



## Toronto Employment Survey 2021

### Survey Highlights

2021 Employment	1,451,520
Employment net increase	1,610
Employment increase	0.1%
Business establishments	69,990
New business establishments	820
Service employment net loss	-2,530
Service job decline	-1.7%
Office employment net increase	4,920
Office job growth	0.7%
Service-based jobs, citywide share	78.9%
Downtown employment net increase	10,390
Downtown job growth	1.9%

### Persistent Pandemic Impacts: Diverging Recoveries

The 2021 Toronto Employment Survey offers a detailed picture of Toronto's economy, highlighting key citywide trends and emerging patterns in the growth management areas of the Official Plan.

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 and the restrictions imposed by all orders of government in an effort to contain it. In 2021, additional lockdowns and restrictions had significant economic impacts from January to July, and subsequently in December, including capacity limits on businesses deemed "non-essential" and on indoor dining.

Starting in July, the first stage of the Province of Ontario's "Roadmap to Reopen" commenced as vaccination rates increased across the province. This came after months of lockdown measures including a "Stay at Home" order that restricted the movement of residents and operation of businesses. It was during this period of reopening, whereby restaurants were permitted to resume indoor dining and capacity limits at retailers were lifted, that the annual Toronto Employment Survey was undertaken.

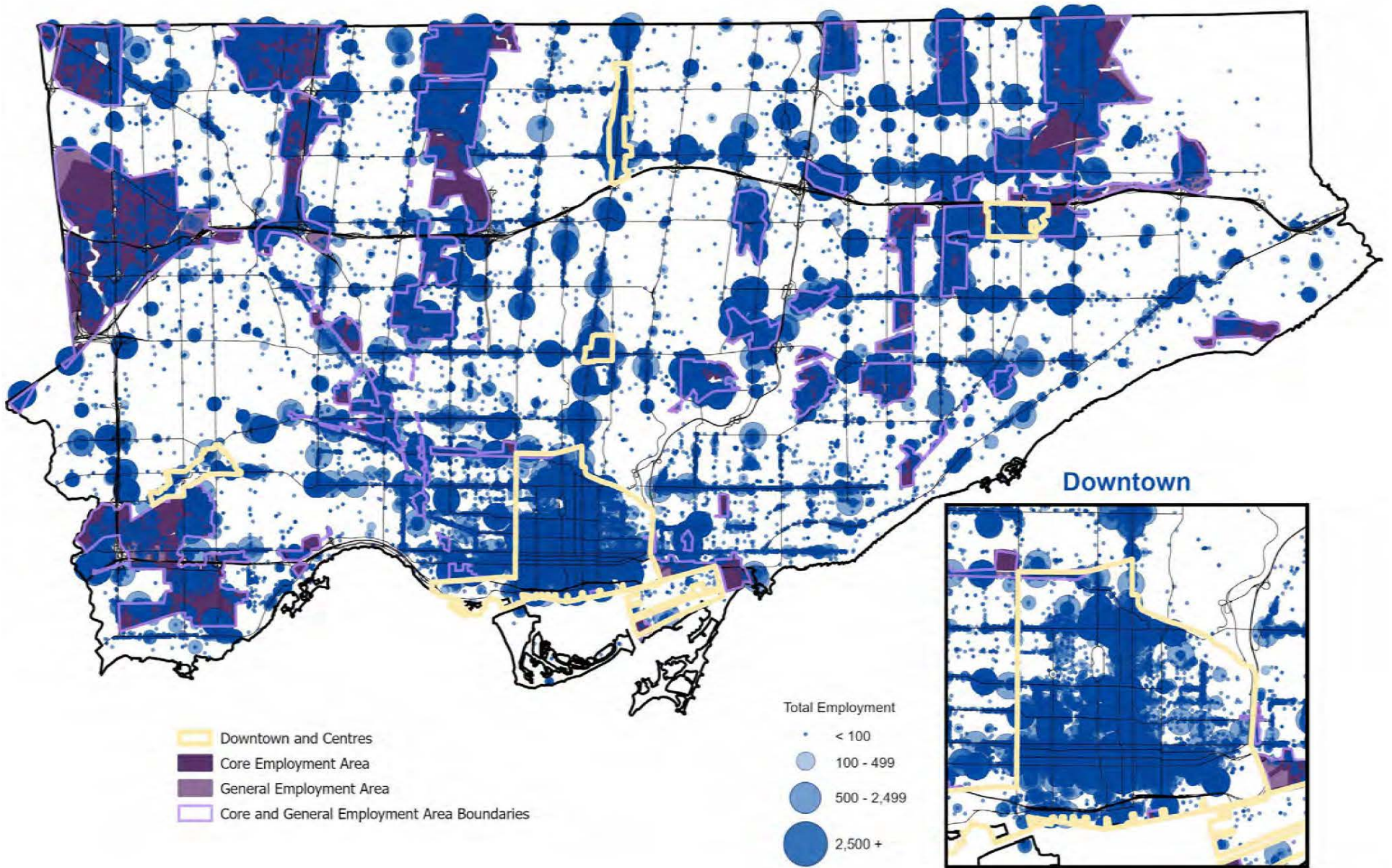
The 2021 Survey was conducted by telephone and without the fieldwork component that is typically a core part of the process. The results are directly comparable to the 2020 Survey which was also conducted by telephone.

Due to the impacts of the pandemic and the public health restrictions, Toronto's economy experienced different impacts in each employment category. While categories like Office have remained resilient over the past two years, categories such as Service and Community and Entertainment continue to experience deeper and more prolonged employment impacts from the public safety measures.

### Economic Impact

In 2021, Ontario experienced real GDP growth of 3.9%, a significant recovery from the 6.2% contraction observed in 2020.<sup>1</sup> The province is projected to see another year of above-trend growth in 2022 of 4.9% before slowing to 3.2% growth by 2023.<sup>2</sup> In 2021, the Toronto Census Metropolitan Area (CMA) experienced an estimated growth in real GDP of 4.8%, signaling a strong recovery after the 4.3% decline observed in 2020. By 2022, this growth is projected to slow to an estimated 4.8%, followed by a return to the 10-year average growth rate of 2.3% in 2024.<sup>3</sup> The Toronto CMA includes the City of Toronto and much of the area of the regional municipalities of Durham, Halton, Peel, and York.

# Map 1: 2021 Employment Concentrations, City of Toronto







## Consumer and Business Confidence

In September 2021, Canada's Index of Consumer Confidence fell by 3.5 points to 110.0, capping two consecutive months of decline for the first time since the onset of the pandemic in March 2020. This reflected consumer caution in face of the fourth wave of the pandemic and challenges due to pauses in reopening and high inflation.<sup>4</sup> By January 2022, during the pandemic's fifth wave, the Index fell to 100.7, the lowest level observed in eight months.<sup>5</sup>

Business confidence improved in 2021, according to the 2022 Ontario Economic Report's business confidence survey. This survey captured conditions prior to the emergence of the Omicron variant of COVID-19, including a high vaccination rate and the gradual removal of public health restrictions at the time.

The three economic sectors reporting the highest level of confidence were Transportation and Warehousing, Government, and Finance and Insurance. Below-average confidence was observed in Accommodation and Food Services and Health care and Social Assistance, those sectors that have been challenged by travel restrictions, employee overwork and service backlogs. The Accommodation and Food Services sector had the highest job vacancy rate (13%) across the province in the third quarter of 2021, three times higher than the pre-pandemic level of 4.3% observed in the same quarter of 2019.<sup>6</sup> This reflects not only business closures but that workers had left the sector.

## Regaining Employment

Total employment in the city of Toronto is essentially unchanged in 2021 from the year before. The Survey observed a slight increase in employment from 2020 of 1,610 jobs or 0.1%, to a total of 1,451,520 jobs (see Table 1). This follows the steep decline of 119,890 jobs city-wide in 2020 during the first year of the pandemic, a decrease of 7.6% from 2019, when 1,449,910 jobs were reported (see Figure 1).

Given the Survey's lower response rate in 2021 (60%) and 2020 (75%), additional sources of information were reviewed to provide added context. Statistics Canada's Labour Force Survey (LFS) provides a monthly sample of employment trends in both the Toronto CMA and the city of Toronto. Although it counts workers instead of jobs and uses a small sample instead of attempting 100% coverage, the frequency of reporting is helpful in understanding the Toronto Employment Survey results.

LFS results for the City of Toronto from September 2020 to September 2021 (using three month rolling averages) indicate an increase in total employment of 10.4%.<sup>7</sup> LFS industry sector data indicated a recovery of 10.0% for good-producing and 10.4% for services-producing sectors.<sup>8</sup> By comparison, LFS results for the Toronto CMA during this period indicate a regional increase in employment of 7.5%.<sup>9</sup>

Due to a lower response rate in the last two years when compared to previous years with response rates in

the high 80s, it is possible that trends in some sectors may not have been fully captured by the Survey in 2021. The overall employment growth rate can be estimated based solely on the 41,740 establishments that responded in 2021. This approach would result in an estimated growth rate of 5.1%, which aligns more closely with the LFS results over the same period. These figures reflect the growth of the overall economy that was sustained during the pandemic impacts, however some sectors and workers were impacted more severely than others.

## Divergence by Sector, Worker and Geography

In 2021, the Survey observed a broad range of employment trends across the businesses surveyed, indicating that the pandemic recovery has not been the same across different economic sectors, income levels and geographies. The Office category, for example, has shown continued resilience, rebounding 0.7% in 2021 after declining 1.4% in 2020, potentially due to a shift to work-from-home.

Other employment activities were not only impacted but halted by the pandemic impacts. The Community and Entertainment category added 0.2% in 2021 after declining 35.8% in 2020. The Service category declined 1.7% in 2021, after declining 23.4% in 2020. Many establishments in these categories were subjected to closures, capacity limits and other restrictions during the pandemic response.

