

2020 Toronto Employment Survey

Date: May 4, 2021

To: Planning and Housing Committee

From: Chief Planner and Executive Director, City Planning Division

Wards: All

SUMMARY

The attached bulletin summarizes the results of the 2020 Toronto Employment Survey. The bulletin highlights the Survey's key findings and counts of employment and business establishments in the City of Toronto for 2020. The bulletin also reports on the type and longevity of establishments and employment activity in Downtown, the Centres, Secondary Plan areas, Provincially Significant Employment Zones, and designated Employment Areas.

In 2020, the Toronto Employment Survey recorded 1,449,910 jobs citywide, a decrease of 119,890 jobs or -7.6% from 2019, making it the largest single-year decline since the survey was initiated in 1983. All six employment categories experienced net losses in 2020. Community and Entertainment as well as Service employment declined by the highest rate, at -35.3% and -23.4% respectively. The Survey counted 73,080 business establishments in 2020, a net decrease of 3,480 establishments (-4.5%) from 2019. In 2020, 800 establishments were new to the City.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning recommends that:

1. Planning and Housing Committee receive this report for information.

FINANCIAL IMPACT

The City Planning Division confirms that there are no financial implications resulting from the recommendations included in the report in the current budget year or in future years.

DECISION HISTORY

Since 1983, the City has conducted an annual survey of Toronto business establishments to monitor economic activity, provide information for policy and decision-making, and offer additional context for the planning of municipal infrastructure and services. Using a consistent coding system of land parcel uses and occupant activities, the Survey provides thirty-eight years of time-series data for the longitudinal analysis of employment activity in Toronto.

The results of the Survey are used by City Planning and other City divisions to monitor economic conditions and to review the progress of Official Plan policies. Survey results are also used in proactive policy development, for decision-making, to develop projections, and to plan municipal infrastructure and services. This report summarizes the Toronto Employment Survey results collected between June and November of 2020.

COMMENTS

Total Employment

- The Toronto Employment Survey counted 1,449,910 jobs in 2020.
- The COVID-19 pandemic has had profound impacts on Toronto's economy and employment structure. In 2020, the Toronto Employment Survey recorded a 7.6% decline in total jobs (down 119,890 jobs), making it the largest single-year decline since the survey was initiated in 1983.
- Full-time employment decreased by 64,850 jobs (-5.5%) from 2019 to 1,114,090 jobs.
- Part-time employment decreased by 55,030 jobs (-14.1%) from 2019 to 335,820 jobs.
- Since 1983, the Toronto Employment Survey has observed several significant economic events that have had a lasting impact on the trajectory of the city. In the ten years (2010-2019) following the global financial crisis of 2008/2009, Toronto added 271,500 jobs, an annualized increase of 0.9%. Over the preceding ten years (2000 to 2009) Toronto's total employment was essentially flat, adding just 4,800 jobs in total. In the decade prior (1990 to 1999), total employment declined by 0.7% annually, or a total job loss of 91,850.
- The Survey has observed a long-term trend towards an increasing portion of total employment being comprised of part-time jobs. From 1983 to 2020, part-time jobs grew at an annualized rate of 3.0% across all sectors versus just 0.3% for full-time jobs.

Employment by Category

- All six employment categories experienced net losses between 2019 and 2020. Community and Entertainment (-35.3%) and Service Employment (-23.4%) declined at the highest rates. The Office category continues to be Toronto's largest employment category with over half of all jobs (51.2%), followed by the Institutional

(17.3%), Service (10.4%), Retail (9.7%), Manufacturing (8.9%), and Community & Entertainment (2.5%) categories.

- Office employment decreased by 10,650 net jobs (-1.4%) to 742,770 jobs from 2019, the smallest absolute change of any category. A large majority of the decrease was in the Government (-7.0%), Health Service Offices (-6.9%), and Associations (-5.4%) sub-categories with a combined 12,230 jobs lost. Finance, Insurance, and Real Estate (15.5%) is one of few sub-categories that observed gains from 2019.
- Institutional employment, the city's second largest employment category, also saw losses, decreasing by 22,010 jobs or 8.1% from 2019. Losses in the Public and Private Education sub-sectors drove this change, decreasing by 13.6% and 14.3% respectively for a combined net loss of 19,130 jobs.

