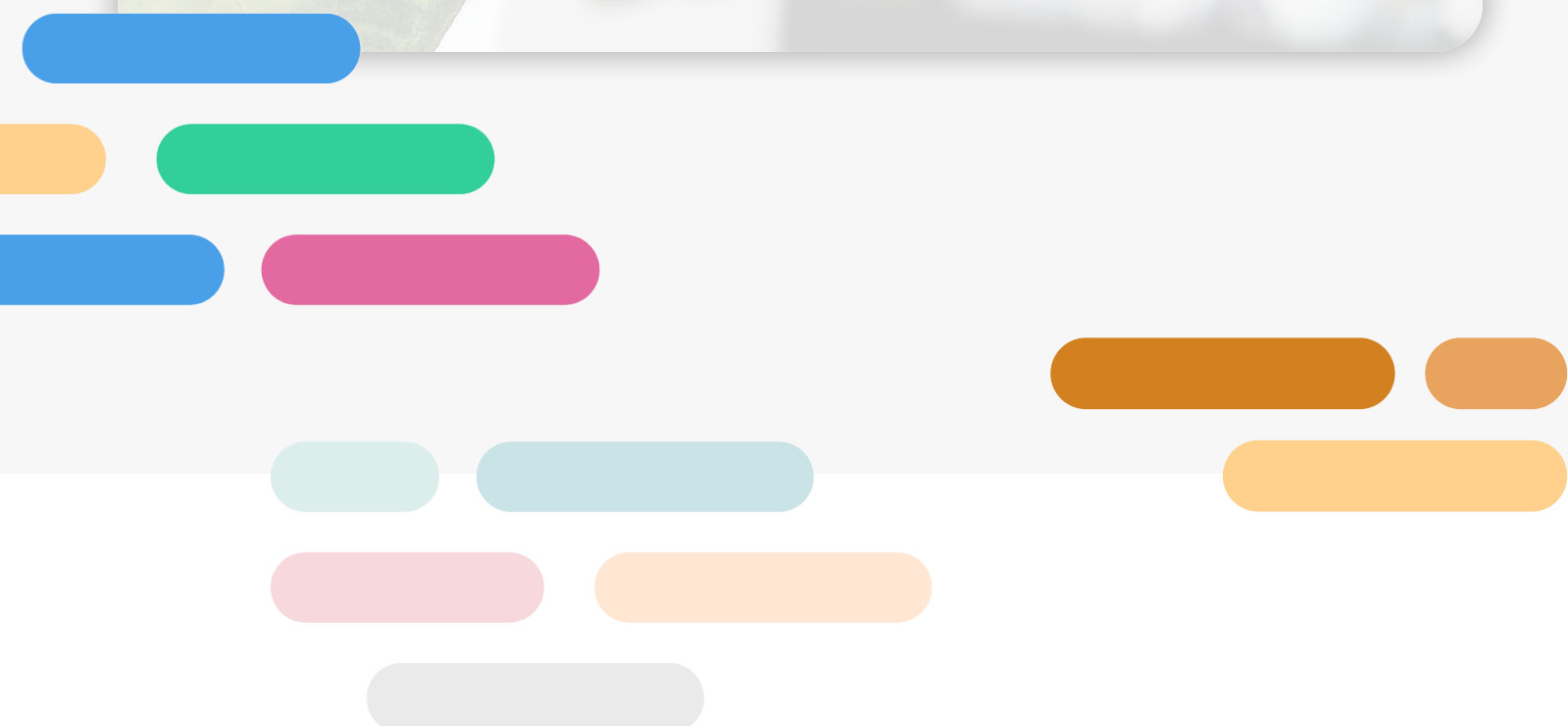


The Mental Health Therapist Shortage Starts at Graduation: How to Help the 57% that Never Attain Licensure

by Rachel Ledbetter, LMFT





Executive Summary

For almost two decades, we've known that the U.S. was headed for a mental health therapist shortage.

It's here.

- Rural and urban areas are suffering from a lack of resources, and therapists across the field report larger client wait lists. Areas with provider shortages correlate with even higher incidences of substance use disorder and suicide.
- Primary care physicians report significant delays after referring clients to mental health care compared to other specialty referrals.
- Therapists report an increase in demand for care by those who are African-American, Hispanic, LGBTQIA+, Millennial, Generation Z, experiencing chronic illness, processing trauma, etc.

The COVID pandemic has exacerbated the crisis. Those who experienced health concerns, grief, job loss, and mental health challenges during the shutdown are reaching out for help. They face long wait lists and extended gaps between appointments.