Statistics Canada information demonstrates that the hardest-hit Service sectors, such as Accommodation and Food Services, are often lower-waged and disproportionately employ visible minorities.<sup>10</sup> Of the largest visible minority groups, Chinese and Filipino workers were around twice (11% and 14%, respectively) as likely to work in Accommodation and Food Services in comparison to those not in a visible minority as defined by Statistics Canada (6%).<sup>11,12</sup>

As documented in the Toronto Employment Survey Retrospective special topic of the 2020 Bulletin, the broad transformation of Toronto's economy over the past three decades has been positive and has positioned the city well to recover from the COVID-19 pandemic. However, this economic growth masks the uneven distribution of economic structuring on sectors, jobs, people, and neighbourhoods. Certain areas of Toronto have never fully recovered from the 1990s recession. This is illustrated in Map A.7 on Page 46 which shows how employment in many of Toronto's inner suburbs has remained flat or declined between 2001 and 2021. Map A.8 demonstrates the distribution of both employment growth and losses over the two-year period of the ongoing pandemic, showing deeper losses in certain areas of Downtown including the University of Toronto

and King-Parliament Secondary Plan Areas. Given these harder hit areas experienced strong employment growth over a two-decade period, they may be better positioned for recovery. On the other hand, inner suburb areas that have seen a decline over the long-term are more likely to face challenges towards recovery as the last two years of losses have only compounded this trend.

### Why a Survey Now?

The Toronto Employment Survey collects annual employment information from business establishments across the city. This information is used to measure the city's economic and employment structure, as well as monitor the progress of Official Plan policies.

The Survey programme has been undertaking consistent data collection since 1983. Through its unbroken 39 years of operation, the Survey has provided a continuous series of snapshots of the City's changing economic composition and evolving land uses. The continued collection of survey information enables the City to monitor long-range economic trends and emerging activity in areas identified for employment growth in the Official Plan, including Downtown, the Centres, Secondary Plan Areas and Employment Areas.

The Survey also provides a basis for assessing other important geographies including Provincially Significant Employment Zones as outlined in the Provincial Growth Plan for the Greater Golden Horseshoe, *A Place to Grow* (see Map 2). The Survey results allow more effective long-range projections and planning for urban infrastructure and municipal services, and assist in monitoring the city's progress toward its investment and fiscal goals.

### What Data Is Collected?

The Toronto Employment Survey collects business information citywide through in-person visits on an annual basis and is typically carried out between May and September. However, due to health and safety concerns and the restrictions implemented due to the ongoing COVID-19 pandemic, the Survey had been conducted by telephone for both 2020 and 2021. Surveyors record the following information about each business establishment:

- primary type of employment activity;
- full-time and part-time employee counts;
- length of time the business has been at that location.

Table 1: Total City Employment Counts - 2011, 2020, 2021

Employment	Total Number of Employees			Net Change	Growth Rate %	Net Change	Growth Rate %
	2011	2020	2021	2011-2021		2020-2021	
Full-time	1,024,200	1,114,090	1,119,350	95,150	9.3%	5,260	0.5%
Part-time	293,100	335,820	332,170	39,070	13.3%	-3,650	-1.1%
<b>Total</b>	<b>1,317,300</b>	<b>1,449,910</b>	<b>1,451,520</b>	<b>134,220</b>	<b>10.2%</b>	<b>1,610</b>	<b>0.1%</b>

Note: Numbers have been rounded to the nearest ten. Totals and sums may differ due to rounding.

In the case of major, multi-branch employers, information is collected through a questionnaire sent to the primary contact at the head office. The Survey programme also requests employment information from major employers and corporations with multiple locations across the city.

Business and employment activity is classified by both NAICS, the North American Industry Classification System used by Statistics Canada, and the Land Use Activity Codes of RISWG, the Regional Information Systems Working Group of the Regional Planning Commissioners of Ontario. This dual coding allows comparisons to other jurisdictions.

## Survey Geography

The Survey involves one-on-one interviews of business establishments across the city, including:

- Major office and service clusters in Downtown and in the Centres;
- Employment Areas designated for employment uses;
- *Mixed Use Areas* in Downtown, the Centres, Secondary Plan areas, along the Avenues and throughout the city;
- Institutional precincts containing health or education uses;
- Retail malls and “power centres”;
- Community activities, entertainment uses and local retail uses in residential areas including private schools and community uses.

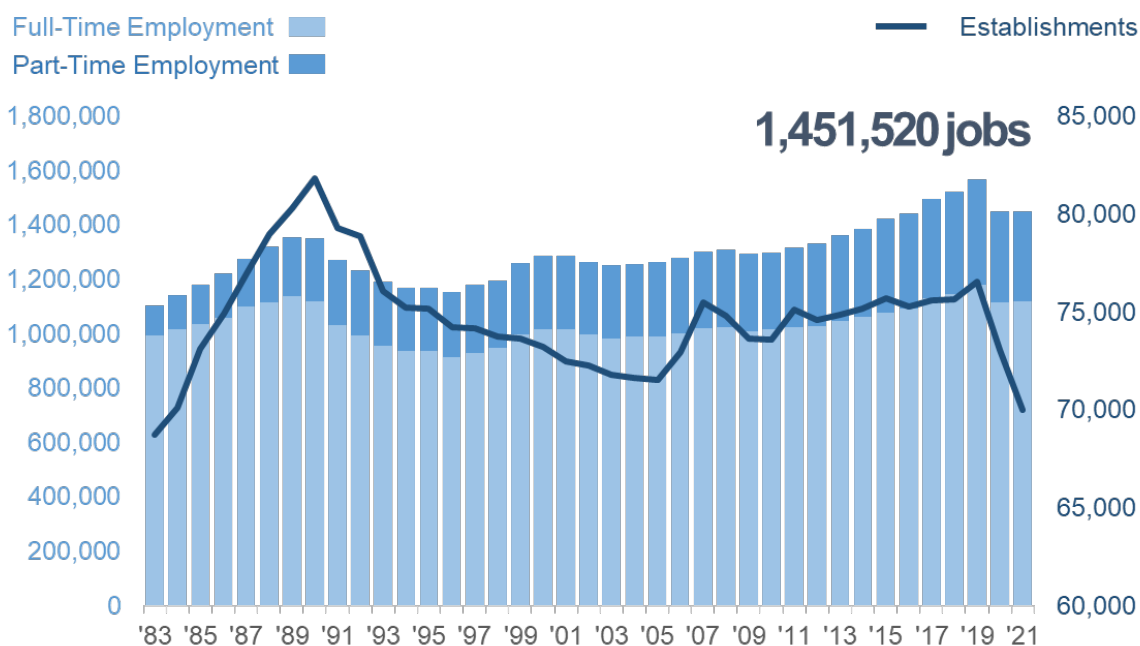
Employment activities that are “footloose” or not place-specific on a daily basis are captured at the business head office or at local reporting offices, when the data is available.

## Surveyor Insight

The Survey uses a unique data collection process that involves one-on-one interviews with each of the almost 70,000 business establishments in Toronto. Unlike some business surveys that rely on sampling and indirect sources, Toronto Employment Survey staff confirm information directly with the business owners, managers and employees of each establishment. As small businesses make up 67.6% of all establishments, the majority of interviews that surveyors conduct are with small businesses.

Some of the qualitative observations Surveyors collected throughout these interviews are featured throughout this bulletin. Details of these experiences offer a nuanced perspective of the COVID-19 pandemic’s ongoing impact.

Figure 1: Full and Part-Time Employment Counts in the City of Toronto, 1983-2021



## Surveyor Insight

*One restaurant owner that I spoke to was heavily impacted by the pandemic. It was down to him and a family member running their business. He was very kind, but I could also hear the pain in his voice when he said that they might have to permanently close in the future. Interactions like that give new perspectives into how the pandemic has impacted people. The source of income and livelihood being stripped away from powerless people is truly heartbreaking.*

## Key Citywide Trends

### Service and Community and Entertainment Trends

Continuing the trend from 2020, the Service category lost more employment than any other sector, decreasing by 2,530 jobs, or 1.7% in 2021 (see Figure 2). Once again, the sector led in terms of absolute change despite representing just 10.2% of all jobs. However, the loss is significantly less, only one twentieth of the change observed in 2020 in which 46,100 service jobs, or 23.4%, were lost. The 2021 decline pales in comparison to the devastating losses observed in 2020 and the trend is bottoming out. Nevertheless, the additional losses indicate that the sector has yet to recover from the losses it saw in 2020. Absolute job losses were led by the Personal Services sub-category, with Cosmetic Services (including hair and nail salons) and Fast Food Outlets

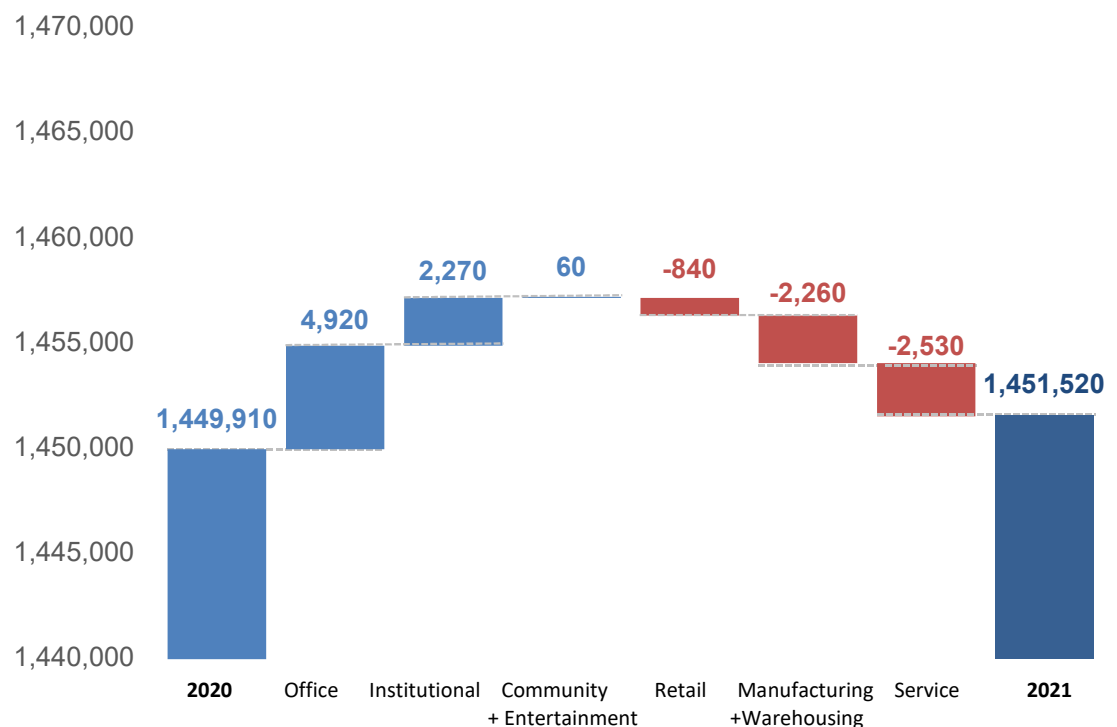
losing a combined total of 1,230 jobs from 2020. By absolute job loss, Personal Services was followed by the Business Plant and Equipment Sales and Servicing sub-category which observed a decline of 700 jobs in Sales and Servicing Equipment.

