Financial Recruitment Incentive Programs for Nursing Personnel in Canada

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Abstract  
Financial incentives are increasingly offered to recruit nursing personnel to work in underserved communities. The authors describe and compare the characteristics of federal, provincial and territorial financial recruitment incentive programs for registered nurses (RNs), nurse practitioners (NPs), licensed practical nurses (LPNs), registered practical nurses or registered psychiatric nurses. The authors identified incentive programs from government, health ministry and student aid websites and by contacting program officials. Only government-funded recruitment programs providing funding beyond the normal employee wages and benefits and requiring a service commitment were included. The authors excluded programs offered by hospitals, regional or private firms, and programs that rewarded retention. All provinces and territories except QC and NB offer financial recruitment incentive programs for RNs; six provinces (BC, AB, SK, ON, QC and NL) offer programs for NPs, and NL offers a program for LPNs. Programs include student loan forgiveness, tuition forgiveness, education bursaries, signing bonuses and relocation expenses. Programs target trainees, recent graduates and new hires. Funding and service requirements vary by program, and service requirements are not always commensurate with funding levels. This snapshot of government-funded recruitment incentives provides program managers with data to compare and improve nursing workforce recruitment initiatives.
Attracting nurses to work in rural communities is an ongoing challenge in Canada. The Canadian Institute for Health Information (2000) reported that while 21.7% of Canada’s population live in rural communities, only 17.9% of Canada’s nurses work in rural centres. Nurses play a particularly important role in small and isolated communities where they are often the only healthcare professional available. Nonetheless, the nurse-to-population ratio is lower in rural communities (62.3 nurses/10,000 population) than urban communities (78.0 nurses/10,000 population) (CIHI 2000).

A variety of factors influence the work location choices of health professionals, including their personal background, the nature of their professional training, features of the practice environment, family considerations, financial factors and characteristics of the community (Barer et al. 1999; World Health Organization 2010). Recruitment initiatives are often tailored to address the factors that are more likely to attract health workers to rural locations. Researchers have grouped these initiatives into six broad categories depending on the factors that they address (Wilson et al. 2009). For example, selection interventions address personal background factors and include admission criteria that favour students with rural backgrounds. Education and location initiatives address professional training factors. Education initiatives include clinical placements in rural areas or rural practice-oriented curricula. Training schools established in underserved communities is an example of a location initiative. Coercion approaches can address both financial and professional practice factors and can include restrictive billing polices or licensing that restricts place of practice. Support interventions address practice environment factors and include initiatives such as on-line professional development programs, vacation coverage or community integration programs. Incentive initiatives target financial factors and generally include financial incentives. These programs provide cash or financial credit in exchange for practice in a rural community. These incentives may be provided during training (with an obligation to work in a rural community after training) or as a reward for service in a rural area (Grobler et al. 2009).

In terms of effectiveness, a Cochrane Review concluded that overall, the quality of evidence regarding the effectiveness of recruitment initiatives is low (Grobler et al. 2009), due in part because the topic does not lend itself to randomized control-type designs that are valued in these types of reviews. A critical review of recruitment policies found that there is strong evidence that selection-type policies are effective, moderate evidence that education and incentive-type policies are effective, weak evidence that coercion and support-type policies are effective and an absence of evidence regarding the effectiveness of location-type policies (Wilson et al. 2009). Of these six approaches, only two (incentives and coercion) can be quickly implemented by governments in response to public calls for more
rural workers; the other approaches require the cooperation and involvement of training centres and or communities. Unlike coercive measures, which are generally unpopular and ineffective, financial incentives are generally well-received and shown to be somewhat effective in attracting workers to rural communities.

