



TORONTO
REGION
BOARD OF TRADE



CLOSING THE PROSPERITY GAP

Solutions for a More Liveable City Region

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Founded in 1845, the Toronto Region Board of Trade is the chamber of commerce for Canada's largest urban centre, connecting more than 12,000 Members and 250,000 business professionals and influencers throughout the Toronto region.

The Board fuels the economic, social and cultural vitality of the entire Toronto region by fostering powerful collaborations among business, government, thought leaders, and community builders. Toronto Region Board of Trade plays a vital role in elevating the quality of life and global competitiveness of Canada's largest urban centre.

Membership with the Board offers the opportunity to be part of a network of our region's most influential business leaders, who are working together to help shape the future of the Toronto region.

CONTENTS



FOREWORD & ACKNOWLEDGEMENTS FROM TORONTO REGION BOARD OF TRADE AND UNITED WAY TORONTO	3	A. Private sector leadership	11
PREFACE FROM TORONTO REGION COLLEGES AND COLLEGES ONTARIO	4	B. Collaboration through clusters to support productivity and attract good jobs	12
EXECUTIVE SUMMARY: WHY THE PROSPERITY GAP MATTERS TO OUR REGION'S FUTURE	5	C. Modernize public policy for a changing labour market	14
INTRODUCTION	7	CHAPTER 2: LINKING EVERY NEIGHBOURHOOD TO OPPORTUNITY AND PROSPERITY	15
Think Twice, Vote Once campaign	7	The issue	15
Historical context and areas of focus for this paper	8	The challenge: The growing gap between neighbourhoods	17
Why now? Strengthening the region for everyone	8	Toward solutions that close the prosperity gap between neighbourhoods	18
CHAPTER 1: STRENGTHENING TORONTO'S ECONOMY: ADJUSTING TO THE CHANGING NATURE OF THE TORONTO REGION'S LABOUR MARKET	10	A. Multi-sectoral collaborations: Finding a shared bottom line	18
The issue	10	B. Innovative public policy as a vehicle for community change	20
The challenge: The double-edged sword of flexibility	10	C. Social procurement and the opportunity to integrate social and economic goals	20
Toward solutions for our region's employment gap	11	CHAPTER 3: ADDRESSING UNEMPLOYMENT AND UNDEREMPLOYMENT IN THE REGION: A FOCUS ON YOUTH AND NEWCOMERS	23
		The issue	23
		The challenge: Wasting talent	24

CONTENTS

Toward solutions for the economic inclusion of youth and newcomers	25	Employment growth by industry	33
A. An enhanced municipal role in workforce development planning	25	Toronto region major group occupational groupings	35
B. Clustering success: Collaboration across sectors	26	Toronto region major group occupational projections 2014–2019	36
C. A strong community services sector	27	Toronto region unit group occupational projections 2014–2019	37
		Interpreting the results: Case study of elementary school and kindergarten teachers	37
CHAPTER 4: BETTER LABOUR MARKET INFORMATION FOR BETTER PLANNING AND DECISION MAKING	28	Toronto region unit group occupational projections 2014–2019 results	38
The issue	28	Toronto region unit group occupational projections by constituent region	44
The challenge: Missing data impacts everyone	28	City of Toronto	45
Toward solutions for a better understanding of the region’s labour market dynamics	28	York Region	46
A. Ensuring the collection of labour market information	29	Peel Region	46
B. Supporting the use of labour market information	29	Halton Region	47
C. Labour demand by occupation and industry analysis	29	Durham Region	47
		Observations and trends	48
CONCLUSION	30	National context	48
		Shifts in employment	49
APPENDIX SECTION: REGIONAL LABOUR MARKET DEMAND FORECAST	31	Population supporting sectors and services	49
		Commuting patterns	50
INTRODUCTION	31	Notable occupational trends	50
The Toronto region in a global context	31	CONSULTATION FINDINGS	50
Toronto region, regional challenges and labour force implications	31	Consultation, introduction and methodology	50
PROJECT PURPOSE AND SCOPE	32	Summary of consultation findings	50
PROJECTION FINDINGS	32	CONCLUSIONS AND NEXT STEPS	53
Projections introduction and methodology	32	REFERENCES	54
Toronto region employment by industry	33	ENDNOTES	60

FOREWORD & ACKNOWLEDGEMENTS



TORONTO REGION BOARD OF TRADE AND UNITED WAY TORONTO

With a provincial election now behind us and municipal elections in less than two weeks, we are excited to release *Closing the Prosperity Gap*, the concluding paper in our *Think Twice, Vote Once – Decision 2014* campaign. This paper is the result of close collaboration between the Toronto Region Board of Trade and its research partner, United Way Toronto.

In 2010, the Board released, *Lifting All Boats: Promoting Social Cohesion and Economic Inclusion in the Toronto Region*. This report highlighted that issues of social cohesion and economic inclusion are important to the business community. This interest was, and continues to be, based on an understanding of the significant economic impacts of these issues on the entire Toronto region's prosperity. We observed that, "engaging the entire population broadens our base of skills and expands our networks to better prepare us to compete in a global marketplace." We called for action from all three levels of government and also recognized that there were many 'grassroots' actions that could be taken to create momentum for economic improvement and social progress.

In response we saw federal, provincial and municipal leaders bring in a number of positive policy initiatives that have benefited key segments of the region's population. Also, as we illustrate in this paper, there was indeed a blossoming of 'grassroots' actions across the region. Yet, despite the progress in some areas, youth unemployment is as high as it has ever been, newcomers are still dealing with the challenges of integration, there are neighbourhoods in need of support, and broad labour market trends are leading to an increase in 'non-standard employment' — part-time and contract work, often without benefits and a sense of career progression.

The prosperity gap is geographic, in the workforce, and generational. Where you live determines the level of access you have to services, transit, and good jobs. More and more people are working in temporary and part-time jobs, often with no supplemental benefits. Young people are finding it harder to get hired — youth unemployment is above 18 percent across the Toronto region and nearly 22 percent in the City of Toronto.

This paper projects 520,000 new job openings over the next five years from new economic and demographic growth, as

well as retirement of older workers. Without business and political leadership, youth and newcomers will continue to face barriers preventing them from taking advantage of these openings. We don't want to lose the next generation of young people to other regions with better opportunities, or to unemployment, underemployment or paths that jeopardize their future and the safety and well-being of our communities. A better quality of life for residents is better for everyone — it will attract investment, create jobs and spur wealth creation.

The good news is that there are proven solutions that our leaders can champion and embrace across the Toronto region. We also have a strong sense that renewed provincial and municipal leadership will be able to harness the grassroots momentum building over the last four years to address key challenges. Outlined in our report are a number of ways in which government, the private sector, community service organizations and others are working to create opportunities to close the prosperity gap in our region.

A specific contribution that we are making in this report is a labour market demand projection analysis for the region over the next five years. This information will enable job seekers, career counselors, and colleges and universities to make informed decisions about career paths and educational programs. Understanding our region's changing labour market is critical to ensuring youth, newcomers and others embarking on new career paths can successfully transition into rewarding employment.

Thanks to the Toronto region colleges and Colleges Ontario, who sponsored this paper, and to Millier Dickinson Blais Inc., and their partner Strategic Projections Inc., for research support in developing the labour market demand analysis. Our thanks as well to the wide range of internal and external stakeholders that have provided so much information, insight and inspiration as we developed this paper.

We look forward to listening to, and participating in, the debate among candidates and policy makers in the weeks and months ahead. Solutions will come through collaboration and having every sector at the table ready to work in new ways to address new challenges. By working together we can choose to build a strong region with a high quality of life and a growing economy.

The time for a more prosperous, productive and socially inclusive Toronto region is now.

Beth Wilson
Chair, Toronto Region Board of Trade

Susan McIsaac
President & CEO, United Way Toronto

PREFACE

TORONTO REGION COLLEGES AND COLLEGES ONTARIO

We are pleased to sponsor the release of the Toronto Region Board of Trade's, *Closing the Prosperity Gap* paper.

Toronto region colleges and polytechnics play a critical role in addressing many of the themes raised throughout the paper; the paper explicitly draws attention to these contributions as some of the examples of action taking place across the region.

Colleges work with employers and Employment Ontario to connect growing numbers of people to the career opportunities that exist in their communities. This includes helping our most vulnerable citizens get the qualifications and skills they need to find rewarding careers.

Colleges are also helping internationally trained immigrants find career success in this province through bridging programs, mentoring and the delivery of ESL programs and dual credit programs.

Our work with sector councils, employer groups and individual firms — as highlighted by some of the examples in this report — show how we connect experiential learning to skills acquisition in our graduates. These skills include those needed by employers, as well as the life long learning skills that enable graduates to continue to learn throughout their careers as jobs and workplaces evolve.

We would like to call particular attention to the appendix of this report and the data file that can be found at: <http://www.bot.com/prosperitygap>, which provides a unique set of labour market demand projections by industry and occupation. This is a valuable contribution to the need for more local labour market information that can help guide our programming decisions and better focus our outreach to industry. It is also an asset that can guide the decisions of other stakeholders, as well as job seekers and those that are providing them advice about career paths.

We would like to thank the Toronto Region Board of Trade and its research partner United Way Toronto for the leadership they have shown in releasing this paper. We hope that other stakeholders will join us in heeding the call to action in this report to come together to take additional action with a renewed sense of collaboration.



EXECUTIVE SUMMARY

WHY THE PROSPERITY GAP MATTERS TO OUR REGION'S FUTURE

By most measures the Toronto region's overall social and economic well-being is enviable. We live and work in a place of great opportunity. But the prosperity we enjoy today is not guaranteed for tomorrow. Our region is confronted by worrying trends that threaten to undermine our social cohesion and economic strength, in effect creating a "prosperity gap".

The worrying trends at the root of the prosperity gap are: a decrease in the quality of new jobs, with too few being real career opportunities that offer stability and security; unequal access to quality of life determinants and opportunities among different neighbourhoods in our region; and greater challenges for newcomers and young people than other segments of the population in building better lives for themselves.

The findings of this report reveal that:

- While the Toronto region is projected to experience a continued increase in the number of high income jobs being created, low paying jobs, which often lack security and benefits, are also projected to rise.
- The region has experienced a widening geographic divide between affluent and low-income neighbourhoods, with the latter experiencing lower educational attainment, higher unemployment rates, and greater poverty. The lack of sufficient tools to confront these challenges leads to a rising sense of marginalization in these low-income neighbourhoods — a feeling of being left out of the region's economy and society.
- High rates of youth and newcomer unemployment and underemployment point to major weaknesses in our ability to capitalize on the economic potential of our emerging workforce. Toronto's youth unemployment rates averaged 21.8 percent in the first six months of 2014. At the same time, undervaluing newcomers' qualifications and experience is estimated by one study to cost the Toronto region's economy approximately \$1.5 billion to \$2.25 billion every year.

In *Closing the Prosperity Gap for a Liveable City Region*, the Toronto Region Board of Trade (the Board) and United Way Toronto (UWT) find that, without business and political leadership, we will not be able to arrest these worrying trends, leaving too many in our region behind. With over 500,000 new job openings projected over the next five years, due to economic growth and retirement of older workers, leadership is required to ensure that every resident is equipped to take advantage of these emerging opportunities.

These gaps should be of concern to all of us in the region. The liveability of the region, as well as its competitiveness is at stake. Giving everyone an equal opportunity to succeed gets more people working, improves our productivity and creates a strong economic base.

There is a well-established link between social progress and economic performance. Equity, inclusion and access are building blocks for social cohesion, and progress in these areas can enable better opportunities and outcomes for all residents. Ensuring that everyone is at their best and can contribute to our shared prosperity makes good business sense in the short- and long-term. It means more consumers for neighbourhood businesses and a revenue base that can help pay for critical municipal programs and services. It also reduces reliance on costly remedial systems such as health care and criminal justice down the road. This is especially important for youth and newcomers who currently face particularly challenging circumstances.

Social cohesion is also key to the region's liveability and the advantage that comes when people and businesses choose to locate in the Toronto region for its high quality of life. A sense from every resident that "we are all in this together" engenders the kind of social cohesion that enables a region to pull in the same direction and have shared aspirations for the future. This is an important foundation for liveability that helps to attract investment and new talent to further drive a cycle of economic and social progress.

The Board and UWT are calling for increased political, business, labour and community leadership and collaboration to ensure that everyone in our region has the opportunity to contribute to and shape our economy, neighbourhoods and communities.

The report outlines a number of proven solutions that are already working to close the prosperity gap in our region. Leadership and further collaboration will see these solutions being spread, scaled-up and implemented across the region.

The changing labour market is resulting in new types of work, with both opportunities and challenges, often in the form of non-standard employment, such as part-time and contract employment often with uncertain hours and earnings and without benefits. The report points to a number of examples where government, educators, the private sector and labour can alleviate the negative effects of non-standard employment by various means. Employers, for example, can apply practices that address the specific needs of workers in non-standard employment. There can be collaboration across sectors to support higher skill and higher wage employment that in turn attract good jobs to our region. Additionally, a modernized approach to public policy can more effectively address the shifting needs of workers in this new labour market.

All neighbourhoods in Toronto have important economic and social supports and other assets, but some neighbourhoods are missing specific supports to meet important local needs. This report discusses how government, businesses, post-secondary institutions, labour and community organizations can contribute to create socially and economically prosperous neighbourhoods by working together. Solutions are developed when businesses work with communities to foster local economic opportunities; when the community sector and government collaborate on policy changes to promote local economic development; and when we leverage opportunities in neighbourhoods through intelligent zoning, community benefits and social enterprises.

The experiences of youth and newcomers are linked to broader challenges regarding unemployment and underemployment across the region. This report highlights examples of locally-driven approaches that can help ensure a better fit between labour force supply and demand. Collaboration can build necessary links between education and employment, and community services can ensure that everyone has the basic supports they need to build a better life.

It is difficult for Toronto region residents to fully understand, address, and track these complex issues in the absence of high-quality labour market information. The appendix of this report makes a contribution to this information gap by providing projections of employment levels and growth by occupation and industry. This analysis answers two key questions: in what industries and occupations are today's jobs and where will growth come from in the next five years? While this analysis contributes to a stronger understanding of the trends in our region's economy, it also underscores the urgent need for ongoing high-quality labour market information. This is particularly important for those directly affected by the new realities of the Toronto region's job market. From the individual job seeker to employers, educators, and policy makers, current and accurate labour market data is critical for making sound decisions.

The prosperity gap can have an increasing negative influence on the liveability, productivity and competitiveness of the Toronto region. To bridge this gap the Board and UWT recommend building on cross-sectoral collaborations that bring together various knowledge, skills, experience and energies. These collaborations should strive to work in new ways to alleviate the challenges posed by the region's changing labour market, to support neighbourhoods that are falling behind, and to give real world support to youth and newcomers seeking employment.

Our region's prosperity gap is a major challenge that was not created overnight and will not be solved by easy, simple or quick interventions. Solutions will come through collaboration and having every sector at the table ready to work in new ways to address new challenges. By working together we can choose to build a strong region with a high quality of life and a growing economy. As this report shows, we are in fact already well down the road in finding solutions. Now is the time to build on the momentum and to show leadership to ensure a stronger, more prosperous future is in store for everyone in our region.

INTRODUCTION

THINK TWICE, VOTE ONCE CAMPAIGN

The 2014 provincial election is now behind us and political stability has replaced uncertainty at Queen’s Park. At the municipal level, campaigns are well underway across the Toronto region with residents heading to the polls in just a couple weeks. As the Toronto Region Board of Trade (the Board) said at the launch of its election campaign, *Think Twice, Vote Once – Decision 2014*, the elections held this year mark a critical moment for the region. There is a rare opportunity to make lasting choices on issues related to our region’s future prosperity. Long-simmering challenges like traffic gridlock, job creation and a growing prosperity gap within our region are key issues for voters across the Toronto region.

Against this backdrop, in January 2014 the Board launched its *Think Twice, Vote Once* campaign with a focus on four priorities:

- **Priority 1:** Building regional transportation now
- **Priority 2:** Increasing fiscal capacity to upgrade civic infrastructure
- **Priority 3:** Promoting job creation across the region
- **Priority 4:** Closing the prosperity gap

On behalf of its members, the Board encourages municipal candidates across the region to integrate these priorities into their vision and plans. Each municipality has a unique set of assets and opportunities, but the overall region’s economies, labour markets, lifestyles, environmental issues and commuting patterns transcend municipal borders.

There is much that municipalities can learn from each other’s best practices. This paper will conclude the *Think Twice, Vote Once* series by presenting examples of successful, innovative partnerships and initiatives that are already providing solutions for the challenges our communities face. These solutions are created when government, business, educators, labour and the community sector work together to build a better region for everyone.

This paper focuses on how we can close the prosperity gap between rich and poor segments of the population and among municipalities and neighbourhoods in the Toronto region. These gaps should be of concern to everyone. The liveability of the region, as well as its competitiveness is at stake. Giving everyone a stake in the region’s future is key to greater labour force participation, rises in productivity and a strong economic base.

There is a well-established link between social progress and economic performance.¹ Equity, inclusion and access are building blocks for social cohesion, and progress in these areas can enable better opportunities and outcomes for all residents.² Ensuring that everyone is at their best and can contribute to shared prosperity makes good business sense in the short- and long-term. It means an expanded revenue base for neighbourhoods and cities now, while also reducing reliance on remedial and costly systems, such as health care and criminal justice, down the road.³ This is especially important for youth and newcomers who currently face particularly challenging circumstances in our region.