Since 2016, the Service category has declined on average about 3.6% per year, eroding the category's share of total employment in the city from 12% to 10.2%.

Despite an overall decline in Service jobs in 2021, the largest sub-category, Personal Services, saw gains in Restaurants (3.3% or 1,140 jobs) and Animal Boarding Services (5.9% or 140 jobs).

In 2021, Community and Entertainment was effectively flat, gaining 60 jobs or 0.2%. Similar to Service, the trend observed for the sector in 2021 is dramatically different from what was observed in 2020 when Community

Figure 2: 2020-2021 Employment Growth Share by Category





and Entertainment declined by 35.8% or 19,860 jobs. Absolute losses in 2021 were led by On-Site Construction/Renovation/Maintenance, followed by Outdoor Entertainment. In the former, losses were led by Residential and Office Construction activities, losing a combined total of 590 jobs. The latter saw losses led by Outdoor Sports Stadiums, losing 490 jobs.

The five-year average growth rate for Community and Entertainment is -4.3% in 2021. This is a significant departure from the pre-pandemic average growth of 3.1% observed in 2019 when Community and Entertainment was the second fastest growing sector after Institutional. Community and Entertainment led the 2021 decline in establishments (see Figure 3).

## Office Trends

As the least impacted sector in 2020 and 2021, losing 1.4% of employment in 2020 relative to the 7.6% citywide decline, Office has almost completely recovered from the losses observed in the last year. In 2021, the sector gained 4,920 jobs or 0.7%.

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%).

As of Q3 2021, a 7.1% office vacancy rate was reported for Downtown Toronto, the highest in a decade. However, this was lower than the 8.5% rate reported for the Greater Toronto Area (GTA).<sup>13</sup> Return to work plans that had been slated for many offices later in the year were largely postponed due to the rising cases of the COVID-19 Omicron variant.

## Surveyor Insight

*I noticed less businesses being impacted by COVID-19 regulations, and more by business decisions in terms of limited staffing and consumer demand. There were issues such as employees not wanting to return to work and less customer foot traffic for specific types of businesses (e.g. spas and hair salons). Almost all 'desk-based' businesses where work could be done at home successfully transitioned to at least a hybrid work model, where staff would come in several days a week. However, it was rare to see these types of occupants working 100% in the office.*

Table 1a: Employment by Category, 2011, 2016, 2020, 2021

Category	Total Number of Employees				Net Change	Growth Rate %	Net Change	Growth Rate %	Net Change	Growth Rate %
	2011	2016	2020	2021	2011-2021		2016-2021		2020-2021	
Manufacturing	128,600	123,880	129,290	127,030	-1,570	-1.2%	3,150	2.5%	-2,260	-1.7%
Retail	141,600	147,620	140,110	139,270	-2,330	-1.6%	-8,350	-5.7%	-840	-0.6%
Service	155,500	180,590	151,010	148,480	-7,020	-4.5%	-32,110	-17.8%	-2,530	-1.7%
Office	627,900	690,210	743,150	748,070	120,170	19.1%	57,860	8.4%	4,920	0.7%
Institutional	219,800	250,040	250,780	253,050	33,250	15.1%	3,010	1.2%	2,270	0.9%
Community & Entertainment	43,900	48,440	35,570	35,630	-8,270	-18.8%	-12,810	-26.4%	60	0.2%
<b>Total</b>	<b>1,317,300</b>	<b>1,440,790</b>	<b>1,449,910</b>	<b>1,451,520</b>	<b>134,220</b>	<b>10.2%</b>	<b>10,730</b>	<b>0.7%</b>	<b>1,610</b>	<b>0.1%</b>

## Manufacturing and Warehousing Trends

In the first year of the pandemic, Manufacturing was the second least impacted sector, declining by 5.3% or 7,280 jobs. In 2021, the sector declined by nearly the same as the Service sector, with both sectors seeing a loss of 1.7%. However, the average growth rate from 2016 to 2021 continues to be positive at 0.6%.

Processed Goods Processing, the Manufacturing sector's largest sub-category, saw the most significant losses in Food (Packaged Goods) with a 7.7% decline, or 1,060 jobs. Despite overall losses in 2021, gains were observed in a few manufacturing activities including Component Parts (8.7% or 240 jobs).

Despite experiencing job losses in 2021, as of Q3 2021, Toronto saw a 0.1% industrial vacancy rate, lower than the GTA which saw a rate of 0.4%. This is also lower when compared to the same quarter in 2020 when a rate of 0.5% was observed for the city.<sup>14,15</sup> Industrial spaces remained almost fully occupied.

## Business Establishments

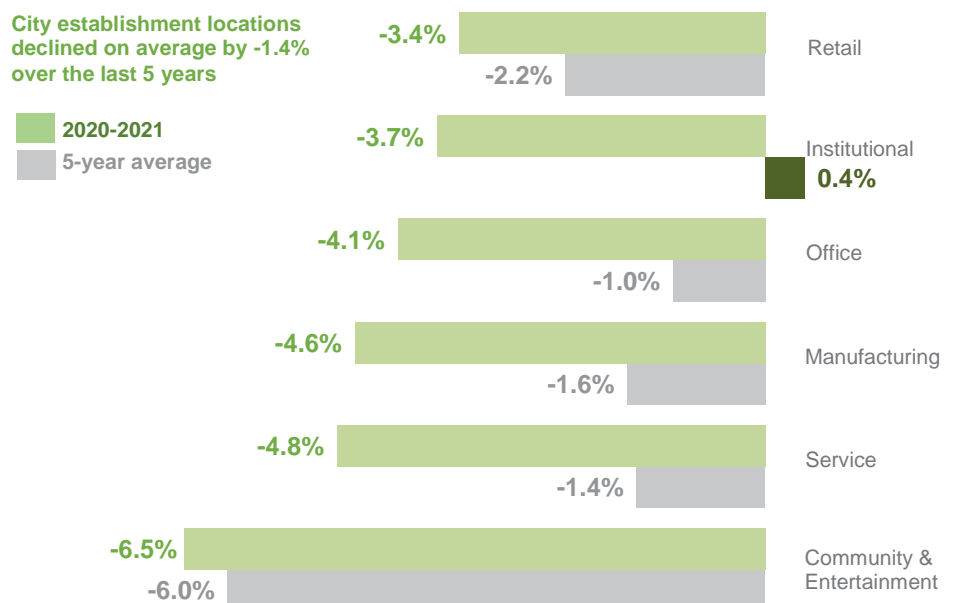
In 2021, the Survey counted 69,990 business establishments in the city, a net decrease of 3,090 or 4.2% from 2020 (see Figure 4). This number is comparable to the losses observed in 2020, the first year of the pandemic when Toronto saw a net loss of 3,480 establishments—the greatest decline the Survey has seen.

Net total establishment counts decreased in all sectors: Office (-1,160), Service (-870), Retail (-480), Community and Entertainment (-130), and Institutional (-230).

## Employees Per Establishment

In 2021, the average number of employees per establishment increased from 19.8 in 2020 to 20.7. The increase in the average number of employees demonstrates a greater number of closures among small businesses. This is the highest ratio yet to be documented by the Survey. Compared to 5 years ago, it is higher by 1.6 employees per establishment.

Figure 3: 2020-2021 Establishment Growth vs. 5-Year Average





In 2021, the number of large establishments (with 100 or more employees) increased by 5 to 2,278. Large businesses comprise 3.3% of all establishments but account for 55.9% of all employment. A discussion of the economic impact of the pandemic on establishments by size can be found in the Pandemic Impact special topic on Page 31.

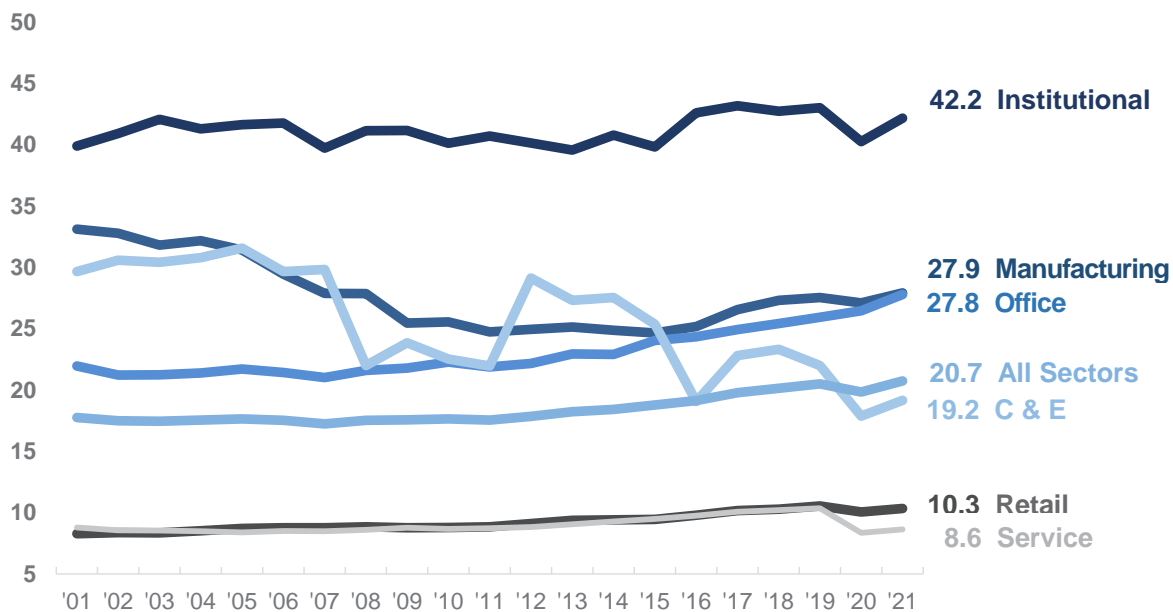
Overall, 27.8% of the city's establishments have remained in the same location for more than two decades. This breadth of business location tenure demonstrates a strong degree of stability in the local economy despite economic cycles and recessions.