In a systematic review, Bärnighausen and Bloom (2009) provide a typology of financial recruitment incentive programs for healthcare workers. They identify five major types of financial incentive programs: service-requiring bursaries, service-requiring educational loans, service-optional educational loans, loan repayment programs and direct financial incentives (Table 1). These five types of incentive programs differ on five criteria: 1) when healthcare workers accept agreements, 2) when healthcare workers receive the funding from the program, 3) intended use of funding, 4) type of repayment commitment and 5) preferred repayment from the program perspective. In each type of incentive program, the length of rural practice varies by the amount of funding. Service-requiring bursaries provide trainees with funding to help pay the costs of education in exchange for a promise to work in a rural community. In service-requiring educational loans, trainees are required to work in a rural community in addition to repaying their loans. Students who accept service-optional educational loans may repay their loans by either working in a rural community or repaying funding. Educational loan repayment programs forgive a portion of the loan for each period of rural service. Direct financial incentives provide cash for a pre-determined period of work in a rural community. In the event that program healthcare workers are unable to fulfill their pledged period of rural service, all of the programs (except the loan repayment) offer buy-out options where healthcare workers can pay back their funding (usually with penalty). Despite the availability of buy-out options, the preferred outcome is service fulfillment (except in service-optional educational loans, where repayment by cash or service is equally perceived).

Financial incentives have been offered to encourage health professionals, including nursing personnel, to work in rural and other underserved locations in Canada since the late 1960s (Barer and Stoddart 1999). Most of the literature on financial recruitment incentives focuses on physicians, and relatively little is known about the availability of these programs for other healthcare professionals, including nurses. To address this gap in the literature, we describe and compare the characteristics of federal, provincial and territorial financial recruitment incentive programs for registered nurses (RNs), nurse practitioners (NPs) and licensed practical nurses (LPNs) in Canada. We focus on government-funded programs because governments use financial recruitment incentive programs to demonstrate government commitment to rural health (Government of Canada 2013). Second, incentive programs are increasingly centralized to coordinate
workforce planning and to prevent health regions from competing with each other (Newfoundland and Labrador Health Workforce 2013). Programs offered by individual health regions are usually part of the larger government-funded programs.

The study produces a snapshot of government-funded programs. The review provides program managers with data to compare and improve nursing workforce recruitment initiatives.

**Methods**

We consulted the websites of federal, provincial and territorial governments; provincial and territorial health ministries; and student aid organizations to identify existing provincial and territorial financial recruitment incentive programs. If program information was not available online, we contacted health ministry officials to inquire about programs. To be included in the study, programs had to target nursing personnel and/or trainees (specifically RNs, NPs, LPNs, registered practical nurses or registered psychiatric nurses). To be consistent with definitions of financial recruitment incentives (Bärnighausen and Bloom 2009), only programs that required a recipient to fulfill a service commitment (or were

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**Table 1. Summary of financial recruitment incentives based on Bärnighausen and Bloom’s (2009) criteria**

<table>
<thead>
<tr>
<th>Type</th>
<th>When Agreement Is Accepted</th>
<th>When Funding Is Provided</th>
<th>Use of Funding</th>
<th>Type of Repayment</th>
<th>Preferred Repayment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service-requiring bursaries</td>
<td>During training</td>
<td>During training</td>
<td>Education expenses</td>
<td>Work in rural area</td>
<td>Work in rural area</td>
</tr>
<tr>
<td>Service-requiring educational loans</td>
<td>During training</td>
<td>During training</td>
<td>Education expenses</td>
<td>Work in rural area AND repayment of funds</td>
<td>Work in rural area</td>
</tr>
<tr>
<td>Service-optional educational loans</td>
<td>During training</td>
<td>During training</td>
<td>Education expenses</td>
<td>Work in rural area OR repayment of funds</td>
<td>Either</td>
</tr>
<tr>
<td>Loan repayment programs</td>
<td>After training</td>
<td>After work in rural area</td>
<td>Education expenses</td>
<td>Work in rural area</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Direct financial incentives</td>
<td>After training</td>
<td>Beginning of work in rural area</td>
<td>No restriction</td>
<td>Work in rural area</td>
<td>Work in rural area</td>
</tr>
</tbody>
</table>

*If buy-out option is available, preferred type of repayment from program perspective.
otherwise linked to a rural or underserved location) as a condition of funding were included in the study. Eligible programs had to provide funding beyond the normal wages and benefits offered to employees. We excluded financial incentive programs offered by hospitals and regional or private firms and programs that rewarded continued service (i.e. retention).