Social cohesion is also key to the region’s liveability and the business advantage that comes when people and business choose the Toronto region for its high quality of life. A sense from every resident and neighbourhood that “we are all in this together” engenders the kind of cohesion that enables a region to pull in the same direction and have a shared purpose. An increased quality of life or “liveability” for all residents benefits those who currently live and work in the region while helping to attract investment and new talent to further drive a cycle of economic and social progress.

Solutions to strengthen the Toronto region must focus on ways to support social and economic prosperity. The examples featured in this paper represent current and promising initiatives and partnerships that the region can leverage to address the prosperity gap. These examples are not presented as an exhaustive list, but as representative of the region's understanding of the importance of working in new ways in the face of new kinds of challenges. These examples serve as models that can be encouraged, replicated and scaled up.

HISTORICAL CONTEXT AND AREAS OF FOCUS FOR THIS PAPER

In 2010, the Board released *Lifting All Boats: Promoting Social Cohesion and Economic Inclusion in the Toronto Region*. The report focused on challenges facing newcomers, the growing disparities felt particularly in the inner suburbs, the lack of affordable housing, and challenges with access to community services and public transit. It explored how social issues related to these areas could impact social costs, liveability, economic participation, productivity and regional economic potential. In each area potential solutions were explored and options for municipal government, business, and the community sector were offered.

Closing the Prosperity Gap, written in partnership with United Way Toronto (UWT) and with the contribution of workforce development consulting firm Millier Dickinson Blais Inc. (MDB), builds on the Board's previous work. Its focus is on the link between social and economic prosperity. It suggests potential responses from governments, businesses, educators, labour and the community sector. It also provides useful new information about current and future job growth by occupation and industry.

The purpose of this paper is to spark discussion among political candidates and leaders from all sectors, who have a stake in the future prosperity of the region. This report's information related to current and future labour market demand trends provides key insights that can help inform policy decisions long after the elections are over. The paper is also intended as a resource for schools, employment agencies, newcomers, youth and parents to provide vital information that can help guide short- and long-term career plans.

WHY NOW? STRENGTHENING THE REGION FOR EVERYONE

According to the Board's annual *Scorecard on Prosperity* reports series since 2009, the Toronto region is a perennial top five performer on labour attractiveness/liveability indicators such as diversity, crime rates, environmental quality, and human capital development. The Toronto region has also received high rankings in *The Economist's* Most Liveable Cities. PricewaterhouseCoopers' *Cities of Opportunity* gave excellent marks for the Toronto region's high quality of life. However, our region still faces challenges. A comprehensive, region-wide response is required that takes into account a rapidly changing labour market, the specific needs of particular neighbourhoods as well as populations such as youth and newcomers.

Changes in the global economy in the past two decades have had a deep impact on our region's labour market and its work force. Since the beginning of the twentieth century, and especially since World War II, the standard employment relationship of permanent full-time employment with benefits was the norm for Canadians. This started to change in the 1970s. By the mid-1980s a new employment relationship began to grow throughout the economy.⁴ In the current labour market, a growing proportion of jobs are temporary or short-term, and these jobs generally do not include benefits.⁵ While flexible work arrangements can offer advantages to employers and workers, non-standard employment relationships also present challenges.

Region-wide changes are also being felt at the neighbourhood level. In the Toronto region there is a growing divide between neighbourhoods⁶ alongside rising income inequality.⁷ Every neighbourhood has its strengths, but not all neighbourhoods have the kinds of locally-responsive resources and services that are needed to support the social and economic well-being of residents throughout the region.

At the same time there are also identifiable groups in the Toronto region that face specific social and economic challenges, such as youth and newcomers. Unemployment for 15 to 24 year olds in the Toronto Census Metropolitan Area (CMA) averaged 18.1 percent for the first six months of 2014,⁸ up from 16.8 percent in 2013.⁹ For the City of Toronto, the youth unemployment rate averaged 21.8 percent during the first six months of 2014.¹⁰ The result of this worsening trend is that youth unemployment levels now match those experienced in 2009 during the last recession. Moreover, Toronto has a highly educated immigrant population — but many immigrants face underemployment. The continued inability to appropriately leverage the qualifications and experience of newcomers is estimated to cost the Toronto region's economy approximately \$1.5 billion to \$2.25 billion each year.¹¹

“Unemployment for 15 to 24 year olds in the Toronto Census Metropolitan Area (CMA) averaged 18.1 percent for the first six months of 2014, up from 16.8 percent in 2013. For the City of Toronto, the youth unemployment rate averaged 21.8 percent during the first six months of 2014.”

It is difficult for the Toronto region to fully understand, address, and track these complex issues in the absence of high-quality labour market information. For example, the region has an admirable network of agencies and post-secondary education institutions that are focused on helping youth and newcomers get jobs. These agencies and institutions have consistently informed the Board that they lack region-specific information about what jobs are currently available across the region. They have also stressed the need for accurate forecasts about what occupations and skills will be in demand in the future.

While many factors contribute to the prosperity gap, this paper will focus on these critical drivers:

- The impact of a changing labour market across the region, particularly related to an increase in temporary and short-term jobs;
- The widening gap between Toronto's affluent and low-income neighbourhoods;
- Youth and newcomer unemployment and underemployment; and,
- The importance of accessible, high-quality and locally relevant labour market information.

We know the prosperity gap will have an increasing negative influence on the liveability, productivity and competitiveness of the Toronto region. To bridge this gap, this report proposes the need to build on cross-sectoral collaborations that bring together various knowledge, skills, experience and energies.

CHAPTER 1 Strengthening Toronto's Economy: Adjusting to the Changing Nature of the Toronto Region's Labour Market

THE ISSUE

Over 80 percent of Canadians live in urban centres,¹² anchored by the cities of Toronto, Montreal, Vancouver, Ottawa-Gatineau, Edmonton and Calgary. Nearly 67 percent of Canada's jobs are located in 25 metropolitan areas.¹³ Canada's city regions are not only centres for people — they are also economic drivers for the entire country.

Across these city regions a rapidly changing economy has influenced the experiences of workers and stands as an important driver of the prosperity gap. In Toronto, individuals in high-income occupations, including managerial, business and administrative positions, experienced an increase in their real incomes of nearly 20 percent compared to average employment income between 1980 and 2005.¹⁴ In contrast, the real incomes of individuals in Toronto in average- or lower-income occupations, such as artistic, literary, recreational, utilities, construction and transportation occupations, have seen a marked decline in their incomes — approximately 25 percent to 30 percent over the same period.¹⁵

The bifurcation of employment incomes is closely tied to the growth of non-standard employment. Recent research found that only half of employed people aged 25 to 64 in the Toronto region were in a standard employment relationship, that is, a permanent full-time job with benefits.¹⁶ There has been a substantial increase in non-standard employment that is made up of jobs that are temporary, that do not provide benefits, and that have variable hours and income. These types of jobs have increased by over 50 percent over the last two decades.¹⁷

“As the number of middle-income jobs has continued to decline, a bifurcated labour market of high-income jobs and low-income service jobs is becoming the norm.”

THE CHALLENGE: THE DOUBLE-EDGED SWORD OF FLEXIBILITY

The changing labour market is influenced by a number of drivers. Technological change, competition and uncertainty have contributed to shifts in the workforce alongside company reorganizations and closures.¹⁹ As the economy has changed, there has been a decline in manufacturing jobs and rates of unionization,²⁰ as well as an increase in non-standard employment and labour market polarization.²¹ As the number of middle-income jobs has continued to decline, a bifurcated labour market of high-income jobs and low-income service jobs is becoming the norm.²²

The rise of non-standard employment does bring some distinct benefits for workers and employers. For example, it can answer the growing demand for work options that better balance family life and work.²³ It can also act as a career bridge for youth and school leavers by presenting temporary and part-time opportunities.²⁴ Research based on European data shows that the availability of part-time work is a strong driver of higher labour force participation.²⁵

Among employers, a targeted research study completed by KPMG found that Toronto businesses identified several benefits associated with non-standard employment: staffing flexibility; the ability to meet increases in demand; cost savings; being able to attract workers through flexible employment options; and the opportunity to identify and test a new hire for an extended period before offering a more permanent position.²⁶

While flexible work arrangements can offer advantages to employers and workers, there are also social and economic costs for workers in temporary and short-term jobs. People in low- and middle-income households who are in non-standard employment are more likely to report that anxiety about work interferes with their personal and family life.²⁷ They also disproportionately choose to delay starting a family.

“More than 80 percent of those individuals who are in short-term or temporary jobs do not receive any benefits.”

Non-standard employment is also associated with greater difficulty making ends meet for low- and middle-income households.²⁸ This may be influenced in part by total compensation levels. More than 80 percent of those individuals who are in short-term or temporary jobs do not receive any benefits.²⁹ Benefits help families cover necessary costs in case of an emergency but a lack of health and dental benefits means that workers have to pay more out of pocket for these expenses. Career mobility may also be limited for workers in non-standard employment since these workers are less likely to receive employer-provided training.³⁰

What is also increasingly coming into focus about the new labour market are the challenges that non-standard employment is posing for employers. While KPMG’s report identified benefits associated with non-standard employment, their research also found Toronto employers are concerned about the productivity of employees in temporary or short-term jobs,³¹ as well as a number of emerging business risks. These risks included challenges related to staff turnover, worker engagement, customer service, organizational performance, and health and safety.³² In the service sector, poor health and worker disengagement, which negatively influence employee productivity, can result when companies do not provide health benefits, sick days, or higher wages for better performance.³³

TOWARD SOLUTIONS FOR OUR REGION’S EMPLOYMENT GAP

A changing labour market has created new types of work, with both opportunities and challenges. Government, educators, the private sector, community and labour all have a stake in mitigating and alleviating the effects of non-standard employment. Employers, for example, can apply practices that address the specific needs of workers and mitigate against the negative consequences of non-standard employment. There can be better collaboration across sectors to support higher skilled and higher wage jobs. Additionally, a modernized approach to public policy can address the shifting needs of workers in this new labour market.

A. Private sector leadership

Employment relationships have experienced significant changes in a changing economy with non-standard employment now becoming a permanent feature of the world of work. This new reality points to the need for a better understanding about the emerging, and often unintended, challenges facing workers and employers. In the past year, a number of authors and organizations have made important contributions to a knowledge-base about the emerging effects of a changing labour market on both workers and employers. Their work represents a step forward in a new conversation about the causes and consequences of having a growing segment of non-standard work in the region’s economy.

A number of options and approaches have been proposed in this area. One option is to implement employer practices that lessen the social impacts that arise out of non-standard employment. KPMG’s 2014 study proposed a variety of policies and practices related to human resources such as providing greater certainty about work terms and work schedules, ensuring workers in non-standard employment are included in performance development and organizational events, providing nominal benefits to some temporary employees, and offering expanded supports such as career planning.³⁴

Other instances of recent research into practices in the retail sector also recommended changes to human resource practices, as well as the broader organization and workflow of a business.³⁵ These recommendations included offering fewer products to increase efficiency and accuracy, standardizing tasks while empowering workers to make decisions, cross-training workers to address variations in customer demand, building slack into staffing to support customer service and continuous improvement, and investing in staff through pay, benefits, training and advancement.³⁶

Suggestions have also been made to start with a sector focus that is illustrative of the changing labour market, such as the service sector. In a major report on service workers, the Institute for Competitiveness and Prosperity and Martin Prosperity Institute identified opportunities to enhance the service sector by professionalizing service jobs through education, training, certification and enhancing the creativity content of the jobs.³⁷ Their report also recommended supporting employees through comprehensive compensation structures, regular schedules, internal job opportunities and employee retention.³⁸

B. Collaboration through clusters to support productivity and attract good jobs

One strategy to counter the rise in non-standard employment is to have the ability to attract investments that bring good jobs to the region. In this vein, The Board's *Scorecard on Prosperity 2013* indicated that supporting higher productivity in key industry clusters should be one of the priorities for the Toronto region.³⁹ Such a deliberate strategy is critical in shaping the kinds of new collaborations that can add new value to the economy and attract investment in industries that contribute wealth and good jobs to the region.

The Board actively supports the development of clusters in the region. There are a number of success stories that demonstrate that these forms of collaboration work. The Toronto Region Human Health Sciences Committee, for example, is made up of a group of leaders in the health sciences cluster who are implementing a strategy to strengthen the region's network of health sciences research and commercialization. As a first initiative, a marketing

strategy and branding project is in progress to raise the profile of the cluster, both within the region and with investors and talent outside the region. The Board has also provided a venue for CEOs in the Toronto region's food and beverage manufacturing cluster to come together. This initiative was transitioned to Food & Consumer Products of Canada and the leaders in that cluster are working together to establish and execute an action plan to improve the competitiveness of food and beverage manufacturing in the Toronto region.

The Toronto Financial Services Alliance (TFSA) is another successful cluster development venture. It is a public-private partnership focused on developing the Toronto region's financial services cluster and building it into a leading global financial services centre. The TFSA's collaboration was established in 2001, and it involves three levels of government, the financial services industry and post-secondary educational institutions. TFSA's key objective is to focus international awareness on the advantages offered by the Toronto region and the capacity building in the region.⁴⁰

One example of how a post-secondary institution is supporting this cluster is Seneca College's Centre for Financial Services (CFS). It addresses the training needs for the financial services cluster in the region. The Centre for Financial Services (CFS) resides within the School of Accounting and Financial Services (SAFS) and is part of Seneca's Faculty of Business. Founded in 2001, CFS's mandate is to be a leader in the delivery of practical, professional development, applied research and educational solutions in the financial services sector. The Centre operates and leverages the College's history of excellence and reputation to provide relevant and accessible educational opportunities for individuals seeking careers or career advancement within the financial services sector. The SAFS + CFS model provides extensive and valuable opportunities to bring industry experts and cutting edge curriculum into academic programs. It also connects students to industry and enables them to gain valuable employment experience through co-op placements and internships.

The food and beverage cluster is one of the top three economic clusters in the region. George Brown College's Food Innovation Research Studio (FIRSt) is one example of how this cluster is working in more integrated ways. FIRSt provides food and beverage industry partners with applied research and innovation services, including: specialty diet consumer recipe development; retail food product concept and development; sensory evaluation; and scale up for manufacturing support. Working with other organizations, such as the City of Toronto's Economic Development & Culture Division, FIRSt provides new and established food companies with key innovation supports. These include access to the skills and talent in the renowned George Brown College Chef School, and utilizing the facilities and equipment in its labs and kitchens. It also includes diverse consumer panels from George Brown College's student and staff population, as well as links to industry partners

and networks. All of these inputs aid industry partners in getting new products and services to market quickly and cost effectively. Since 2009, FIRSt has helped 19 companies get 49 products to market. In 2011, FIRSt achieved designation as one of the first Technology Access Centres sponsored by the Natural Sciences and Engineering Research Council of Canada. FIRSt is a recognized innovator in the Toronto region food sector, offering industry clients fee for service access to both culinary and food science technical support and solutions from "concept to commercialization".

And finally, a cross-cutting issue with many of the region's clusters is the need for growth and innovation. A stronger entrepreneurial spirit can play an important foundational role for cluster development. Over the last 28 years, the Centre of Entrepreneurship at Centennial College has helped nearly 3,600 entrepreneurs launch their businesses

Case study 1: Downsview Aerospace Innovation and Research hub⁴¹

Led by Centennial College, the University of Toronto Institute for Aerospace Studies (UTIAS) and Bombardier Inc., the Downsview Aerospace Innovation and Research (DAIR) working group has been working towards the development of an Aerospace Hub at Downsview Park. The Downsview Aerospace Hub is a geographic area where aerospace industry and academic stakeholders can co-locate for the purpose of increased collaboration. There are three fundamental building blocks for the Downsview Aerospace Hub: academic institutions, industry manufacturers and suppliers, and the DAIR Innovation Centre. The Canadian aerospace sector is at a tipping point, and the proposed Downsview Aerospace Hub is an essential strategic investment to ensure that the sector retains and grows its share of the growing global market.

The vast majority of Ontario's aerospace activity is concentrated in and around the Toronto region. The Toronto region is a strong location to further capitalize and cultivate aerospace talent and research, and the Downsview area is well suited for aerospace development. Downsview Park is in close proximity to developing TTC and GO transit connections, and land has been earmarked for industrial buildings where aerospace industries and academia could easily co-locate around Bombardier, already well established

at Downsview Park, and Centennial College, which has recently announced plans to re-locate its aerospace campus to Downsview Park.

In addition, the Toronto region benefits from a network of universities and colleges, with a range of post-secondary aerospace education and training programs. Colleges are already working closely with companies to provide customized employee training programs. The proposed DAIR could help strengthen Ontario's strong aerospace industry and academic foundation by creating additional mechanisms for industry-academia-government collaboration. This can help pave the future direction of Ontario's aerospace industry and expand employment opportunities for residents of the Toronto region.



with a 95 percent start-up success rate through the Ontario Self-Employment Benefit program with funding by the Government of Ontario. Building on this accomplishment, Centennial College has recently obtained provincial funding through the Ontario Centres of Excellence to connect the entrepreneurial ecosystem for the eastern greater Toronto area, and to help accelerate 60 new youth-led start-ups in the next two years. In partnership with the Regional Innovation Centre and ventureLAB, the ecosystem brings together nearly 20 businesses, industries, and community partners.

C. Modernize public policy for a changing labour market

As non-standard jobs become the new reality for many workers, a number of public policy questions have emerged that require fresh thinking. These questions include: how to arrange and secure child care; how to pay for and access extended health and dental benefits; how to ensure economic security through part-time work or multiple employment relationships; and how to keep one's skills and qualifications current in the absence of a workplace human resource development strategy.