### Longevity

Changes in the longevity of business establishments at specific locations can offer insights into the economic health of a city or region.

In 2021, 26.4% of Toronto's business establishments reported being at the same location for less than 5 years and 35.6% of establishments reported being at the same location for 6 to 15 years (see Figure A1 in the Appendix).

Figure 4: Employees per Establishment, 2001-2021



## New Establishments in the City

Although the city experienced an overall loss in the number of business establishments, the Survey found that 819 businesses, 1.2% of all establishments, either started or moved to a new location in 2021. This is just 20 more new businesses than in 2020. On the contrary, the average number of establishments added to the Survey in the three years prior to the pandemic (2017 to 2019) was an average of 3,720 (see Table 2). The low new establishment count in both 2020 and 2021 is not only attributable to the economic instability of the pandemic, but also to the difficulty of identifying new businesses through telephone and remote means instead of through physical observation through field surveying. In 2021, the Survey relied on information from trusted sources such as major employers, CoStar<sup>16</sup>, and the Alcohol and Gaming Commission of Ontario (AGCO), as well as by investigating media reporting to identify new business locations.

## New Establishments by Sector

The Retail and Service sectors led the shares of new establishments in 2021, by 33.2% and 30.0% respectively (see Table 3). According to data from AGCO, about 67% of all new establishments added to the Retail sector were licensed cannabis retailers. Food services (e.g. restaurants, bars and fast food outlets) made up 74% of all new establishments in the Service sector. Food services establishments are likely to have more public exposure than others as they often promote their opening to various media outlets. Conversely, the Office sector only added 150 new locations in 2021, the lowest number of additions ever in the Survey, and a 90% drop from the three-year average prior to the pandemic. Businesses might have delayed plans to occupy new office space due to the uncertain return-to-office trends and workers' preferences to work from home.

Table 2: New Establishments, 2017-2021

2017	2018	2019	2020	2021
3,895	3,470	3,806	796	819

Table 3: New Establishments, 2020-2021

Location	2020	2021	Category	2020	2021
Centres	60	34	Manufacturing	20	30
Downtown	230	203	Retail	140	270
Employment Areas	150	180	Service	220	250
Rest of the City	350	402	Office	350	150
			Institutional	50	50
			Community & Entertainment	20	70
<b>City Total</b>	<b>800</b>	<b>819</b>	<b>City Total</b>	<b>800</b>	<b>819</b>

Note: Numbers have been rounded to the nearest ten. Totals and sums may differ due to rounding.

## New Establishments by Employment

New establishments contributed 1.1% or 16,550 jobs to the total employment in 2021, which is the same percentage as 2020 and just slightly lower than the 1.6% three-year average prior to the pandemic. New locations of two major banks and nine City-run pop-up vaccination clinics contributed to 53% and 14%, respectively, of the 16,550 jobs that were generated.

The response rate for new establishments was 56.5%, which is lower than the overall Survey response rate of 60%, as mentioned above. The key reason for the lower response rate among new establishments is the lack of prior connections with businesses from previous years, which are usually established by surveyors physically visiting the businesses. In 2021, surveyors could only rely on publicly available contact information to connect with the new establishments. However, some businesses, especially in the food service industry, are choosing to use social media and other electronic means

over telephone numbers to connect with the public.<sup>17</sup> Businesses whose targeted clientele is not the general public may also choose not to publicize their contact information.

## New Establishments by Location

The new establishments reported in 2021 are spread out throughout the city, with 180 in Employment Areas (22.0%), 203 in Downtown (24.8%), 34 in the Centres (4.2%), and 402 (49.1%) in the rest of the city (see Figure 5). The share of new establishments in the rest of the city grew the most among the four locations by 4.6% compared to 2020. It is worth noting that the share of new establishments found in Employment Areas is significantly lower than the three-year average of 29.1% prior to the pandemic. It is difficult to discover new businesses within Employment Areas in the absence of a field survey, especially in Core Employment Areas, as they are less likely to promote their presence to the general public.

Figure 5: New Establishments by Location, 2021

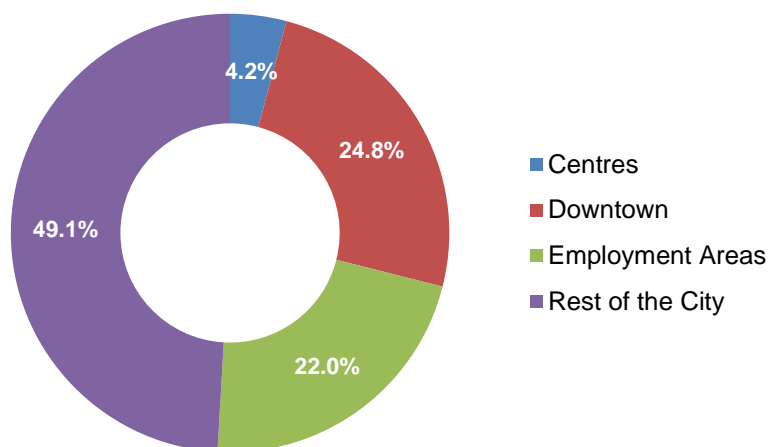
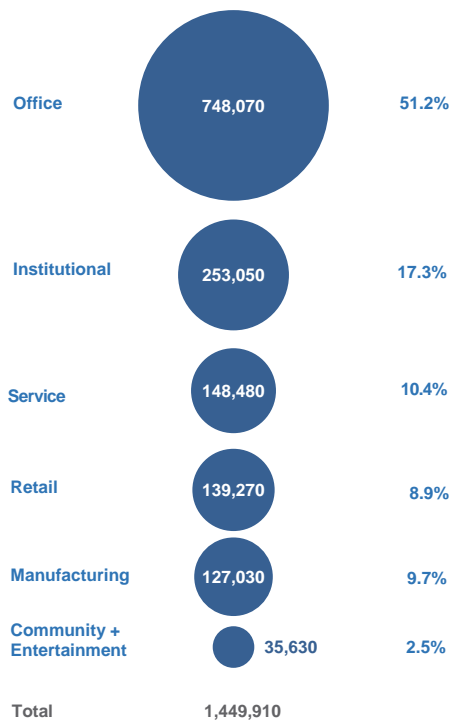




Figure 6: Total 2021 Employment by Category



### Employment Categories

The Survey utilizes six employment categories to reflect the underlying land use activities of employment across the city: Manufacturing and Warehousing, Retail, Service, Office, Institutional, and Community and Entertainment. See Maps A.1 to A.6 on Page 44 in the Appendix for the spatial distributions of their employment across Toronto.

Modest gains were observed in some employment categories in 2021, and losses in others. This differs from 2020 when all categories experienced losses. In 2021, gains were experienced by the Institutional sector (2,270 jobs or 0.9%), followed by Office (4,920 jobs or 0.7%) and Community and Entertainment (60 jobs or 0.2%). Losses were observed in Service (-2,530 jobs or -1.7%), followed by Manufacturing and Warehousing (-2,260 jobs and -1.7%) and Retail (-840 jobs and -0.6%).

In 2021, the sectors with negative five-year trends were Retail, Service and Community and Entertainment. The losses they experienced over the past year are minor in comparison and do not outweigh five-year losses. This again differs from trends observed in

2020 when all categories experienced above-average losses compared to the five-year trend. This further suggests that the employment declines are leveling out.

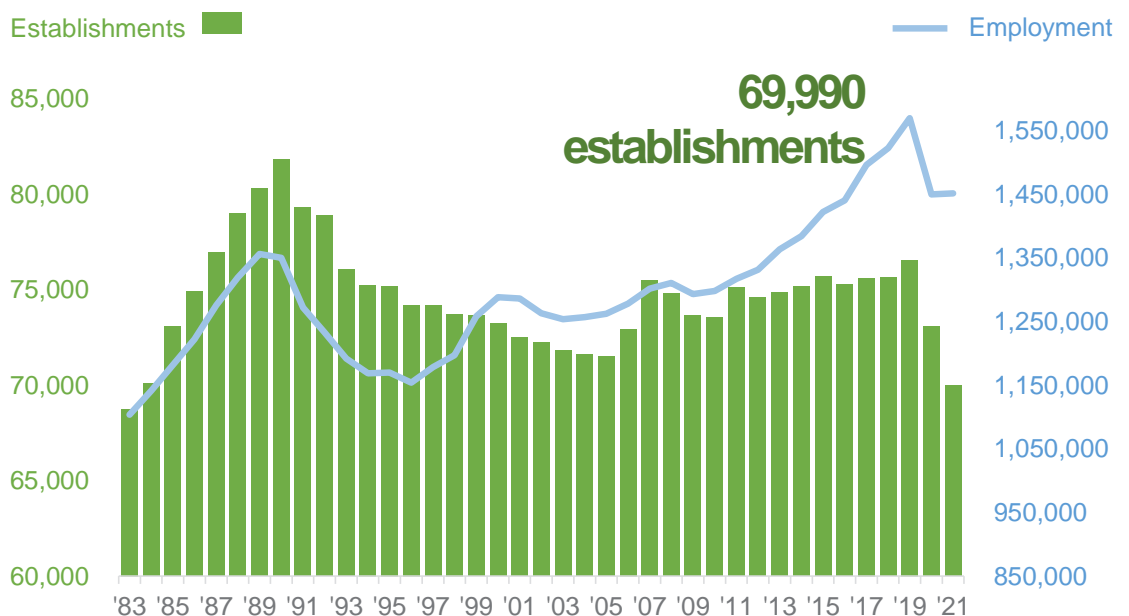
The most stable category in 2021 over a five-year period is Office, followed by Manufacturing and Institutional.

