Sectoral Profile

Health Care and Social Assistance

Region of Western Canada and the Territories

2017-2019

EXECUTIVE SUMMARY

The health care and social assistance industry was the largest job creator in Western Canada between 2006 and 2016. Employment demand within the industry is driven by pressure to maintain caregiver-to-patient ratios among a rapidly aging and often geographically remote population. Health care in Canada is financed mainly through personal and corporate income taxes, which to some extent insulates the industry from economic downturns felt more acutely in the private sector. Provincial and territorial governments are largely responsible for regulating the health care and social assistance industry, leading to variations in spending and staffing across Western Canada.

KEY DRIVERS

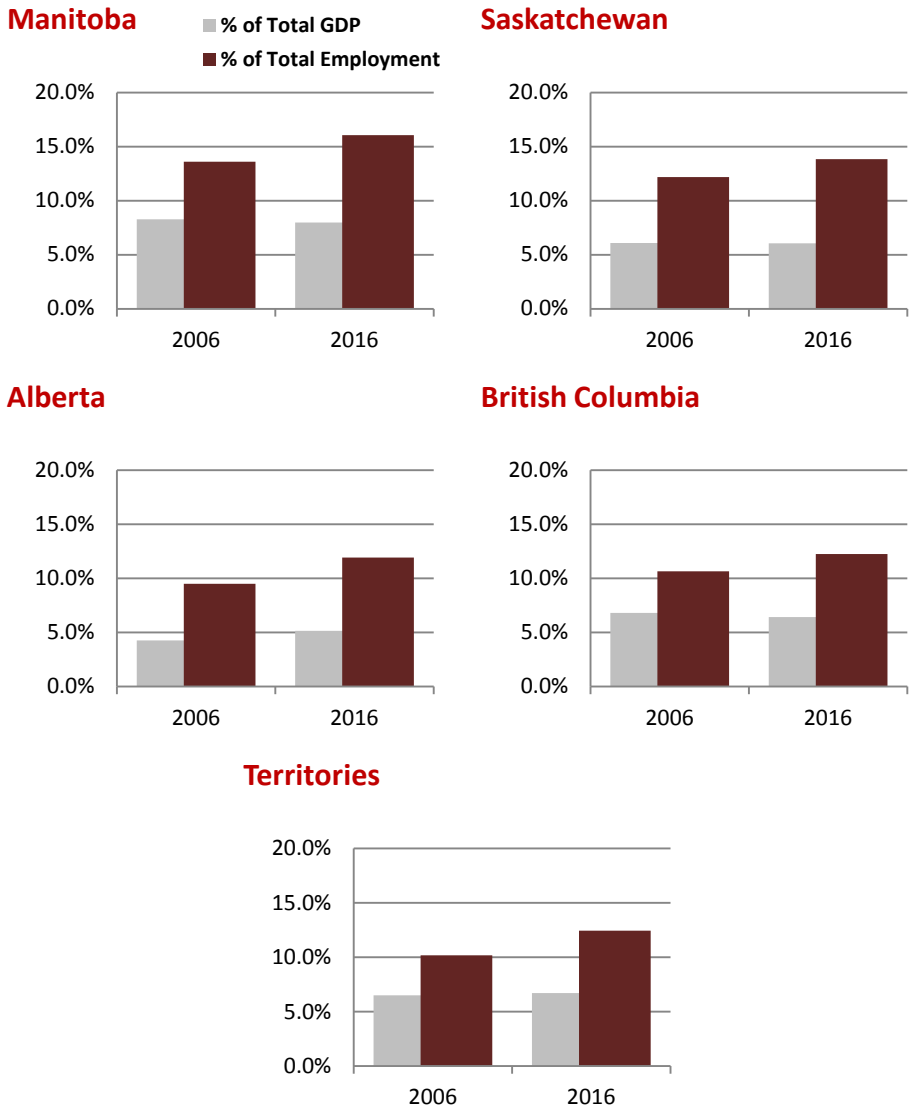
- The health care and social assistance industry will continue to expand to meet the demands of a growing population in Western Canada and the Territories.
- Mostly supported through taxation, premiums, and government transfers, employment in health care and social assistance is largely unaffected by key economic drivers that typically impact other industries.
- Rural and urban areas continue to experience differing levels of accessibility to health care services. The majority of health care and social assistance jobs are predominantly located in areas of high population density.
- A growing population of seniors in Western Canada will require a larger share of services for the treatment of chronic ailments associated with age.