Such questions point to a growing recognition about the gulf separating the lived experience of employees and the ability of traditional policies and systems of support to alleviate some of the negative aspects of the new labour market. In 2006, the multi-sectoral Modernizing Income Security for Working Age Adults (MISWAA) Task Force put the challenge into focus in stating that, “there have been no fundamental reforms of the [income security] system since the 1960s. Virtually every aspect of the labour market has changed dramatically in the last 40 years, but we have not modernized our income security system to keep up with those changes.”⁴²

MISWAA helped spark a number of policy innovations that have demonstrated the value of better alignment between policy and labour market conditions. The introduction of the Ontario Child Benefit in 2008, for example, has helped low- and modest-income families with children to transition into the labour market and attain economic security. The investment in the new benefit was also critical in preventing and reducing child poverty among children in Ontario during the recent economic downturn.

Building on the example of the Ontario Child Benefit, the well-being of low- and modest-income workers in non-standard employment would be bolstered by measures to improve their total compensation levels. Improved total compensation is an opportunity for collaboration between government and employers and represents a way to continue to modernize public policy and ensure it remains effective and relevant in relation to the current labour market. It includes, for example, the Ontario government's recent expansion of health and dental benefits for children of low-income families who are at the lower-end of the labour market. As part of its new Poverty Reduction Strategy, the Government of Ontario has indicated they will explore options to expand health benefits to all low-income Ontarians. Proactive discussions among government, employers, labour and the community sector could inform the development and implementation of these important initiatives.



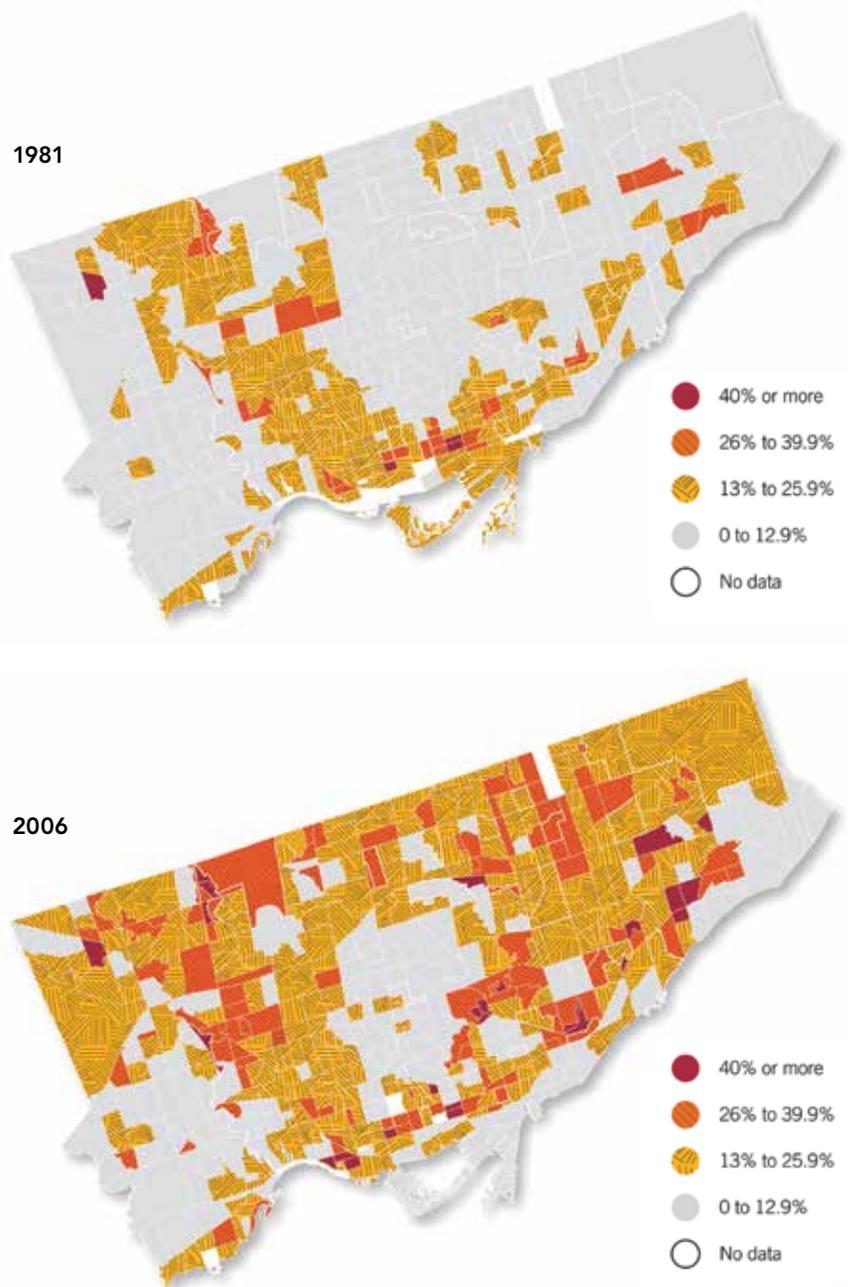
CHAPTER 2 Linking every Neighbourhood to Opportunity and Prosperity

THE ISSUE

It is often said that “Toronto is a city of neighbourhoods”. Implicit in this statement is an understanding that the overall well-being of residents in the Toronto region is connected to the health and vibrancy of their local neighbourhoods. But while every neighbourhood in the region has strengths and assets, evidence shows a growing gap between neighbourhoods that are doing well and those that are falling behind.

“But while every neighbourhood in the region has strengths and assets, evidence shows a growing gap between neighbourhoods that are doing well and those that are falling behind.”

Figure 1: Percentage of low-income economic families, by neighbourhood (1981–2006)⁴³



Source: United Way Toronto, 2011

For example, residents who live in some of the City of Toronto's inner suburbs experience higher unemployment rates, a greater concentration of poverty, higher social assistance usage, lower educational attainment levels and higher overall marginalization rates.⁴⁴ Neighbourhoods outside the downtown core are also generally less walkable — making it harder to walk to businesses, schools, parks and other services.⁴⁵

One strong indicator of a risk to neighbourhood well-being is the level of concentration of child poverty. The latest child poverty numbers for the City of Toronto reinforce the existence of a growing prosperity gap between downtown neighbourhoods and the inner suburbs.⁴⁷ While there are certainly areas of Toronto's downtown that stand out in terms of low-income, the concentration of poverty emerges most strongly in the northern and eastern sections of Toronto.

Figure 2: Unemployment, 2011⁴⁶

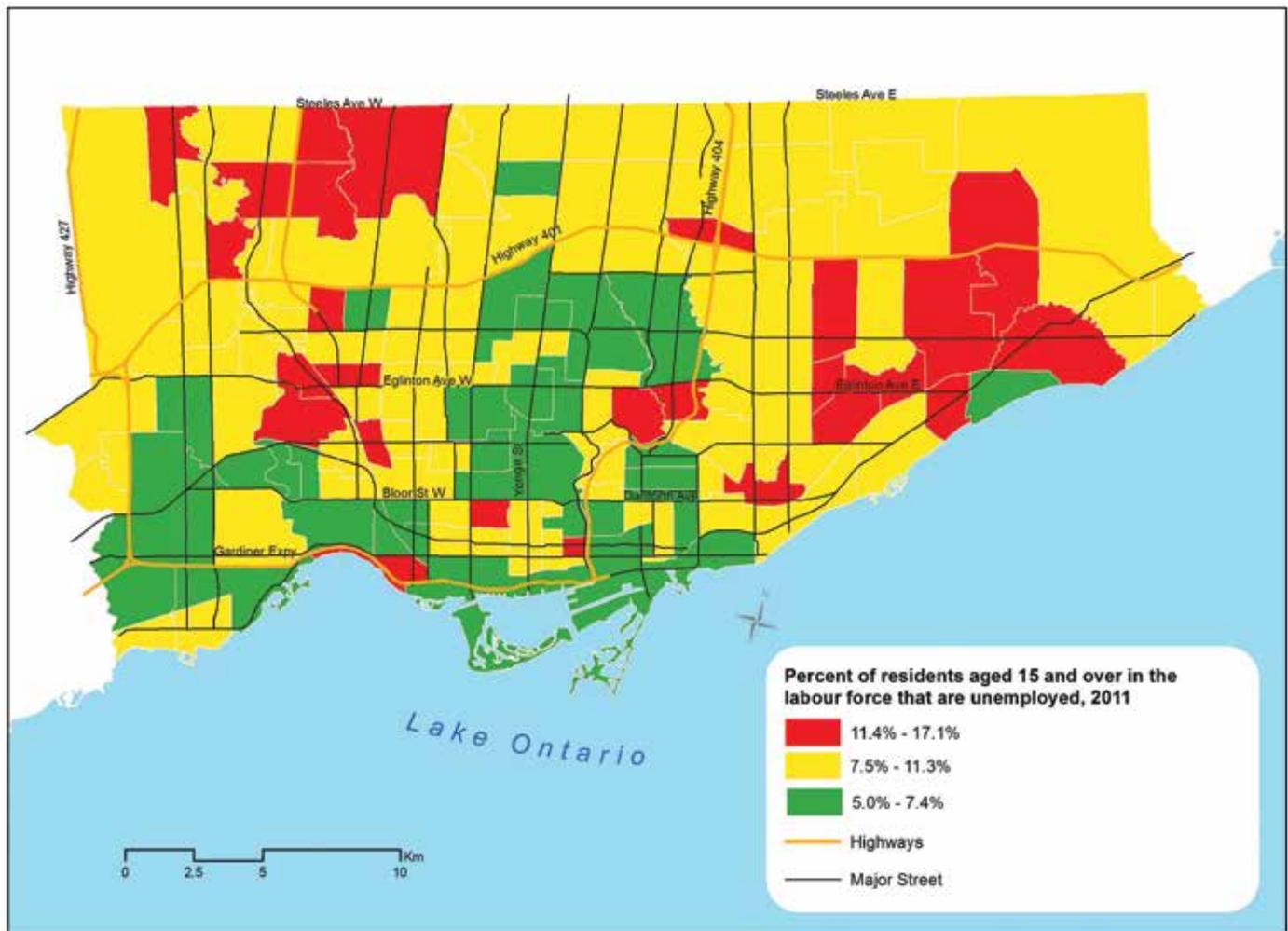
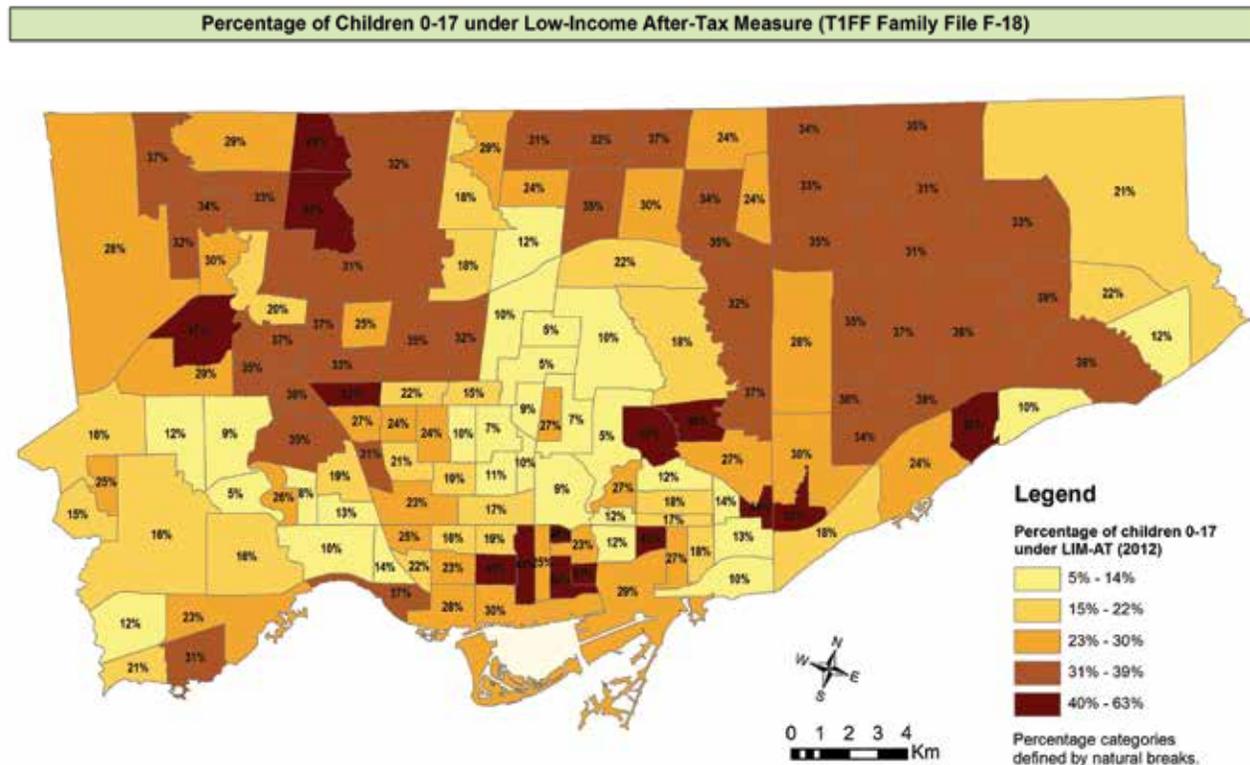


Figure 3: Child Poverty, 2012⁴⁸

Source: Statistics Canada, 2012 T1FF Family File Table F-18; Community Data Program; City of Toronto; Social Policy Analysis & Research

Source: Alliance for a Poverty-Free Toronto, Children's Aid Society of Toronto, Colour of Poverty – Colour of Change, Ontario Campaign 2000, and Social Planning Toronto, 2014

THE CHALLENGE: THE GROWING GAP BETWEEN NEIGHBOURHOODS

As the proportion of middle-income neighbourhoods in Toronto has shrunk, the city has experienced a small rise in high-income neighbourhoods and a greater increase in the proportion of low-income neighbourhoods.⁴⁹ This gap related to where people live reflects a broader pattern of income inequality in Toronto.[†] The city has experienced a considerable increase in income inequality, with growing gaps among both households and neighbourhoods.⁵⁰

Growing inequality in the Toronto region has implications for the health and social cohesion of neighbourhoods. For example, evidence shows that Torontonians from high-income areas are healthier than those from middle-income areas, and that residents from middle-income areas are in turn healthier than those from low-income areas.⁵¹ Income inequality also has a negative effect on social cohesion by decreasing trust and increasing pessimism.⁵²

[†] There are a number of causes of income inequality, including structural factors (such as the changing nature of the labour market) and the demographic characteristics of the labour force (such as education).

There are a number of explanations for the concentration of poverty in the Toronto region. One such important factor is the availability and affordability of housing. Due to gentrification, as well as the conversion of multi-unit houses into single family homes and the conversion of rental stock into condos, the Toronto region has lost rental stock over time.⁵³ Most of the rental market loss has occurred at the lower end of the rental market, and gentrification has reduced the availability of affordable housing in the city's core.⁵⁴ The construction of new housing, such as the downtown's condo towers, has also focused on home ownership and higher-income households.⁵⁵ All of these changes mean that high rise towers in the inner suburbs have become one of the few affordable options available to lower-income households.

It is also significant that Toronto has the second highest number of high rises in North America, and that these towers are mostly located in the inner suburbs.⁵⁶ Built decades ago, Toronto's extensive stock of high rises was targeted at a middle class demographic who typically drove outside of its own neighbourhood to access jobs and services.⁵⁷ Today, those same towers are home to predominantly low- and modest-income residents. As the towers age, keeping up with repairs and ensuring residents have access to basic amenities is a challenge.⁵⁸ While a number of important investments in the inner suburbs have helped create community service hubs in under-served areas of the city, it can still be difficult for residents to access everything they need. Many do not have cars and must use transit or walk to get groceries, run errands or get to work.⁵⁹ Being cut off from jobs and services can also make it more difficult for residents to connect with economic opportunities.

These types of challenges are not unique to the City of Toronto. York region has experienced considerable population growth, and there are concerns that there is also insufficient social infrastructure and local community supports for this part of the region's growing base of residents.⁶⁰

TOWARD SOLUTIONS THAT CLOSE THE PROSPERITY GAP BETWEEN NEIGHBOURHOODS

All neighbourhoods in the Toronto region have important assets, but some neighbourhoods are missing specific supports tailored to meet local needs. Solutions are developed when businesses work with communities to foster local economic opportunities; when the community sector and government collaborate on policy changes to promote local economic development; and when we leverage opportunities in neighbourhoods through intelligent zoning, community benefits and social enterprises.

A. Multi-sectoral collaborations: Finding a shared bottom line

Businesses and communities have a shared stake in building strong neighbourhoods together. Businesses need strong communities as a market for products and to provide public assets and a supportive environment for them and their employees, while communities need strong businesses to provide economic opportunities for residents.⁶¹ Research by Michael Porter and others has championed business approaches that concurrently enhance a company's competitiveness and improve the economic and social conditions in local communities.⁶²

One example of business supporting their local community is RBC Royal Bank, which has been investing in the Regent Park community for more than 60 years. In 2010, RBC Royal Bank opened a branch in Regent Park as part of the Regent Park Revitalization project. It was the first bank in the neighbourhood since construction of Regent Park began in 1948. In addition to providing financial services to local residents, RBC Royal Bank also prioritized local hiring to provide employment opportunities for Regent Park residents.

