

# Sector Profile

## Finance, Insurance, Real Estate and Rental and Leasing

### Atlantic Region

2023



#### HIGHLIGHTS

- The finance and insurance, real estate, and rental and leasing (FIRE) industry contains banking services and financial activities; insurance carriers; real estate, rental and leasing services; and lessors of non-financial assets.
- Employees in the FIRE industry have higher rates of completing a university degree (40.1%) compared to employees across all industries (29.6%). The FIRE industry also employs a slightly higher share of full-time (91.7% vs 84.3%) and permanent positions (82.8% vs 75.3%) compared to the all-industry average.
- An increasing population has been driving the GDP and employment growth in the industry. However, rising interest rates and inflation have been limiting this growth in the past year.
- FIRE employment is expected to slightly outpace the all-industry average over the next three years largely due to population growth.

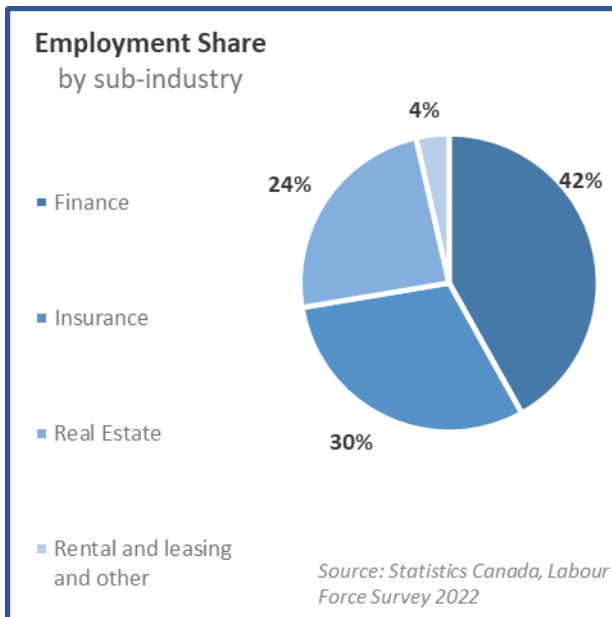
#### ABOUT THE INDUSTRY

##### Composition and Importance of the Sector

The finance and insurance, real estate, and rental and leasing (FIRE) industry contains banking services and financial investment activities (securities, stock exchanges, asset management); insurance carriers and related activities; real estate, rental and leasing services; and lessors of non-financial assets (patents, trademarks, etc.).

Finance makes up the largest share of employment in the industry. Insurance and real estate both play significant roles while rental and leasing and other plays a much smaller role in the employment of the industry.

The industry is significantly underrepresented in the Atlantic region with 4.7% of total employment coming from the FIRE industry compared to 6.9% nationwide. Real GDP in the FIRE industry grew by 1.2% from 2021 to 2022 and has an average annual growth rate of 2.1% over the past 10 years.



## Geographic Distribution of Employment

Nova Scotia has a much higher share of workers in the FIRE industry compared to the rest of the region. This is due to the fact that Halifax has positioned itself as a major insurance employment centre. Both Manulife and AXIS are expanding/filling positions in Halifax which likely contributed to the high employment in Nova Scotia.

Employment is also more concentrated in New Brunswick compared to the rest of Atlantic Canada. Population growth is the biggest driver of employment in the industry as nearly everyone requires these services in one form or another.

	Employed 2022	Industry Share (%)
Atlantic Canada	55,500	4.7%
Newfoundland and Labrador	6,700	2.9%
Prince Edward Island	2,800	3.3%
Nova Scotia	27,400	5.7%
New Brunswick	18,600	5.0%

Source: Statistics Canada, Labour Force Survey

## WORKFORCE

### Workforce Characteristics

Employees in the FIRE industry have higher rates of completing a university degree (40.1%) compared to employees across all industries (29.6%). The number of employees with university degrees grew at an average annual rate of 4.2% over the past 10 years.

The share of FIRE employees who are aged 15 to 24 is much lower, at 6.0%, relative to 13.5% across all industries. This is likely the result of the typically longer times required to obtain a university degree. However, the share of workers aged 55 years and older in the FIRE industry (23.7%) is nearly identical to the all-industry average (24.0%).

The FIRE industry has many more female employees (31,500) than male employees (24,000). The FIRE industry also employs a slightly higher share of full-time (91.7% vs 84.3%) and permanent positions (82.8% vs 75.3%) compared to the all-industry average.

### Main Occupations

Insurance agents and brokers make up the largest occupational share in the industry, at 8.7%. This is followed by financial advisors, customer service representatives, real estate agents and salespersons, and financial sales representatives.