We used a data collection tool that had been validated in a previous study on return-for-service bursary programs for physicians (Neufeld and Mathews 2012). The items included in the data collection tool were based on a review of the literature and consultation with health human resource managers. For each program in the study, we collected the following data: program name, agency, date current program was launched, amount of funding and related conditions (length and location of service commitment, eligibility criteria, re-payment options and related penalties), number of awards available and distributed each year, program statistics and evaluations and contact information for program officials. Program data were collected in French and English. Once preliminary data were gathered, a research assistant verified the data with a program official. These consultations included telephone interviews and email correspondence and took place between June 2012 and March 2013.

We summarized the data for each of these attributes and, where applicable, used descriptive statistics to characterize numeric data. In the tables, the term “not available” was used to indicate information that the program contact did not know, provide and/or verify.

**Results**

We identified and included 25 programs in the analysis. All provinces and territories except Yukon offer a financial recruitment incentive program tied to rural practice for nursing personnel. Yukon provides bursary funding but does not require a service commitment (and hence was excluded from the analysis) (Yukon Health and Social Services 2013). Contact information for each of the 25 programs is presented in Table 2. These 25 programs fell into five types of programs: student loan forgiveness, academic bursaries, signing bonuses, relocation expenses and tuition reimbursement (Table 3). Of these five program types, academic bursaries were the most common and were offered by nine governments and available (in different jurisdictions) to RNs, NPs and LPNs (see Table 4 at www.longwoods.com/content/24223). Tuition reimbursement, available to RNs and NPs, was the least common program and offered in Ontario only. Most programs are less than 10 years old; the youngest programs (student loan forgiveness programs from the federal government and Saskatchewan) are one-year-old.
RNs were the most common target of financial recruitment programs (Table 4). There were a total of 19 programs offered to RNs by all governments except Quebec and New Brunswick. Eight provinces and territories (British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Newfoundland and Labrador, Nunavut and Northwest Territories) and the federal government offer 13 programs for NPs, and only Newfoundland and Labrador offers a program for LPNs.

While trainees are the most common target, some programs are designed for recent graduates, new hires or nurses whose registration has lapsed. Canadian citizenship is required by only the Ontario Tuition Support Program. Most provincial programs are generally limited to trainees attending programs within the province (although some programs have options for provincial residents who attend Canadian programs outside the province).

<table>
<thead>
<tr>
<th>Government</th>
<th>Websites</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Columbia</td>
<td><a href="https://studentaidbc.ca/repay/repayment-help/bc-loan-forgiveness-program">https://studentaidbc.ca/repay/repayment-help/bc-loan-forgiveness-program</a></td>
</tr>
<tr>
<td>Alberta</td>
<td><a href="https://www.benorth.ca/nadc-bursary.asp">https://www.benorth.ca/nadc-bursary.asp</a></td>
</tr>
<tr>
<td></td>
<td><a href="http://www.benorth.ca/nurse-practitioner-bursary.asp">http://www.benorth.ca/nurse-practitioner-bursary.asp</a></td>
</tr>
<tr>
<td>Saskatchewan</td>
<td><a href="http://www.health.gov.sk.ca/bursaries">http://www.health.gov.sk.ca/bursaries</a></td>
</tr>
<tr>
<td></td>
<td><a href="http://ae.gov.sk.ca/loan-forgiveness-nurses">http://ae.gov.sk.ca/loan-forgiveness-nurses</a></td>
</tr>
<tr>
<td>Manitoba</td>
<td><a href="http://www.gov.mb.ca/health/nurses/grants.html">http://www.gov.mb.ca/health/nurses/grants.html</a></td>
</tr>
<tr>
<td>Ontario</td>
<td><a href="http://www.health.gov.on.ca/english/providers/program/nursing_sec/materials.html">http://www.health.gov.on.ca/english/providers/program/nursing_sec/materials.html</a></td>
</tr>
<tr>
<td>Quebec</td>
<td><a href="http://www.frsq.gouv.qc.ca/fr/index.shtml">http://www.frsq.gouv.qc.ca/fr/index.shtml</a></td>
</tr>
<tr>
<td>Nunavut</td>
<td><a href="http://www.arcticcollege.ca/health-programs">http://www.arcticcollege.ca/health-programs</a></td>
</tr>
<tr>
<td>Canada</td>
<td><a href="http://www.canlearn.ca/eng/loans_grants/repayment/help/forgiveness.shtml">http://www.canlearn.ca/eng/loans_grants/repayment/help/forgiveness.shtml</a></td>
</tr>
</tbody>
</table>
While most programs offer a flat rate per award or year of funding, other programs offer funding in stages or increments (see Table 5 at www.longwoods.com/content/24223). In some cases, the value of the award depends on personal circumstances such as the cost of tuition (e.g. Ontario’s Tuition Support Program) or the amount of provincial or federal student loans. Two programs, Ontario’s Grow your Own Nurse Practitioners and Quebec’s Nurse Practitioner Training Grants, offer in excess of $100,000 over roughly two years of training. These grants include stipends, funding for placements and travel and lodging expenses.

