

# Sector Profile

## Finance, Insurance, Real Estate and Rental and Leasing Atlantic Region 2024

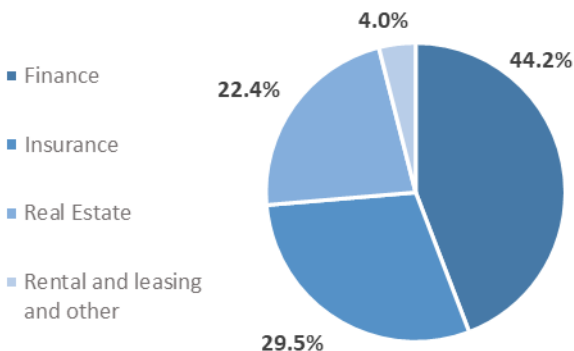


### HIGHLIGHTS

- Finance, Insurance, Real Estate and Rental and Leasing (FIRE) provides services to households and the broader business community and as such is heavily tied to population size and the overall health of the regional economy.
- The industry is comprised of banking services and financial investment activities; insurance carriers and related activities; real estate, rental and leasing services; and lessors of non-financial assets.
- Employees in the FIRE industry have much higher rates of university completion (42.0%) and female representation (57.3%), when compared to all-industry averages (30.4% and 49.3% respectively).
- An increasing population has been the main driving force behind FIRE GDP and employment growth. Cooling inflation also led to some growth in big-ticket purchases over the last year but was limited by rising interest rates.
- FIRE employment is projected to slightly outpace the all-industry average between 2024 and 2026.

### ABOUT THE INDUSTRY

#### Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2023

#### 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 (44%) makes up the largest share of industry employment, while insurance (30%) and real estate (22%) both play significant roles. Rental and leasing and other (4%) accounts for a much smaller share of overall employment. The FIRE industry's main employment drivers are population growth and a broadly healthy economy as the industry provides support services to most other industries.

FIRE activities are significantly underrepresented in the Atlantic region, accounting for only 5.0% of total employment, compared to 6.9% throughout Canada, as a whole.



Real GDP in the industry grew 1.3% from 2022 to 2023, compared to 1.1% nationwide, and has an average annual growth rate of 1.8% over the past 10 years.

### Geographic Distribution of Employment

Nova Scotia (N.S.) leads all Atlantic provinces in terms of the relative contribution of its FIRE industry to overall employment. This is due to Halifax positioning itself as a major insurance employment centre with Manulife and AXIS both growing in the region. FIRE accounts for 7.9% of the Halifax economic region's workforce.

New Brunswick (N.B.) also exceeds the regional average, while Prince Edward Island (P.E.I.) falls somewhat below. Newfoundland and Labrador (N.L.) lags the other Atlantic provinces by a significant margin.

	Employed 2023	Industry Share (%)
Atlantic Canada	60,400	5.0%
Newfoundland and Labrador	7,100	3.0%
Prince Edward Island	3,700	4.2%
Nova Scotia	29,500	5.9%
New Brunswick	20,100	5.2%

Source: Statistics Canada, Labour Force Survey

## WORKFORCE

### Workforce Characteristics

Employees in the FIRE industry have much higher rates of university degree completion (42.0%) compared to employees across all industries (30.4%). The share of employees with a university degree has been growing at more than double the average annual rate of all FIRE employees over the last 10 years (4.6% vs 2.2%). The share of FIRE employees who are aged 15 to 24 is much lower, at 4.0%, relative to 13.4% across all industries. This is consistent with the fact that many in this age range would not yet have had the time to complete a university degree. The share of workers aged 55 years and older in the FIRE industry (23.8%) is nearly identical to the all-industry average (23.4%).

The FIRE industry has a much higher share of female employees (57.3%) compared to all industries (49.3%). The industry also employs a slightly higher share of full-time (91.4% vs 83.9%) and permanent positions (83.1% vs 76.3%) compared to the all-industry average. The industry employs a large share of immigrants (10.1% vs 6.5% for all industries), according to the 2021 census.

### Main Occupations

On an occupational basis, insurance agents and brokers account for the largest share of FIRE industry employment, at 9.2%. This is followed by financial advisors, customer service representatives, real estate agents and salespersons, and banking, credit and other investment managers.

These occupations generally require individuals to have some of the following: a post-secondary degree, license(s), a professional designation, and on-the-job training. Employees in these jobs are generally employed by banks, investment firms, insurance companies, and property owners.