BACKGROUND

Health care and social assistance is the second largest industry by employment in Western Canada, employing 742,000 people (12.7% of the total workforce) in 2016. Employment in health care and social assistance is subject to different pressures compared to private industries. While many industries faced job losses during

the 2009 recession, employment in health care and social assistance continued to expand. Looking back further, employment in health care and social assistance in the Western provinces grew 35.3% between 2006 and 2016, far outpacing the employment growth rate seen across all other industries over the same period.[1] Over the past ten years, the health care and social assistance industry has been Western Canada's largest job creator, adding just over 193,000 jobs.[2]

Health Care and Social Assistance's Provincial % Share of Employment and GDP, 2006 vs. 2016



Sources : 1. Statistics Canada CANSIM Table 379-0030 - Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual (dollars) 2. Statistics Canada Labour force estimates by detailed industry, age, sex, class of worker

Health care and social assistance is supported largely through taxation, health care premiums and federal government transfers, such as the Canada Health Transfer (CHT) and Canada Social Transfer (CST). The industry is regulated predominantly by provincial and territorial governments, resulting in variation of health care and social assistance spending from one jurisdiction to another. Estimates show Alberta spending the most per capita ($7,168) on health care and social assistance among Western provinces in 2016.[3] Meanwhile, British

Columbia spends the least at $6,194, while Manitoba and Saskatchewan spend $7,019 and $6,967 respectively[4]. Spending in the territories is significantly higher due to the challenges of servicing a small population across a large area; per capita, Nunavut spends $15,104, Northwest Territories spends $16,052, and Yukon spends $10,899.

Health care and social assistance spending is influenced by a number of factors including the health, size, location, and age of a given population. A growing population across the West means that all provinces and territories will need to add health care jobs to maintain current patient-to-care giver ratios. With the exception of NWT (0.7%), population growth in Western Canada is expected to match or outpace the national average of 1.0% in 2017.[5]

Life expectancy across Canada has risen drastically over the last fifty years.[6] Further to this, Canada's senior population is growing as increasing numbers of baby boomers reach retirement age. In 2016, 15.0% of western Canadians were 65 and older, up from a proportion of 10.8% thirty years earlier.[7] As the senior population grows, so too will the incidence of chronic degenerative conditions common among the elderly such as arthritis and diabetes. This shift has a direct impact on health care facilities and will increase employment demand within the industry. Elderly inpatients remain in hospital care 1.5 times longer than non-seniors. In addition, emergency room visits are 60 per cent longer for seniors, and they use resources for inpatient hospital care at almost a 70% greater rate.[8]

Overall, staff shortages and an aging workforce remain significant challenges to the health care and social assistance industry. Demand remains high for family practitioners in Western Canada; however, some progress has been made in recent years. The proportion of residents without a regular doctor in all Western provinces, with the exception of Alberta (19.5%), is in line with the national provincial average (16.8%).[9] Residents of the territories have a harder time finding care, and a large percentage of Northern residents do not have a regular doctor, including 26.7% of the population in Yukon, 58.1% in NWT, and 84.6% in Nunavut.[10] Across Canada, the industry relies on international recruitment to fill these gaps. In 2016, approximately 25% of Canada's physicians received their medical degrees outside of Canada.[11] Among Western provinces, Saskatchewan and Alberta employ a larger share of internationally trained physicians, 52.5% and 34.2% respectively.[12]