At a time when mental health professionals are leaving the field due to retirement age and others are leaving because of burnout—**57% of those who earn mental health master's degrees are facing financial, time, and regulatory barriers to licensure that force them to walk away.**

What problems are new graduates facing and how do we remove these barriers to make way for a new generation of mental healthcare providers?

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The Terrain: The Behavioral Healthcare Crisis at the Community Level

Demand for mental health and substance use treatment is greater than ever. But we are unable to meet that historic demand, due in part to a shortage of therapists.

Identifying and eliminating barriers that prevent people from obtaining their license to become a therapist is one significant hurdle we must overcome. The sooner we resolve this long-standing problem the better. Our well-being depends on it.



Chuck Ingoglia, MSW

President and CEO
National Council for Mental Wellbeing





37% of the U.S. population live in mental health professional shortage areas.¹
That's over 1 in 3 persons who are out of the range of care.



Suicide rates and substance use disorders are significantly higher in areas where mental healthcare shortages exist.²



Indirect cost of mental illness in the U.S.:

\$71-\$79 billion dollars annually.³



Mental illness is directly linked to the “Big 5” physical illnesses:

- Cardiac disease
- Diabetes
- Stroke
- Cancer
- Chronic pain⁴

When people can't get support for their mental health challenges, other community systems get stretched, too.³

1. Substance use disorders develop or get worse.
2. Unemployment grows as employees lose their ability to cope with the strain and can't do their jobs.
3. Crime increases, putting an additional burden on the criminal justice system.
4. Homelessness expands as people lose their homes.

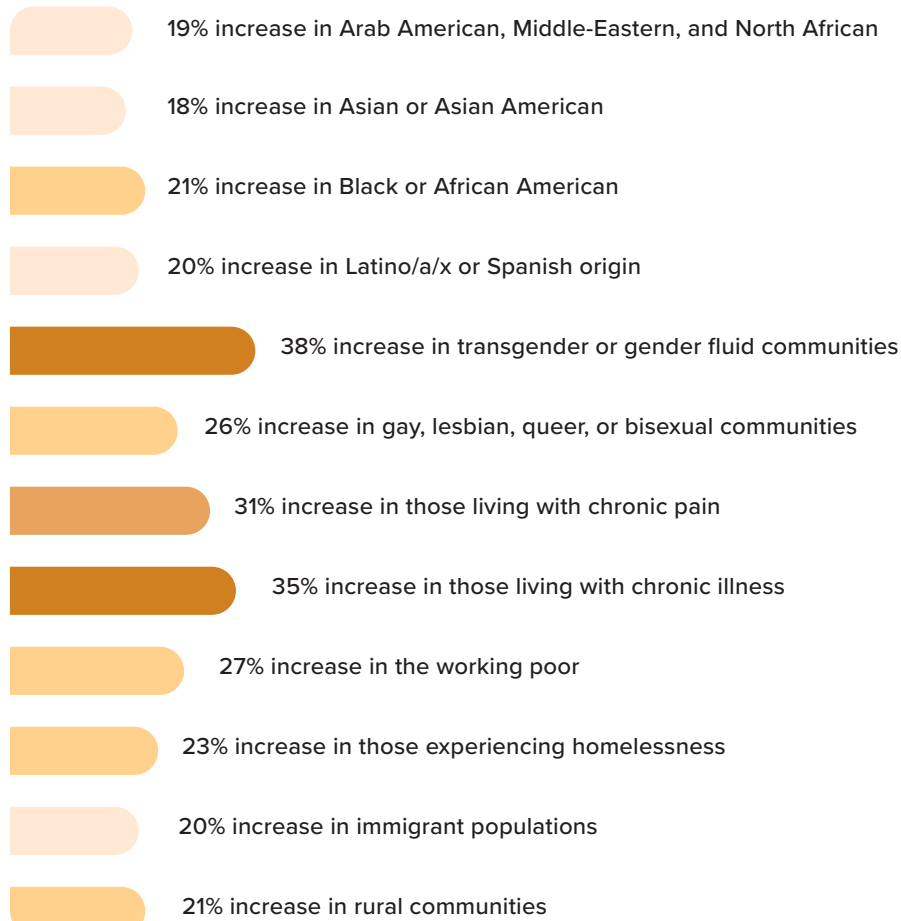
Demand for healthcare has intensified since the COVID-19 shutdown

In the 2022 American Psychological Association COVID-19 Practitioner Impact Study practitioners report they're seeing more clients with the following challenges in their offices compared to 2021:

- 5% increase in anxiety disorders
- 6% increase in depressive disorders
- 13% increase in trauma and stressor-related disorders
- 12% increase in obsessive-compulsive and related disorders
- 18% increase in substance-related and addictive disorders⁵



Mental health providers are seeing increases in demographic diversity among their clients.