<b>Top 5 largest occupations</b>	Employed 2023	% Share of Industry
Insurance agents and brokers	5,550	9.2%
Financial advisors	5,400	9.0%
Customer services representatives - financial institutions	4,150	6.9%
Real estate agents and salespersons	3,525	5.8%
Banking, credit and other investment managers	2,750	4.6%

Source: ESDC/Service Canada



The share of financial advisors grew by 2.1 percentage points (p.p.) from 2013 to 2023. Banking, credit and other investment managers (+1.5 p.p.), and insurance agents and brokers (+1.0 p.p.) also grew by significant amounts, while customer service representatives (-4.3 p.p.) fell sharply, as an increasing number of customers completed transactions online. Real estate agents and salespersons also declined by 0.8 p.p.

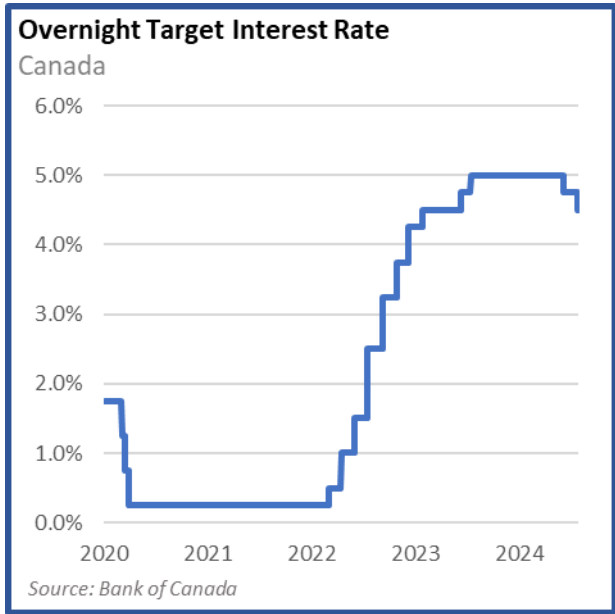
## RECENT HISTORY

Employment in the FIRE industry has been climbing steadily since 2019, including a substantial increase (+4,900) from 2022 to 2023. The average annual employment growth rate for the last 10 years is nearly triple that of the region’s all-industry average (2.2% vs 0.8%). Population growth and the subsequent demand for finance and insurance products, real estate, and rental and leasing services is a main driver of the employment growth. The Royal Bank of Canada increased its Bedford, N.S. workforce by 850 and is also expanding in Halifax, N.S. and these activities also played a role.

Climate change and cybersecurity policies have been major trends in the insurance industry as claims from major weather events and cyber-attacks have grown in recent years. A labour shortage for insurance brokerages is a major industry concern because of the strong demand for insurance products.

Large investments are being made in data-driven delivery practices for the finance and insurance sub-industries. This, coupled with the increased use of online banking and insurance services, should improve the efficiency of workers, and mitigate some concerns stemming from a labour shortage. Artificial Intelligence is not currently playing a significant role in the industry but will likely improve the productivity of workers and change some tasks for employees.

Interest rates have fluctuated greatly since 2020. Between early 2020 and March 2022, the Bank of Canada dropped its overnight target interest rate from 1.75% to a record low of 0.25%. In the face of mounting inflationary pressures, the Bank then steadily increased the rate to 5.0%. This ultimately increased the cost of borrowing, which in turn reduced the demand for finance and real estate services. The overnight target interest rate has since fallen to 4.5% and with further reductions anticipated, the expectation is that the number of loans for big ticket items should once again increase, bringing more activity to finance and real estate services. Employment and revenues should remain stable in the FIRE industry as a result.



The rising cost of borrowing from elevated interest rates, and limited housing supply have constrained growth in the real estate sub-industry. However, rising rents stemming from a lack of available housing has led to more revenues in the rental and leasing sub-industry.

New housing prices in June 2024 are unchanged since June 2022 but have increased by 0.3% since March 2023. Despite the flat home prices observed over the last two years, new housing prices have increased by 15.1% from June 2020 to 2024 in Atlantic Canada. Rising home prices led to increased revenues in the real estate and rental and leasing sub-industries. Finance and insurance also saw increases through higher costs for mortgages and home insurance.

