



Sectoral Profile

Health Care and Social Assistance

Atlantic Region

2018



KEY HIGHLIGHTS

- Rising costs, budget constraints, and growing demand for services have placed pressure on the health care and social assistance industry in Atlantic Canada to find innovative solutions to modernize its services and address its human resource challenges.
- The health care and social assistance industry accounted for 16% of Atlantic Canada's total employment in 2018, higher than the national figure of 13%.¹
- Health care and social assistance is the second largest industry in Atlantic Canada, next only to wholesale and retail trade. Since 1980, employment in the industry has been growing at a pace of 2.2%, more than double the average rate across all industries.
- Employment growth has slowed in recent years in response to provincial budget restraints. Accordingly, expectations for the near term are for a more modest expansion of 0.7% per year on average between 2018 and 2020. The majority of jobs created over this forecast period are expected to be concentrated in Nova Scotia and New Brunswick, while Prince Edward Island will have the highest annual rate of employment growth (1.2%).
- The Newfoundland and Labrador labour market is expected to shed a substantial number of jobs between 2018 and 2020 due to the winding down of major construction projects, and fiscal challenges faced by the provincial government. Despite rising needs for health services, employment growth in health care and social assistance will be somewhat restrained as government revenues are impacted.

INDUSTRY PROFILE

¹Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000)

With 178,500 people employed in 2018, health care and social assistance is the second largest employing industry in Atlantic Canada. Wholesale and retail trade has employed the greatest number of persons historically in the region, but health care and social assistance employment growth rates since 1980 have consistently exceeded those of wholesale and retail trade and have the industry poised to be the leading employer in the near future.

Health care and social assistance consists of four subindustries, three of which comprise health care. In Atlantic Canada, the health care subindustry represented 80.2% of the overall industry's employment in 2016 while social assistance accounted for the remaining 19.8%. Health care includes the separate subindustries of hospitals (34.7% of health care and social assistance employment), ambulatory services which includes offices of physicians and dentists, as well as other outpatient care centres (25.2%), and nursing and residential care facilities (20.4%).

Table One Employed Labour Force - Health Care and Social Assistance Atlantic Canada and Canada		
	Atlantic	Canada
Health care and social assistance	100%	100%
Ambulatory health care services	25.2%	30.3%
Offices of other health practitioners	6.1%	7.4%
Offices of physicians	5.3%	7.4%
Home health care services	4.4%	2.6%
Offices of dentists	3.8%	5.5%
Out-patient care centres	2.6%	4.4%
Other ambulatory health care services	2.1%	1.4%
Medical and diagnostic laboratories	0.9%	1.6%
Hospitals	34.7%	31.9%
Nursing and residential care facilities	20.4%	17.4%
Social assistance	19.8%	20.4%
Individual and family services	10.0%	8.0%
Child day-care services	8.2%	10.7%
Vocational rehabilitation services	1.1%	1.0%
Community food and housing, and emergency and other relief services	0.5%	0.6%

Source: Statistics Canada, 2016 Census of Canada, Table 98-400-X2016290

Health care and social assistance has utilized the services of volunteers to a considerable degree relative to other industries. Both Nova Scotia and Prince Edward Island enjoy high volunteer rates overall, surpassed only by Saskatchewan and Manitoba in 2013.²

Health spending in the Atlantic Provinces amounted to \$17.1 billion in 2018. Hospitals accounted for 33% of the total in that year, while 12.3% was spent on other institutions such as nursing homes or facilities for people with physical or mental impairments. Physicians in private practice represented 13% of spending, while 8.5% was related to other professionals such as dental hygienists and optometrists. Spending on administration, facilities and equipment, drugs and other public health categories accounted for roughly one-third of health expenditures. In recent years, a rising proportion of total health spending has gone to private physicians,

² Statistics Canada. Table 45-10-0012-01 Volunteer rate and average annual volunteer hours, by age group

research, food and drug safety, and administration. In the 1980s and 1990s, hospitals accounted for 45% of the total.³

Health care and social assistance accounted for 8.6% of the Atlantic Region's Gross Domestic Product (GDP) in 2017, behind real estate, rental and leasing (13.3%), wholesale and retail trade (10.8%), mining, quarrying, and oil and gas extraction (10.5%), and public administration (9.9%).