Source: (5)

This is good news. Many of these populations have faced barriers to access—including limited geographic access, finances, time, social stigma, and cultural barriers.

We need therapists to respond to the demand, or these people won't get the help they need.



As demand for help increases, mental health workers are exiting

As baby boomers retire, 37% of the current mental health workforce disappears⁵, leaving significant gaps in our ability to care for those in need.

Besides those aging out, other professionals are leaving for other careers due to burnout, low job satisfaction, and lack of support.³

Mental health professionals report that those seeking mental healthcare are experiencing problems that are more severe because they've gone untreated.⁶ Longer hours, longer waiting lists, and burnout are all taking their toll on our counselors.⁵

- In 2022, 46% (30% in 2020) of mental health professionals report not being able to meet the demand for treatment from their clients.
- 45% (41% in 2020) report feeling burned out.
- 60% (57% in 2020) have sought out peer support for managing burnout.⁵

California and other states are increasing funding to help with the shortage, but jobs that used to attract 40 or 50 applicants now only draw 2-3. Nonprofit mental health executives report that they can't accept any of the available funding because they can't find applicants to hire.⁶



What about the 48,000+ New Graduates with Master's Degrees Entering the Field Each Year?

When a student completes their graduate program—in social work, marriage and family therapy, or professional counseling—they are required to accumulate clinical hours under the supervision of another therapist before they can sit for their licensure exam. This process takes roughly two years.

The number of graduates for each year is similar, and so is the number of those who sit for the exams each year. We chose to compare the year-over-year graduation rates with the year-over-year exam data for 2019, 2020, and 2021 - the most recent years where we have complete data.

The data revealed that only **43% of master's level graduates** make it to licensure. **57% face barriers that block them from achieving their career goal somewhere in the years following graduation and their exam.**



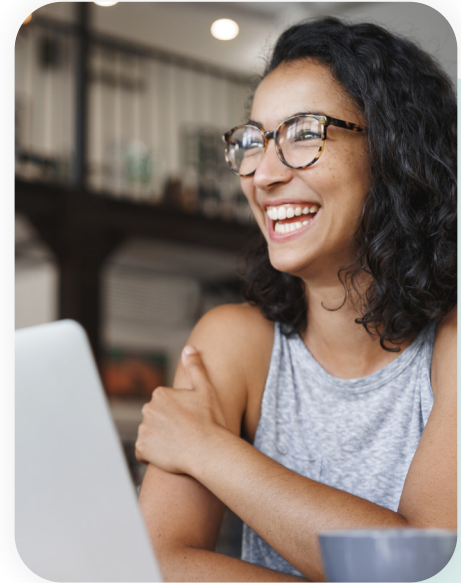


Not everyone needs licensure...

Some graduates may choose to continue their education, while MSWs fill many roles that don't require licensure, especially if they're not providing therapy. Even with that, the gap between graduates and those who earn their clinical social work license is similar to other mental health professionals.

While these reasons explain part of the discrepancy, they do not fully explain why over half of mental healthcare graduates were no longer pursuing any career on that path only two years later.

All these graduates spent two years (or more) working to complete a master's degree in social work, marriage and family therapy, or psychology/professional counseling. What kind of barriers dissuade new mental health workers from their goals when they are so close, when they've invested time and money into obtaining a degree, and when their services are so needed?





The Data:

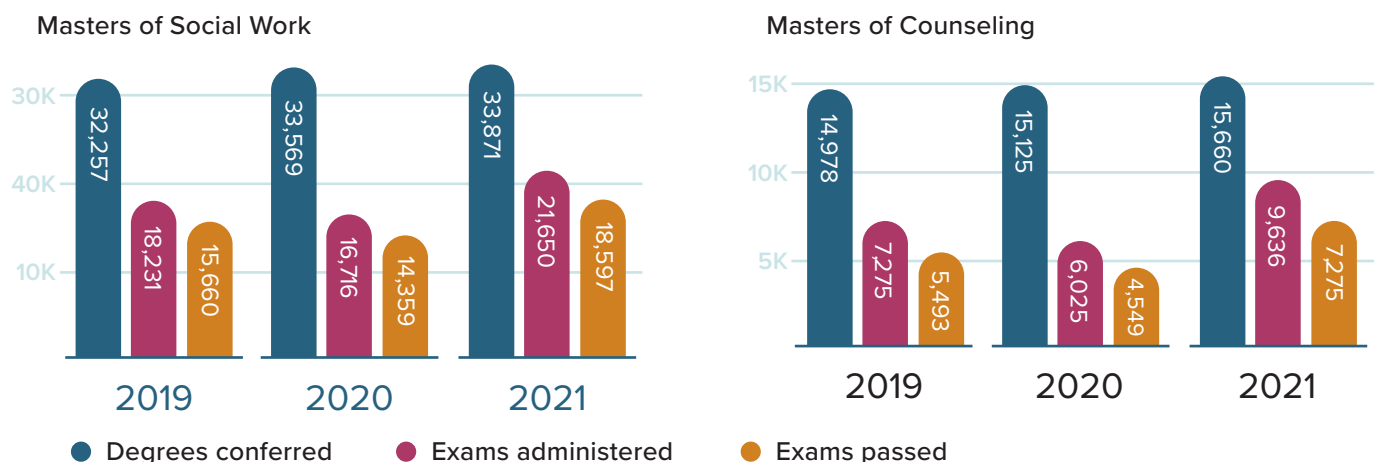
57% of Master's Level Graduates Don't Achieve Licensure

We looked at annual graduation rates for two degree types: Masters in Clinical Social Work and Masters in Mental Health Counseling and compared this data to annual licensure exam rates.^{7 8 9}

We sought out to also include Masters in Marriage and Family Therapy to our research, but were unable to obtain national test data in order to complete the assessment. However, anecdotally, we believe similar barriers exist for aspiring MFT's seeking to obtain licensure.

What we learned from our assessment is that graduation rates and licensure exam rates remain relatively the same year-over-year. The data demonstrates that there is a significant drop off between the numbers of individuals completing degrees compared with the number of individuals obtaining licensure.

See our results comparing graduation data with exam data for 2019, 2020, and 2021 below.

