

2021 Toronto Employment Survey

Date: May 13, 2022

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 2021 Toronto Employment Survey. The bulletin highlights the Survey's key findings and counts of employment and business establishments in the City of Toronto for 2021. 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 2021, the Toronto Employment Survey recorded 1,451,520 jobs citywide, an increase of 1,610 jobs or 0.1% from 2020. Toronto's economy experienced limited recovery in 2021, following the record-breaking job losses of 2020 due to the onset of the COVID-19 pandemic. In 2021, employment increases were observed in Institutional (0.9%) and Office (0.7%) categories, while Manufacturing as well as Service employment declined by the highest rates, both at 1.7%. The Survey counted 69,990 business establishments in 2021, a net decrease of 3,090 establishments (-4.2%) from 2020. In 2021, 820 establishments were new to the City.

The Survey results from the last two years are indicative of employment trends during the COVID-19 pandemic and are a key benchmark of the economic trends over the period. Due to data collection challenges related to the pandemic, the Survey results may not have fully captured the extent of economic impacts over the period. It is anticipated that Survey coverage and completeness will improve in 2022 with the return to field survey work.

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-nine 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 2021.

COMMENTS

Total Employment

- The Toronto Employment Survey counted 1,451,520 jobs in 2021.
- The second year of the COVID-19 pandemic has continued to negatively impact Toronto's employment levels, although to a lesser degree than in 2020. In 2021, the Toronto Employment Survey recorded a 0.1% increase in total jobs (up 1,610 jobs).
- Full-time employment increased by 5,260 jobs (0.5%) from 2020 to 1,119,350 jobs.
- Part-time employment decreased by 3,650 jobs (-1.1%) from 2020 to 332,170 jobs.
- The Survey has observed a long-term trend towards an increasing portion of total employment being comprised of part-time jobs. From 1983 to 2021, part-time jobs grew at an annualized rate of 3.1% across all sectors versus just 0.4% for full-time jobs.

Employment by Category

- Manufacturing as well as Service employment declined by the highest rate, at 1.7%. Institutional, followed by Office employment increased by the highest rate, at 0.9% and 0.7% respectively. The Office category continues to be Toronto's largest employment category with over half of all jobs (51.5%), followed by the Institutional (17.4%), Service (10.4%), Retail (9.6%), Manufacturing (8.8%), and Community & Entertainment (2.5%) categories.

- Office employment gained 4,920 jobs or 0.7% from 2020, experiencing the largest net gain of all categories in 2021. Office also saw the most recovery since 2019, regaining nearly half of the losses observed in 2020 when the category saw a decline of 10,670 jobs or 1.4%. The largest Office sub-category, Finance, Insurance and Real Estate, saw gains in Banks and Trust Companies: Administrative Offices (5.8% or 5,820 jobs) and the category Other Insurance (2,780 jobs or 91.3%).
- Institutional employment, the city's second largest employment category, also saw gains, increasing by 2,270 jobs or 0.9%. Gains in Clinics and Community Health Services and Hospitals sub-sectors drove this change, increasing by 25.9% and 5.2% respectively for a combined net gain of 6,160 jobs.

Number of Establishments

- In 2021, the Survey counted 69,990 establishments, a net decrease of 3,090 establishments (-4.2%) from 2020.
- A total of 820 establishments were new to the city in 2021. Of these, 50.9% are located within Downtown (203), the Centres (30) and within Employment Areas (180), and the rest are located elsewhere in the city.

Downtown and Centres

- There were approximately 624,020 jobs in Toronto's Downtown (including Central Waterfront) and Centres in 2021, representing 43.0% of all jobs in the city.
- In 2021, Downtown employment increased by a total of 10,390 jobs (1.9%) while the Centres declined by 1,310 jobs (-1.7%).
- From 2016 to 2021, Downtown and the Centres combined added 35,180 jobs.

Secondary Plan Areas

- In 2021, there were approximately 767,530 jobs in Toronto's forty Secondary Plan areas, or just over half of all jobs in the city (52.9%).
- Over two-thirds of the employment (70.4%) 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 501,050 jobs and over half (67.8%) of total employment.

Employment Areas

- In 2021, 391,670 jobs were in Toronto's designated Employment Areas, representing one-quarter (25.0%) of the city's jobs. This is a decrease of 10,570 jobs (-2.6%) from 2020.
- Since 2016, overall employment in the Employment Areas has declined by 1.7%, resulting in a net loss of 6,690 jobs.
- Core Employment Areas contained 63.5% of all jobs in Employment Areas (248,770 jobs), while General Employment Areas contained 36.5% (142,900 jobs).