Employment growth in the health care industry has been driven by a rising demand for health care services from an increasingly older population. In 2018, the Atlantic Provinces had the highest proportion of the population aged 65 years or older (20.5%) of any other province in Canada.⁴ The segment of the population aged 65 years and over is expected to comprise 30% of the total population by 2033, more than doubling the number of people currently in this age group. This should significantly increase the need for health care workers.

Until 2010, health care employment was increasing at a faster rate than was the population aged 65 and over. However, since 2010, the reverse has been true. The number of seniors in the Atlantic Region has risen by an average of 3.7% per year while health care and social assistance employment has increased by just 0.8% annually.

Health care and social assistance employees are predominantly female (83% in the Atlantic Region and 82% nationally in 2018).⁵ The proportion of women employed in this industry has remained relatively stable. Like the general population, those who work in health care and social assistance are aging. In 2018, 21.7% of workers in this industry in Atlantic Canada were aged 55 years or over, similar to the national proportion of 21.3%. In 1987, just 8.4% of Atlantic health care and social assistance workers were 55 years of age or older while 17.4% were between the ages of 15 and 24 years. In 2018, however, younger workers (aged 15-24 years) comprised only 8.2% of health care and social assistance employees in Atlantic Canada.

RECENT HISTORY

An aging population and higher rates of chronic disease have emphasized the need to maintain and continue to develop the capacity to respond to Canadians' needs. Recent reforms to address challenges have included an escalation in the number of community primary health care centres with 24-hour on-call services as well as an expanded promotion of the prevention of illness and injury. In addition, health care technologies such as electronic health records are improving access to services, patient safety, quality of care, and productivity.

Efforts are also being made to improve acute-care wait times by provincial and territorial governments: more health professionals are being trained and hired, an enhanced focus on clearing patient backlogs, and the expansion of ambulatory and community-care programs.⁶

A global shortage of skilled health care providers has countries struggling and competing to develop and maintain a stable, adequate workforce. A sufficient number of health care providers will need to be educated

³ Canadian Institute for Health Information

⁴ Statistics Canada. *Table 17-10-0005-01 - Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual*

⁵ Statistics Canada. *CANSIM Table 14-10-0023-01 - Labour force survey estimates (LFS) by sex and age, employment by North American Industry Classification System (NAICS)*

⁶ Health Canada. *Canada's Health Care System*. 2011.

to meet the population's health needs and opportunities should be provided for skilled immigrants who choose to make their home in Canada.⁷

The Canada Health Transfer is the largest major transfer to provinces and territories, and supports the principles of the *Canada Health Act* of universality, comprehensiveness, portability, accessibility, and public administration.⁸ Beginning in 2017, annual increases in the Canada Health Transfer have been determined by nominal growth in gross domestic product (or a minimum increase of 3%) rather than the annual 6% increase the provinces enjoyed since 2004. The impact of a reduction in the annual top-up is not expected to be borne equally by each province. It is anticipated that a greater burden will be placed on provinces with high debt and with aging populations. As stated in the previous section, the Atlantic region has the highest proportion of elderly persons of any other region in Canada, and Newfoundland and Labrador has the highest debt-to-GDP and debt-per-capita ratios in Canada.⁹ With this in mind, the changes in the Canada Health Transfer during this period of prevailing fiscal restraint have tempered the employment projections presented in the next section.

In late 2016, New Brunswick, Nova Scotia, and Newfoundland and Labrador secured additional funding in bilateral deals with the federal government for home care and mental health services over the next decade. Prince Edward Island opted to wait for other provinces to negotiate deals before initiating negotiations but in January 2017 signed on to Ottawa's health-care deal as well, allowing the province to access federal dollars for home care and mental health.

EXPECTED OUTLOOK

Moderate employment growth is expected for the health care and social assistance industry in Atlantic Canada over the next couple of years. While the region's overall employment level is anticipated to remain at 2017 levels for the next few years, health care and social assistance employment is projected to increase by 0.7% over the 2018 - 2020 forecast period, with no near-term expectations of a return to the 3% annual employment growth experienced between 2000 and 2011.