The share of financial advisors grew by 2.7 percentage points (p.p.) from 2012 to 2022. Meanwhile, the share of customer services representatives in the FIRE industry fell by 3.6 p.p.. The increased usage rate of online banking drove the shift. All other occupational share changes within the top five occupations were insignificant.

Top 5 largest occupations	Employed 2022	% Share of Industry
Insurance agents and brokers	4,850	8.7%
Financial advisors	4,650	8.4%
Customer services representatives - financial institutions	4,175	7.5%
Real estate agents and salespersons	3,550	6.4%
Financial sales representatives	2,475	4.5%

Source: ESDC/Service Canada



## RECENT HISTORY

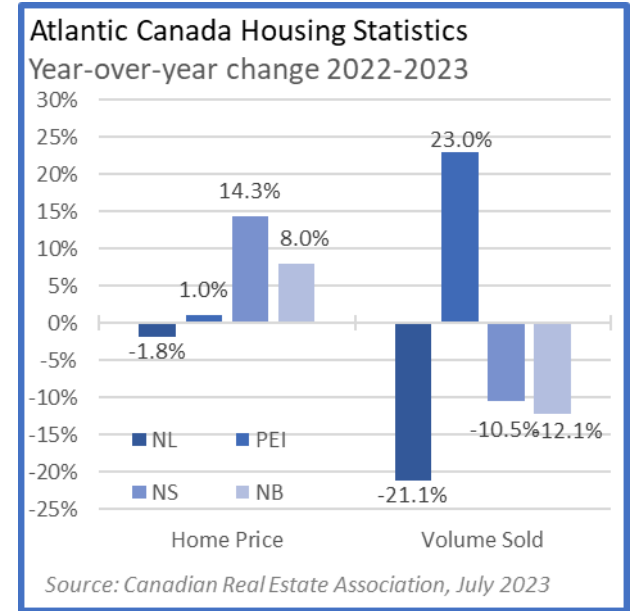
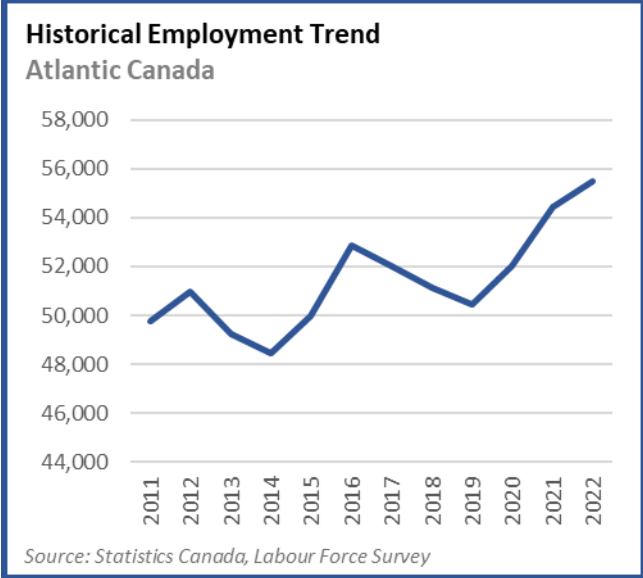
Population growth in Atlantic Canada has been a major factor in the demand for FIRE services. The rising demand for real estate, insurance products, and financing has led to employment growing steadily in the post-pandemic era. The ability to adapt and work from home also allowed the industry to remain strong both during and after the pandemic.

The rising cost of living coupled with increasing interest rates limited employment in the finance sub-industry. However, cooling inflation in recent months should allow for more loans for big-ticket purchases and increased investments/savings to flow into the industry. A similar trend was present in the real estate, and rental and leasing sub-industries.

Auto insurance claims have gone down since more people work/attend school from home. Climate change has had a major impact on the industry as the number of home insurance claims stemming from extreme weather events has grown in recent years.

Artificial intelligence (AI) played a small role in the industry. AI performed simple tasks which changed some of the tasks employees performed but was not a major factor into overall employment in the FIRE industry. Online banking and insurance products had similar effects on employment.

The real estate market continued cooling down as the volume of houses sold fell drastically in all provinces, except for Prince Edward Island, from July 2022 to 2023. The average home price slightly decreased in Newfoundland and Labrador, but rose in Prince Edward Island, Nova Scotia and New Brunswick over the same period. However, the demand for housing and rental units remains very strong as private townhouse and apartment vacancy rates remained very small with a low of 0.9% in Prince Edward Island and a high of 2.9% in Newfoundland and Labrador in October of 2022. This is largely due to the robust population growth in the region.



