

Sector Profile

Health Care and Social Assistance

Atlantic Region

2023



HIGHLIGHTS

- The health care and social assistance services sector is the largest sector in the Atlantic economy, employing 16.5% of all workers the region. The sector is mainly public, with provincial governments employing most of the workforce.
- Workers in the sector are generally well-educated, with over 83% having attained a post-secondary certificate. One out of every five workers are over the age of 55 and most are female (82%).
- An aging population, coupled with general population growth, has increased demand for services in this sector to an all-time high. The sector is also currently characterized by a limited supply of workers in many occupations. Employment has grown steadily in the past few years, aside from a dip in 2020 during the COVID-19 pandemic.
- Annual employment growth in this sector is expected to be 1.8% during 2022 to 2024, more than double the rate for all industries (0.4%). New Brunswick is projected to have the fastest growth rate in the next two years (+2.8%).

ABOUT THE INDUSTRY

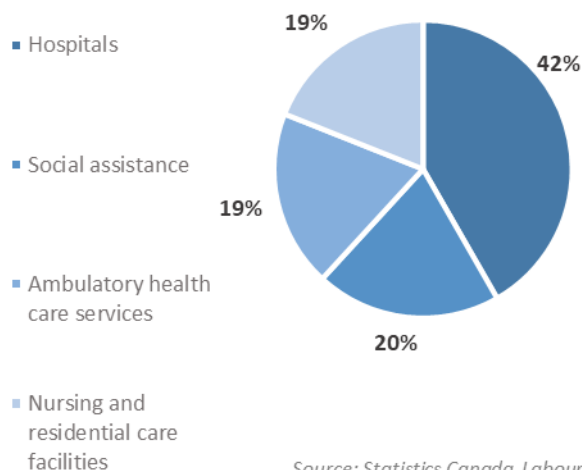
Composition and Importance of the Sector

Atlantic Canada's healthcare and social assistance sector is comprised mainly of services delivered by provincial government organizations. These services provide residents with access to healthcare as well as social assistance (such as community housing, individual and family services, and childcare). Employment-wise, the sector is the largest in every Atlantic province with the exception of New Brunswick. Sectoral gross domestic product amounted to \$10.4 billion in 2022, or 9.5% of total economic output in Atlantic Canada.

Occupations in health care and social assistance are diverse. In addition to positions related directly to patient treatment, there are also supporting occupations such as custodians, receptionists, and food workers.

In 2022, 42% of employment was based in hospitals, followed by 20% in social assistance. The remaining 38% was evenly split between nursing and residential facilities (19%) and ambulatory health care services (19%). These shares have remained largely unchanged for several years.

Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2022



Geographic Distribution of Employment

The sector employed 16.5% of Atlantic Canada's workforce in 2022, with an employment level of 193,500. Although the share of employment across sectors did drop slightly (-0.3pp), total employment surpassed the second largest sector, wholesale and retail trade, by 11,200 workers. Also, sector employment grew moderately by 4,400 workers (+2.3%) compared to 2021.

Newfoundland and Labrador has the highest concentration of employment in Health care and social assistance with 19.1% of its entire workforce employed in the sector. Employment shares in other Atlantic provinces are also high as health care remains the highest expenditure component on provincial budgets.

	Employed 2022	Industry Share (%)
Atlantic Canada	193,500	16.5%
Newfoundland and Labrador	44,500	19.1%
Prince Edward Island	12,000	14.3%
Nova Scotia	79,600	16.4%
New Brunswick	57,400	15.4%

Source: Statistics Canada, Labour Force Survey

WORKFORCE

Workforce Characteristics

Workers in the health care and social assistance sector tend to be well-educated, as several years of post-secondary education is required to work as a physician or in professional nursing occupations. In 2022, only 3.1% of workers in the sector did not have a high school diploma, while 83.3% had at least a post-secondary certificate— well above the average share (68.4%) for all workers in Atlantic Canada. Furthermore, 13.1% of those employed in this sector have earned a degree above the bachelor's level, likely driven by highly specialized occupations in health care.

Females accounted for 82.0% of employment in 2022, narrowing the gender gap slightly by 0.6 percentage points compared to 2021. This gap can be widely attributed to the nursing profession; of the 57,600 nurses representing 30% of the sector's workforce in 2022, females outnumbered males by a ratio of nine to one. Workers in this sector are similarly aged to the Atlantic workforce with some minor contrasts. Those aged under 25 accounted for 8.4% of the total in the sector, compared to 13.5% for all-industries. Those over the age of 65 amounted to 3.7% of the sector's employment base, compared to 5.4% for the Atlantic labour force as a whole. This trend may be due in part to the educational requirements and the propensity for earlier retirements among workers in this sector. There is a higher prevalence of workers aged between 30 and 44 (35.9%) in this industry relative to the all-industry average (30.8%).