### City Employment Share

Toronto's top employment categories are Office (51.5%), Institutional (17.4%) and Service (10.2%) (see Figure 6). As of 2020, Office has passed the 50% threshold and now accounts for more than half of all jobs in Toronto. As Toronto's fastest-growing category, Office has seen 1.6% average growth over the last five years.

The remaining shares of city employment are Retail (9.6%), Manufacturing and Warehousing (8.8%), and Community and Entertainment (2.5%). These categories all experienced negative five-year growth rates in 2021 except for Manufacturing and Warehousing, which observed an average growth of 0.6% since 2016, despite the pandemic impacts overall.

Figure 8: Establishment Counts in the City of Toronto, 1983-2021



## City Establishment Share

Toronto's categories of business establishments are similarly structured, with Office (38.5%), Service (24.6%), and Retail (19.2%) making up the largest shares, followed by Institutional (8.6%), Manufacturing (6.5%), and Community and Entertainment (2.7%) (see Figures 8 and 9). However, Institutional has a greater concentration of employees per establishment compared to Service and Retail.

Note that the total number of establishments includes 2,670 establishment records that have been deemed as placeholders. Since 2020, these are records that have been identified as having either no employment or employment that cannot be confirmed. Unstaffed hydro-electric stations and training centres, as well as new businesses from which surveyors were unable to obtain employment information, are examples of placeholders. Placeholders will be further investigated as part of the 2022 field survey programme.

## Category Totals

**Office** has led overall employment growth in the last five years, adding 57,860 jobs since 2016, and amounting to a 1.6% annual increase. In 2021, Office was the most successful category with the most added jobs in absolute terms and the second highest percentage increase after Institutional, growing by 0.7% or 4,920 jobs.

**Institutional** has increased by 0.4% annually and has added 3,010 jobs since 2016. In 2021, the category saw an increase of 0.9% or 2,270 jobs from 2020, the highest percentage among the different categories.

**Service** experienced a loss of 2,530 jobs between 2020 and 2021 for an annual decline of 1.7%. This category experienced the largest absolute decline in 2021. Since 2016, Service has lost a net total of 32,110 jobs, for a 3.2% annual decline.

**Community and Entertainment** was relatively stable in 2021, gaining 60 jobs or 0.2%, after experiencing a net loss of approximately one-third of its total employment, decreasing by 35.8% or by 19,860 jobs in 2020. Out of all of the categories, Community and Entertainment has had the highest annual decline since 2016 at 4.3%.

**Retail** employment decreased by 840 jobs or 0.6% between 2020 and 2021. This category has lost a net total of 8,350 jobs since 2016, for a 1.1% annual decline.

**Manufacturing and Warehousing** employment decreased by 2,260 jobs or 1.7% between 2020 and 2021. In terms of percentage change, this category declined the most in 2021. At 0.6% annual growth, the sector has maintained a positive five-year trend.

Figure 7: Total 2021 Establishments by Category

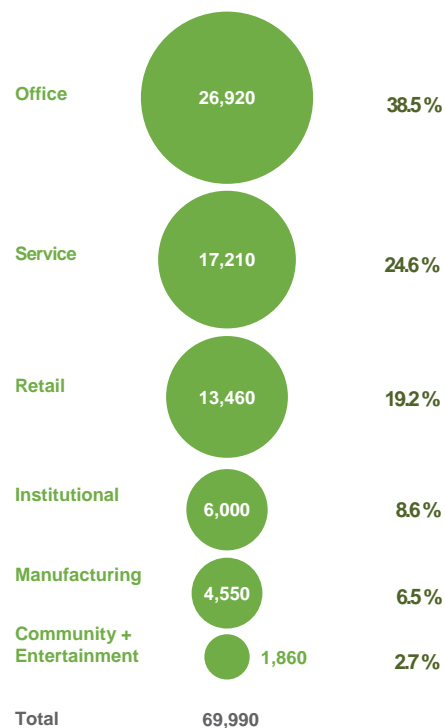


Figure 9: Employment Share by Major NAICS Sector, 2016-2021

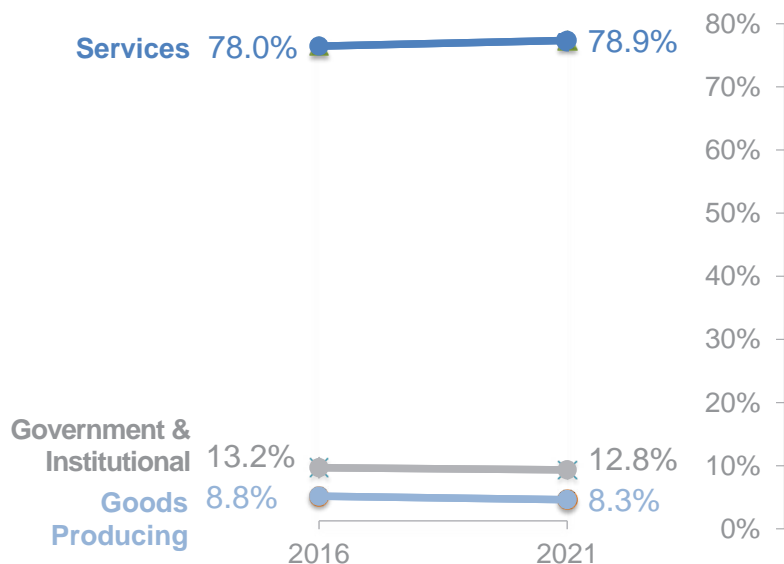
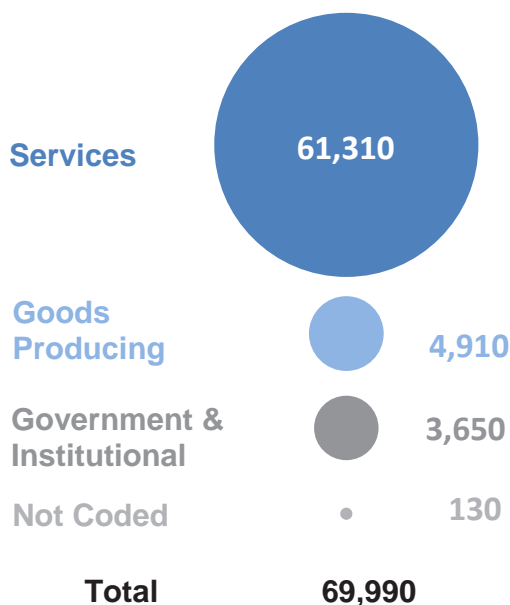


Figure 10: Establishments by Major NAICS Sector, 2016-2021



## Employment by NAICS Economic Sector

In 2011, the Survey incorporated the North American Industry Classification System (NAICS) into its data coding. While the employment categories and their Land Use Activity Code profile land use and occupancy in the city, NAICS offers considerable detail about the structure of the economy. NAICS is a North American coding standard and allows for the comparison of Toronto's results with other jurisdictions and surveys utilizing this same system.

In 2021, a review was conducted of the NAICS coding for the Management of Companies and Enterprises sector, to code establishments more precisely and to more closely align the Survey's coding with those of other data sources, such as the Labour Force Survey conducted by Statistics Canada. Data was updated retroactively to 2016.

## Toronto's Economy

Three major sectors make up the employment shares of Toronto's economy: Service-based industries (78.9%), Government and Institutional industries (12.8%) and Goods Producing industries (8.3%) (see Figures 9 and 10).

In 2021, Service-based employment grew by 9,650 jobs or 0.8%. While this sector led job losses in 2020, the gains observed in 2021 are consistent with the pre-pandemic (2019) trend of having the highest annual growth among the sectors. Goods Producing industries saw the greatest decline in employment with 3,250 jobs lost (2.6%), continuing the five year trend of decreasing employment, followed by Government and Institutional which lost 4,830 jobs (2.5%).



## Major Sectors

The Survey uses NAICS to classify the economy into 20 major sectors. In 2021, Finance and Insurance continued to be the largest NAICS sector for the second year in a row, representing 197,420 jobs or 13.6% of all jobs.

In 2021, 55.9% of all jobs in Toronto belonged to five NAICS sectors (see Figure 11), compared to 54.6% in 2020. The top five sectors are consistent across 2020 and 2021 and are: Finance and Insurance; Health Care and Social Assistance; Professional, Scientific, and Technical Services; Retail Trade; and Educational Services.