## OUTLOOK

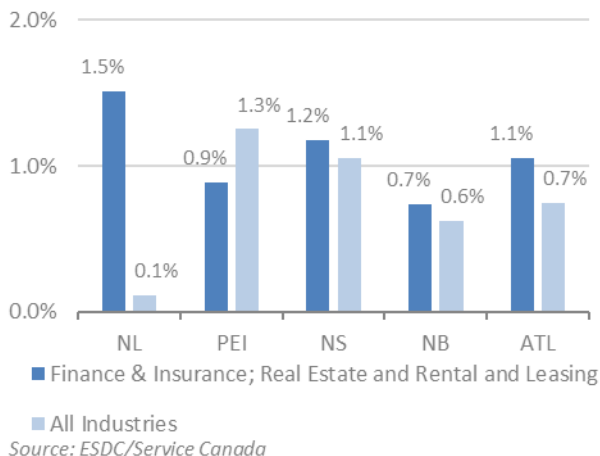
FIRE employment is expected to slightly outpace that of all industries over the next three years. Compared to the all-industry average, the FIRE growth rate is projected to be much higher in Newfoundland and Labrador, slightly lower in Prince Edward Island and slightly higher in both Nova Scotia and New Brunswick.

Population growth and the subsequent demand for finance and insurance products, real estate, and rental and leasing services drive the expected growth in the industry. Both international immigration and inter-provincial migration are causing the population gains.

Major real estate projects in the region include the Galway Housing Development in St. John's; Sherwood Crossing in Charlottetown; the Parks of Lake Charles in Dartmouth; and the Promenade Neuf Development in Dieppe.

### Projected Average Annual Employment Growth Rate (%),

Atlantic Provinces, 2023-2025



**Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

The analysis in this report was finalized as of **August, 2023**.

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## APPENDIX

## Real GDP (2022) and Employment (2022) for Atlantic Canada

	Finance, Insurance, Real Estate and Rental and Leasing			All Industries		
	Number	Share of		Number	Share of	
		Total	AAGR*		Total	AAGR*
Real GDP (M\$)	\$20,432.2	100.0%	2.1%	\$109,227.1	100.0%	1.0%
Newfoundland and Labrador	\$3,846.7	18.8%	1.6%	\$30,150.3	27.6%	0.1%
Prince Edward Island	\$1,245.6	6.1%	2.9%	\$6,542.6	6.0%	2.5%
Nova Scotia	\$9,193.6	45.0%	2.2%	\$40,011.5	36.6%	1.5%
New Brunswick	\$6,146.3	30.1%	2.1%	\$32,522.7	29.8%	1.1%
Employment (000s)	55.5	100.0%	0.9%	1175.2	100.0%	0.4%
Male	24.0	43.3%	1.2%	596.0	50.7%	0.4%
Female	31.5	56.7%	0.6%	579.2	49.3%	0.5%
15-24 years old	3.3	6.0%	-1.5%	158.7	13.5%	0.4%
25-54 years old	39.0	70.3%	1.0%	734.4	62.5%	-0.2%
55 years and older	13.1	23.7%	1.1%	282.1	24.0%	2.2%
Worked full-time	50.9	91.7%	1.2%	990.6	84.3%	0.6%
Worked part-time	4.6	8.3%	-2.3%	184.6	15.7%	-0.4%
Self-employed	7.1	12.8%	-1.0%	123.2	10.5%	-1.0%
Employees	48.4	87.2%	1.2%	1052.0	89.5%	0.6%
Permanent job	45.9	82.8%	1.4%	884.4	75.3%	1.0%
Temporary job	2.4	4.4%	-2.1%	167.6	14.3%	-1.4%
Less than high school	1.5	2.6%	-3.5%	95.5	8.1%	-3.9%
High school graduate	11.0	19.9%	-1.7%	275.3	23.4%	-0.5%
Postsecondary cert. or diploma	20.7	37.3%	-0.1%	456.3	38.8%	0.3%
University degree	22.3	40.1%	4.2%	348.2	29.6%	3.3%
Newfoundland and Labrador	6.7	12.1%	-3.3%	232.5	19.8%	-0.3%
Prince Edward Island	2.8	5.1%	0.5%	84.3	7.2%	1.5%
Nova Scotia	27.4	49.4%	2.1%	484.9	41.3%	0.6%
New Brunswick	18.6	33.5%	1.1%	373.5	31.8%	0.5%

Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01

\*Average annual growth rate for last ten years of available data (GDP 2013-22 and Employment 2013-22)