Another example of business working with community and other partners is the Weston — Mt Dennis–Irving Tissue Community Employment Project. This project responds to the growing employment challenges in the community, particularly for young people. Irving Tissue has partnered with UWT, George Brown College, Yorktown Child and Family Centre, Action for Neighbourhood Change and the City of Toronto on a project to help young people facing barriers to employment. This two-year pilot will connect local youth to education, training and job opportunities in the manufacturing sector. It will offer tailored academic upgrading, life skills development, support to complete a George Brown College Trades certificate, mentorship and ongoing life coach support. Ultimately, it enables youth to qualify for paid internships at Irving Tissue and provides ongoing support to ensure their long-term success.

Davis + Henderson (D+H) and the Thorncliffe Neighbourhood Office (TNO) provide another example of business and community working together. D+H is a Canadian-based company located in the Thorncliffe neighbourhood of the City of Toronto. Since 2008, D+H has collaborated with the TNO to tackle local issues such as unemployment, small business development and education. For example, D+H provides interview and resume workshops through TNO, as well as free services and office administration support to TNO to promote business development.⁶³

Post-secondary education institutions also have an important role to play in strengthening local communities. George Brown College has worked with the Regent Park Neighbourhood Initiative, the Downtown East Community Collective and the Daniels Corporation to help realize a new community vision for the revitalization of Regent Park. Working with these and other partners, the college has developed numerous projects that have brought education and opportunity to the community. A common thread in all of George Brown College’s partnerships in Regent Park is the focus on access to education and employment in response to skills gaps identified by the college’s industry partners. Every division of the college has been engaged in this ever-expanding and evolving partnership and has positively contributed to the ongoing revitalization of Regent Park. The Centre for Hospitality and Culinary Arts, for example, has partnered with Paintbox Bistro — Regent Park’s newest restaurant and social enterprise — to provide residents with training to become fully employed at Paintbox. Another example is found in the Centre for Community Services and Early Childhood. They have worked with Toronto Children’s Services to develop a new childcare centre and lab school, bringing high-quality childcare to the neighbourhood. The School of Fashion Studies is also working closely with industry partners and the Daniels Corporation to develop “Fashion Exchange GBC”. This fashion hub, in the heart of Regent Park, will provide training and employment to area youth.

Business and community leaders, including Centennial College, are also coming together to benefit the broader local community, as exemplified through the current work of the Rotary Clubs in Scarborough. Their Scarborough Community Renewal Campaign is raising awareness of Scarborough’s assets and needs. It brings together community members, business professionals and political leaders. Through financial and volunteer resources, community leaders have embarked on the collaborative development and implementation of a strategic and tactical plan to raise the profile of the region. This will benefit Scarborough as a whole, while including a focus on specific neighbourhoods. For its efforts in this initiative the Rotary Clubs of Scarborough was recently awarded the Tibor Gregor Community Service Award.



B. Innovative public policy as a vehicle for community change

Municipal governments can build social and economic prosperity at the community level through policy change. For example, zoning by-laws were one key tool in enabling the large-scale Regent Park Revitalization project. Regent Park was originally a residential area, with limited services and amenities, but several zoning by-law amendments have been approved since the Revitalization began in 2005.⁶⁴ These changes enabled the Revitalization project to turn Regent Park into a mixed-use and mixed-income neighbourhood, with a variety of retail spaces that include a bank and grocery store, as well as amenities, including an arts and cultural centre, a public park, an aquatic centre and athletic grounds.⁶⁵

Recent efforts have further built on the potential associated with revised zoning by-laws. In June 2014, Toronto City Council adopted a proposal to revise zoning by-laws to allow Residential Apartment Commercial (RAC) zones — a recommendation originally proposed by UWT and the Centre for Urban Growth and Renewal (CUG+R).⁶⁶ Prior to this by-law, many tower neighbourhoods in Toronto's inner suburbs had strict zoning by-law provisions that could stand in the way of community initiatives and entrepreneurship. This new zoning by-law will allow the development of small-scale commercial and community use of spaces in apartment buildings, such as shops, cafes, health services, community centres, and places of worship.⁶⁷ Approximately 500 sites will be included, and this change will help apartment towers and surrounding neighbourhoods by supporting local economic activity and access to services.⁶⁸ These changes will help tower neighbourhoods become more vibrant and prosperous communities.⁶⁹ Governments and the community sector are natural partners in community building, and they should continue to work together on creative policy changes like these to improve social and economic prosperity for residents of the Toronto region.

“Governments and the community sector are natural partners in community building, and they should continue to work together on creative policy changes like these to improve social and economic prosperity for residents of the Toronto region.”

The development of a City of Toronto Poverty Reduction Strategy is another example of municipal government working with partners to build a better city. In April 2014, Toronto City Council directed staff to develop the strategy as a way to better align and build on existing initiatives across a number of departments.⁷⁰ The strategy has the potential to focus on actions that the City of Toronto, together with cross-sectoral partners, can implement to improve social and economic outcomes.

C. Social procurement and the opportunity to integrate social and economic goals

Government, business, labour, nonprofit and other organizations can advance social and economic prosperity in their communities through the expansion of the use of social procurement. Social procurement uses the procurement process to support positive economic, workforce and social development outcomes.⁷¹ The City of Toronto, for example, is working on a series of social procurement pilots, and will use their experience to develop a Toronto Social Procurement Policy by the end of 2015.⁷² Community Benefits Agreements (CBAs) and social enterprises (SEs) offer two important opportunities in social procurement.

CBAs are collaborations among government, business, labour and communities related to particular infrastructure projects. They represent a commitment to social, environmental and economic development goals within the community affected by the project. CBAs are legal agreements that make commitments about the benefits that will be provided to the local community. They often include a focus on jobs and training. Recent research in the United Kingdom has highlighted the value of including targeted recruitment and training opportunities in public procurement.⁷³

In Toronto, a community benefits initiative for the Eglinton Crosstown Project is currently in development with Metrolinx and the Government of Ontario, in collaboration with the Toronto Community Benefits Network. This agreement includes commitments to apprentice programs, building job awareness for local residents, workforce development planning, and an expansion of procurement to include social enterprises.⁷⁴ UWT is leading a labour market partnership with the Ministry of Training, Colleges and Universities, and other partners, to develop effective workforce development pathways that connect local residents to anticipated jobs emerging from the Eglinton Crosstown Project. The community benefits initiative will have a primary focus on the communities along the transit line, which have high unemployment and social assistance rates.⁷⁵ Beginning with the Eglinton Crosstown Project, the Government of Ontario is also enhancing their Alternative Financing and Procurement model to ensure that future infrastructure projects include plans to provide apprenticeship opportunities, with specific programs for youth, local communities and veterans.⁷⁶

SEs are businesses run by charities or non-profit organizations that sell goods and services to generate income and to support a social, cultural or environmental mission.⁷⁷ SEs play an important role in the community, and they often provide jobs to those who face barriers to employment, including youth and newcomers.⁷⁸ There is growing interest in SEs in Ontario, with the creation of the Ministry of Economic Development, Employment and Infrastructure's Office for Social Enterprise in 2012, and recent research on social enterprise by the Mowat Centre.⁷⁹ A number of groups have played an important role in social enterprise in the region, including the Toronto Enterprise Fund (TEF) and the Learning Enrichment Foundation. TEF is a unique funding partnership of UWT and the three levels of government. UWT manages the day to day operations of TEF.

The growing recognition of SEs is seen in their inclusion in the procurement process for the Toronto 2015 Pan Am/Parapan Am Games (the Games). The Games will be the largest multi-sport games ever hosted in Canada. The Games are expected to create 26,000 new jobs and are expected to bring at least 250,000 additional visitors to the Toronto region, with an approximate cost of \$2.5 billion.⁸⁰ Two of the SEs funded by the TEF have already been selected as vendors for the Games: Interpreter Services Toronto and Phoenix Print Shop. Interpreter Services Toronto, run by the Barbra Schlifer Commemorative Clinic, offers interpretation and translation services and provides training to immigrant and refugee women to become professional language interpreters.⁸¹ Phoenix Print Shop, run by Eva's Initiatives, provides training in the print business to youth who are homeless or at risk of homelessness.⁸² The work of these SEs offers real world solutions to the challenges of unemployment and underemployment.

All three levels of government have also recently provided support for an initiative to further connect SEs with significant government procurement opportunities, such as the Games. This pilot project will be jointly managed by the TEF and Social Enterprise Toronto.⁸³ Governments can further support the sustainability of social enterprise by exploring options to include them in government supply chains such as vendor of record programs.

Case study 2: Community benefits and social enterprise: International policy initiatives

The Toronto region is taking important steps towards supporting social enterprise. Other countries are also making significant policy changes in their support of community benefits and social enterprise. The following are a few case examples of policies in three jurisdictions.

Scotland

In 2009, the Scottish Government established the Sustainable Procurement Action Plan. In 2013, the government introduced the Procurement Reform Bill. It ensures that procurement spending achieves as much public benefit as possible. Glasgow City Council introduced a Community Benefit Procurement Policy to help maximize the social and economic legacy of the 2014 Commonwealth Games.⁸⁴ This ensured that CBAs were a core part of contract specifications for major contracts, such as infrastructure. Social value accounted for 10 percent in the tender evaluation process.

England

In 2012, the government introduced the *Social Values Act*. This legislation broadly mandates social and economic inclusion in government practices. Supporting community benefits and social enterprise fall under this umbrella as a means to target poverty and social mobility and as a strategy to ensure that public dollars achieve the greatest possible good.⁸⁵ Birmingham City Council included jobs and skills requirements as a condition in the contract bid to build their new library.⁸⁶ The \$350 million contract stated that residents from priority areas receive a percentage of the new jobs. This resulted in 54 percent of the opportunities going to disadvantaged workers. The contract also resulted in 306 jobs for Birmingham residents and 82 youth apprenticeships.

United States

Since 2001, CBAs have been a part of public infrastructure projects in Boston, Washington D.C., Atlanta, Minneapolis, San Francisco and Los Angeles. These CBAs are successful collaborations among developers, community groups and government, and they have resulted in jobs, training opportunities for vulnerable youth, affordable housing units and community space.⁸⁷ In Los Angeles in 2012, for example, a CBA was signed for the expansion of the transit system that engaged community groups and created pathways to employment for disadvantaged populations. The Los Angeles Metropolitan Transit Authority Construction Careers Policy is expected to generate over 23,400 construction jobs, totaling over \$6 billion spent on the construction projects, with 40 percent of the jobs reserved for communities experiencing high levels of poverty.⁸⁸



CHAPTER 3

Addressing Unemployment and Underemployment in the Region: A Focus on Youth and Newcomers

THE ISSUE

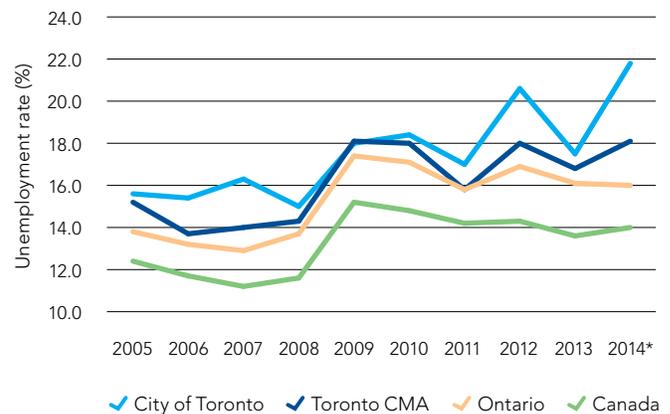
City regions aim to attract a highly educated and skilled workforce, as well as companies and investment. Promoting a region includes a focus on available amenities and quality of life because that matters to businesses. Prospective employers also make location decisions by examining the size and quality of a region's labour market. The quality of human capital greatly affects productivity growth in a metropolitan region. In a 2012 survey carried out by Ernst & Young,⁸⁹ the authors emphasized the importance of talent on a company's financial performance. They also suggested that scarcity of talent is becoming the single biggest obstacle to growth.

“Human capital should be a priority for the Toronto region, particularly since there is evidence that it is not capitalizing on its existing labour force.”

Human capital should be a priority for the Toronto region, particularly since there is evidence that it is not capitalizing on its existing labour force. According to 2014 Labour Force Survey data, the Toronto Census Metropolitan Area (CMA) youth unemployment rate (ages 15–24) averaged 18 percent during the first half of 2014,⁹⁰ nearly triple the overall unemployment rate (ages 25+).⁹¹ While youth unemployment rates in Canada are historically higher than overall unemployment rates, the size of this difference has grown.⁹² Youth unemployment is a significant issue in Toronto, and Figure 5 shows that rates in the Toronto region are above the national and provincial rates.⁹³

“Research shows that unemployment and underemployment can cause a persistent wage penalty (and have a negative impact on GDP), as well as psychological distress, poor physical health and slow career progression.”

Figure 5: Youth unemployment rate, ages 15–24⁹⁴



* 2014 is the average from January to June 2014.
Toronto CMA: Toronto Census Metropolitan Area.

Source: Statistics Canada Labour Force Survey, June 2014.

Unemployment rates are also higher for Aboriginal youth, immigrant youth, visible minority youth and youth with disabilities.⁹⁵ Research shows that unemployment and underemployment can cause a persistent wage penalty (and have a negative impact on GDP), as well as psychological distress, poor physical health and slow career progression.⁹⁶

Toronto is also struggling to capitalize on the skills and talents of newcomers. In the Toronto region, nearly 50 percent of residents are foreign-born, more than any other metro region benchmarked in the Board's *Scorecard on Prosperity 2014*. The *Scorecard on Prosperity 2013* noted that over 55 percent of new immigrants have a university degree, yet many are underemployed. Recent immigrants to Toronto experienced a steep decline in income, as a percentage of the income of those born in Canada, between 1980 and 2005.⁹⁷ In 2005, recent immigrants to Toronto earned only 48.6 percent of the incomes of non-immigrants, and this was the lowest proportion among examined city regions.⁹⁸ Moreover, nearly 20 percent of recent immigrants are working for minimum wage in Ontario.⁹⁹ Recent newcomers to the Toronto region are also more likely to work in non-standard employment positions.¹⁰⁰

THE CHALLENGE: WASTING TALENT

The Toronto region's population is very well-educated. According to *Scorecard on Prosperity 2013* nearly 55 percent of residents aged 25–64 have post-secondary qualifications, well ahead of other North American regions in the sample, with the exception of Calgary. This high education level is a positive sign for the region, since education is important for economic success.

But in today's complex labour market education is not the only predictor of success. While bachelor degree holders continue to earn more than those with a high school diploma, and have a higher full-time employment rate, the wage differences between high school graduates and bachelor's degree holders has narrowed over the last decade.¹⁰¹ We also know that visible minorities, immigrants and women receive lower average wages even though they are more likely to have a undergraduate degree.¹⁰²

High education rates raise questions about potential overqualification.¹⁰³ Though the population is increasingly well-educated, overqualification[†] rates for university graduates ages 25–34 have not changed much over the last twenty years. However, some groups are more likely to be overqualified, including men and women with a university degree in the Humanities.¹⁰⁴ This is an important area to watch since the highest post-secondary enrolment in 2011–2012 (excluding apprenticeships) was in the Humanities.¹⁰⁵

Overqualification rates are also higher among university-educated immigrants who do not have a degree from Canada or the United States.¹⁰⁶ Newcomers experience a number of barriers to employment, including lack of Canadian experience or credentials, challenges with language, ineligibility for certain services related to employment, and a lack of networking opportunities with employers.¹⁰⁷ This makes it difficult to get jobs related to their skills and experience. As a result, many newcomers work in jobs outside their profession or in the informal economy to make ends meet.¹⁰⁸

The experiences of youth and newcomers show that education is not always enough to address unemployment and underemployment. Recent work experience also helps youth and newcomers to successfully compete for jobs.¹⁰⁹ Work experience helps develop “soft skills,” which Canadian employers look for when assessing entry-level hires.¹¹⁰ Youth and newcomers also need information on current and future jobs. Up-to-date labour market information and projections can help students, newcomers and those who are retraining to understand the labour market and inform their education or training choices.

Youth and newcomers are by no means the only two groups facing barriers to employment. All Toronto residents need support when facing unemployment. However, only about 25 percent of unemployed Torontonians are eligible for Employment Insurance (EI).¹¹¹ In addition to ineligibility for the income support associated with EI, this means that most of Toronto's unemployed residents are also ineligible for the employment benefits, including skills development assistance and wage subsidies, which are linked to EI eligibility. As a result, unemployed Toronto residents do not all have equal access to the same range of resources.



[†] Overqualification measures the proportion of individuals with a university degree who work in occupations requiring a high school education.

TOWARD SOLUTIONS FOR THE ECONOMIC INCLUSION OF YOUTH AND NEWCOMERS

The experiences of youth and newcomers are linked to broader challenges regarding unemployment and underemployment across the region. A locally-driven approach can help ensure greater responsiveness and a better fit between labour force supply and demand. Collaboration can build necessary links between education and employment, and community services can ensure that everyone has what he or she needs to build a better life.

A. An enhanced municipal role in workforce development planning

Federal and provincial governments have central roles to play in policy and program development, as well as in the design and funding of training and skills development. However, as noted by recent work in the United Kingdom,¹¹² increased local influence and control in these areas is paramount. This is driven by the unique composition of local labour markets and the benefits of locally coordinated approaches to targeting regional unemployment and underemployment.