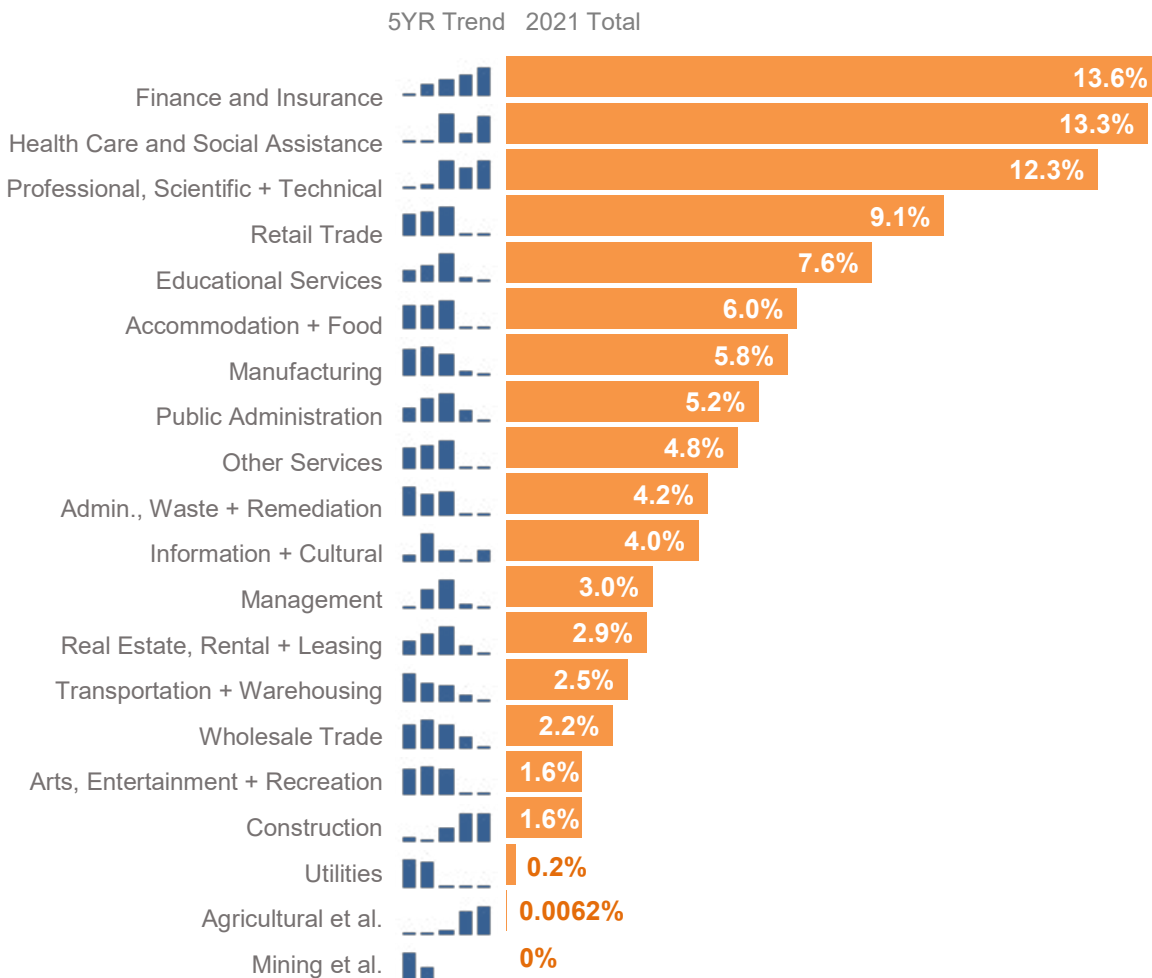
In 2021, the sectors that experienced the greatest growth were Finance and Insurance (5,870 jobs or 3.1%), Health Care and Social Assistance (5,620 jobs or 3.0%), and Professional, Scientific and Technical Services (3,880 jobs or 2.2%). Finance and Insurance was the only sector that experienced positive growth in 2020, adding 13,610 jobs or 7.7%.

Most sectors show negative trends over a five-year period, with the exception of the following 6 NAICS sectors.

- Management of Companies and Enterprises added 5,270 net jobs since 2016, averaging 6.0% annual growth

- Finance and Insurance added 36,360 net jobs since 2016, averaging 4.5% annual growth
- Professional, Scientific and Technical Services added 20,410 net jobs since 2016, averaging 2.6% annual growth
- Health Care and Social Assistance added 10,600 net jobs since 2016, averaging 1.2% annual growth
- Transportation and Warehousing added 900 net jobs, averaging 0.4% annual growth
- Information and Cultural Industries added 1,060 net jobs, averaging 0.4% annual growth.

Figure 11: City Employment Share by NAICS Sector, 2021



## Urban Economic Structure

Toronto's Official Plan directs both employment and residential growth towards specific areas of the city including Downtown, the Centres, the Avenues, and Employment Areas (see Map 2). Together, these areas form the backbone of the city's urban economic structure. They are connected by transit and transportation arteries, maximizing existing infrastructure and services in order to best accommodate growth.

The Official Plan also identifies 40 Secondary Plan areas, many of which are experiencing rapid growth through intensification.

Downtown, the Centres and many Secondary Plan areas include *Mixed Use Areas* and encourage both residential and employment growth.

Employment Areas are designated primarily for employment-related land uses. The Avenues are important corridors along major streets where intensification is anticipated and encouraged to create new housing and job opportunities.

The *Places to Grow Act* is the Provincial legislation that governs planning for growth and development in a way that supports economic prosperity, protects the environment, and helps communities achieve a high quality of life. The *Places to Grow Act* also enables the development of regional growth plans that guide government investments and policies, such as *A Place to Grow: Growth Plan for the Greater Golden Horseshoe*.

The Growth Plan reinforces Toronto's Official Plan Urban Structure by enabling the identification of Urban Growth Centres and other Strategic Growth Areas. As part of the current Municipal Comprehensive Review, the City is analyzing potential Strategic Growth Areas that may include Urban Growth Centres, Major Transit Station Areas, and infill sites such as brownfields or greyfields.

Toronto contains five Urban Growth Centres: Downtown Toronto, Etobicoke Centre, North York Centre, Scarborough Centre, and Yonge-Eglinton Centre. The Growth Plan defines these areas as existing or emerging downtown areas, and which are targeted to achieve minimum densities of 400 residents and jobs combined per hectare by 2031.

Table 4: Total Employment in the Centres and Downtown

	2016	2017	2018	2019	2020	2021	2016 - 2021		2020 - 2021	
							Net Change	% Change	Net Change	% Change
Downtown	511,370	543,530	565,220	584,660	537,310	547,700	36,330	7.1%	10,390	1.9%
North York Centre	34,090	33,900	34,910	35,920	34,920	34,830	740	2.2%	-90	-0.3%
Yonge-Eglinton Centre	17,540	18,780	18,080	18,720	17,500	17,100	-440	-2.5%	-400	-2.3%
Scarborough Centre	16,350	17,210	17,980	16,830	15,250	14,280	-2,070	-12.7%	-970	-6.4%
Etobicoke Centre	9,490	10,850	10,460	10,850	9,960	10,110	620	6.5%	150	1.5%
Downtown and the Centres	588,840	624,270	646,650	666,980	614,940	624,020	35,180	6.0%	9,080	1.5%
Rest of City	851,950	871,980	876,230	902,820	834,970	827,500	-24,450	-2.9%	-7,470	-0.9%
<b>City Total</b>	<b>1,440,790</b>	<b>1,496,250</b>	<b>1,522,880</b>	<b>1,569,800</b>	<b>1,449,910</b>	<b>1,451,520</b>	<b>10,730</b>	<b>0.7%</b>	<b>1,610</b>	<b>0.1%</b>

Note: Numbers have been rounded to the nearest ten. Centres are in descending order by size of employment base.

Map 2: Urban Economic Structure

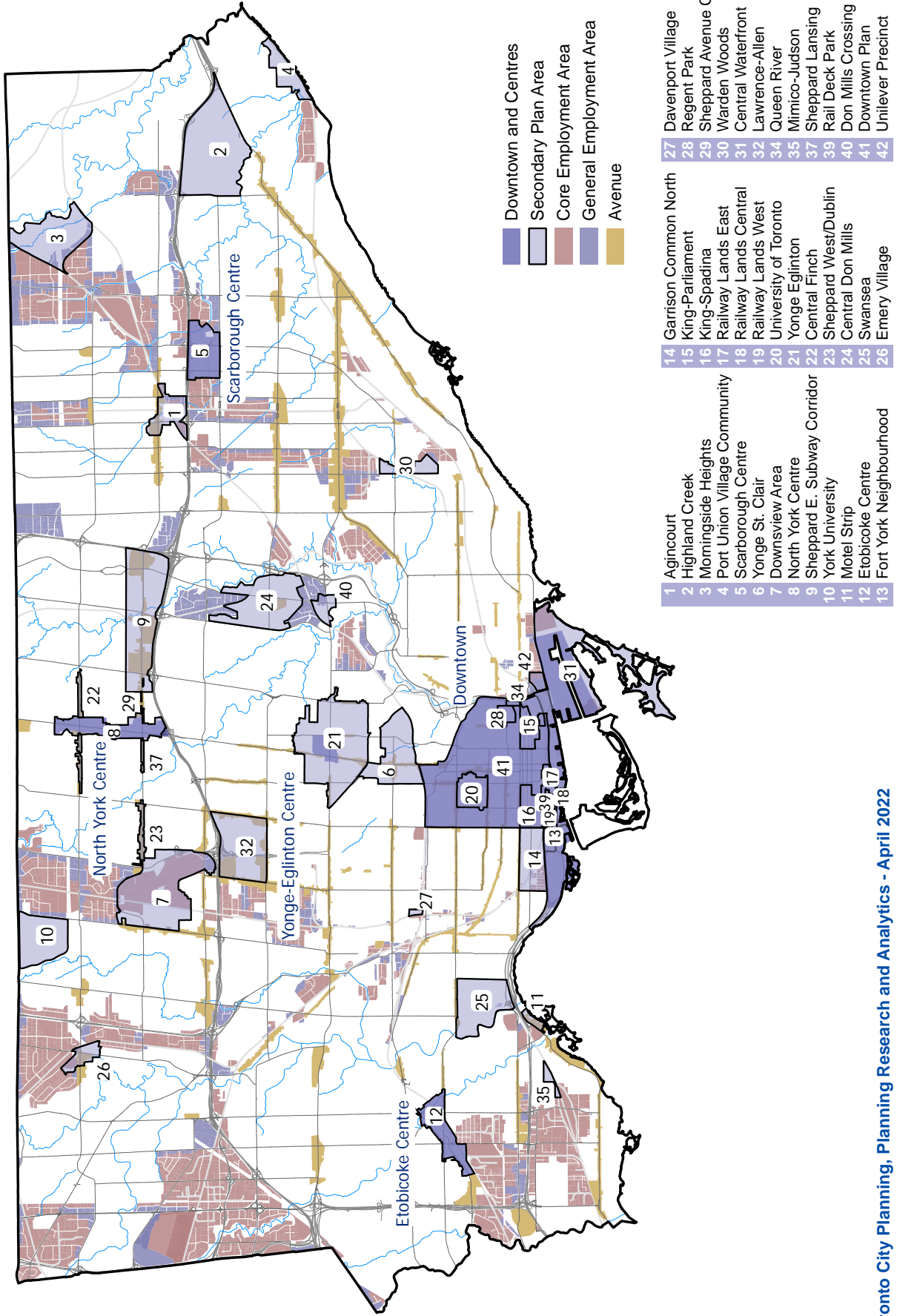
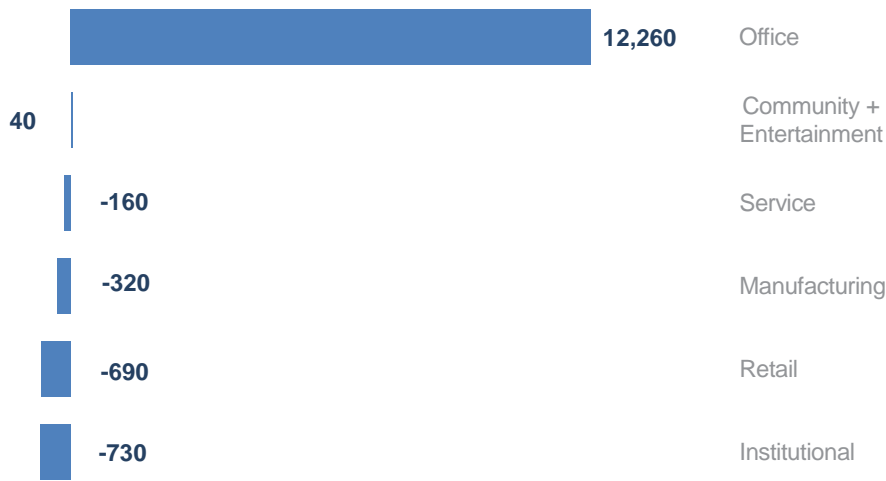




