

Employment: The healthcare and social assistance sector is advancing at a good pace, but how long will this last?

The healthcare sector has shown robust growth in recent years and reports about how difficult it is to recruit workers abound. But where do things stand right now? What will the labour market look like in a few years? This Economic Viewpoint will try to shed light on some of these questions.

QUEBEC IS NOT ALONE IN THIS SITUATION

Employment in the healthcare and social assistance sector¹ has experienced sharp growth in the past 20 years or so. If we compare our situation with the United States and Canada, Quebec is clearly not the only place that is racing to hire workers. Between 1990 and 2012, employment in this area of activity soared by 82.6% in the United States, 65.7% in Canada and 62.1% in Quebec.

Between 2008 and 2011, a fairly turbulent period where employment first dipped, and then rebounded, the healthcare and social assistance sector did not experience these jolts—its ranks swelled instead. Even in the 27 states that form the European Union, where the economic slowdown was even steeper than in North America, job growth continued at a pace of 6.9% for those who work in “human health and social work.” In the United States, Canada and Quebec, the same trend was observed, with respective increases of 5.3%, 10.5% and 9.1%.

With increases like this, it’s no wonder we keep hearing about how difficult it is to recruit workers, with some even hinting at a shortage in certain professions.² A growing population that is also growing older are two factors raised the most often to

explain the situation in Quebec and in Canada. That the population is becoming increasingly demanding is also worth noting. Expectations are higher than in the past, which exerts more pressure on the demand for healthcare and social assistance services.

BACKGROUND

According to Statistics Canada’s Labour Force Survey, in 2012, 529,200 people were employed in Quebec’s healthcare and social assistance sector as a whole, or 13.3% of total employment. This large group of workers is made up of four sub-sectors (table 1 on page 2). Hospital workers comprise the largest group in number (191,900) and percentage (36.3%) of jobs. Workers in the social assistance field were close behind, with 165,000, representing 31.2% of all jobs.

One of the two other major groups is ambulatory healthcare services (e.g. doctors, dentists, chiropractors and physiotherapists, or family planning clinics, medical and diagnostic laboratories, home healthcare and ambulance services). In 2012, these services represented 91,400 positions, or 17.3% of all health and social assistance jobs. Lastly, all other functions are grouped under “Nursing and Residential Care Facilities” which had 80,900 workers and 15.3% of jobs. These are jobs held in intermediate care facilities, rest or convalescent homes, establishments that care for the disabled or for those with problems related to mental health, alcoholism, or substance abuse. In light of this table, which presents an overview of the situation, workers in the field of health and social assistance clearly cover a very broad spectrum.

¹ This broad category includes child care and youth workers, caregivers for elderly and handicapped persons, workers in family services and community food and housing services, or daycare services.

² See the previous issue of Perspective “Is Quebec experiencing a labour shortage? How can we know for sure?” published in February 2013, at the following address: www.desjardins.com/en/a_propos/etudes_economiques/previsions/en_perspective/per0213a.pdf

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Table 1 – Employment in the healthcare and social assistance sector

In 2012	Number	Share of total employment in Quebec (in %)	Share of employment in the healthcare and social assistance sector (in %)
Total employment in Quebec	3,984,400	100.0	-
Healthcare and social assistance	529,200	13.3	100.0
Ambulatory care services	91,400	2.3	17.3
Hospitals	191,900	4.8	36.3
Nursing and residential care facilities	80,900	2.0	15.3
Social assistance	165,000	4.1	31.2

Sources: Statistics Canada and Desjardins, Economic Studies

TWO DECADES OF SHARP GROWTH

Between 1990 and 2012 in Quebec, this large sector of the economy boosted its ranks by 62.1%. Table 2 shows that the increase was quite uneven between the different job categories, however. For example, employment in ambulatory healthcare services surged by 90.8% during this period, while jobs in the social assistance sector almost doubled, rising by 176.8%, due in most part to the whirlwind growth in child care services, up by 250.6%. Job growth in hospitals was 20.8%, and in nursing and residential care facilities it was 34.6%.

Table 2 – Number of jobs and changes between 1990 and 2012 in Quebec

	Number in 2012	Changes 1990-2012 (in %)
Healthcare and social assistance	529,200	62.1
Ambulatory care services	91,400	90.8
Doctors' offices	25,400	63.9
Dentists' offices	21,400	58.5
Other practitioners' offices	28,200	224.1
Ambulatory care centres	5,400	0.0
Medical and diagnostic analysis labs	2,500	N/A
In-home healthcare services	N/A	N/A
Other ambulatory care services	7,400	221.7
Hospitals	191,900	20.8
Nursing and residential care	80,900	34.6
Social assistance	165,000	176.8
Individual and family services	66,300	123.2
Community food and housing services, emergency and other services	2,600	N/A
Vocational rehabilitation services	7,400	68.2
Child care services	88,700	250.6

Sources: Statistics Canada and Desjardins, Economic Studies

Where spiralling growth is concerned, with the exception of child care services—which are covered by governmental policies—firms run by other practitioners (chiropractors, optometrists, mental health practitioners (except physicians), physiotherapists, occupational therapists, speech-language pathologists, audiologists, etc.) also experienced exponential job growth. In 1990, these categories represented 8,700 jobs, which mushroomed to approximately 28,200 by 2012. Demand for these types of services stems from different levels and spans all ages.