Health care and social assistance has a high proportion of workers over the age of fifty-five. Those nearing retirement made up 20.5% of industry employments in the West in 2016 – higher than the average across all industries (17.5%). An effort by the provinces and territories to create more educational seats to replenish the industry's workforce has resulted in net employment gains in some health professions; for example, more registered nurses are now entering the profession than leaving it.[13]

Recruitment and retention of health care professionals is particularly challenging in rural and remote areas. Nearly two-million Western Canadians – 19% of the population – live outside of major population centres. These areas have a harder time recruiting health care employees and generally face a higher turnover of staff, including nurses and physicians. Part of the difficulty in attracting and retaining health care providers to these regions comes from demanding working conditions. Long working hours, significant workloads, and a perceived lack of opportunities for spouses and children often make jobs in urban settings more attractive.

In the absence of physicians, many rural areas are making increased use of nurse practitioners, who are able to diagnose and manage disorders and chronic diseases, prescribe medications, order diagnostics, refer to specialists, and perform physicals. The utilization of nurse practitioners reduces the high workload on family practitioners in remote locations.

EMPLOYMENT OUTLOOK

Similar employment increases are expected across all provinces in Western Canada in the coming years as governments try to maintain caregiver-to-patient ratios. Alberta and Saskatchewan are projected to see the greatest increase in health care and social assistance employment (+2.7%) during the forecast period of 2017 to 2019. More modest growth (+2.2%) is expected for industry employment in both British Columbia and Manitoba during the same time frame. At the regional level, Calgary and Southern Alberta is expected to see the highest health care employment growth rate (+2.9%) between 2017 and 2019.

Projected employment change for the health care and social assistance sector during the 2017-2019 forecast period

Economic Region	Projected Change in Employment	Projected Annual Growth
Manitoba	**7,000**	**2.2%**
Southern Manitoba		2.3%
Winnipeg		2.3%
Northern Manitoba		2.2%
Saskatchewan	**6,700**	**2.7%**
Regina & Southern Saskatchewan		2.7%
Saskatoon & Northern Saskatchewan		2.8%
Alberta	**22,500**	**2.7%**
Calgary & Southern Alberta		2.9%
Edmonton, Red Deer, Camrose, & Drumheller		2.5%
Northern Alberta and Banff		2.5%
British Columbia	**19,200**	**2.2%**
Vancouver Island & Coast		2.1%
Lower Mainland - Southwest		2.3%
Okanagan - Kootenay		1.9%
Northern BC		1.5%
Yukon	**230**	**2.5%**
Northwest Territories	**190**	**2.6%**
Nunavut	**-140**	**-3.0%**

Source: Service Canada Regional Occupational Outlooks in Canada, 2017-2019

REGIONAL OVERVIEW

- Western Canada's health care and social assistance jobs are spread unevenly among regions. Being an industry tied to population, the great majority of its jobs are found in metropolitan areas. In total, 68% of health care and social assistance employment is located in the region's nine Census Metropolitan Areas. As a result of this clustering, roughly half of all health care positions in the west are in Vancouver, Calgary and Edmonton.

- Just under 40% of Western Canada's health care and social assistance jobs are located in British Columbia, primarily on the Lower-Mainland (24%). British Columbia's population has both the highest percentage of those aged 55 and over (32%) and the oldest median age (42 years) among Western provinces. The demands of a more elderly population compelled the province to invest about $12-billion in health sector capital projects since 2001. An additional $2.7-billion is expected to be invested on capital projects in the health sector by 2020.[14]