Figure 12: Downtown Employment Change 2020-2021

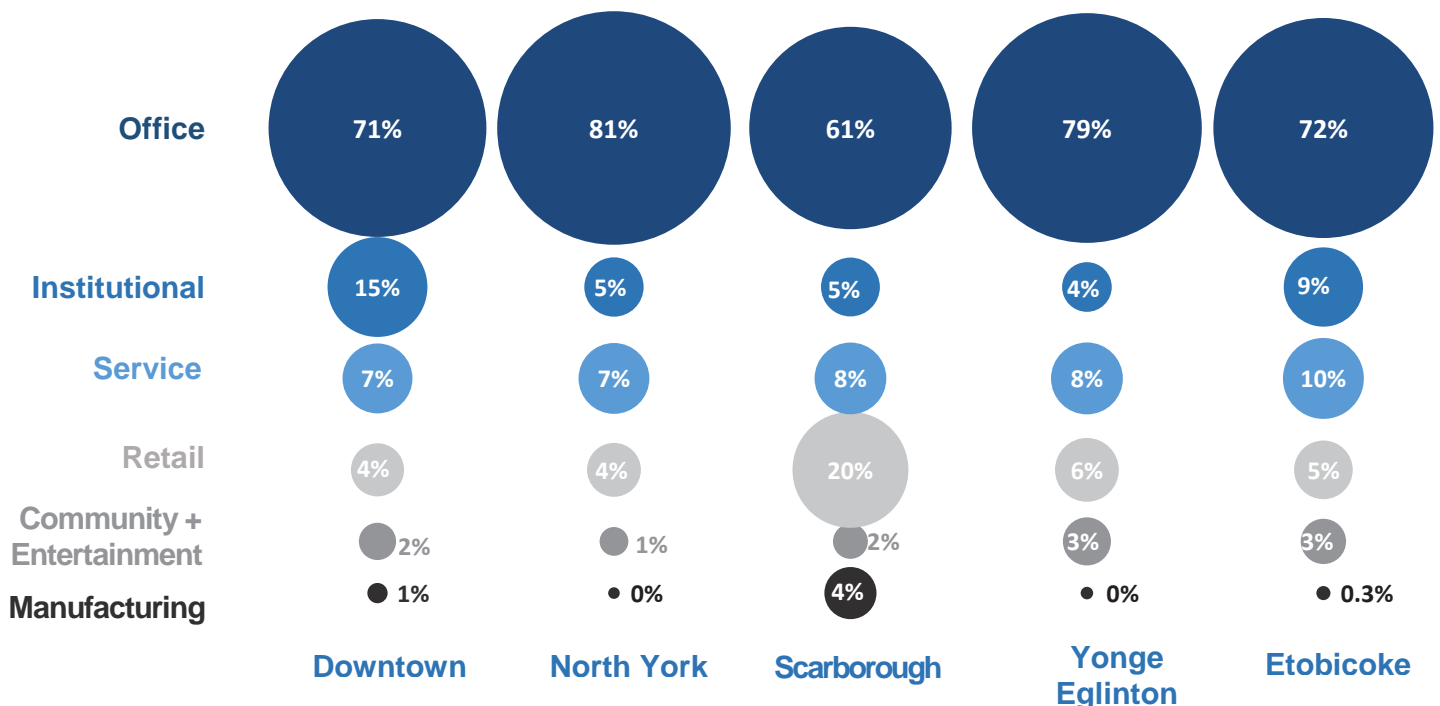


### Employment in the Downtown

Toronto's Downtown is a local and national economic hub. It contains 547,700 jobs, 37.7% of the city's total, and has an average employment density of 25,593 jobs per km<sup>2</sup> or 256 jobs per hectare. This represents an increase from the 2020 average employment density of 25,110 jobs per km<sup>2</sup> or 250 jobs per hectare, signaling some recovery from the pandemic impacts observed in 2020.

Downtown grew faster than the citywide average of 0.1%, gaining 10,390 jobs, or 1.9%, in 2021 (see Figures 12 and 14). This represents some, but not full, recovery of the 2020 losses of 47,350 jobs or -8.1% (see Table 4).

Figure 13: Downtown and Centres, Share of Employment by Category in 2021



Office employment comprises 70.9% of Downtown jobs (see Figures 13 and 15). The Office category grew by 12,260 jobs, or 3.3%, in 2021. Aside from Community and Entertainment, which saw a minor increase of 40 jobs (0.4%), all other categories experienced decreases in employment. Losses were led by Manufacturing and Warehousing (-8.7%), followed by Retail (-2.9%), Institutional (-0.9%) and Service (-0.4%).

Downtown continues to attract a significant share of new establishments, adding 203 between 2020 and 2021. In 2021, 24.8% of all new business establishments were counted in the Downtown, down from 28.8% in 2020.