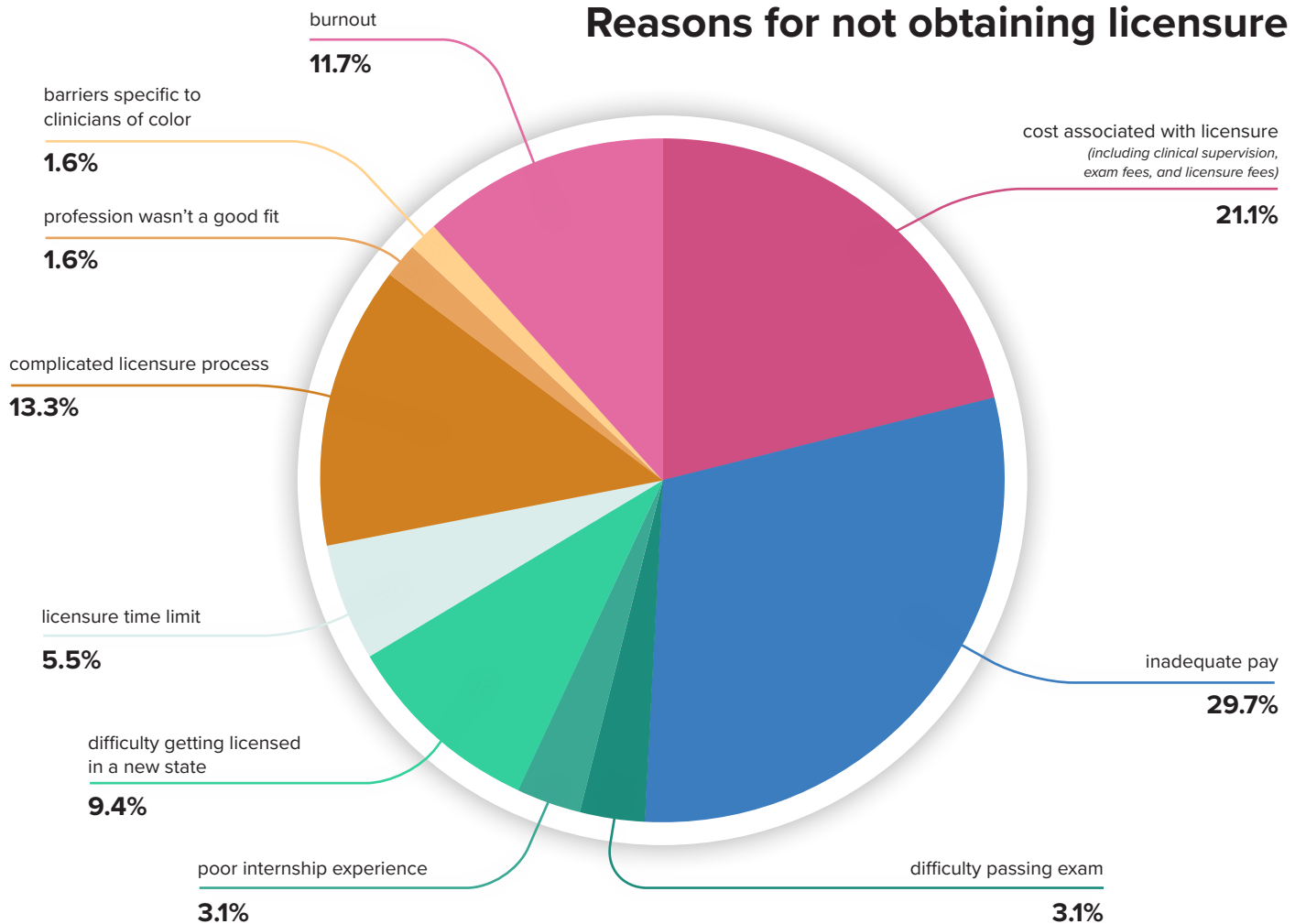


Data obtained from ASWB ⁸ and the California Board of Behavioral Sciences ⁹. We requested data from AMFTRB and NBCC but did not receive a response from either. We used an algorithm that calculates per capita numbers, based on CA's exam pass rates, in order to arrive at a national estimate for professional counselors.



That's nearly **80,000 therapists** from the last three years that experienced financial, academic, experience, supervision, or regulatory barriers that kept them from moving forward.

Reasons for not obtaining licensure





Motivo Health surveyed aspiring clinicians.

Here are some of the barriers they
faced in pursuit of licensure.

Difficulty Getting Licensed in A New State

After getting my Master's and supervision, I moved from Arizona to New Jersey and found the licensure process totally different and with no reciprocity...

Some kind of consistent process across state lines is needed.

Stacy Olsen DiStefano M.A.



Lack of Support

In my experience, there isn't a lot of mentoring that happens in the mental health field. Once you are out of school, it's like, "Well - good luck out there!" and that's about it. While I think everyone is right to point out the complex licensure laws, lack of access to supervision, etc., it is worth pointing out that these issues would be much easier to navigate if someone was there to guide you through the process.

William Hasek, Ph.D.



Barriers Specific to Clinicians of Color

Structural and institutional racism as well as educational racism are a huge hindrance—preventing Black therapists and other therapists of color from being able to pursue complete licensure as well as joining or building clinical practices and securing clientele.

Lack of appropriate supervision for Black trainees due to bias also leads to under-developed clinical skill and business acumen, more critical evaluations of skill and knowledge, and racism-based trauma to future clinicians.

Ayanna Abrams, PsyD.



Inadequate Pay

In my 18-person cohort, there were quite a few students who never went on to obtain their licenses. The main reason is entry-level jobs just do not pay enough, especially in MHC due to the limited permit phase of our license. Living right near NYC but only offering new clinicians \$15-\$19 an hour is just not doable!

Samantha Murphy, LMHC





Complicated Licensure Process

Overly complicated licensure laws and/or process.
Lack of a solid system that is designed specifically to field post-grads and help them develop from graduation to license (much like a residency in medical school).

Tyler Rogers Ph.D., LMFT, LPC



Difficulty Getting Licensed in A New State

After getting my license in California, I moved to Pennsylvania. No reciprocity. After a great opportunity led me to another state, I just gave up. There was no way to keep my license.

Aida Porras, MBA, MA



Inadequate Pay & Burnout

I graduated in California and the cost of living versus the pay for an MFT intern/associate was not enough for me to live. Especially if not working in a setting that guarantees 40 hours/week.

Also, practicums were not well managed from the perspective of school so I experienced burnout after my first year - I felt like I needed a break.

Jessica Bowser, M.A.



Inadequate Pay & Burnout

For me, it is heavily financial concerns. As a single-income 30-something-year-old, I can't sustain working provisionally for 2+ years without some other source of income. I also experienced intense burnout during grad school due to working full-time while doing my unpaid internships.

I can't see myself going back to that. It's been difficult to reconcile honestly. A part of me feels guilty because of the shortage and need.

Chelsea Borruano M.A.



Complicated Licensure Process

For three years, I drove three hours round trip twice a month and two hours round trip once a month for in-person supervision as there were no exceptions when I got licensed and there were no onsite providers to supervise. Huge sacrifice for my kids.