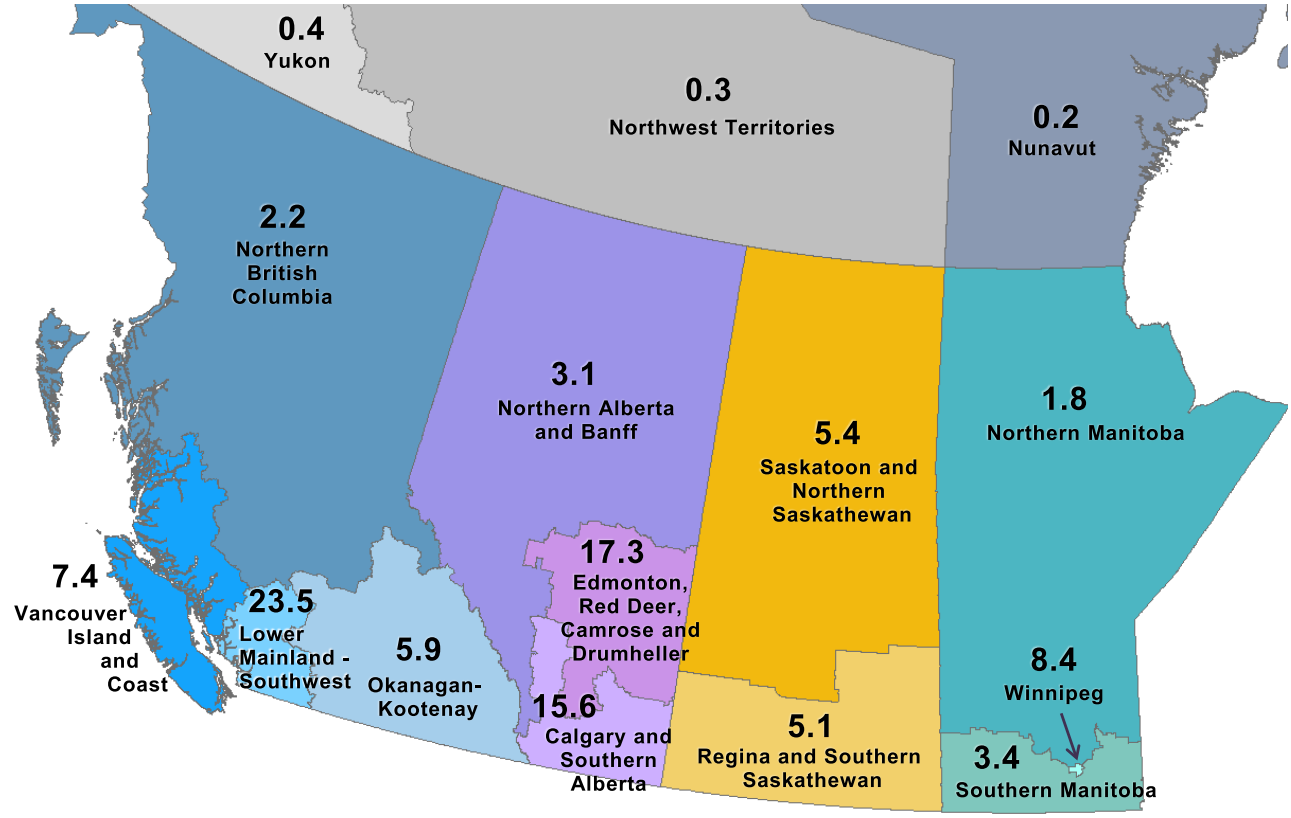
- Health care establishments in Canada's North reflect the area's smaller population size. As such, the combined territories are home to only two employers with 200 or more employees. That number will increase once Yellowknife's Stanton Territorial Hospital is completed in 2021. The hospital is considered the largest infrastructure project in NWT history and is expected to cost the territorial government $750-million over the next 34 years.