Main Occupations

The largest occupations in this sector are related to nursing, with registered nurses and registered psychiatric nurses accounting for an estimated 27,250 workers (14.1%) and nurse aides, orderlies and patient service associates comprising another 23,775 (12.3%). Collectively, nursing occupations represented almost one third of employment in this sector in 2022 (32.1%).

Early childhood educators (ECE's) comprise a significant share of employment in health care and social assistance. In 2022, they accounted for 6.5% of employment, amounting to an estimated 12,600 workers. Despite employment growth, nurses and ECE's are two occupations that are currently experiencing both recruitment and retainment challenges.

Top 5 largest occupations	Employed 2022	% Share of Industry
Registered nurses and registered psychiatric nurses	27,250	14.1%
Nurse aides, orderlies and patient service associates	23,775	12.3%
Early childhood educators and assistants	12,600	6.5%
Home support workers, caregivers and related occupations	9,700	5.0%
Licensed practical nurses	8,050	4.2%

Source: ESDC/Service Canada



RECENT HISTORY

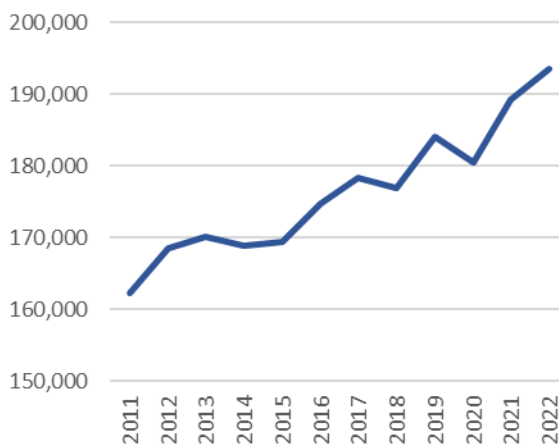
The long-term aging of the population, as well as a significant increase in population growth in recent years, has contributed to the growing demand for health care and social assistance services in the Atlantic region. Employment grew by 2.2% in 2022, adding 4,200 jobs to the employment base. This was nevertheless a slowdown from the 4.9% (+8,800) growth rate posted in 2021 and the 3.6% pace seen in the Atlantic region's labour market as a whole. Employment levels in 2022 were 5.2% higher than pre-pandemic levels in 2019.

At the provincial level, Prince Edward Island posted the fastest job growth in health care and social assistance, at 6.2% in 2022. Nova Scotia and Newfoundland and Labrador added 1,400 workers each, accounting for two-thirds of the Atlantic region's total employment growth. With the exception of 2020, employment growth in this sector remained solid throughout the COVID-19 pandemic.

In spite of the recent upward trajectory in employment, this sector faces a variety of labour challenges. The leading issue for large employers such as provincial health authorities is recruitment and retention, as the number of vacant positions persistently exceeds the supply of qualified labour. During the past seven years, the pool of available workers in the sector has fluctuated between 4,000 and 6,000 workers. In comparison, job vacancies have risen from less than 6,000 between 2015 and 2019 to a record high of over 10,000 for much of 2022. As a result, the unemployment to job vacancy ratio fell below 1 across the region in 2022. The ratio was lowest in Nova Scotia and New Brunswick, at 0.4.

Issues with recruitment and retention can be partially attributed to job burnout, which became more prevalent in health care and early childhood education during the COVID-19 pandemic. This has prompted some workers to leave the sector or pursue opportunities outside the region, where work arrangements are more favourable. Staffing shortages compounded by departures, in turn, have contributed to worker burnout as remaining workers assume greater workloads. Provincial governments and health authorities have responded with a variety of strategies, such as contracting privately employed travel nurses, streamlining licensing processes for health professionals from other jurisdictions, and offering pay increases and bonuses.

Historical Employment Trend
Atlantic Canada



Source: Statistics Canada, Labour Force Survey

As provincial governments have increased efforts to address staffing shortages in health care, expenditures have increased significantly. In 2022, total health care spending in Atlantic Canada amounted to \$15.2B, up 6.3% from the previous year (+\$907M) and \$4.5B from 2012. Amongst the Atlantic provinces, Nova Scotia had the largest increase in health care expenditures in 2022, at 9.3%.

Over \$5.7B in investment is estimated to be allocated towards new and ongoing capital projects for health care services in 2022 across Atlantic Canada. Major projects planned for the coming years include: a \$40.5M emergency department in St. John's; \$210M for heart-care services in Cape Breton which is expected to break ground in 2023; and a \$24.9M youth treatment centre in Moncton slated for completion by 2026.

In 2021, all provinces signed the federal-provincial agreement for child care, which aims to reduce parent fees to \$10 per day by 2026. As of late 2022, fees were reduced by 50% across the region, to approximately \$20 per day in most provinces. Amid the implementation of these changes, the population of children aged 0 to 4 has been growing at a moderate pace (0.4% in 2022). The net result of these circumstances has been excess demand for child care as stakeholders try to increase the number of spaces while contending with a shortage of ECEs.