Workforce development that is responsive to local context can help meet the unique needs of each community, such as the high rates of youth and newcomers unemployment and underemployment in the Toronto region. The value of local adaptation has been highlighted by the implementation of a “one stop shopping” employment service model in 2010 for Employment Ontario offices. This has allowed staff to have some local decision making authority within a broader framework. This is important in ensuring that the needs of local employers and people living in the community are met.

The Government of Canada provides approximately \$500 million per year to the provinces and territories in the form of the Canada Job Fund (formerly the Labour Market Agreements).¹¹³ The recently signed Canada Job Fund will provide funding for programs and services for unemployed individuals who are not eligible for EI and employed individuals who have low levels of skills, as well as for the Canada Job Grant.¹¹⁴

The biggest labour market transfer to the provinces and territories, however, is the Labour Market Development Agreements (LMDAs), at approximately \$2 billion per year.¹¹⁵ Current LMDAs will end in March 2015. Due to their relative size, upcoming renewal, and current eligibility restrictions, LMDAs should be an important focus for municipal governments. A greater role for municipal governments, with input from the region’s clusters, would help ensure local needs are kept in mind when these agreements are created and when resources are distributed in the future. In order to address the large number of unemployed workers who are ineligible for EI, options to expand access to LMDA employment supports should be an important area of focus.¹¹⁶ This is an opportunity for collaboration between regional governments, the Government of Ontario and the Government of Canada.

“Federal and provincial governments have central roles to play in policy and program development, as well as in the design and funding of training and skills development.”

Municipal governments have an important leadership role in workforce development. Toronto City Council, for example, endorsed *Working as One: A Workforce Development Strategy for Toronto* in 2012 — a blueprint for a workforce development strategy.¹¹⁷ The 2013 progress report on this strategy included a recommendation to create a City of Toronto Workforce Development Leadership Table of government, employers, community organizations, and other stakeholders to support workforce development collaboration and innovation.¹¹⁸ The Board and UWT both participated in consultations with the City of Toronto related to this work in 2013.¹¹⁹ By stressing local leadership and collaboration, these recommendations will help build a more integrated and responsive approach to regional workforce development. This benefits both employers and jobseekers.

B. Clustering success: Collaboration across sectors

Greater regional collaboration and coordination would also address pressing and future needs in key industry clusters in the Toronto region. Ensuring a match between the skills of a local labour force and the skills needed by local employers is critical for economic growth.¹²⁰ Coordination among business, government, educators and local communities is key to support skills pipelines, which can help address sector-specific skills gaps and better match jobs and workers. Collaboration between educators and business can help expand co-op and entrepreneurial opportunities for students, and it can address cluster organization and business needs through industry-specific programs, and joint university-college programs.¹²¹ The Board called on this approach as part of its *Think Twice, Vote Once* campaign's report *Toward a Toronto Region Economic Strategy*.

An example of a successful collaboration of this type is the Program Advisory Councils (PAC) in place at each of the region's colleges. For example, each of Humber's more than 150 programs has its own PAC. Each PAC is made up of industry leaders, employers and academics. They meet regularly to inform and influence curriculum development to ensure that students receive the training and knowledge they need to thrive and develop in the labour market. PACs ensure that there is careful alignment between the needs of the regional labour market and the skills of graduates.

By helping participants develop relevant skillsets, applied work experience opportunities build connections between sectors that benefit both participants and employers. Hammer Heads, created by the Central Ontario Building Trades (COBT), is one example of an applied skills development program. UWT's Youth Challenge Fund was one of the early supporters and funders of Hammer Heads. The program provides 14 weeks of construction skills and employment training to young men and women from priority, under-resourced and Aboriginal communities. The program includes safety training, hands-on learning and skills development, field visits, mentoring and links to registered apprenticeships.

Work-integrated learning programs (such as co-ops, field placements and internships) help post-secondary students understand their career interests, influence career goals and apply classroom learning in the workplace.¹²² Employers who provide these learning opportunities have a strong preference for hiring new post-secondary graduates, who completed the program at their workplace.¹²³ Representative of similar programs across the region's post-secondary institutions, Seneca College offers a significant number of mandatory or optional co-op placements and many courses provide opportunities for job or field placements or other types of experiential learning. In 2012–13, over 1,000 students participated in a co-op placement in industries such as financial services, public sector, pharmaceuticals, consumer markets, and healthcare. Students contribute their knowledge and skills in cities and regions such as Toronto, Mississauga, Vaughan, Markham, Pickering, Thornhill and Ottawa.

Colleges also provide opportunities and support for entrepreneurs. Humber College's business incubator, HumberLaunch, for example, provides students and alumni with the opportunities, environment and resources they need to cultivate their innovative business ideas and transform them into successful business ventures. As an extension of Humber Research, HumberLaunch offers funding, mentorship and coaching, business development assistance (including business, marketing and social media plans), networking events, and one-on-one assistance and meeting facilities for entrepreneurs. Skyline Farms, for example, is an urban agriculture business that won seed money in Humber's 2013 Friendly Fire Competition. The company develops hydroponic tower gardens that require 90 percent less water and grow better tasting and healthier vegetables up to 30 percent faster than conventional farming methods.

Another success story is found at the Angelo Del Zotto School of Construction Management at George Brown College. It delivers Ontario's only degree program in construction management. The degree is a direct result of a partnership between the Toronto Construction Association (TCA) and George Brown College, as the degree was designed together and industry continues to be involved in its evolution. Initially launched in 2005 with 42 students, September 2014 enrolment is over 300 students in all semesters with a record intake of over 100 first semester students. Graduate employment rates are over 95 percent. In addition 4 pathways

to the degree have been developed for 3-year diploma students from Architectural Studies, Construction Engineering, Civil Engineering and Building Renovation. The TCA-George Brown College partnership is a win-win collaboration. The college has industry's ear and receives practical and timely advice. Industry's participation is a source of pride for TCA members with the added benefit of being able to shape Canada's labour force and future.

Case study 3: NPower

A new example of greater regional collaboration and coordination around workforce development and training is a new initiative being implemented by NPower called the Technology Service Corps (TSC). NPower gives young adults free hands-on tech training, professional skills development, mentoring, internships, industry-recognized certifications, and job placement services, so that they can fill the 50 percent of STEM jobs that don't require a four-year degree. In New York, Dallas and San Francisco, their Technology Service Corps program provides free IT and professional skills training to almost 300 young adults and veterans annually, with 80 percent of alumni employed or pursuing higher education a year after graduation.

NPower is launching their first site in Toronto, which will serve unemployed young adults and is scheduled for launch in November 2014. TSC Toronto's inaugural class will serve 25 students through a 15-week IT and professional skills training curriculum followed by a seven-week internship. In 2015, the total served at this site will increase to 50 and then to 100 in 2016.

Partnered with its intensive classroom-based training, TSC offers a range of professional skills workshops, lectures and corporate site visits, all carried out by corporate and non-profit volunteers. Most importantly, TSC also offers all program alumni job placement and retention services to ensure their employment and sustained success. Ryerson University will be hosting the TSC program, providing fully-subsidized classroom space and program offices. NPower will be partnering with ACCES Employment to provide job placement services to program graduates.

The Helping Youth Pursue Education Project (HYPE) at Centennial College is an example of a tuition-free learning experience for youth that can open doors to a productive future. It targets the underserved Toronto neighbourhoods primarily in the east part of Toronto. Centennial College has a partnership with the local businesses and TD Bank; TD is the exclusive financial partner for HYPE. TD provides student workshops to promote financial literacy by increasing the student's awareness and competency in personal financial management.

C. A strong community services sector

The community services sector provides a number of important services to help Toronto residents experiencing unemployment and underemployment to build better lives. The sector has a vital role in workforce development.

Recognizing the need for responsiveness to residents who are trying to cope with a quickly changing labour market, United Ways fund more than 30 agencies with numerous program locations throughout the region with a specific focus on employment supports and training at the neighbourhood level. One example of this is ACCES Employment, an agency supported by UWT. ACCES Employment offers a range of employment supports to diverse job seekers in multiple service locations in the Toronto region. A number of these supports serve the specific needs of newcomers, including mentoring services that provide sector-specific and occupation-specific advice and coaching, sector-specific bridging programs for internationally trained newcomers, and workplace communications skills programs. Programs like these provide necessary resources and connections for Toronto residents.

In addition to employment programs, the community services sector also provides a number of other wrap-around supports to help those who are struggling with other challenges in addition to unemployment or underemployment. This can include housing, mental health or childcare supports. These wrap-around services can also strengthen employment success. Community services organizations also collaborate with industry, government, local post-secondary education institutions, and other sectors to provide necessary services in cross-sectoral training and employment initiatives. Given these diverse and important roles, a strong community services sector is essential to the social and economic prosperity of the region.

CHAPTER 4 Better Labour Market Information for Better Planning and Decision Making

THE ISSUE

It is difficult to tackle any of the challenges noted in this paper without high quality labour market information. This is particularly important in the current context, since there is uncertainty about Canada's labour situation.

The pressing local need in this area was emphasized by front line employment agencies during 2013 consultations conducted by the Board and City of Toronto Employment and Social Services. In particular, participants stressed the importance of more region-specific information about the number of jobs/occupations available by industry and which of those occupations and industries would be generating the most jobs in the future.¹²⁴

THE CHALLENGE: MISSING DATA IMPACTS EVERYONE

In the last year, different reports have discussed the presence or absence of skills shortages,¹²⁵ skills mismatches, and/or labour shortages. But without high quality labour market information it is difficult to understand the overall picture of work in Canada and hard to draw any clear conclusions. In two recent publications, both the Parliamentary Budget Officer (PBO) and Don Drummond emphasized the importance of good Canadian labour market information.¹²⁶ In particular, these reports highlighted the role of this information in matching people in jobs and matching skills and labour market needs.

Without the right labour market information, the challenges noted in this paper's previous three chapters are more difficult to address.

- At a regional level, we do not have advance warning about changes in the local labour market. One implication in this area is that community, government, educators, labour and businesses do not have all the information they need to proactively develop policies and practices to mitigate challenges associated with non-standard employment.
- At a neighbourhood level, it is difficult for residents to know where jobs are located in the city. It is also difficult for governments, community organizations and businesses to make decisions about what initiatives would best support residents and where support is most needed.
- At a population level, youth and newcomers lack the information they need on current and future job opportunities to plan and make decisions. Educators and community organizations also need accurate information to guide the development and implementation of programs and supports.

TOWARD SOLUTIONS FOR A BETTER UNDERSTANDING OF THE REGION'S LABOUR MARKET DYNAMICS

This paper has highlighted a number of issues associated with the lack of high quality and locally relevant labour market information. Collecting and using this information would help all sectors build the region's social and economic prosperity. Solutions will come from government data agencies. To address pressing local needs, the Board commissioned a region-specific analysis of labour market demand by occupation and industry that is provided as an appendix to this paper.



A. Ensuring the collection of labour market information

It is vital that high-quality and locally relevant labour market information be accessible on an ongoing basis. This is the only way to meaningfully inform policy and practice. The PBO noted that there are gaps in labour demand information in Canada related to availability of historic data, a lack of consistency across job vacancy data, and a lack of alignment between many data sources and internally accepted definitions of employment and unemployment.¹²⁷

It is important for the federal government to collect high-quality labour market information and make it available at the local level. The Government of Canada recently announced that two new studies will be funded to collect information on wages and job vacancies, and identify labour market pressures.¹²⁸ Provincial and territorial ministers also agreed to support the collection of new data.¹²⁹ LMDA discussions provide an opportunity to further formalize these plans, and, in fact, Drummond recommended that an approach to gathering information be included in the new LMDAs.¹³⁰

B. Supporting the use of labour market information

It is not enough to generate and share labour market information. It must also be applied in planning and decision making. Municipal governments can play a key role in analyzing information locally and ensuring its use. This includes using data to make projections about what jobs will be available in the future in their region. Businesses and the community sector should also be engaged in this work, to support planning and decision making.

The municipal government can also play a critical role in using this information to assess job quality. In 2013, City of Toronto staff recommended the development of a job quality assessment tool.¹³¹ Continued development of such a tool could complement other efforts by exploring the quality of jobs in the region.

C. Labour demand by occupation and industry analysis

To help address pressing local needs regarding labour market information, including those highlighted by 2013 consultations with frontline employment agencies, Millier Dickinson Blais Inc. was commissioned to complete an analysis on local labour market demand projections by industry and occupation. The analysis provides projections for the jobs that will be in greatest demand over the next five years (2014–2019). These projections have been completed for the Toronto region overall, as well as for its constituent regions of the City of Toronto, Durham, York, Peel and Halton. The full report on these, including a detailed data file, is provided as an appendix to this paper. The occupational projections presented in this report are reflective of only the *demand side* of the labour market equation. The *supply side*, or the number of people qualified to work in each occupation, is beyond the scope of this study, however it is an equally important consideration.

At the industry level, the projections suggest that the largest number of new jobs will be in professional, scientific and technical services, followed by health and social services. In contrast, manufacturing and the information and cultural sector are expected to lose jobs over the same period. At the occupational level, the greatest demand will be seen for retail salespersons, followed by financial auditors and accountants.

Overall, the projections demonstrate that the majority of job growth over the next five years is directly tied to population-serving service sectors. The region will also see jobs moving away from resources and manufacturing to professional business services, as well as higher skilled health care and education. These projections are consistent with ongoing trends in the regional labour market, including growth in high-income and low-income employment and a reduction in middle-income jobs.

CONCLUSION

The Toronto region's high quality of life makes it a truly world-class city. However, a growing prosperity gap is threatening our region's social and economic prosperity.

This prosperity gap is driven by a changing labour market that is leading to more low-paid, temporary jobs than in the past. This is creating challenging career paths for many in the region. The impact of these changes is being felt particularly among young workers and newcomers. Both groups are having a difficult time gaining a permanent foothold in the labour market. The region's prosperity gap is also being felt geographically. There is a pattern of concentrated poverty that is increasing, especially in Toronto's inner suburbs.

These gaps should be of concern to everyone in the region. The liveability of the region as well as its competitiveness is at stake. Giving everyone a stake in the future of the Toronto region is key to greater labour force participation, rises in productivity and a strong economic base. An overall increase in everyone's quality of life in the region will attract investment and new talent to power the region's economic performance that, in turn, drives the region's social progress.

Leadership, at all levels and across all sectors, is needed to reverse the trend of a growing prosperity gap. It is an issue that can be resolved through partnership and collaborations that include government, industry, post-secondary institutions,

labour and local communities. Such partnerships need to be supported through better availability of data and information about the state of the economy and its labour market.

Political leaders in the region have a particularly important role to play. They have the platform to name this issue, prioritize it and to mobilize all sectors around a shared sense of purpose. They can unite sectors and cut across regions to find new and successful ways of working together.

The growing gap in our region presents a major challenge, but it is not one that was created overnight. Therefore, the solutions cannot be expected to be easy, simple or quick. Solutions will come through collaboration and having every sector at the table ready to work in new ways to address new challenges.

As this paper has demonstrated, the good news is that the Toronto region is not starting from scratch when it comes to testing and implementing solutions for closing the prosperity gap. There are multiple examples where governments, business, post-secondary institutions, labour and the community sector — often working together — have already confronted the challenge and are implementing initiatives that are both pragmatic and transformative.

By working together we can choose to build a strong region with a high quality of life and a growing economy. Now is the time to build on the momentum and take leadership to ensure a stronger, more prosperous future for our region.



APPENDIX SECTION

Regional Labour Market Demand Forecast

By Millier Dickinson Blais Inc. in association with Strategic Projections Inc.

INTRODUCTION

The Toronto region in a global context

In the Board's recent evaluation of prosperity among large metropolitan areas, *Toronto as a Global City: Scorecard on Prosperity — 2014*, the Toronto region[‡] stood out as one of the greatest global city regions — garnering an overall third place finish.¹³² With its competitive tax rates, strong financial sector and numerous positive attributes, the Toronto region was behind only the Paris and Calgary city regions in terms of overall prosperity.

Despite its strong overall standing, Toronto lags behind many city regions in regard to overall economic performance.¹³³ While strong in some financial security and regulatory aspects, the Toronto region is less strong with factors such as: per capita patents issued to residents; venture capital investment; income per capita; and real GDP per capita. This has resulted in the Toronto region being surpassed by eleven global city regions on the economic front.

Economic concerns may have deep implications for labour force availability and viability. Decision makers have to develop strategies to improve the region's standing in comparison to other cities. This is the paradox that the region finds itself in as it stands simultaneously at the front and back of the line.



Toronto region, regional challenges and labour force implications

In its *Think Twice, Vote Once – Decision 2014* campaign paper, the Board identified four themed problem areas that require action to ensure the region continues to improve the quality of life and prosperity of its people, businesses and industries.¹³⁴ One theme tackled job creation challenges and prosperity directly. Three themes presented strong implications for the region's labour force.

Theme one: Issues in job creation. The paper identified low youth employment; high proportions of populations with only a high-school education or lower; skills shortages in key sectors; and an aging workforce. Bridging these gaps would create a more productive and higher skilled labour force.

Theme two: Closing the prosperity gap. The gap emerges as a result of issues including underemployment, unemployment, ageism, non-standard employment, or other issues that increase poverty or cause declines in well-being.¹³⁵ Closing the prosperity gap is critical to strengthening the Toronto region's entire labour force. Efforts can be directed to reverse the problems found in a mismatched, ill-equipped, under-skilled or underemployment labour force.