Tasha L Hansen, MSW, LICSW, CAS





The Fix:

4 Steps to Improving the Situation for Our Pre-Licensed Professionals

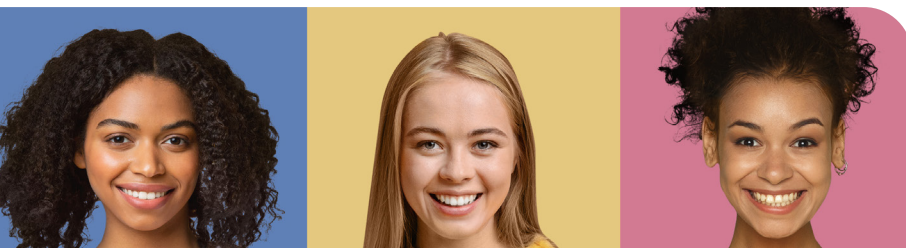
Respondents identified these key obstacles:

- Financial strain due to low, entry-level wages
- Regulatory confusion and lack of support
- Taking a break to start a family
- Racial, ethnic, and cultural barriers and biases
- Significant burnout, sometimes even before graduating
- Difficulty finding and affording clinical supervision

And according to a recent survey of social workers in the first three years of their careers, 44% reported difficulty in finding a job that suited them. The biggest reason given (13.6%) was that they couldn't find one with adequate compensation to cover their expenses.¹⁰

Only 1.6% of those surveyed said they found the field wasn't a good fit for them. Almost every respondent would've liked to continue in mental health work.

How can the road between graduation and licensure be made easier for them?





1. Ease the financial burden

Counseling organizations should re-examine the pay and benefits they offer entry-level clinicians. While their experience and associate status may not merit the same pay as licensed clinicians, many graduates report earning less than \$20 an hour.

[State and federal governments offer grants](#) that incentivize quality training environments. Financial aid reciprocity addresses the burden many express about their level of debt at graduation. If counselor interns can focus on their client work, they're more likely to perform well and learn from their experiences.¹²

The heavy weight of student loan debt

The mean educational debt for Masters of Social Work graduates is \$66,000. The mean salary for starting MSWs is \$47,100.

But for clinicians of color, the burden is greater. After graduate school, the mean total debt for Black clinicians is \$92,000 and \$79,000 for Hispanic clinicians. If these early-career therapists can't afford to make their student loan payments, they look for work elsewhere and/or default on their loans.¹⁰

As we seek to improve behavioral healthcare access, we know that it's important for clients to have therapists who understand their cultural background, unique needs, and the barriers and biases they face. Having a diverse counselor workforce increases access for marginalized populations to receive quality mental health care and resources.





Easing the student loan burden is an important step

State and federal governments also offer financial assistance to workers who will work in areas where there is a healthcare shortage:

1. [Student loan forgiveness](#): The federal government offers student loan forgiveness for career paths like teaching, public service, and nonprofit work. Forgiveness and loan repayment programs that are currently available to medical professionals should be expanded to include mental healthcare professionals.¹¹
2. [The National Health Service Loan Repayment Program](#): The NHSC program allows medical, dental, and mental health professionals to earn up to \$50,000 in loan repayment for two years of service in a health professional shortage area (HPSA). However, this is currently not open to pre-licensed mental health professionals.

2. Make the licensure process easier to navigate

The road between graduation and licensure needs to be clearer. Graduate schools have extensive resources that help students get through their programs. However, after graduation, new therapists are responsible for acquiring their own placements, securing clinical supervision, and preparing for their exams all on their own. It's a confusing and overwhelming process.

Regulatory boards need to provide clear outlines for their own requirements for gaining licensure and for transferring credentials between different states. Today, state board websites are difficult to navigate and often confusing.

For instance, some states require that 50% of clinical supervision be in person, but buried in the regulations is a clause that allows associates to petition for an exception. Prioritize simplicity and transparency.

Regulatory boards also bear the responsibility to address racial and cultural bias in their processes and tests. Mental health professionals of all different races, cultures, orientations, and life experiences are needed to serve clients of different backgrounds. Start by publishing test data and demographics so the discussion can begin.



3. Employers need to focus on helping associate therapists find balance

When inadequate pay, long hours, and emotional strain come together, it's a recipe for burnout. New counselors are often working with some of the most vulnerable populations. Many of their clients are dealing with:

- Severe mental illness
- Substance use and co-occurring disorders
- Poverty
- Child welfare issues
- Severe health issues
- Inability to meet daily care needs¹⁰

Our most inexperienced therapists are often thrown into some of the most complicated treatment situations.