Number of Establishments

- In 2020, the Survey counted 73,080 establishments, a net decrease of 3,480 establishments (-4.5%) from 2019.
- A total of 800 establishments were new to the city in 2020. Of these, 55.5% are located within Downtown (230), the Centres (60) and within Employment Areas (150), and the rest are located elsewhere in the city.

Downtown and Centres

- There were approximately 614,940 jobs in Toronto's Downtown (includes Central Waterfront) and Centres in 2020, representing 42.4% of all jobs in the city.
- In 2020, Downtown employment declined by a total of 47,350 jobs (-8.1%) while the Centres declined by 4,690 jobs (-5.7%).
- From 2015 to 2020, Downtown and the Centres combined added 27,450 jobs.

Secondary Plan Areas

- In 2020, there were approximately 735,300 jobs in Toronto's thirty-eight Secondary Plan areas, or just over half of all jobs in the city (50.7%).
- Almost half of the employment (55.2%) within Secondary Plan areas is concentrated in the Downtown Secondary Plan area.
- The Office category is the predominant employment category in Secondary Plan areas, representing approximately 488,830 jobs and over half (66.7%) of total employment.

Employment Areas

- In 2020, 402,250 jobs were in Toronto's designated Employment Areas, representing over one-quarter (27.7%) of the city's jobs. This is a decrease of 21,680 jobs (-5.1%) from 2019.
- Since 2015, overall employment in the Employment Areas has grown by 2.1% resulting in a net gain of 8,150 jobs.
- Core Employment Areas contained 63.9% of all jobs in Employment Areas (257,000 jobs), while General Employment Areas contained 36.1% (145,250 jobs).

- Nearly one-fifth (19.8%) or 79,460 of all Employment Area jobs are in the Manufacturing sector. Nine in ten Manufacturing jobs (87.6%) are located in Employment Areas.
- After Manufacturing, the next largest sectors in Employment Areas in 2020 were the Wholesale and Retail Trade sector (65,200 jobs), the Professional, Scientific and Technical Services sector (43,350 jobs), the Transportation and Warehousing sector (34,690 jobs), and the Administration and Support, Waste Management and Remediation Services sector (25,220 jobs).

Provincially Significant Employment Zones

- Provincially Significant Employment Zones (PSEZs) are areas defined by the Provincial Government for the purpose of long-term planning for job creation and economic development. The 2019 Growth Plan for the Greater Golden Horseshoe introduced 31 PSEZs, 11 of which are located in Toronto.
- In 2020, employment in PSEZs accounted for 15.8% (228,630 jobs) of all citywide employment and over half (55.7%) of the jobs that are located in Employment Areas.
- The leading employment activity in PSEZs was Manufacturing, comprising 25% (56,010 jobs) of all jobs located in a PSEZ. This is followed by Wholesale Trade which accounts for 10.1% or 22,600 jobs, and Transportation and Warehousing with 9.3% or 20,720 jobs.
- In 2020, PSEZs experienced a decline of 16,170 jobs (-6.7%). Most activities experienced a net loss in 2020 or remained stable, with the exception of Finance and Insurance (added 330 jobs).

Toronto Employment Survey Retrospective

- Toronto has recovered from multiple economic downturns over the past four decades.
- The broad transformation of Toronto's economy over the past decade has enabled the city to enter the COVID-19 pandemic recovery from a strong position.
- The overall economic growth over the recent decades nevertheless conceals uneven and unequal distributional impacts of the economic restructuring on sectors, jobs, people, and neighbourhoods.
- Specific areas of Toronto and sectors of the economy have never fully recovered from the 1990s recession and remain vulnerable to disruption.