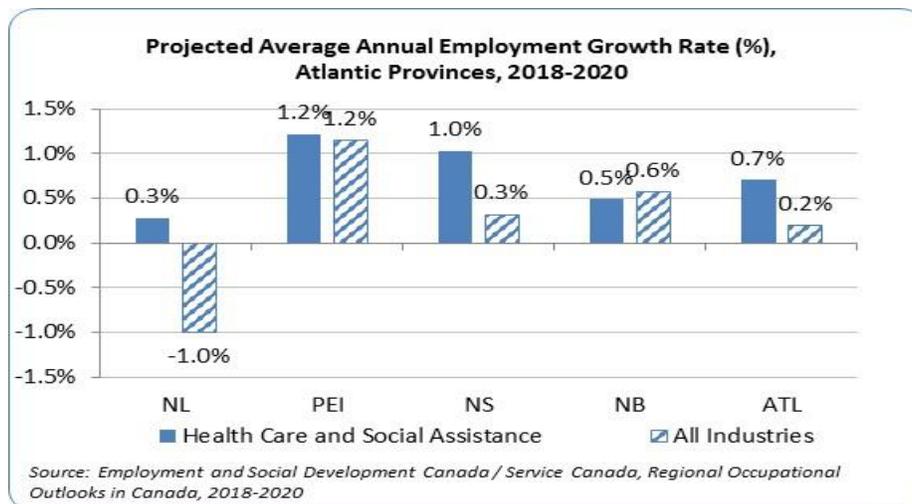
In recent years, Newfoundland and Labrador has seen a reduction in activity related to major construction projects, as well as mining and oil and gas. The result has been a negative impact on the economy and on the province's fiscal position. The anticipated fiscal restraint will likely limit spending within the health care and social assistance industry. The three remaining Atlantic Provinces anticipate employment increases between 0.5% and 1.2% in the industry. Forecasted average annual employment growth rates in the health care and social assistance industry for each Atlantic province are presented in the chart below.

⁷ Health Canada. *How Many Are Enough? Redefining Self-Sufficiency for the Health Workforce - A Discussion Paper*. 2009.

⁸ Department of Finance, Canada/*Topics/Canada Health Transfer*

⁹ Royal Bank of Canada (RBC) Economic Reports : December 6, 2016

http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/prov_fiscal.pdf



The strongest growth in health care and social assistance employment will be in Nova Scotia and Prince Edward Island. In Newfoundland and Labrador, employment in the industry is expected to expand by just 0.3% over the forecast period, the lowest in Atlantic Canada.

As discussed earlier in this document, the population aged 65 and over in the Atlantic Region has risen by an average of 3.7% per year between 2010 and 2018, while health care and social assistance employment has been increasing by just 0.8% annually. Over the 2018-2020 period, employment growth is expected to slow to 0.7% annually. The 65 and older segment of the population is also projected to slow its pace of expansion to 2.3% annually over these three years.¹⁰

SUB-REGIONAL DYNAMICS

Newfoundland and Labrador

- A decline in the overall employment level is anticipated for Newfoundland and Labrador over the 2018-2020 forecast period. Despite rising demand from an aging population, health care employment is expected to rise by just 0.3 percent annually, primarily due to planned fiscal restraints.
- During 2018, Newfoundland and Labrador accounted for 22% of Atlantic employment in the health care and social assistance industry. The province has the lowest proportion of older workers aged 55 and over (18%) and the highest proportion of workers of prime working age (aged 25-54) in the region, at 75%. Additionally, it has the highest proportion of employment in the industry in hospitals (50%).

Prince Edward Island

- In Prince Edward Island, health care and social assistance in 2018 accounted for 13.8% of total employment in the province and 9.1% of provincial GDP in 2017. Canada's smallest province has displayed the highest employment growth rate for the industry among the four Atlantic provinces since 2008; it has grown at an average annual rate of 2.1% over the last ten years while the overall employment level including all industries in the province has risen by 1.0% per year. This province's

¹⁰ Statistics Canada CANSIM: Table 17-10-0057-01 - Projected population, by projection scenario, age and sex, as of July 1

status as leader in employment growth in the Atlantic health care and social assistance industry was maintained in the 2018–2020 forecast, although slower growth is expected for all four provinces.

- A bilateral \$1.1 million agreement between the Government of Canada and the Government of Prince Edward Island under the Emergency Treatment Fund announced in the federal Budget of 2018 will help reduce gaps in access to services. This agreement will also build on existing treatment capacities for those receiving treatment for opioid-related substance use as well as enhance the province's telehealth capacity.