Service requirements vary by program and are not always commensurate with funding levels. For example, the Saskatchewan Clinical Placement Bursary (with a maximum value of $8,000) requires a two-year service commitment, while the Nunavut Nursing Bursary requires three months service requirement for each $2,500 award. In addition, some programs stipulate the minimum number of hours or level of full-time equivalent per year of service. For example, Ontario’s
hours or level of full-time equivalent per year of service. For example, Ontario’s Tuition Support Program outlines service commitment options for full- and part-time work. The requirements for eligible work locations also vary by program, with some programs specifying eligible communities or health regions, position types, facility attributes and health system sectors.

Program participants may opt (or be required) to pay back funding if they are unable to complete the service requirement, if they fail their training programs or if they are unable to meet licensing requirements. A pay-out option is available in all programs, except in student loan forgiveness, where the incentive (loan forgiveness) is provided only after each year of service is complete. The amount of re-payment may include the full amount of funding or a prorated amount (if part of the service commitment has been filled) in addition to penalties and interest charges.

Provinces such as Newfoundland and Labrador and Manitoba offer multiple incentive programs of which a nurse can avail for the same position (e.g., a signing bonus and relocation reimbursement). In Newfoundland and Labrador, the individual service commitments for multiple programs can be carried out concurrently, so that the funding for a single year of service can vary substantially from nurse to nurse depending on the location of the position and the career stage of the nurse. Similarly, with the introduction of the federal student loan forgiveness programs, nursing personnel may be able to participate in multiple programs at the same time.

Discussion
This study is the first to document the variety of financial incentive recruitment programs available to nursing personnel in Canada. While these programs have been offered in Canada for many years, the literature has focused almost exclusively on programs for physicians. Our review found that almost every province and territory, as well as the federal government, offered some program to encourage nursing personnel to work in rural and underserved communities.

Of the five types of financial incentive programs identified by Bärnighausen and Bloom (2009), neither service-requiring education loans nor service-optional education loans are offered in Canada. However, we identified a new category of financial incentive that had not been described previously in the literature: tuition reimbursement. Available to RNs in Ontario, recent graduates can accept agreements after completing their training (Ontario Ministry of Health and Long-Term Care 2009–2010). Tuition reimbursement is provided after each year worked in an eligible community in the province.
Almost all provinces and territories offered incentives to nurses, while only one offered incentives to LPNs (and even then, under specific conditions). Funding levels varied dramatically between programs. NPs were offered some of the highest levels of funding. Two programs, Ontario’s Grow your Own Nurse Practitioners and Quebec’s Nurse Practitioner Training Grants, offer in excess of $100,000 over roughly two years of training (Ontario Ministry of Health and Long-Term Care 2002; Quebec Health Research Funds 2005–2012). These grants are the most comprehensive and lucrative of the academic bursaries offered to healthcare workers, including physicians (Neufeld and Mathews 2012).