During this period, Quebec's population increased by 15.1%. Total employment growth (26.9%) outpaced the increase in the population, and employment in the healthcare and social assistance sector surged even higher, by 62.1%. The "social assistance" portion of the group experienced an even sharper increase, with growth of 176.8%. The total job share of workers in this group went from 18.3% in 1990 to 31.2% in 2012.

LOOKING BEYOND THE HORIZON

Will the pace of hiring be as frenetic in the next few years? That depends on the forecasts. Based on the projections made by Service Canada for the period between 2012 and 2014, table 3 shows that the average annual growth rate (AAGR) for overall employment in Quebec will be about 0.7%. For jobs in healthcare and social assistance, employment was broken

Table 3 – Employment outlook for 2012 to 2014

	Annual average growth rate (in %)
Total	0.7
Total for all services	0.8
Ambulatory and hospital care	1.4
Other healthcare and social assistance	1.5

Source: Service Canada, Quebec Region, Quebec Sectoral Outlook 2012-2014 - Quebec Regions

down into two groups: the first, ambulatory and hospital services, showed an AAGR of about 1.4%, while other health care and social assistance jobs were a bit more plentiful, at 1.5%.

For the period from 1990 to 2012, the AAGR for the overall healthcare and social assistance sector was 2.2%. For the first group, it was 1.4% and 3.3% for jobs in nursing care and social assistance—but these are averages. One thing is clear: employment advances have not been stable. Between 1990 and 2012, Quebec suffered two recessions, one in the early 1990s and the other in 2008-2009—both of which affected hiring. In addition, the impact of thousands of workers who retired from the hospital sector in the late 1990s ramped up the pace of hiring for replacement workers and spurred job creation. Also, policies designed to increase the number of child care spaces probably had a positive impact on hiring.

In short, based on the Service Canada projections, by 2014, the pace of job creation in ambulatory healthcare and hospital services is likely to mirror the rhythm recorded during the period between 1990 and 2012. Hiring for nursing services and social assistance will be less hectic, however, compared with the last 22 years.

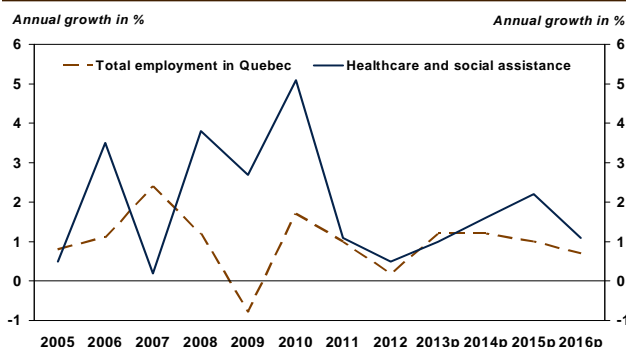
A look at the situation by region (table 4) shows substantial discrepancies over the projection period. The demand for workers in the next few years will be strongest in the Montreal CMA and the Laurentides, Lanaudière, Montérégie and

Outaouais regions. It is true that the population is growing faster in the Laurentides and Lanaudière regions. Furthermore, the fact that healthcare and social assistance services, especially highly specialized services, are clustered in urban centres bodes well for the Montreal metropolitan area and the Outaouais region.

OVER THE LONGER TERM

Emploi-Québec made two forecasts: one with a medium-term view (2012–2016), and another over the longer term (2012–2021). Based on these expert forecasts, the AAGR in Quebec over the 2012–2016 timeframe in healthcare and social assistance jobs for the 15 to 64 age group would be 1.5%, a slower pace than that recorded during the period from 1990 to 2012, but still consistent with Service Canada’s forecast for the 2012–2014 period. This increase would still eclipse the rate expected in the general population (+0.8%) (graph 1).