- Nearly one-fifth (19.2%) or 75,140 of all Employment Area jobs are in the Manufacturing sector. Nine in ten Manufacturing jobs (88.6%) are located in Employment Areas.
- After Manufacturing (75,140 jobs), the next largest sectors in Employment Areas in 2021 were the Wholesale and Retail Trade sector (63,520 jobs), Professional, Scientific and Technical Services (42,650 jobs), Transportation and Warehousing (34,870 jobs), and Administrative and Support, Waste Management and Remediation Services (27,490 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 2021, employment in PSEZs accounted for 14.4% (226,250 jobs) of all citywide employment and over half (55.5%) of the jobs that are located in Employment Areas.
- The leading employment activity in PSEZs was Manufacturing, comprising 23.5% (51,160 jobs) of all jobs located in a PSEZ. This is followed by Transportation and Warehousing with 10.3% or 22,410 jobs, and Wholesale Trade which accounts for 10.0% or 21,810 jobs.
- In 2021, PSEZs experienced a decline of 6,450 (-2.9%). Most activities experienced a net loss in 2021 or remained stable, with the exception of a few including Transportation and Warehousing (added 1,250 jobs).

Pandemic Impact

- In 2021, over 1,500 establishments reported significant employment change as the result of the COVID-19 pandemic, representing a net loss of 10,000 jobs.
- A majority of these establishments, approximately 660 reported employment decreases totaling almost 24,000 jobs. A further 500 establishments with 1,550 jobs closed temporarily due to the pandemic, and around 170 establishments with 830 jobs closed permanently citing the pandemic as the reason.
- In 2021, the categories that reported being impacted most significantly by COVID-19 were the Service sector and Community and Entertainment sector. While these impacts were largely negative in 2020, in 2021 both categories reported both the highest percentage employment decreases due to COVID-19 as well as the highest percentages increases.
- Of the 500 businesses that temporarily closed due to the pandemic, approximately 84% of those were in the smallest business size category with 1-4 employees.
- In 2021, just over 11,500 establishments reported having some degree of work-from-home employment, with approximately 206,000 jobs reported as work-from-home. They represent around 16% of all Toronto establishments, and 14% of employment in the city.
- The Survey captures employment at the geographic location of the business establishment as the usual place of work. In 2020 and 2021, separate questions were added to capture work-from-home employment. Among establishments that reported work-from-home employment, the highest reported averages were in the

Office and Institutional sectors (72% and 15% respectively). The remaining sectors of Manufacturing and Warehousing, Retail, Service, and Community and Entertainment each reported less than 5% work-from-home employment – a similar composition to 2020.

Extended Survey Responses for Downtown Establishments

- Additional questions were asked of select establishments in a pilot area within Downtown regarding the frequency of work-from-home employment during the COVID-19 pandemic, as well as for opinions on the return to in-office work. Nearly all of the responses were given by Office establishments (99%).
- A total of 267 establishments, representing 17,330 jobs (about 3% of Downtown employment), responded to a question about the frequency of work-from-home during the pandemic. Most respondents (56%) reported that employees worked from home for five days per week in 2021.
- A total of 234 establishments, representing 26,766 jobs (5% of Downtown employment), responded to a question about their opinions about return-to-office work and business operations post-pandemic. About two-thirds of respondents expected staffing levels to return to normal after the impact of the pandemic, representing an overall positive outlook for the state of business in Downtown. At the time of the Survey, about 30% of establishments had reported that employees had already returned to work in some capacity.

Toronto's Coworking Sector

- Starting in 2019, the Toronto Employment Survey conducted research on Toronto's Tech and Coworking sector. Coworking is defined here as the concept or practice of unaffiliated professionals working alongside each other, in an open plan office space that includes a combination of shared workspaces and amenities such as WI-FI, printers, and kitchen facilities.
- In 2021, the Survey counted 115 coworking spaces. This is an increase of 25 from 2020.
- In 2021, tenant employment within Toronto's coworking spaces represented 4,070 full-time jobs and 1,905 part-time jobs.

Regional Employment Policies

- From 2009 to 2019, the Toronto Employment Survey measured employment growth at a much higher rate of 2.0%, accelerating to 2.6% during the years 2016-2019. These rates of growth would have led Toronto to reach the 2019 Growth Plan forecast sometime around 2027, at least 24 years before the forecast.
- The effects of the pandemic have slowed employment growth considerably however. In 2021, the measured five-year and ten-year growth rates are much lower, at 0.15% and 1.0% respectively. Part of this effect may be due to the reduced response rate of the Survey during 2020 and 2021 due to pandemic conditions.
- The resumption of normal Survey operations in 2022 will provide a useful snapshot of employment and establishment trends as Toronto recovers from the pandemic. However, 2021 results indicate that if current growth rates continue, then Toronto's

job growth would still be on track to reach the Growth Plan forecast before 2051. This scenario would represent some degree of economic recovery going forward.

Data Collection

- Due to the COVID-19 pandemic, instead of in-person visits, establishments from the 2020 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 2021, 41,740 establishments out of 69,990 responded to the Survey, representing a 60% response rate from identified business establishments. Responses represent 764,060 jobs or 53% of all employment in the city (764,060 jobs). This is lower than the Survey's response rate of 75% in 2020 and of 85 to 90% in pre-pandemic years.
- New questions were introduced to assess the impacts of the COVID-19 pandemic including the additional questions asked of select establishments in a pilot area within Downtown regarding the frequency of work-from-home employment during the COVID-19 pandemic, as well as for opinions on the return to work.

2022 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 2022 Survey programme will commence in May, to be completed by August 2022.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: Toronto Employment Survey 2021 Bulletin