Nova Scotia

- Nova Scotia accounted for 38% of Atlantic employment in the health care and social assistance industry in 2018.
- Employment increases in health care and social assistance are expected to be fairly broad across the industry in Nova Scotia over the next few years, with increases expected for hospitals, nursing and residential care facilities as well as social assistance.
- In the interest of improving service delivery, Nova Scotia is in the process of adopting a collaborative care model where patients and their families will be recognized as coordinators of their own care, accepting support from professional staff as needed during a hospital stay.
- Nova Scotia launched a pre-primary program for four-year-olds in September of 2017. Initially, 2,300 children were enrolled but the program is expected to be available throughout the province in 2019. Since the program targets only one age group and only operates during school hours, it is not a substitute for day care. Regardless, it is likely that impacts on day-care revenues and staff retention will emerge. Early childhood educators (ECE) are in short supply and the school-based pre-primary industry funded by government is more attractive to workers because of greater compensation, access to health benefits and pensions.¹¹

New Brunswick

- New Brunswick accounted for 34% of health care and social assistance employment in Atlantic Canada in 2018. The industry has expanded its employment level by 48.5% since the year 2000, adding almost 20,000 jobs by 2018. Employment growth in the industry faltered in 2014 and 2015 but rebounded again in 2016 followed by additional employment gains in both 2017 and 2018.
- The New Brunswick Department of Health recently announced plans to develop a team approach for family doctors, to combine three health care programs under the management of a not-for-profit firm, and to introduce community-based paramedicine into the existing community care team.

¹¹ Canadian Centre for Policy Alternatives “Unappreciated and underpaid” Early Childhood Educators in Nova Scotia January 2019

APPENDIX

Table Two
Real GDP (2017) and Employment (2018) for Atlantic Canada

	Health Care and Social Assistance			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$9,376.6	100.0%	1.2%	\$103,262.4	100.0%	0.4%
Newfoundland and Labrador	\$2,247.8	24.0%	1.3%	\$31,585.2	30.6%	-0.3%
Prince Edward Island	\$548.1	5.8%	1.1%	\$5,540.0	5.4%	1.5%
Nova Scotia	\$3,762.5	40.1%	1.5%	\$35,955.4	34.8%	0.8%
New Brunswick	\$2,818.2	30.1%	0.7%	\$30,181.8	29.2%	0.4%
Employment (000s)	178.5	100.0%	1.4%	1111.0	100.0%	0.1%
Male	30.6	17.1%	1.1%	562.8	50.7%	0.1%
Female	147.9	82.9%	1.5%	548.2	49.3%	0.1%
15-24 years old	14.7	8.2%	2.7%	143.3	12.9%	-1.4%
25-54 years old	125.1	70.1%	0.7%	709.4	63.9%	-0.7%
55 years and older	38.7	21.7%	3.6%	258.3	23.2%	3.7%
Worked full-time	150.0	84.0%	1.5%	930.8	83.8%	0.1%
Worked part-time	28.5	16.0%	0.8%	180.2	16.2%	-0.2%
Self-employed	16.4	9.2%	1.4%	131.1	11.8%	-0.2%
Employees	162.1	90.8%	1.4%	979.9	88.2%	0.1%
Permanent job	138.1	77.4%	1.3%	804.9	72.4%	0.3%
Temporary job	24.0	13.4%	2.0%	175.0	15.8%	-0.5%
Less than high school	6.7	3.8%	-4.1%	106.6	9.6%	-4.4%
High school graduate	25.3	14.2%	-0.5%	278.9	25.1%	-1.0%
Postsecondary cert. or diploma	83.7	46.9%	0.9%	435.8	39.2%	0.6%
University degree	62.9	35.2%	4.2%	289.6	26.1%	2.9%
Newfoundland and Labrador	39.6	22.2%	1.8%	225.3	20.3%	0.2%
Prince Edward Island	10.5	5.9%	2.1%	76.0	6.8%	1.0%
Nova Scotia	68.4	38.3%	0.8%	455.9	41.0%	0.1%
New Brunswick	60.0	33.6%	1.7%	353.8	31.8%	-0.2%

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 2008-17 and Employment 2009-18)

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.

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