- Employment growth in Alberta's health care industry was largely unaffected by the global downturn in oil prices. In fact, oil-reliant Alberta was the only Western province to see positive annual job growth in health care each year over the last decade. Going forward, Alberta's Capital Plan calls for a $4.5-billion investment in health care infrastructure over the next four years. Capital projects breaking ground soon include the Calgary Cancer Centre in 2017 and a new Edmonton hospital in 2018-19.[15]

- The Saskatchewan government is looking to the health care industry as an area to help reduce a large deficit in their 2016 budget. The province's 12 health regions were amalgamated into one in 2017, creating the Saskatchewan Health Authority. The move is expected to save the province $10- to $20-million by 2019. Cuts to health care employment are expected to follow suit as the government pursues staffing efficiencies.

- The Province of Manitoba is also looking for savings by consolidating its services, shutting down or repurposing four Winnipeg emergency rooms between 2017 and 2018. The closures come after the Province ordered the Winnipeg Regional Health Authority to cut $83-million in costs by 2017-18. Jobs cuts in the industry are also occurring, though the final number of affected positions remains to be seen.

Distribution of employment in the health care and social assistance sector across Western Canada (%)



Source: Service Canada Regional Occupational Outlooks in Canada, 2017-2019

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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[1] Statistics Canada. 2017. Labour force survey estimates (LFS), employment by North American Industry Classification System (NAICS), seasonally adjusted and unadjusted. CANSIM Table 282-0088. Ottawa. http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820088&paSer=&pattern=&stByVal=1&p1=1&p2=37&tabMode=dataTable&csid (accessed October 2017).

[2] Ibid.

[3] Canadian Institute for Health Information. 2016. National Health Expenditure Trends 1975 to 2016. Ottawa. https://secure.cihi.ca/free_products/NHEX-Trends-Narrative-Report_2016_EN.pdf (accessed October 2017)

[4] Canadian Institute for Health Information. 2017. National Health Expenditure Trends, 1975 to 2017: Data Tables Series B. https://www.cihi.ca/sites/default/files/document/series_b-nhex2017-en.xlsx (Accessed November 2017)

[5] Statistics Canada. 2017. Projected population, by projection scenario, sex and age group as of July 1, Canada, provinces and territories annual (persons x 1,000). CANSIM 052-0005. Ottawa. http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0520005&paSer=&pattern=&stByVal=1&p1=1&p2=37&tabMode=dataTable&csid (accessed October 2017)

[6] Statistics Canada. 2010. Life Expectancy. Ottawa. http://www.statcan.gc.ca/pub/82-229-x/2009001/demo/lif-eng.htm (accessed November 2017)

[7] Statistics Canada. Table 051-0001 - Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (persons unless otherwise noted), CANSIM (database). (accessed November 2017)

[8] Canadian Institute for Health Information. 2011. Health Care in Canada, 2011: A Focus on Seniors and Aging. Ottawa. https://secure.cihi.ca/free_products/HCIC_2011_seniors_report_en.pdf (accessed November 2017)

[9] Statistics Canada. 2017. Health Fact Sheets, Primary Health Care, 2015. http://www.statcan.gc.ca/pub/82-625-x/2017001/article/14769-eng.htm (accessed October 2017)

[10] Statistics Canada. 2013. Access to a Regular Medical Doctor. Ottawa. http://www.statcan.gc.ca/pub/82-625-x/2014001/article/14013-eng.htm (accessed October 2017)

[11] Canadian Institute for Health Information. 2017. Physicians in Canada, 2016. Summary Report. https://www.cihi.ca/sites/default/files/document/physicians_in_canada_phys2016_en.pdf (accessed October 2017)

[12] Ibid

[13] Canadian Institute for Health Information. 2016. Regulated Nurses, 2016: RN/NP Data Tables. Ottawa. https://www.cihi.ca/sites/default/files/document/rn-np-2016-data-tables-en-web.xlsx (accessed October 2017)

[14] Factsheet: Health Capital Projects. 2017. Government of British Columbia. Victoria. https://news.gov.bc.ca/14823 (accessed November 2017)

[15] Capital Plan – Fiscal Plan. 2017. Province of Alberta. Edmonton. http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-capital-plan.pdf (accessed November 2017)