Pandemic Impact

- In 2020, over 5,000 establishments reported significant employment change as the result of the COVID-19 pandemic, representing a net loss of 82,000 jobs.
- A majority of these establishments, approximately 3,100, reported employment decreases totaling almost 66,000 jobs. A further 1,500 establishments with 18,000 jobs closed temporarily due to the pandemic, and over 200 establishments with 1,600 jobs closed permanently citing the pandemic as the reason.
- Establishments in the Service sector reported being most negatively impacted by the COVID-19 pandemic with net losses of more than 30,000 jobs across almost 2,000

businesses. The largest job losses were reported by restaurants (over 11,000 jobs), hotels (4,000 jobs), coffee shops (1,800 jobs), and fast food outlets (1,900 jobs).

- The proportion of 2019 jobs lost was highest at establishments with 1-4 employees (-82%), and followed by 5-9 employees (-57%), 10 and 499 employees (-44%), and 500 and 4,999 employees (-24%).
- Among establishments that reported work-from-home employment, the highest reported averages were in the Institutional and Office sectors (82% and 79% respectively), and the lowest in Manufacturing and Warehousing, Retail, and Service (43%, 46%, and 46%).

Toronto's Technology Sector

- In 2020, technology companies (i.e. the "tech sector") that indicated they were using a full or partial remote work approach reported 88% of their employees as working from home.
- Starting in 2019, the Toronto Employment Survey conducted research on Toronto's tech sector. This sector has experienced significant employment growth and has almost doubled size over the past five years, from 32,830 jobs in 2015 to 60,660 jobs in 2020.
- Despite the significant drop in employment reported citywide in 2020, the tech sector experienced a moderate increase of 260 employees and the addition of 180 establishments.

Regional Employment Policies

- The Greater Golden Horseshoe: Growth Forecasts to 2051 by Hemson Consulting Ltd., released August 26, 2020, supports the Growth Plan 2019 as amended in 2020 and includes employment forecasts for the City of Toronto. Under its Reference Scenario, employment within the City of Toronto is forecasted to grow to 1,979,000 by 2051.
- The initial effects of the pandemic as of 2020 have been to halve the average annual employment growth rate of the past decade, from 2.1% to 1.2%. If the average annual rate of growth over the last ten years including 2020 were to continue then the number of jobs in Toronto would still reach the Provincial Growth Plan forecast well before 2051.
- In January 2019, the Province circulated *Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017*. This proposed amendment includes a framework for Provincially Significant Employment Zones (PSEZs) that applies to Employment Areas. Under this proposal, PSEZs are protected from conversion to non-employment uses, including 11 located in Toronto.

Data Collection

- This year, the Toronto Employment Survey team was required to overcome an unprecedented array of challenges, including ensuring a safe in-office working environment, rapidly reconfiguring citywide field work into a telephone survey, and remotely onboarding and training temporary staff on complex procedures. With a finite amount of time available in the surveying period, the team had to quickly respond to unplanned issues in the initial weeks of the project.

- Due to the COVID-19 pandemic, methodology changes were made to respond to public health measures and restrictions and to ensure surveyors' health and safety. Instead of in-person visits, establishments from the 2019 Survey were contacted by surveyors working remotely via phone or email between the months of June and November. Additional sources were used to identify new establishments.
- In 2020, employment data was acquired from 75% of business establishments contacted through the Survey programme, a decrease from the 2019 response rate of 89%.
- New questions were introduced to assess the initial impacts of the COVID-19 pandemic and the percentage of employees working from home. Work-from-home employment was recorded geographically at the business establishment.
- The Toronto Employment Survey focuses on collecting employment and land use data from business establishments visible from the street, and which are located primarily in commercial, industrial, institutional and mixed use areas throughout Toronto.

2021 Toronto Employment Survey

- The continuation of the annual Toronto Employment Survey is important for land use planning and economic development purposes as it provides a longitudinal dataset for time-series analysis of employment and land use change. The 2021 Survey programme will commence in July, to be completed by October 2021.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: Toronto Employment Survey 2020 Bulletin