Employers need to make sure their associate therapists are getting adequate support while they are learning. They also need to make sure the caseloads are manageable, they are earning a reasonable salary, and they have the means to take care of their health and emotional needs.

This may seem more costly, but taking care of therapists while they are being trained in your organization increases retention and makes your organization more appealing as you recruit.



Clinical supervision is the great equalizer.

“Quality, accessible clinical supervision has the capacity to make considerable change in solving the therapist shortage. Licensure board rules, exam prep, as well as clinical, professional, and personal development are all addressed in good clinical supervision. Clinical supervisors have the opportunity to be professional mentors, helping to shape the journey of aspiring clinicians.

Clinical supervisors are trained to ask ourselves what role we play in the licensure journey. Many of us have formal or informal supervision philosophy statements. We have conversations about our responsibilities and how we intend to help our supervisees reach their goal of becoming licensed clinicians themselves.

I truly believe clinical supervision is the great equalizer. The relationships supervisors have to their supervisees can create solutions to some of the hardest complications on the road to licensure. Supervision that is accessible, that does not sacrifice quality, and that centers the needs pre-licensed clinicians have along their journey can make all the difference.”

Carla Smith, PhD, LCSW, LMFT
Chief Clinical Officer, Motivo Health



4. Prioritize clinical supervision and make it less complicated

Respondents mentioned clinical supervision difficulties as one of their biggest struggles. Geography, supervision fees, and finding supervisors with the right credentials are huge obstacles for new therapists looking to fulfill supervision requirements.

And that's a shame.



A clinical supervisor can be the bridge providing the needed structure and support for new associate therapists as they navigate between graduation and licensure:

- Supervisors have first-hand knowledge of the licensure process and can offer support from a position of empathy and experience.
- Supervisors are mentors. The right supervisor provides specific insight into the populations that the new counselor wants to serve.
- Supervisors can help early-career professionals work around the financial, emotional, and procedural barriers they encounter, if we equip them to fulfill that role for those they supervise.

The clinical supervisor is not only important— but is uniquely positioned to help new therapists successfully maneuver the roadblocks that are currently deterring them from the career they’ve dreamed of and where they can make a huge difference in the lives of so many.

Supervisors feel conflicted, though. They have their own families to support. When they offer associate therapists time slots that could go to clients, they are losing income. At the same time, they want to welcome the opportunity to help others succeed.

There are [government grants](#) that help organizations empower their own staff members to serve as clinical supervisors to associate therapists. But there needs to be more help from both the public and private sectors.

If this isn’t possible, the opening up of telehealth has made virtual clinical supervision an option that didn’t exist before. Services that connect pre-licensed therapists with vetted clinical supervisors circumvent the geographic, financial, and regulatory hurdles many new therapists face. An organization that offers this option to their employees increases their positioning as a desirable employer and eliminates a significant source of stress so their counselors can focus on their clients.





Making Progress in Behavioral Healthcare

Things are headed in the right direction.

Despite these challenges, there are reasons to feel encouraged.

Recently, the American Counseling Association began advocating for licensure portability across states for professional counselors through the [Counseling Compact](#). The Association of Social Workers has followed suit with the release of the [Social Work Interstate Compact Model Bill](#) on February 27, 2023.

The Counseling Compact is a tangible solution to the problem of licensure portability. All states that participate in the Compact agree to accept the licenses of counselors from other Compact states and grant them a privilege to practice in their state.

The Compact further allows the practice of telehealth in all Compact states, provides an expedited pathway to licensure when a counselor moves to another Compact state, and allows military spouses to practice using a license they designate as their home state license for the period of the spouse's active or reserve service.

As of March 2023, 17 states have enacted the legislation. Two more states have passed legislation so far, and it is likely another 10 will pass legislation during the 2023 session. The Commission should be able to start granting privileges by the end of 2023.

The American Counseling Association has long advocated for licensure portability and is proud to fund the Counseling Compact. The compact brings significant changes to practice by removing the barriers counselors face when working with clients across state lines and those military spouses face with multiple deployments and will enable the use of telehealth in all compact states. This is the most significant change to practice since all states achieved licensure and allows for continuity of care and better services for underserved populations.



Dr. Lynn E. Linde

Chief of Professional Practice
American Counseling Association



Also, notable, Congress passed the [Mental Health Access Improvement Act](#) which qualifies mental health counselors and marriage and family therapists to work with Medicare populations.