Graph 1 – Job growth in healthcare and social assistance set to outpace total employment growth



Source: Emploi-Québec: The labour market per industry in Quebec (2012-2016), May 2012

Table 4 – Expected annual employment growth rate by region

Annual average growth rate in %	Ambulatory healthcare and hospital services	Other healthcare and social assistance
Abitibi-Témiscamingue	0.7	0.7
Bas-Saint-Laurent	1.9	1.0
Capitale-Nationale	1.5	1.6
Centre-du-Québec	1.5	1.5
Chaudière-Appalaches	1.3	1.4
Centre-du-Québec and Nord-du-Québec	1.0	1.1
Estrie	1.4	1.5
Gaspésie-Îles-de-la-Madeleine	0.9	0.8
Lanaudière	1.7	1.9
Laurentides	1.8	1.9
Mauricie	1.4	1.5
Montérégie	1.6	1.9
Outaouais	2.2	1.9
Saguenay-Lac-Saint-Jean	1.4	1.6
Montréal - CMA*	1.8	1.9

*: Includes Laval

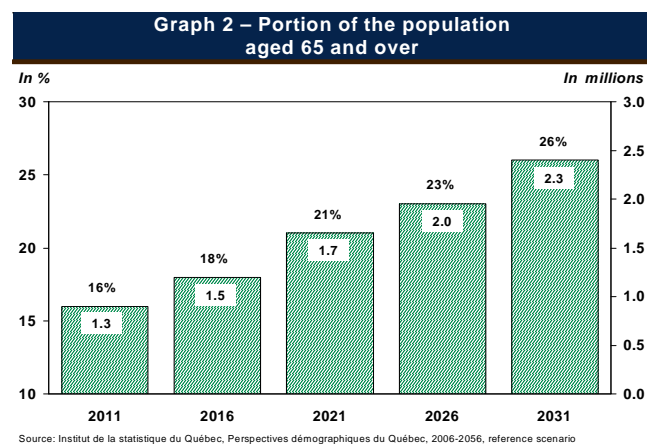
Source: Service Canada, Quebec Region, Quebec Sectoral Outlook 2012-2014 - Quebec Regions

Another assessment was done for the period between 2012 and 2021. However, comparisons are difficult to make in this case because the exercise focused on the healthcare sector only. Nevertheless, one constant remains: employment advances in this sector will outpace gains in total employment. The AAGR will be 1.0% in overall healthcare while total employment will advance 0.6%. In fact, the healthcare sector will create about 28,000 new jobs, and workers who are slated to retire will have to be replaced.

No one can predict with absolute certainty what the actual numbers will be. However, a quick glance at the demographic scenarios drawn up by the Institut de la statistique du Québec on the aging of the population points to firm demand for workers in the healthcare sector until 2021.

TOWARD SUSTAINED DEMAND

Based on the demographic scenarios made by the Institut de la statistique du Québec (ISQ) in 2009, the ratio of those aged 65 and higher will jump from 16% in 2011 to 21.0% by 2021 (graph 2). Does this mean that demand for healthcare services will explode? Not necessarily. Many people aged 65 and up are in very good health and don't seek medical services on a regular basis. That said, a certain number of them will need more services than people in the below-65 age group, but how many? This still has to be evaluated. Unless medical breakthroughs are made, the demand for workers will clearly be even greater given the numbers that are driving the trend. The number of those aged 65 and higher will jump from 1.3 million in 2011 to 1.7 million by 2021. At the moment, the Ministère de la santé et des services sociaux (MSSS) has estimated that about 75% of people who benefit from home care services offered by the MSSS as part of its *Perte d'autonomie liée au vieillissement* (loss of autonomy linked to aging) program are 75 years of age and higher.



Looking at the group aged 85 years and over—and more than likely in need of medical care—their ratio in terms of Quebec's overall population is set to increase, from 2.0% in 2011 to 2.6% by 2021, or approximately 1 person in 38. According to MSSS estimates, in 2009, 61% of people 85 years of age and up still lived at home, while 83% of those in the 75 to 84 age group still lived at home. In other words, the demand for workers will evolve based on where these services are required (at home, in institutions, hospitals, etc.).

THE HEALTHCARE AND SOCIAL ASSISTANCE SECTOR UNDER PRESSURE

Making an accurate estimate of the staffing levels in the healthcare and social assistance sector that will be required to meet the needs of Quebec's aging population by 2021 is very difficult to do. The forecasts made by Service Canada and EmploiQuébec provide a clear indication of what the next few years might look like. We could have modelled current demand over a 10- or 20-year horizon, but that would probably not have provided any more insight into the situation. First of all, today's baby boomers are in better physical shape than their predecessors, meaning that demand from older individuals might end up being different than what it is today. Another factor to consider: healthcare policies are not set in stone and changes could be made over time. Changes could even be made to the work methods currently being used in healthcare and social assistance.

As mentioned earlier, Quebec is not the only place where hiring in the healthcare sector in the last 20 years surged. In the years to come, the job growth in this sector is likely to outpace that in the overall labour market. We will have to keep an eye on how other aging societies—particularly in Europe and in Asia—are tackling the situation and what kinds of strategies they will adopt to hire and retain workers.

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