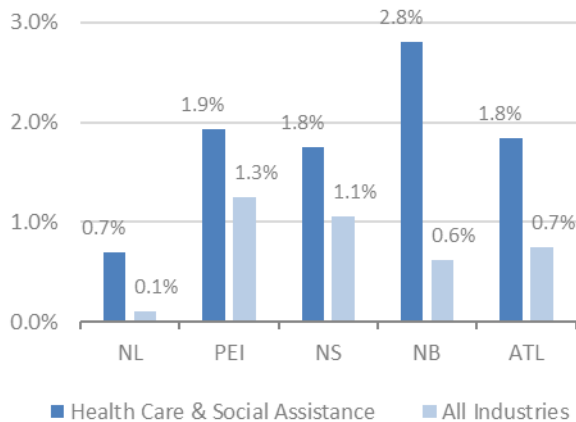
OUTLOOK

Employment growth in health care and social assistance services is projected to average 1.8% over the next two years, outpacing overall employment growth by 1.1 percentage points. Employment is expected to grow in all Atlantic provinces, led by New Brunswick, with an average annual rate of 2.8%. Sectoral job growth is anticipated to outpace the all-industry rate in all four Atlantic provinces.

Much of this projected growth can be attributed to the aging population in the region, which is driving demand for health care services. Excess demand, combined with a large number of vacancies, present an upside risk to the employment growth projections. This is contingent on the success of health care recruitment initiatives, however. Additionally, lower child care fees through the Canada-wide Early Learning and Child Care Plan is expected to result in higher demand for these services, necessitating the creation of additional child care spaces and associated staffing increases. While many child care organizations have struggled with a shortage of early childhood educators, planned wage increases for the occupation should improve the supply of workers and contribute to employment growth in the sector.

In February 2023, the federal government announced \$196.1B in funding over the next decade for health care services, including an additional \$46.2B to help improve infrastructure, health care access, and worker support. This equates to a total of \$12.1B for the Atlantic provinces, with the lion's share (\$5B) being allocated to Nova Scotia (41.3%). The additional federal transfer amounts should provide some much needed flexibility for constrained provincial budgets, which should in turn improve recruitment and retention rates.

Projected Average Annual Employment Growth Rate (%), Atlantic Provinces, 2023-2025



Source: ESDC/Service Canada

Demand for services provided by the health care and social assistance sector shows no signs of declining during the forecast period. Labour supply is expected to be the main constraint on growth. As governments continue to focus on improving recruitment and retention efforts in health care and social assistance, employment growth is projected to remain robust. Nonetheless, unmet demand and large numbers of vacancies are expected to persist.

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 **September, 2023**.

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APPENDIX

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

	Health Care and Social Assistance			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$10,392.4	100.0%	1.3%	\$109,227.1	100.0%	1.0%
Newfoundland and Labrador	\$2,513.1	24.2%	1.1%	\$30,150.3	27.6%	0.1%
Prince Edward Island	\$646.3	6.2%	2.1%	\$6,542.6	6.0%	2.5%
Nova Scotia	\$4,092.0	39.4%	1.4%	\$40,011.5	36.6%	1.5%
New Brunswick	\$3,141.0	30.2%	1.2%	\$32,522.7	29.8%	1.1%
Employment (000s)	193.5	100.0%	1.4%	1175.2	100.0%	0.4%
Male	34.9	18.0%	2.5%	596.0	50.7%	0.4%
Female	158.6	82.0%	1.2%	579.2	49.3%	0.5%
15-24 years old	16.3	8.4%	2.9%	158.7	13.5%	0.4%
25-54 years old	137.5	71.1%	1.2%	734.4	62.5%	-0.2%
55 years and older	39.7	20.5%	1.5%	282.1	24.0%	2.2%
Worked full-time	164.6	85.1%	1.7%	990.6	84.3%	0.6%
Worked part-time	28.9	14.9%	-0.3%	184.6	15.7%	-0.4%
Self-employed	15.7	8.1%	1.0%	123.2	10.5%	-1.0%
Employees	177.8	91.9%	1.4%	1052.0	89.5%	0.6%
Permanent job	154.0	79.6%	1.5%	884.4	75.3%	1.0%
Temporary job	23.8	12.3%	0.8%	167.6	14.3%	-1.4%
Less than high school	6.0	3.1%	-4.0%	95.5	8.1%	-3.9%
High school graduate	26.4	13.7%	0.4%	275.3	23.4%	-0.5%
Postsecondary cert. or diploma	86.5	44.7%	0.2%	456.3	38.8%	0.3%
University degree	74.6	38.6%	4.3%	348.2	29.6%	3.3%
Newfoundland and Labrador	44.5	23.0%	1.5%	232.5	19.8%	-0.3%
Prince Edward Island	12.0	6.2%	2.3%	84.3	7.2%	1.5%
Nova Scotia	79.6	41.2%	1.6%	484.9	41.3%	0.6%
New Brunswick	57.4	29.7%	0.8%	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)