Theme three: The Toronto region has an aging and poorly coordinated transportation infrastructure. An estimated 300,000 people commute per day into the City of Toronto from within the region. The current transit infrastructure is extremely inefficient and under-developed to meet the region's needs. This may make it difficult to attract appropriate labour to specific job markets within the region. It may also slow productivity growth and the efficiency of transportation and logistics related sectors.

Theme four: The Toronto region's infrastructure is severely outdated, and it has been routinely overlooked for required investment and upgrades.¹³⁷ Improved civic infrastructure will attract more businesses, keep existing businesses in the region, and will stimulate job creation in related sectors as upgrades and maintenance progresses.

[‡] For the purposes of this report "Toronto region" is defined as the Greater Toronto Area — the aggregation of the City of Toronto and Halton, Peel, York and Durham regions. Note that the *Scorecard on Prosperity* report series produced by the Board uses the Toronto Census Metropolitan Area as the definition of Toronto region due to data constraints. The geographic differences between the GTA and the Toronto CMA are minor. As a result, comparisons of aggregate data for the two areas can be trusted.

PROJECT PURPOSE AND SCOPE

This report focuses directly on matters relating to current and expected labour force demand. Its purpose is to provide projections for those jobs that will be in greatest demand over the next five years (2014–2019). These projections will allow for an understanding of the essential skills and education levels needed to grow the Toronto region’s economy in the future. These projections have been prepared for the Toronto region as a whole and also for each constituent sub-region: the City of Toronto, Durham, York, Halton and Peel. This disaggregated information will be useful for audiences concerned with local employment trends.

The projections presented in the following report (and the Excel data file to be found at: <http://www.bot.com/prosperitygap>) represent only half of the labour market equation. These projections exclusively describe occupations that will be in demand over the next five years. They do not address the supply side of the Toronto region’s labour market. Understanding the supply, or the number of people qualified to work in each occupation, is beyond the scope of this study. It is, however, important to inform decision making. A key action recommendation of this report is that supply side occupational projections be developed to complement the demand projections.

PROJECTION FINDINGS

Projections introduction and methodology

The consulting team has developed and regularly updates detailed long-term economic, demographic and household spending projections for the United States and Canada at the state, province and metropolitan area levels.[§] These projections are created while considering the strong economic and social ties between the two countries. They also reflect the major economic and demographic influences that will affect where people will live in both countries, as well as the economic well-being of both countries.

Long term expectations regarding economic activity by industry at the national level are used to develop detailed national projections of employment by industry. These expectations are based on several trends including:

- Future trends in industry output growth that reflect past trends adjusted for expected shifts due to: policy; taste; supply; or environmental considerations
- Future trends in output per worker growth reflect past trends adjusted for likely shifts due to technological or organizational factors
- Future trends in industry employment growth are determined through the combination of expected output and productivity growth

It is recognized that regions already specializing in the economic activities expected to create the most jobs in the future will attract workers away from regions expected to face relative declines in activity. Economics driven migration patterns will drive the movement of people throughout both countries in the future. Besides the economic driven projections, the framework also incorporates demographic changes resulting from in-migration, births and retirements. The framework assumes a 65 year retirement age for all occupations.

Using this framework, detailed occupational projections have been developed for the Toronto region and its constituent regions including: the City of Toronto; Durham; York; Peel and Halton. A summary of these projections follows in this report. The complete set of projections, can be found in the accompanying Excel file. Instructions are included to help understanding the projections.

[§] Strategic Projections Inc. (SPI) is the firm responsible for the development of all of the labour market projections presented in this report. SPI specializes in assessing historical trends and in modeling the economic and demographic future of countries, provinces, states, metropolitan areas and individual communities. It also performs customized research into local area trends and prospects.

Toronto region employment by industry

It is often difficult to appreciate the extent of employment across the different sectors of the economy. Figure 1 provides a snapshot of total employment by industry for the Toronto region in 2014. As of 2014, of the nearly 2,900,000 people employed in the Toronto region, the retail trade sector accounted for the greatest share of employment with 328,923 jobs or 11.3 percent of the total. The remaining industrial sectors of the economy are shown in descending order based on their share of total employment. This figure provides a useful way to understand the diversity of the region's industry mix.

Employment growth by industry

The employment projections look over the next five years to 2019. Figure 2 provides the expected number of new jobs to be created in each industry or sector. Over this period, job growth by industry is expected to be concentrated in professional, scientific and technical services. This growth will create 68,532 new positions. As shown in Figure 2, this sector will greatly outpace the growth experienced by the health and social services sector (31,836 new positions). This is the second fastest growing sector in the Toronto region.

Figure 1: Toronto region proportional employment by industry, 2014



Source: Strategic Projections Inc. Based on Statistics Canada National Household Survey** 2011 and adapted by Millier Dickinson Blais Inc. 2014.

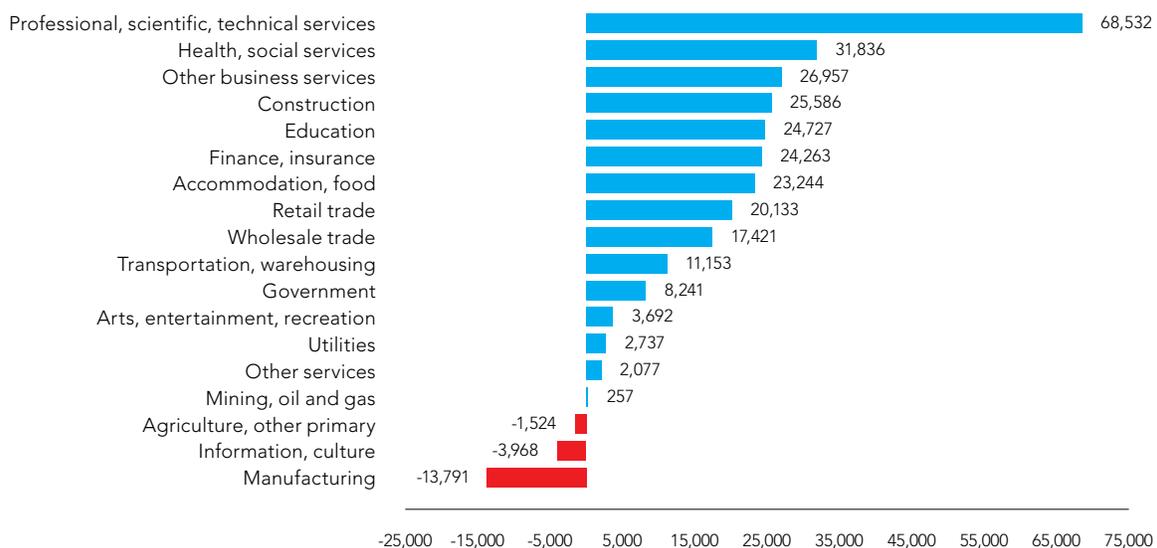
** A word of caution must be offered regarding the National Household Survey and its data quality. Simply put different research studies use varying collection methods. This creates slight variations in some results. Starting in 2011 there were major changes to the collection methodology used by Statistics Canada. Employment related information, for example, was collected using the voluntary portion of the Survey. The voluntary nature of this Survey has resulted in a non-response rate for every unit of geography. This is called the "global non response rate" (GNR) for each resulting 2011 National Household Survey geographic profile. The GNR for the city of Toronto was 26.5 percent. A smaller GNR indicates a lower risk of non-response bias and as a result, a lower risk of inaccuracy. Statistics Canada uses a GNR of 50 percent as a threshold to suppress data to limit the dissemination of inaccurate information. Each of the regions examined for this study fell well below this threshold. However, the accuracy of this baseline information should be considered less than the previous 2006 census data.

The manufacturing sector is expected to lose the greatest number of jobs over this period (13,791). Given historic trends in this sector, this finding is not surprising. However, it is surprising that jobs in the information and cultural sector are expected to lose nearly 4,000 jobs. This trend is concerning. Yet, it can be understood when considering that over the last 15 years real GDP growth in Ontario in the information and cultural sector has been significant. Since 1997, productivity growth in this sector averaged 4.1 percent per worker. This is about four times greater than the productivity growth experienced by the rest of Ontario's economy. During this time, however, the sector has been forced to cope with the introduction of new products and services. The traditional sections of this industry (publishing, motion pictures, broadcasting, and telecommunications) are all being forced to change their products. They are also downsizing or merging with other organizations to remain in business. At the same time, the newer players (data processing and other information services) are doing better than the traditional sub-sectors. It should be noted, however, they are trimming payrolls to remain competitive.

When comparing expected employment growth in the Toronto region's sub-regions, the City of Toronto differs from the other regions in several ways. Notable differences include:

- Employment growth in the City of Toronto in: finance; insurance; and in professional, scientific and technical services will outpace growth in industries in the rest of the Toronto region. This reflects the City of Toronto's head-office dominance
- City of Toronto employment growth in manufacturing will see greater decline compared to the rest of the Toronto region
- Employment growth in logistics (wholesale trade; transportation; warehousing) will grow considerably more outside of the City of Toronto. This reflects the need of logistics facilities to locate close to airports and major highways
- Employment growth in most other industries, most of which are population serving services, will be greatest outside of the City of Toronto. This will occur because population growth in the rest of the Toronto region will exceed that of the City of Toronto in the future

Figure 2: Toronto region projected employment by industry growth 2014–2019



Source: Strategic Projections Inc. Based on Statistics Canada National Household Survey 2011 and adapted by Millier Dickinson Blais Inc. 2014.

Toronto region major group occupational groupings

Just as with total employment by industry, it is difficult to appreciate the order of magnitude for employment across the different *major* occupational groupings within the economy. These major occupational groupings are defined by the National Occupational Classification 2011 (NOC) system and they include 40 categories.^{††} These categories are aggregations of the *unit* groups, which represent 500 categories. It is intended to capture every occupation in the economy. Our projections have been developed utilizing this “unit group” level of aggregation.

Figure 3 provides a snapshot of total employment by major occupational groupings in the Toronto region for 2014. Of the nearly 2,900,000 people employed in the Toronto region, administrative and financial supervisors and administrative occupations accounted for the largest number of jobs with 38,980 or 6.3 percent of the total. Figure 3 shows the top fifteen largest major occupational groupings and collects together the remaining 31 groupings. The top occupational groupings are shown in descending order, based on their share of total employment. This figure provides a useful perspective to consider before viewing the trends in employment by occupation over the next five years.

Figure 3: Toronto region major group occupational groupings as a percentage of total employment (2014)



Source: Strategic Projections Inc. Based on Statistics Canada National Household Survey 2011 and adapted by Millier Dickinson Blais Inc. 2014.

^{††} For a complete description of the National Occupational Classification (NOC) system (framework) refer to Human Resources and Skills Development Canada: <http://www5.hrsdc.gc.ca/NOC/English/NOC/2011/Introduction.aspx>

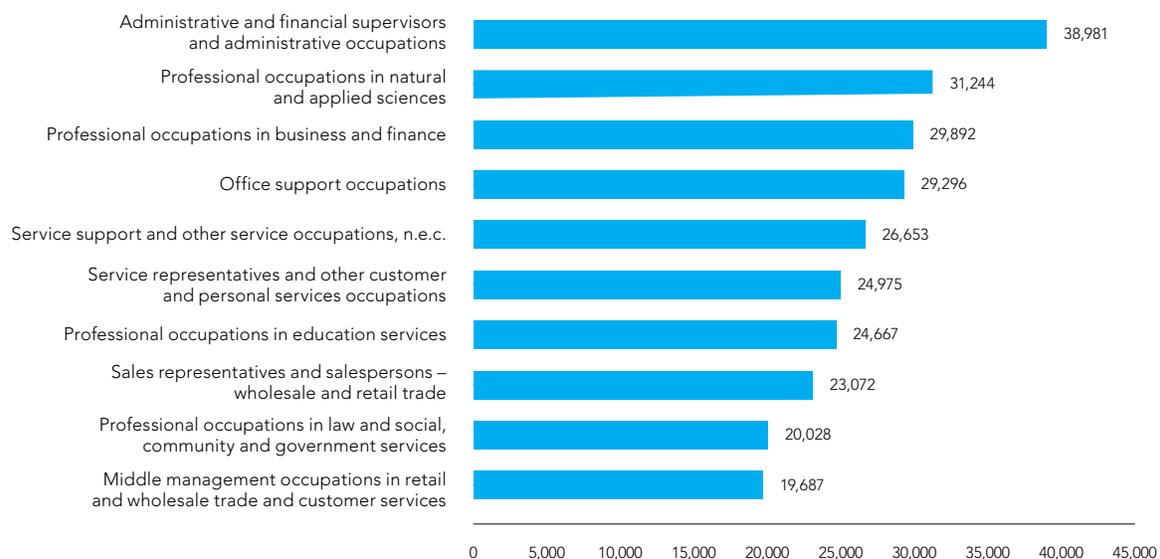
Toronto region major group occupational projections 2014–2019

Over the next five years, the Toronto region is projected to create 271,721 new jobs on a place-of-work basis. At the same time, 248,160 workers are likely to retire from their current jobs. Taken together, the Toronto region will need to fill 519,881 positions with new workers over this five year span to meet demands created by economic growth and when workers retire.** Figure 4 showcases those major occupational categories that will account for the largest number of new jobs. Administrative and financial supervisors and administrative occupations are expected to account for the greatest number of new jobs at 38,981. Professional occupations in the natural and applied sciences, along with professional occupations in business and finance, rank second and third, accounting for 31,244 and 29,892 new jobs, respectively.

While the results shown in Figure 3 and Figure 4 tend to mirror each other, there are notable differences. For instance, as a proportion of total employment in 2014, “sales representatives and salespersons — wholesale and retail trade” ranked fifth in Figure 3, but this occupational grouping ranked eighth with respect to projected job growth as shown in Figure 4.

The differences between these figures clearly show that, over the next five years, the occupational composition of the Toronto region will change. The economy’s need for select occupations is variable. It will shed or create new jobs to meet the demands of industry.

Figure 4: Toronto region major group occupational groupings by projected greatest demand growth 2014–2019



Source: Strategic Projections Inc. Based on Statistics Canada National Household Survey 2011 and adapted by Millier Dickinson Blais Inc. 2014.

** It is important to recognize that these projections do not account for job redundancy, technology implications or other factors known to be influential, but which cannot be quantified.

Toronto region unit group occupational projections 2014–2019

The occupational projections presented in this report reflect only the **demand side** of the labour market. The **supply side** — the number of people qualified to work in each occupation — is beyond the scope of this study.

The National Occupational Classification (NOC) system consists of 500 unit groups that capture every occupation in the economy. It is for this so called “unit group” that the projections have been developed. This section reports on the findings from these projections for the Toronto region and its constituent regions.^{§§}

“Therefore, despite the relatively great demand for teachers over the next five years, this demand may still not overtake the supply.”

Interpreting the results: Case study of elementary school and kindergarten teachers

Before presenting the unit group results, further explanation is required to allow for an informed interpretation of the data.

The employment projections for the Toronto region suggest that 10,566 new elementary school and kindergarten teachers will be needed to meet demand over the next five years. Of the 500 unit groups, teachers rank fifth with respect to total demand. This demand is being created by retirements along with significant population growth in the 5 to 14 year old age group.^{***}

It is important to consider the available supply of already qualified teachers in the Toronto region. Anecdotal evidence suggests the Toronto region has a high oversupply of teachers. Therefore, despite the relatively great demand for teachers over the next five years, this demand may still not overtake the supply. This means that it may still prove challenging to find employment as a teacher within the Toronto region. It would not be wise to encourage a large part of Ontario’s current student population to pursue teaching as a career path.

The overriding lesson to be drawn from this example is that the occupational projections presented in this report are reflective of only the **demand side** of the labour market equation. The **supply side**, or the number of people qualified to work in each occupation, is beyond the scope of this study, however an equally important consideration for career/ education planning.



^{§§} For a complete description of the National Occupational Classification (NOC) system (framework) refer to Human Resources and Skills Development Canada: <http://www5.hrsdc.gc.ca/NOC/English/NOC/2011/Introduction.aspx>

^{***} Across the Toronto region, this cohort is expected to grow from 724,306 in 2014 to 757,683 by 2019. This represents an increase of 4.6 percent.

Toronto region unit group occupational projections 2014–2019 results

Figure 5 reveals the total demand for new workers for the top 100 occupations across the Toronto region as a whole (see accompanying Excel file). Figure 5 indicates that the 20 occupations in greatest demand over the next five years across the Toronto region include:

1. Retail salespersons
2. Financial auditors and accountants
3. Administrative assistants
4. Retail and wholesale trade managers
5. Elementary school and kindergarten teachers
6. Administrative officers
7. Registered nurses and registered psychiatric nurses
8. General office support workers
9. Food counter attendants, kitchen helpers and related support occupations
10. Information systems analysts and consultants
11. Janitors, caretakers and building superintendents
12. Light duty cleaners
13. Secondary school teachers
14. Lawyers and Quebec notaries
15. Accounting and related clerks
16. Accounting technicians and bookkeepers
17. Other customer and information services representatives
18. Cashiers
19. Sales and account representatives — wholesale trade (non-technical)
20. Security guards and related security service occupations

These 20 occupations account for one-third of all the new positions that will need to be filled across the Toronto region between 2014 and 2019.