## OUTLOOK

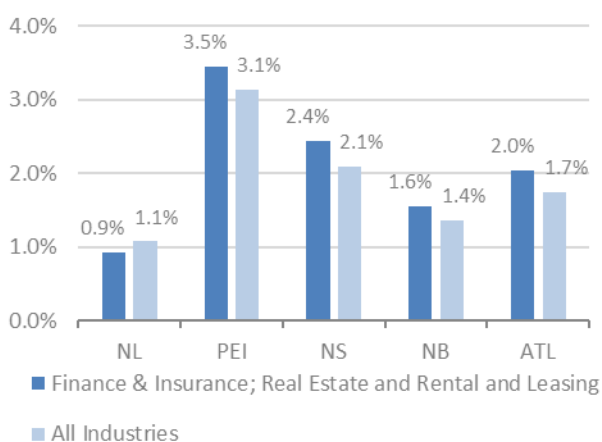
While FIRE employment is projected to slightly outpace the all-industry rate from 2024 to 2026, province-by-province rates are nearly identical, as the FIRE industry is closely tied to the health of the economy. The FIRE growth rate is expected to be slightly lower in N.L., and slightly higher in P.E.I., N.S., and N.B.

Population growth and the subsequent demand for services offered by FIRE industry participants will drive industry growth. An expected increase in residential housing due to an increasing population and government incentives should increase employment in the industry over the next several years.

Major real estate projects across the region include the Bristolwood Subdivision in St. John's, N.L.; Foxwoods Subdivision in Stratford, P.E.I.; The Parks of West Bedford in Bedford, N.S.; and the Fox Creek Development in Dieppe, N.B.

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

Atlantic Provinces, 2024-2026



Source: ESDC/Service Canada

**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, 2024**.

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## APPENDIX

## Real GDP (2023) and Employment (2023) for Atlantic Canada

Finance, Insurance, Real Estate and  
Rental and Leasing

## All Industries

	Share of			Share of		
	Number	Total	AAGR*	Number	Total	AAGR*
Real GDP (M\$)	\$21,750.1	100.0%	1.8%	\$114,774.4	100.0%	0.9%
Newfoundland and Labrador	\$4,099.3	18.8%	0.9%	\$28,950.2	25.2%	-0.5%
Prince Edward Island	\$1,352.3	6.2%	2.9%	\$7,267.1	6.3%	2.5%
Nova Scotia	\$9,773.4	44.9%	2.1%	\$43,765.1	38.1%	1.5%
New Brunswick	\$6,525.1	30.0%	1.8%	\$34,792.0	30.3%	1.1%
Employment (000s)	60.4	100.0%	2.2%	1210.0	100.0%	0.8%
Male	25.8	42.7%	2.3%	613.0	50.7%	0.8%
Female	34.6	57.3%	2.2%	597.0	49.3%	0.8%
15-24 years old	2.4	4.0%	0.2%	161.8	13.4%	0.8%
25-54 years old	43.6	72.1%	2.4%	765.4	63.3%	0.5%
55 years and older	14.4	23.8%	2.0%	282.7	23.4%	1.6%
Worked full-time	55.2	91.4%	2.7%	1015.6	83.9%	0.9%
Worked part-time	5.2	8.6%	-1.6%	194.4	16.1%	0.2%
Self-employed	8.2	13.6%	-1.0%	124.5	10.3%	-0.7%
Employees	52.2	86.4%	2.9%	1085.4	89.7%	1.0%
Permanent job	50.2	83.1%	3.1%	923.3	76.3%	1.4%
Temporary job	2.0	3.3%	-2.3%	162.1	13.4%	-1.1%
Less than high school	1.0	1.6%	-2.4%	92.1	7.6%	-2.6%
High school graduate	12.4	20.6%	0.6%	284.9	23.5%	-0.4%
Postsecondary cert. or diploma	21.6	35.8%	1.1%	465.0	38.4%	0.6%
University degree	25.4	42.0%	4.6%	367.9	30.4%	3.3%
Newfoundland and Labrador	7.1	11.8%	-2.5%	236.8	19.6%	-0.1%
Prince Edward Island	3.7	6.2%	4.0%	89.0	7.4%	2.0%
Nova Scotia	29.5	48.8%	3.2%	497.8	41.1%	1.1%
New Brunswick	20.1	33.3%	2.8%	386.5	31.9%	0.8%

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 2014-23 and Employment 2014-23)