The Federal Government is demonstrating support of mental health care by increasing federal funding. Charles Ingoglia, President and CEO of the National Council for Mental Wellbeing, is heartened by the advances made in 2022. In his article [“Bravo 2022: It was a Helluva Year \(In a Good Way\),”](#) he writes that Congress’s December spending package will “have a lasting impact on treatment, access to care, and workforce issues, to name a few.”

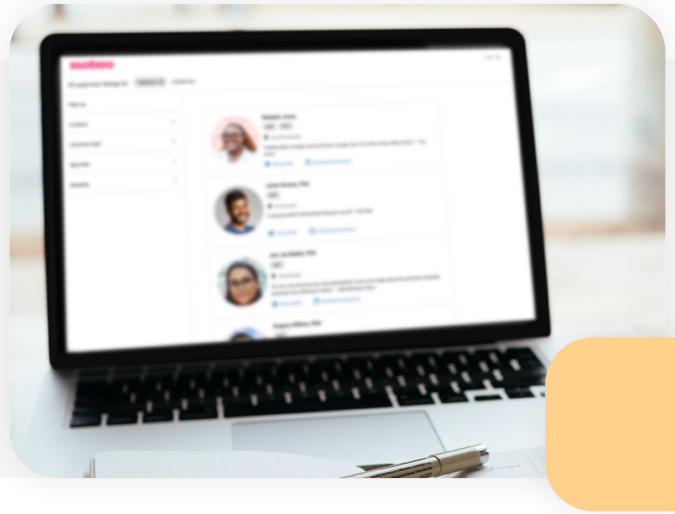
“So many worthy programs finally received the resources necessary to help people with substance use and mental health challenges—youth, people of color, veterans, people in rural communities, and more. Those resources will also help us retain workers and recruit more people to this amazing, though sometimes undervalued, field.”

Just a few of the resources:

- \$385 million (an increase of \$70 million) for SAMHSA grants to fund Certified Community Behavioral Health Clinics (CCBHCs).
- \$1.01 billion (an increase of \$150 million) for mental health block grants.
- \$111 million for Department of Education school-based mental health grants.
- \$20 million (an increase of \$10 million) for community-based mobile behavioral health crisis response teams.
- \$40 million for the Substance Use Disorder Treatment and Recovery (STAR) Loan Repayment Program to educate and train substance use disorder (SUD) professionals.



Conclusion: We Need to Get Back on Course



It would be easy to place full responsibility on the graduates for the last leg of their journey.

But by the time they get to walk the stage, they're facing:

- Student loan debt
- The obligations of adulthood, including family and bills
- Inadequate income for the next two years, at least
- Exhaustion and burnout from the demands of their graduate program combined with the other strains of the last few years

**57% do not make it to licensure after earning their master's degree.**

It's not just faulty preparation. Behavioral healthcare needs to look at how to help the next generation of mental health workers.

Legislation and policy changes are part of the answer, but the most direct, personal way to help graduates is to ensure they have access to the support they need to make it through the licensure process. A responsible, seasoned clinical supervisor can help an aspiring therapist navigate their hurdles as they transition into a career as a mental health professional.

If you're an organization that employs associate-level therapists, consider investing more in clinical supervision. Remove that barrier from them. Ensure the clinical supervision they receive is top-notch or partner with a service that can provide access to additional clinical supervisors, virtually.

If you're an LCSW, LMFT, or LMHC/LPC, consider becoming a clinical supervisor. Use your experience to provide guidance and time to help those who follow in your footsteps. You have so much to give, and we need all hands on deck to solve this important problem.

Motivo Health is helping solve the nation's behavioral health crisis by supporting therapists through the licensure process. Similar to doctors going through residency, therapists must complete two years of supervised experience following graduate school.

Historically, these hours had to be completed in person, but the rise of digital health now allows supervision to occur virtually in most states.

Motivo partners with community mental health organizations, treatment centers, digital health companies, and health plans to provide virtual access to quality, vetted clinical supervisors across all 50 states.

Learn more at motivohealth.com



Rachel Ledbetter is the CEO and Co-Founder of Motivo Health. A Licensed Marriage and Family Therapist herself, Rachel withstood a weekly two-hour commute to complete her required clinical supervision hours over the course of two years. That experience gave her a front-seat view into the geographic boundaries that preclude behavioral health professionals from serving rural areas.

When states began changing laws to allow supervision to occur virtually, Rachel was galvanized to take action.

Contact by email at rachel@motivohealth.com

Please **reach out and connect** if you would like to hear more about Motivo Health, the work we are doing, and how we may be able to assist your organization with clinical supervision right now.

We look forward to speaking with you!



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