Figure 5: Toronto region unit group occupational projections 2014–2019: Top 100 occupations by total demand

RANK	NOC	OCCUPATION	2014	2019	CHANGE 2014–2019	POTENTIAL RETIREES	TOTAL DEMAND
		Total All 500 Occupations	2,899,376	3,171,098	271,721	248,160	519,881
1	6421	Retail salespersons	121,265	129,133	7,868	9,466	17,335
2	1111	Financial auditors and accountants	53,849	60,779	6,930	5,135	12,065
3	1241	Administrative assistants	52,428	58,383	5,956	6,018	11,973
4	621	Retail and wholesale trade managers	67,387	72,007	4,619	6,314	10,933
5	4032	Elementary school and kindergarten teachers	58,655	65,600	6,946	3,621	10,566
6	1221	Administrative officers	50,270	55,951	5,681	4,876	10,557
7	3012	Registered nurses and registered psychiatric nurses	42,703	47,414	4,711	4,682	9,393
8	1411	General office support workers	45,873	50,712	4,840	4,220	9,060

RANK	NOC	OCCUPATION	2014	2019	CHANGE 2014–2019	POTENTIAL RETIREES	TOTAL DEMAND
9	6711	Food counter attendants, kitchen helpers and related support occupations	53,044	59,685	6,641	2,255	8,896
10	2171	Information systems analysts and consultants	47,649	53,595	5,946	2,602	8,549
11	6733	Janitors, caretakers and building superintendents	29,723	33,170	3,448	4,208	7,655
12	6731	Light duty cleaners	26,720	30,525	3,805	3,561	7,365
13	4031	Secondary school teachers	34,400	38,489	4,089	2,674	6,764
14	4112	Lawyers and Quebec notaries	22,951	27,003	4,052	2,618	6,670
15	1431	Accounting and related clerks	33,690	37,118	3,428	3,110	6,538
16	1311	Accounting technicians and bookkeepers	22,496	25,738	3,242	2,951	6,193
17	6552	Other customer and information services representatives	43,673	47,352	3,679	2,483	6,163
18	6611	Cashiers	49,827	53,753	3,926	2,190	6,116
19	6411	Sales and account representatives wholesale trade (non-technical)	30,847	33,449	2,602	3,135	5,737
20	6541	Security guards and related security service occupations	19,938	23,151	3,214	2,085	5,299
21	7452	Material handlers	36,674	39,216	2,541	2,743	5,284
22	4214	Early childhood educators and assistants	29,014	32,498	3,484	1,762	5,246
23	1414	Receptionists	27,941	30,986	3,045	2,199	5,244
24	13	Senior managers – financial, communications and other business services	18,085	20,913	2,828	2,311	5,140
25	6232	Real estate agents and salespersons	18,503	20,171	1,668	3,240	4,908
26	3413	Nurse aides, orderlies and patient service associates	20,055	22,392	2,337	2,458	4,794
27	2174	Computer programmers and interactive media developers	27,679	31,321	3,642	1,143	4,786
28	6322	Cooks	24,990	28,025	3,035	1,740	4,775
29	7511	Transport truck drivers	23,782	26,022	2,240	2,526	4,766
30	6513	Food and beverage servers	28,791	32,367	3,576	890	4,466
31	1114	Other financial officers	24,555	26,788	2,233	2,222	4,454

**Figure 5: Toronto region unit group occupational projections 2014–2019:
Top 100 occupations by total demand**

RANK	NOC	OCCUPATION	2014	2019	CHANGE 2014–2019	POTENTIAL RETIREES	TOTAL DEMAND
32	1122	Professional occupations in business management consulting	18,712	21,327	2,615	1,814	4,428
33	631	Restaurant and food service managers	23,325	26,208	2,883	1,450	4,332
34	111	Financial managers	23,973	26,170	2,198	2,006	4,204
35	1521	Shippers and receivers	28,218	29,719	1,501	2,399	3,901
36	122	Banking, credit and other investment managers	26,337	28,336	1,999	1,781	3,780
37	4413	Elementary and secondary school teacher assistants	16,356	18,315	1,959	1,763	3,721
38	1123	Professional occupations in advertising, marketing and public relations	23,078	25,660	2,582	1,134	3,715
39	4021	College and other vocational instructors	15,102	16,690	1,588	1,907	3,495
40	6622	Store shelf stockers, clerks and order fillers	26,575	28,461	1,885	1,513	3,398
41	711	Construction managers	9,567	11,926	2,358	815	3,173
42	601	Corporate sales managers	22,547	24,180	1,634	1,510	3,144
43	4163	Business development officers and marketing researchers and consultants	16,408	18,480	2,072	904	2,976
44	1242	Legal administrative assistants	10,321	12,330	2,009	928	2,938
45	213	Computer and information systems managers	17,141	19,104	1,963	953	2,917
46	124	Advertising, marketing and public relations managers	20,484	22,496	2,012	887	2,898
47	5241	Graphic designers and illustrators	15,872	18,067	2,196	698	2,893
48	7512	Bus drivers, subway operators and other transit operators	12,202	13,269	1,067	1,803	2,870
49	2131	Civil engineers	9,746	11,634	1,888	977	2,865
50	6231	Insurance agents and brokers	14,579	15,848	1,270	1,587	2,856
51	15	Senior managers – trade, broadcasting and other services, n.e.c.	12,053	13,144	1,091	1,723	2,814

RANK	NOC	OCCUPATION	2014	2019	CHANGE 2014–2019	POTENTIAL RETIREES	TOTAL DEMAND
52	4212	Social and community service workers	17,315	18,996	1,682	1,120	2,802
53	7611	Construction trades helpers and labourers	8,894	11,072	2,178	601	2,778
54	6551	Customer services representatives – financial institutions	20,972	22,657	1,685	1,066	2,751
55	6221	Technical sales specialists – wholesale trade	16,554	18,166	1,612	1,128	2,739
56	7321	Automotive service technicians, truck and bus mechanics and mechanical repairers	21,880	22,923	1,044	1,586	2,629
57	1224	Property administrators	10,879	11,794	915	1,647	2,563
58	4211	Paralegal and related occupations	9,266	11,067	1,800	741	2,541
59	6321	Chefs	13,761	15,344	1,584	835	2,419
60	16	Senior managers – construction, transportation, production and utilities	11,239	11,857	618	1,798	2,416
61	4011	University professors and lecturers	10,002	10,922	920	1,458	2,378
62	1121	Human resources professionals	13,247	14,526	1,279	1,080	2,360
63	2132	Mechanical engineers	11,426	12,750	1,324	1,019	2,343
64	9619	Other labourers in processing, manufacturing and utilities	20,345	20,938	593	1,733	2,326
65	6521	Travel counsellors	7,554	9,082	1,529	755	2,284
66	7514	Delivery and courier service drivers	11,133	12,124	991	1,285	2,277
67	3112	General practitioners and family physicians	7,958	8,838	879	1,369	2,248
68	6235	Financial sales representatives	15,900	17,171	1,271	928	2,199
69	112	Human resources managers	11,913	13,074	1,161	994	2,155
70	2133	Electrical and electronics engineers	10,386	11,468	1,083	1,039	2,122
71	4411	Home child care providers	17,273	18,086	813	1,291	2,104
72	1222	Executive assistants	10,171	11,098	927	1,172	2,099
73	2281	Computer network technicians	13,963	15,354	1,392	675	2,067

**Figure 5: Toronto region unit group occupational projections 2014–2019:
Top 100 occupations by total demand**

RANK	NOC	OCCUPATION	2014	2019	CHANGE 2014–2019	POTENTIAL RETIREES	TOTAL DEMAND
74	8612	Landscaping and grounds maintenance labourers	9,411	10,851	1,440	622	2,062
75	4412	Home support workers, housekeepers and related occupations	10,593	11,481	888	1,174	2,062
76	714	Facility operation and maintenance managers	9,643	10,591	948	1,100	2,048
77	7241	Electricians (except industrial and power system)	6,453	7,904	1,451	570	2,021
78	121	Insurance, real estate and financial brokerage managers	10,313	11,178	865	1,062	1,927
79	1112	Financial and investment analysts	16,534	17,772	1,238	644	1,882
80	2173	Software engineers and designers	11,114	12,570	1,456	385	1,841
81	1422	Data entry clerks	10,450	11,417	966	852	1,818
82	2282	User support technicians	12,615	13,935	1,320	466	1,786
83	4152	Social workers	9,441	10,368	927	857	1,784
84	1511	Mail, postal and related workers	7,586	8,225	639	1,119	1,758
85	3111	Specialist physicians	6,602	7,289	687	954	1,641
86	911	Manufacturing managers	18,638	18,297	-340	1,977	1,636
87	422	School principals and administrators of elementary and secondary education	6,531	7,303	772	863	1,635
88	5254	Program leaders and instructors in recreation, sport and fitness	14,375	15,678	1,304	295	1,599
89	1432	Payroll clerks	7,330	8,217	887	700	1,587
90	5242	Interior designers and interior decorators	5,482	6,558	1,076	507	1,583
91	1434	Banking, insurance and other financial clerks	9,456	10,184	728	810	1,538
92	6341	Hairstylists and barbers	14,208	14,507	299	1,224	1,523
93	7271	Carpenters	4,961	5,944	983	529	1,512
94	2151	Architects	4,504	5,417	914	587	1,501
95	731	Managers in transportation	7,434	8,113	679	791	1,470

RANK	NOC	OCCUPATION	2014	2019	CHANGE 2014-2019	POTENTIAL RETIREES	TOTAL DEMAND
96	1223	Human resources and recruitment officers	7,306	8,387	1,081	363	1,444
97	9617	Labourers in food, beverage and associated products processing	11,493	11,784	292	1,152	1,444
98	7513	Taxi and limousine drivers and chauffeurs	4,839	5,214	376	1,052	1,428
99	9522	Motor vehicle assemblers, inspectors and testers	21,992	21,790	-202	1,616	1,414
100	2242	Electronic service technicians (household and business equipment)	7,891	8,671	780	604	1,384

Source: Strategic Projections Inc. Based on Statistics Canada National Household Survey 2011 and adapted by Millier Dickinson Blais Inc. 2014. Note: Figure 5 (shown above) lists the top occupations by unit group. These groups have a four digit NOC code (see second column from the left). These NOC codes were developed by the Human Resources and Skills Development Canada. They are a standard system for categorizing jobs based on skill level. Note: There are several NOC codes in this chart that do not have a four digit code.

Example: Managers in transportation (95th on the list) has the code 731. We had to remove the 0 before some codes. This allowed us to sort the codes and information within the accompanying Excel file. So when a code is short of one or more digits, simply insert 0 or 00 **in front** of that code. This will ensure the code matches official NOC system.



Toronto region unit group occupational projections by constituent region

These projections have been prepared for not only the Toronto region as a whole but also for its sub-regions: City of Toronto, Durham, York, Halton and Peel. This information is useful for those audiences interested in local level trends. The following bullets underscore the most notable findings:

- Figure 5 shows the 100 occupations in greatest demand through the years 2014 to 2019 in the Toronto region
- Total demand for the City of Toronto (based on economic needs and potential retirees) for the years 2014 to 2019 is projected to be: 234,238
- For the rest of the Toronto region, total demand is projected to be: 285,643

The following shows the total number of 519,881 new jobs over the 2014 to 2019 period in the Toronto region, broken down by sub-region:

- Toronto: 234,238
- York: 96,734
- Peel: 95,251
- Halton: 49,965
- Durham: 43,694

The projected demand by occupation for the City of Toronto will be different from those in the suburban regions. This is due to the differences in projected growth in jobs by industry. Among the top 10 occupations in demand across the Toronto region, as shown by Figure 6, there is general consistency with these occupations in high demand in most constituent regions.

When reading Figure 6 the colours offer a guide to understand the rankings:

- Cells shaded in darker green means the occupation is in the top 10 occupations for that region
- Cells shaded in lighter grey mean the occupation is not in the top 10 occupations for that region. In these lighter grey cells you will see a number in brackets. This shows the occupation's ranking for that region. Example: For financial auditors and accountants, this category was in the top 10 in each region but not in Durham, where it ranked 22nd.



Figure 6: Top occupations in demand by 2019 in Toronto region and constituent regions

TORONTO REGION	TORONTO	YORK	PEEL	HALTON	DURHAM
1. Retail salespersons					
2. Financial auditors and accountants					(22)
3. Administrative assistants					
4. Retail and wholesale trade managers					
5. Elementary school and kindergarten teachers	(11)				
6. Administrative officers					
7. Registered nurses and registered psychiatric nurses		(20)	(13)		
8. General office support workers					
9. Food counter attendants, kitchen helpers and related support occupations	(13)				
10. Information systems analysts and consultants			(11)	(28)	(30)

Source: Strategic Projections Inc. Based on Statistics Canada National Household Survey 2011 and adapted by Millier Dickinson Blais Inc. 2014.

● Green = top 10;
● Grey not top 10

The remainder of this section highlights those occupations in highest demand in each sub-region including: City of Toronto, York, Peel, Halton and Durham. This is followed by a brief discussion of those observable trends to emerge from these projections.

City of Toronto

The 20 occupations in greatest demand in City of Toronto through the years 2014 to 2019 are projected to be:

1. Financial auditors and accountants
2. Administrative assistants
3. Retail salespersons
4. Registered nurses and registered psychiatric nurses
5. Lawyers and notaries
6. Administrative officers
7. Information systems analysts and consultants
8. Light duty cleaners
9. Retail and wholesale trade managers
10. General office support workers
11. Elementary school and kindergarten teachers
12. Janitors, caretakers and building superintendents
13. Food counter attendants, kitchen helpers and related support occupations
14. Senior managers – financial, communications and other business services
15. Accounting and related clerks
16. Security guards and related security service occupations
17. Secondary school teachers
18. Banking, credit and other investment managers
19. Professional occupations in advertising, marketing and public relations
20. Nurse aides, orderlies and patient service associates

These 20 occupations account for more than one-third of all the demand for new workers in the City of Toronto through the years 2014 to 2019.

York Region

The 20 occupations in greatest demand in York Region through the years 2014 to 2019 are projected to be:

1. Retail salespersons
2. Retail and wholesale trade managers
3. Administrative assistants
4. Financial auditors and accountants
5. Administrative officers
6. Elementary school and kindergarten teachers
7. Information systems analysts and consultants
8. General office support workers
9. Food counter attendants, kitchen helpers and related support occupations
10. Accounting technicians and bookkeepers
11. Sales and account representatives – wholesale trade (non-technical)
12. Accounting and related clerks
13. Cashiers
14. Other customer and information services representatives
15. Janitors, caretakers and building superintendents
16. Computer programmers and interactive media developers
17. Real estate agents and salespersons
18. Secondary school teachers
19. Material handlers
20. Registered nurses and registered psychiatric nurses

These 20 occupations account for more than one-third of all the demand for new workers in York Region through the years 2014 to 2019.

Peel Region

The 20 occupations in greatest demand in Peel Region through the years 2014 to 2019 are projected to be:

1. Retail salespersons
2. Elementary school and kindergarten teachers
3. Retail and wholesale trade managers
4. Financial auditors and accountants
5. Material handlers
6. Administrative assistants
7. General office support workers
8. Administrative officers
9. Transport truck drivers
10. Food counter attendants, kitchen helpers and related support occupations
11. Information systems analysts and consultants
12. Other customer and information services representatives
13. Registered nurses and registered psychiatric nurses
14. Janitors, caretakers and building superintendents
15. Accounting and related clerks
16. Secondary school teachers
17. Shippers and receivers
18. Sales and account representatives – wholesale trade (non-technical)
19. Security guards and related security service occupations
20. Cashiers

These 20 occupations account for more than one-third of all the demand for new workers in Peel Region through the years 2014 to 2019.

Halton Region

The 20 occupations in greatest demand in Halton Region through the years 2014 to 2019 are projected to be:

1. Retail salespersons
2. Retail and wholesale trade managers
3. Food counter attendants, kitchen helpers and related support occupations
4. Elementary school and kindergarten teachers
5. Administrative assistants
6. Administrative officers
7. General office support workers
8. Cashiers
9. Financial auditors and accountants
10. Registered nurses and registered psychiatric nurses
11. Secondary school teachers
12. Accounting technicians and bookkeepers
13. Early childhood educators and assistants
14. Sales and account representatives – wholesale trade (non-technical)
15. Janitors, caretakers and building superintendents
16. Accounting and related clerks
17. Other customer and information services representatives
18. Food and beverage servers
19. Receptionists
20. Real estate agents and salespersons

These 20 occupations account for more than one-third of all the demand for new workers in Halton Region through the years 2014 to 2019.

Durham Region

The 20 occupations in greatest demand in Durham Region through the years 2014 to 2019 are projected to be:

1. Retail salespersons
2. Food counter attendants, kitchen helpers and related support occupations
3. Retail and wholesale trade managers
4. Elementary school and kindergarten teachers
5. Administrative assistants
6. Administrative officers
7. Cashiers
8. Registered nurses and registered psychiatric nurses
9. Secondary school teachers
10. General office support workers
11. Other customer and information services representatives
12. Janitors, caretakers and building superintendents
13. Early childhood educators and assistants
14. Nurse aides, orderlies and patient service associates
15. Receptionists
16. Transport truck drivers
17. Material handlers
18. Accounting technicians and bookkeepers
19. Elementary and secondary school teacher assistants
20. Restaurant and food service managers

These 20 occupations account for more than one-third of all the demand for new workers in Durham Region through the years 2014 to 2019.

Observations and trends

The results for the estimates for occupations in the Toronto region, described above and presented in the Excel data file that can be found at: <http://www.bot.com/prosperitygap>, allow for a series of conclusions that can inform future policy decisions at the municipal, regional, provincial and federal levels.