Student loan forgiveness is featured in the two most recent programs introduced by Saskatchewan and the federal government. While student loan forgiveness may appear to be quite lucrative on paper, their actual benefit may vary based on the individual nurse. For example, in BC, less than half of nursing students held government-sponsored loans (BC Student Outcomes 2011). Moreover, the median amount of student loan debt among Bachelor of Nursing graduates in British Columbia was $27,000, of which only a portion is from the provincial student loan program (and eligible for forgiveness).

The introduction of the federal student loan forgiveness program makes it possible for nursing personnel to participate in at least two programs simultaneously, as most work locations eligible under provincial/territorial programs also qualify under the federal program (Government of Canada 2013). The reverse is, however, not always true; locations eligible under the federal program may not meet the terms of provincial/territorial programs.

Students were the most common target for the majority of the programs. Unlike direct financial incentives for new graduates or newly hired employees, funding students creates a potential risk for the programs if positions are not available once students graduate and complete their licensing examination. In most cases, students sign a contract to work in a specific community when they accept the funding and the onus is on the program to ensure that a position (usually full-time equivalent) will be available once the student completes training. Despite the chronic nature of nurse shortages, there may only be a small number of positions in a specific community. In some programs, more than four years may lapse before funded students are able to begin service commitments. Careful planning is required to ensure that the number of awards made each year corresponds to the needs of the healthcare system. Programs take various approaches to mitigate this risk. In some cases, students must have a conditional job offer to qualify for the funding and in almost all programs, students must re-apply or be approved for each year or stage of funding. In Newfoundland and Labrador, regional health
authorities may offer permanent full-time, temporary full-time, casual or part-time positions (with required service split over one or two years depending on the type of position) (Newfoundland and Labrador Health Workforce 2013). In the Manitoba Home Care Grant Program, nurses may be asked to work two jobs to create a 0.6 full-time equivalent (Manitoba Health 2014).

While we found that financial recruitment incentives for nurses were quite common, we found that half of the programs (or current versions of the programs) are relatively new (offered for six years or less). As a result, few programs have been formally evaluated and service fulfillment default rates or long-term retention rates are not yet available (or based on very small numbers). A recent evaluation of Newfoundland and Labrador’s programs found that 83.1% (of 337) nurses and 14.7% (of 7) NPs fulfilled their service commitments (Mathews and Ryan 2013). However, it was too early to assess the impact of the programs on long-term retention. Evaluations of financial incentive programs will facilitate comparisons across program types and help identify best practices to maximize program effectiveness. The lack of evaluation is not unique to Canada. Reviews of the literature have highlighted that there were few evaluation studies and the quality of studies was generally low (Grobler et al. 2009; Wilson et al. 2009).

Limitations

Our study describes financial recruitment incentive programs that were available in Canada in 2014. Programs may change over time; we were unable to document programs that may have been offered in the past. We took a number of steps to ensure the completeness and validity of the data, including verifying data against original sources and re-confirming information with program managers as recently as June 2014. Nonetheless, program requirements may change and some information may be out-of-date by the time of writing. Moreover, given that terminology used to describe the programs varies across Canada, it is possible that, despite our efforts, some programs may not have been identified and included in the analysis.

In this study, we focussed exclusively on financial incentives for recruitment. A review of financial incentives to increase retention of rural workers (such as rural allowances, retention bonuses, etc.; Buyxkx et al. 2010) was beyond the scope of the study.

**Conclusion**

Financial incentive recruitment programs are a popular method for encouraging nursing personnel to practice in rural and other underserved communities. Every province and territory except Yukon and the federal government offers financial incentive programs tied to service in specific locations. Programs vary in terms of
funding levels, service requirements and eligibility criteria. While these programs appear to be a popular policy tool to address rural nursing shortages, few programs have been evaluated. Further research on service completion, default and impact on long-term retention in rural areas is needed to compare across programs and identify best practices.

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