

# Intelligence MEMOS



From: Rosalie Wyonch

To: Canadians Concerned About Healthcare

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Re: **WHAT HAPPENED TO HEALTH WORKERS? DATA ON LABOUR SHORTAGES, WAGES AND VACANCIES**

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Hospitals are cancelling surgeries, closing units or wards, and reports of nursing shortages [abound](#). The situation appears dire, but it is unsurprising.

[Research](#), surveys and data showed health labour shortages before COVID-19. Throughout the pandemic, there has been continuous [conversation](#) about burnout, stress, deteriorating mental health, family responsibilities and the risk of COVID-19 exposure exacerbating the problem.

Analysis of current labour market data from Statistics Canada helps assess the magnitude of current shortages and illuminate some of the dynamics contributing to the current staffing challenges in hospitals and [long term care](#).

Overall, the [labour force and employment](#) in health occupations grew more than 7 percent since January 2020, more than double the growth in occupations overall. Health unemployment is low – less than 1 percent as of last November – suggesting a shortage. However, health unemployment was below 1 percent before the pandemic (January, February 2020). These observations suggest a constrained labour market and likely a shortage of workers, but nothing more dire than the pre-pandemic status quo.

At least some of the current shortage can be explained by a significant number of healthcare workers being exposed and needing to isolate in the midst of a highly infectious variant and rising case numbers. But notwithstanding shortages in hospitals and long term care there is no mass exodus from health jobs, since both the size of the labour force and number of jobs are growing.

Information on [job vacancies](#), [wages](#) and hours of work helps provide possible explanations: The number of job vacancies grew more than the total economy in all health occupations. The proportion of vacancies for full time jobs relative to part time increased for nurses, technical health occupations, nursing aides, orderlies and personal support workers. [Overtime](#) accounted for an increasing share of wages for personal support services (+70.9 percent), nursing homes and LTC facilities (+33.8 percent) and hospitals (+25.6 percent) since the beginning of the pandemic and has increased for all health industry sectors in 2021.

Ambulatory health care services notably differ from the rest of the health industry – the proportion of earnings from overtime declined overall and employment increased by 12.5 percent (Jan 2020 – Oct 2021), more than the total health and social services industry and the aggregate economy (+4.59 percent and -0.98 percent respectively). These observations suggest that both a growing demand for health workers and employment shifts within the health sector are likely contributing to labour shortages, particularly in hospitals and long term care homes.

Weekly wages increased across the health sector in 2020, but declined in 2021. In most provinces, wages declined relative to the aggregate economy over the pandemic. Only health workers in Saskatchewan and Quebec earn relatively more per week (in nominal terms). Similarly, wages offered for vacant positions have hardly increased for nurses: \$1 per hour, or 3.2 percent over two years. In general, across all job vacancies wages increased by \$1.30 per hour, or 6.1 percent. There is some evidence of upward pressure on nursing wages.

Data shows that positions that have been vacant for less than two weeks are offering \$6.40 more per hour on average than positions that have been vacant for three months or more. Wages offered for vacant nurses' aide, orderly and patient services associate positions increased by \$1.80, or 9.9 percent over two years, but remain below average.

Increasing aggregate wages would [increase the number of nurses relative to the population](#), but it could also increase staffing pressures in hospitals and long term care homes, due to constraints on wage growth in the form of additional labour regulations and unionized wage agreements. Wage increases are constrained differently across health care sectors and likely contribute to imbalances in the health labour market.

Private practices and staffing agencies are not subject to the same constraints, meaning they are more able to increase wages to fill vacant positions. Currently, the potential for reduced risk of COVID-19 exposure in increasingly virtual primary care settings and the flexibility of staffing agency work relative to healthcare institutions likely also contribute to short term employment shifts within the health industry.

While the current shortages of staff in hospitals and long term care homes are undeniable, it appears that they cannot simply be explained by a mass-exodus of workers from the sector. Instead, analysis of labour market data suggests a need for deeper understanding of shifts within healthcare and the growth in demand for healthcare workers. Evaluating the unintended consequences of different staffing regulations, employment and benefits structures is likely as important, if not more so, than aggregate wage levels. Simply put, health wages declined in 2021, but labour and employment increased, suggesting that pay rates are only one piece of a complex puzzle.

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