National context

- The Toronto region economy and population base is one of the fastest growing in Canada (see Figure 7 below)
- The Toronto region economy is one of the most diverse economies in Canada
- There will be more job opportunities in the Toronto region, over the next five years, than anywhere in Canada (see Figure 8 below)

Figure 7: Canada's Top 10 census metropolitan areas (CMAs) ranked by population and population growth 2014–2019

2019 RANK	CENSUS METROPOLITAN AREA	2014	2019	AVERAGE ANNUAL CHANGE 2014–2019	AVERAGE ANNUAL % CHANGE 2014–2019
1	Toronto, ON	6,552,370	7,096,202	108,766	1.6
2	Montréal, QC	4,186,281	4,473,317	57,407	1.3
3	Vancouver, BC	2,483,571	2,707,138	44,713	1.7
4	Calgary, AB	1,499,616	1,670,946	34,266	2.2
5	Edmonton, AB	1,355,671	1,487,085	26,283	1.8
6	Ottawa-Gatineau, ON-QC	1,279,928	1,399,934	24,001	1.8
7	Quebec City, QC	796,452	853,495	11,409	1.4
8	Winnipeg, MB	708,765	742,707	6,788	0.9
9	Hamilton, ON	554,172	599,560	9,078	1.6
10	Kitchener-Waterloo, ON	543,980	592,889	9,782	1.7

Source: Strategic Projections Inc. Based on Statistics Canada National Household Survey 2011 and adapted by Millier Dickinson Blais Inc. 2014.

Figure 8: Canada's top 10 census metropolitan areas (CMAs) ranked by employment and employment growth 2014–2019

2019 RANK	CENSUS METROPOLITAN AREA	2014	2019	AVERAGE ANNUAL CHANGE 2014–2019	AVERAGE ANNUAL % CHANGE 2014–2019
1	Toronto, ON	2,899,995	3,171,566	54,314	1.8
2	Montréal, QC	1,903,060	2,040,860	27,560	1.4
3	Vancouver, BC	1,073,815	1,180,635	21,364	1.9
4	Calgary, AB	689,256	783,547	18,858	2.6
5	Ottawa-Gatineau, ON-QC	638,728	711,278	14,510	2.1
6	Edmonton, AB	610,300	681,038	14,148	2.2
7	Québec City, QC	400,235	433,537	6,660	1.6
8	Winnipeg, MB	344,293	364,477	4,037	1.1
9	Kitchener-Waterloo, ON	248,735	270,193	4,292	1.7
10	London, ON	234,251	248,638	2,877	1.2

Source: Strategic Projections Inc. Based on Statistics Canada National Household Survey 2011 and adapted by Millier Dickinson Blais Inc. 2014.

Shifts in employment

- Jobs in Canada, Ontario and the Toronto region are shifting away from resources and manufacturing to: professional business services; higher skilled health care; and education occupations
- There are many high paying occupation opportunities in these sectors
- The Toronto region economy faces major changes in the industries and occupations it will have in the future due to its growth
- Manufacturing jobs are in decline. In manufacturing, technical jobs are replacing production line jobs. Examples of such technical jobs include: mechanical engineers; technicians; and technologists

Population supporting sectors and services

- The majority of job growth over the next five years is directly tied to population serving service sectors
- There are high paying jobs in these population serving service sectors. These opportunities should not be overlooked — however, there are more lower paying than higher paying jobs that will be created in population serving jobs
- Mundane jobs like retail sales clerks and food counter attendants etc. will be in great demand in the Toronto region

Commuting patterns

- Workers commute in significant numbers from their residences in the City of Toronto or from any one of the four suburban regions to jobs in other regions
- Every major metropolitan area in Canada and North America is affected by issues around commuting. Job seekers throughout the Toronto region need to understand that commuting trends and issues are not exclusive to their area, or region of residence.

Notable occupational trends

- There will be a demand for 13,395 industrial, electrical and construction trades workers over the next five years. This occupational grouping ranks 15th out of 46 in terms of demand. Professional occupations in the natural and applied sciences will need 31,244 workers, and rank 2nd on the list.
- When aggregated, management related occupations rank high on this list. In total, nearly 70,000 management occupations will be in demand by 2019. This demand is due to: retirements (35,860) and industrial growth (33,601).

CONSULTATION FINDINGS

Consultation, introduction and methodology

The Board reached out to industry and community leaders when the results of this study were complete. The Board wanted to: (1) compare the experience of industry and community leaders' experience to the study findings; (2) learn from these trends in the labour market and what support for workers could be developed in the form of policy change.

The consultation process that resulted involved two virtual focus groups, and eight one-on-one semi-structured interviews. The focus groups were conducted on August 11th and 19th of 2014. The interviews were conducted during the week of August 18, 2014. In total, over 40 individuals contributed, which was a collaborative effort arranged by the Board and Millier Dickinson Blais Inc.

The consultation meetings and interviews used in this study were strictly qualitative, that is, they describe trends and themes. To protect the privacy of the participants the results have been grouped and are presented in themes that summarize the participants' input. The following themes are directly from the participants. They do not necessarily reflect the opinions of the Board, UWT or Millier Dickinson Blais Inc.

Summary of Consultation Findings

General agreement with the projection findings

There was general acceptance of the projection findings as valid and representative of industrial trends.

Occupations in 'surprisingly' high demand

Participants noted their surprise with the following occupations ranking so highly on the list:

- General office support workers and administrative assistants (because of increased automation and new technology in the workplace)
- Elementary school and kindergarten teachers
- Retail supporting occupations (because of trends with online shopping etc.)



Occupations which 'should' rank higher on the list

Participants noted the following occupations which they thought would rank higher on the list:

- Skilled trades in general
- Information technology related jobs
- Food counter attendants, kitchen helpers (it is high, but it could be higher given population growth estimates)
- Engineering and project management related occupations (given the projected infrastructure development in the Toronto region)
- Personal support workers and seniors servicing or geriatric related occupations

Occupations which will prove difficult to fill

Participants suggested the following occupations will be difficult to fill over the next five years. This is a comment on both the supply and demand of these workers rather than just the demand:

- Skilled trades including: plumbers, electricians, carpenters, and machinists etc.
- Doctors and General Practitioners
- Registered Nurses (or any highly regulated profession because there are barriers to international recruitment)
- Information and technology related occupations, because of the pace of change within the sector. The traditional components of this industry (publishing, motion pictures, broadcasting, and telecommunications) are all being forced to reposition their products and downsize or merge with other organizations to remain in business. As a result, the sector is drawing on more specialized, along with generalist IT skill sets, which are difficult to develop and maintain in formalized post-secondary programs

Optimism around the different mix of opportunities with those occupations in top demand

Participants voiced a feeling of optimism given the opportunities for those even without post-secondary education. This reaction was in response to the projections that showed high demand for occupations in both entry level / "unskilled" positions and for those positions requiring specialized post-secondary training.

Downward pressures on the labour market

A cautionary note was voiced regarding those occupations in high demand. Even for those entry level or "unskilled" positions, there is tremendous depth in the applicant pool. In these cases, it is clearly an employer's market as there are well educated individuals ready to take a "survival job" because they see no alternative. As a result of this trend, those jobs that were once considered "high school student jobs" are increasingly being filled by university graduates. Consequently, high school students and other youth are being displaced from the labour market.

Where should we be directing our youth to seek employment?

Participants suggested that focusing on individual occupations is a mistake. Instead it is more important to develop core competencies that will serve an individual in a variety of potential careers. This would include soft skills: including professionalism; communication; critical thinking; customer service; and language skills. All have wide spread utility across any number of professions. It will be important to inform students and job seekers of potential career paths that require these skills. Moreover, the clearer those pathways can be illustrated to young people and internationally educated people, the better!

It is also critical to direct youth toward specialized professions where there is confidence that these jobs will be needed and available. Skilled trades related occupations, most participants agreed, will have continued demand. The projections indicate over the next five years there will be demand for approximately 13,400 industrial, electrical and construction trades workers across the Toronto region.

Self-employment and entrepreneurialism were raised as potential opportunities for young people. This is a benefit to the region's economy as the innovation and passion that drive small start-ups also help the economy locally, in neighbourhoods, as well as in the region overall. To succeed, youth across the region must receive training to increase their financial literacy and understanding of the real world of business. They also need technical supports to succeed.

The job market is a “mine field right now”...

Job seekers are faced with many challenges relating to the complexity of today's job market. Where do young people and internationally trained newcomers even begin? While there are a number of employment support agencies available to support these groups, widespread awareness of these services is still lacking. Job seekers of a particular professional ‘tier’ tend to consider these types of supports as not suitable for their needs. This raises particular concerns for those young individuals who are well-educated, but underemployed.

Further magnifying the challenge is that many jobs need multiple skill sets that can only be developed by taking two or more post-secondary programs or through on-the-job experience. It is increasingly difficult for new entrants to the job market to gain the ‘right’ combination of technical and soft skills.

Participants suggested that emphasizing personalized career management to develop a unique set of niche based skills may be an effective alternative to promoting standardized career pathways. This means that we need new ways to provide career guidance. Employment agencies are beginning to focus on equipping individuals with self-management skills (competencies) that allow them to adapt to changing opportunities and circumstances throughout their lifetime.

“It is increasingly difficult for new entrants to the job market to gain the ‘right’ combination of technical and soft skills.”

Ageism as an ongoing barrier to employment

Participants stated that there are several persistent barriers to employment due to ageism — affecting both older and younger workers. The Toronto region's younger workers with limited on-the-job experience may not be able to enter the labour market — even though they often have considerable education.

Job seekers must strive to work in their sector of choice

The direction a career takes can be significantly affected by choices made early in an individual's career path. If a job seeker is forced to take a job outside of her/his preferred sector or outside of the sector in which she/he trained in then the individual may find it difficult to return to the sector she/he prefers. Additionally, the longer an individual works outside of her/his preferred sector, the more difficult it is to return to her/his preferred sector. It is more productive for an individual to take a job within a preferred sector, even at a lower level position. There may be opportunities to rise within that sector. Finally, working outside of one's preferred sector contributes to underemployment. This may result in a long term stunting of potential earnings.



CONCLUSIONS AND NEXT STEPS

The occupational projection results as described in this report provide information that would benefit future policy decision at the municipal, regional, provincial and federal levels. The results show the Toronto region is home to one of the most diverse economies in Canada. Over the next five years the region will create more job opportunities than anywhere else in the country. With growth, however, there are challenges. The Toronto region's labour market is "a mine field right now," as one participant commented. There are downward pressures on the labour market which are effectively displacing youth and newcomers from those positions, which they have traditionally held. The large number of applicants for low paying and entry level positions is remarkable. Perhaps even more concerning, however, is the lack of direction for aspiring professionals on how to leverage their education and experience to climb the career ladder. This lack of direction is more than a simple shortcoming of Ontario's employment support systems. It is a product of the increasing complexity of those career paths because the nature of employment continues to change. Indeed, obtaining the "right" combination of technical and soft skills is becoming increasingly difficult for new entrants to the labour market.

The nature of the Toronto region's economy is also evolving. The region's jobs are steadily moving away from resources and manufacturing. Professional business services, health care and education related occupations are becoming more promising for job opportunities. At the same time, the Toronto region's population growth is providing for increasing numbers of population supporting services and jobs.^{†††} The majority of job growth over the next five years is directly tied to population serving service sectors. While these sectors do employ highly paid professionals the reality is that the majority of employment in these sectors is in lower paid positions. Examples would be: retail sales clerks and food counter attendants. This is a reality of employment in the Toronto region.

There is an urgent need for high quality labour market information. This information is particularly important for those directly affected by the new realities of the Toronto region's job market. For job seekers, employers, educators,

employment agencies, and policy makers, current and accurate labour market information is critical. It helps with individualized career planning. It also helps inform broad and strategic decisions by government, businesses, educators and social organizations.

This report is a useful starting point. Three key points must be made:

First: Projections presented in the report represent only half of the labour market equation. These projections exclusively describe the demand for occupations over the next five years. They do not address the supply side of the Toronto region's labour market. The supply side is the number of people qualified to work in each occupation. This information is beyond the scope of this study. It is as equally important to consider for informed decision making. Developing supply side occupational projections to complement the demand projections is recommended.

Second: Providing labour force projections must be an ongoing process. Providing rich labour force projections on a consistent basis (annual or semi-annual) is needed. It would allow for the information to be incorporated into regular decision making processes. It would also encourage greater use of the findings as audiences come to understand how to fully apply the data.

Third: How these labour force projections, as found in this report and accompanying Excel file, are made available is important. Some organizations and individuals will be comfortable navigating the information. Others will need guidance. User-friendly and intuitive information graphics will benefit all users. Employment agencies, for example, should be encouraged to mine the data to pinpoint the information with greatest relevance to their clients. Collaborative efforts should also be encouraged by a range of potential users to make the best use of and to act on the findings. Widespread promotion of this information across all potential audiences is critical. It will stimulate innovative approaches to using the data.

^{†††} Ontario's *Projection Methodology Guideline: A guide to projecting population, housing need, employment and related land requirements* (1995) considers the following sectors as population supporting: retail trade; finance, insurance and real estate; other business services; education; health, social services; arts, entertainment recreation; accommodation food; other services; government. The growth of these sectors over the next five years is outlined in Figure 2.

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ENDNOTES

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- ⁸ Analysis of Statistics Canada Labour Force Survey Data completed by Toronto Region Board of Trade; The youth unemployment figure for 2014 has been generated by calculating the average of the monthly unemployment figures from January to June. As such, it may not be indicative of the overall trend for 2014
- ⁹ Analysis of Statistics Canada Labour Force Survey Data completed by Toronto Region Board of Trade
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- ¹⁶ Lewchuk et al., 2013
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- ³⁴ KPMG, 2014
- ³⁵ Ton, 2014
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- ³⁷ Institute for Competitiveness and Prosperity & Martin Prosperity Institute, 2013
- ³⁸ Institute for Competitiveness and Prosperity & Martin Prosperity Institute, 2013
- ³⁹ Toronto Region Board of Trade, 2013
- ⁴⁰ For details on the cluster and the Toronto Services Financial Alliance see the Financial Services Sector Overview at <http://www.tfsa.ca/financial-services/> and the Toronto Advantage Overview at <http://www.tfsa.ca/toronto-advantage/>
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- ⁹⁰ The youth unemployment figure for 2014 has been generated by calculating the average of the monthly unemployment figures from January to June. As such, it may not be indicative of the overall trend for 2014.
- ⁹¹ Analysis of Statistics Canada Labour Force Survey Data completed by Toronto Region Board of Trade
- ⁹² Standing Committee on Finance, 2014
- ⁹³ Analysis of Statistics Canada Labour Force Survey Data completed by Toronto Region Board of Trade
- ⁹⁴ Analysis of Statistics Canada Labour Force Survey Data completed by Toronto Region Board of Trade; The youth unemployment figure for 2014 has been generated by calculating the average of the monthly unemployment figures from January to June. As such, it may not be indicative of the overall trend for 2014.
- ⁹⁵ Standing Committee on Finance, 2014
- ⁹⁶ Reynolds, 2012; Schwerdtfeger, 2013
- ⁹⁷ Walks, 2013
- ⁹⁸ Walks, 2013
- ⁹⁹ Block, 2013
- ¹⁰⁰ Lewchuk et al., 2013
- ¹⁰¹ Statistics Canada, 2014a
- ¹⁰² Stolarick, 2012
- ¹⁰³ Statistics Canada, 2014b
- ¹⁰⁴ Statistics Canada, 2014b
- ¹⁰⁵ Standing Committee on Finance, 2014
- ¹⁰⁶ Statistics Canada, 2014b
- ¹⁰⁷ City of Toronto, 2013a
- ¹⁰⁸ Akter et al., 2013
- ¹⁰⁹ City of Toronto, 2012
- ¹¹⁰ Canadian Council of Chief Executives, 2014
- ¹¹¹ City of Toronto, 2012
- ¹¹² City Growth Commission, 2014
- ¹¹³ Government of Canada, 2014a
- ¹¹⁴ Government of Canada, 2014b
- ¹¹⁵ Government of Canada, 2014c
- ¹¹⁶ Mowat Centre EI Task Force, 2011
- ¹¹⁷ City of Toronto, 2013b
- ¹¹⁸ City of Toronto, 2014d
- ¹¹⁹ City of Toronto, 2014d
- ¹²⁰ City Growth Commission, 2014
- ¹²¹ Toronto Region Board of Trade & Institute for Competitiveness and Prosperity, 2014
- ¹²² Sattler & Peters, 2013
- ¹²³ Sattler & Peters, 2012
- ¹²⁴ Agency Consultation Meeting Minutes. Toronto Region Board of Trade. September 2013
- ¹²⁵ Department of Finance, 2014; Drummond, 2014; Meredith, 2014; Office of the Parliamentary Budget Officer, 2014; Stuckey & Munro, 2013
- ¹²⁶ Drummond, 2014; Office of the Parliamentary Budget Officer, 2014
- ¹²⁷ Office of the Parliamentary Budget Officer, 2014
- ¹²⁸ Government of Canada, 2014d
- ¹²⁹ Government of Canada, 2014d
- ¹³⁰ Drummond, 2014
- ¹³¹ City of Toronto, 2013c
- ¹³² Toronto Region Board of Trade, 2014a
- ¹³³ Toronto Region Board of Trade, 2014a
- ¹³⁴ Toronto Region Board of Trade, 2014b
- ¹³⁵ Toronto Board of Trade and Toronto Employment and Social Services, n.d.; Toronto Region Board of Trade, 2014b
- ¹³⁶ Toronto Region Board of Trade, 2014b
- ¹³⁷ Toronto Region Board of Trade, 2014b



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