Figure 14: Employment Growth vs. 5-Year Average

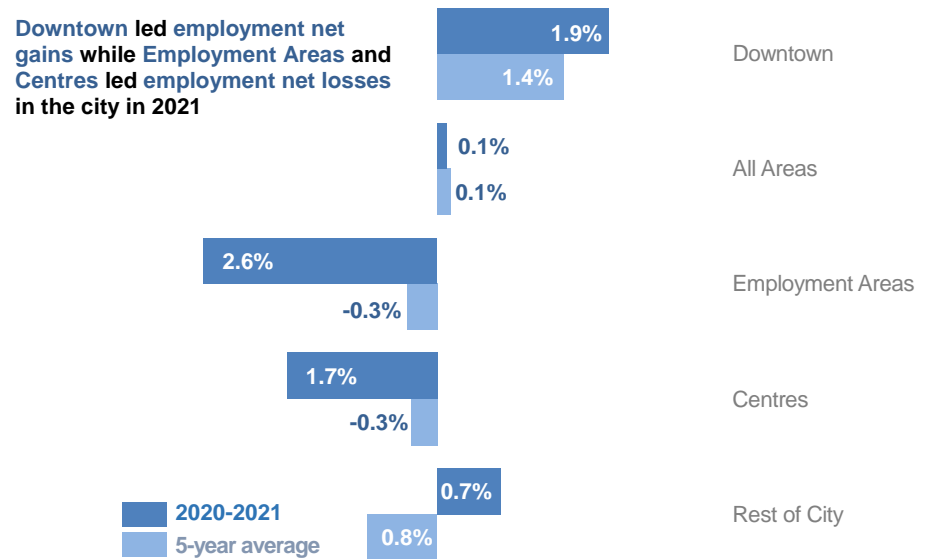


Figure 15: Downtown and Centres, Share of Establishments by Category in 2021

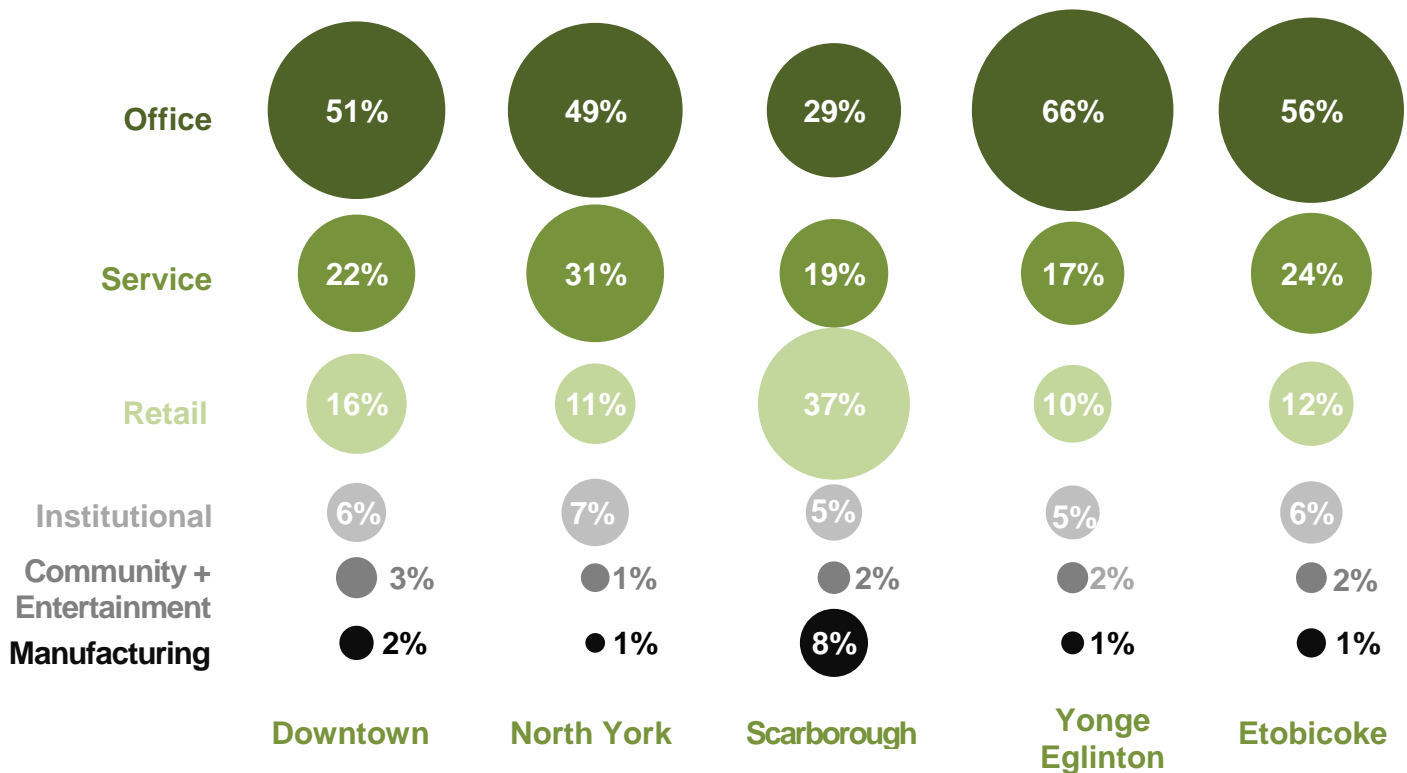


Figure 16a: North York Centre Employment Change by Sector 2020-2021

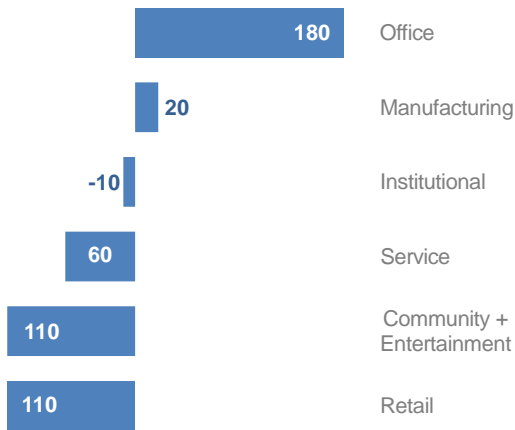
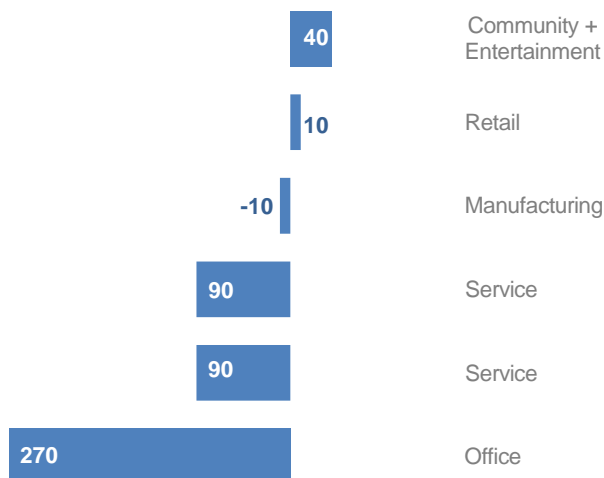


Figure 16b: Yonge-Eglinton Centre Employment Change by Sector 2020-2021



## The Centres

The four Centres are home to 76,320 jobs or 5.3% of all jobs in the city. In 2021, the Centres lost a combined 1,310 jobs or -1.7% (see Table 4, Figures 14 and 16a-d). This represents a smaller change from 2020, when employment decreased by 5.7%.

In 2021, the decline in employment was led by Scarborough Centre (970 jobs), followed by Yonge-Eglinton Centre (400 jobs) and North York Centre (90 jobs). Minor gains were observed by Etobicoke Centre (150 jobs).

Over three-quarters (75.9%) of all jobs in the Centres are in the Office category.

### North York Centre

North York Centre is Toronto's largest Centre with 34,830 jobs, comprising 2.4% of jobs in the city. Eight in ten jobs in North York Centre are Office jobs, representing 28,380 jobs (81.5%).

In 2021, North York Centre saw net decreases in Community and Entertainment (110 jobs or 20.4%), Retail (110 jobs or 6.8%), Service (60 jobs or 2.2%), Institutional (10 jobs or 0.5%). Slight gains were observed in Manufacturing and Warehousing (20 jobs or 40.0%).

### Yonge-Eglinton Centre

Yonge-Eglinton Centre is Toronto's second largest Centre by employment with 17,100 jobs, or 1.2% of the city's total. Yonge-Eglinton contains the highest density of employment of any Centre with approximately 28,311 jobs per km<sup>2</sup>. In 2021, employment in this Centre decreased by 400 jobs or 2.3%.

Over three-quarters (78.8%) of employment in Yonge-Eglinton Centre is in the Office category. Minor increases were experienced by Community and Entertainment (40 jobs

or 7.3%) and Retail (10 jobs or 1.0%). Losses in 2021 were experienced by Manufacturing and Warehousing (10 jobs or 20.0%), Institutional (90 jobs or 12.5%), Service (90 jobs or 6.4%), and Office (270 jobs or 2.0%).

### Scarborough Centre

Employment in Scarborough Centre totaled 14,280 jobs in 2021, comprising 1.0% of the city's total. The Survey counted a decrease of 970 jobs or 6.4%. In 2020, Scarborough Centre employment declined by 1,580 jobs or 9.4%.

Losses were experienced by Office (1,340 jobs or 13.3%), and Service (30 jobs or 2.7%). Manufacturing and Warehousing remained stable. Slight gains were observed in Institutional (260 jobs or 54.2%), Community and Entertainment (70 jobs or 36.8%) and Retail (90 jobs or 3.2%). This differs from 2020, when losses were driven by Retail (-18.5%).

### Etobicoke Centre

Etobicoke Centre is the smallest Centre in Toronto by employment. The Centre has 10,110 jobs total, representing 0.7% of employment in Toronto. Most employment is Office (7,320 jobs or 72.4%). Etobicoke Centre gained 150 jobs, or 1.5%, in 2021. Gains were experienced by Service (60 jobs or 6.5%) and Office (300 jobs or 4.3%). Losses were experienced in Community and Entertainment (170 jobs or 35.4%), Manufacturing and Warehousing (10 jobs or 25.0%), and Institutional (20 jobs or 2.1%). Retail jobs were stable between 2020 and 2021.

Figure 16c: Scarborough Centre Employment Change by Sector 2020-2021

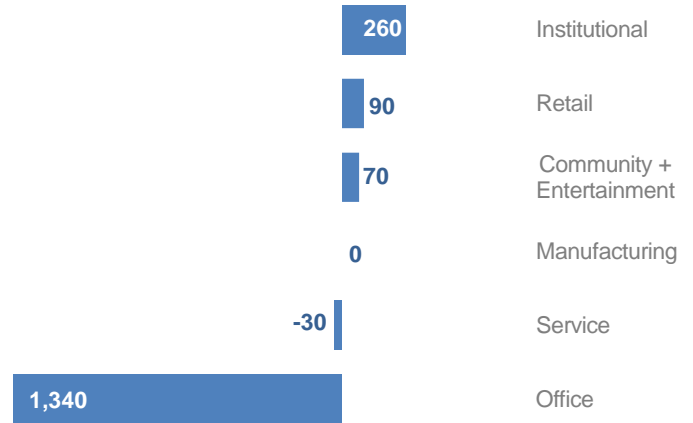
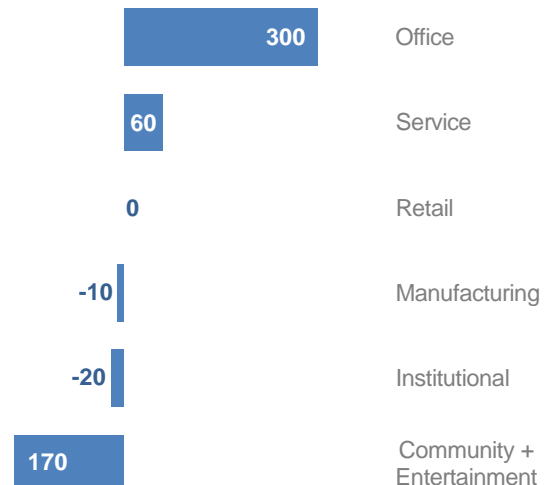


Figure 16d: Etobicoke Centre Employment Change by Sector 2020-2021





## Employment in Secondary Plan Areas

With over half (52.6%) of all employment (767,530 jobs), Secondary Plan areas reflect much of the city's more recent urban growth. When the Survey reported on Secondary Plan areas in 2020, they accounted for 50.7% of employment or 735,300 jobs.

There are multiple parts of the city that belong to more than one Secondary Plan area. For example, businesses at King St. East and Parliament St. fall within three Secondary Plan areas, Central Waterfront, Downtown, and King-Parliament. Note that the employment numbers in Table A1 in the Appendix report on each Secondary Plan area individually, and therefore in totality some businesses fall into overlapping areas.

Secondary Plan areas contain a range of land use designations and cover diverse geographic areas across Toronto, including parts of Downtown, the Centres, and Employment Areas. As a result, the employment and establishment data in Secondary Plan areas should be understood in relation to the city as a whole, rather than compared to totals for Downtown, the Centres, or Employment Areas.

The Secondary Plan areas for Downtown, North York Centre, and Yonge-Eglinton Centre differ from the areas of the Centres and Downtown identified in the Official Plan's Urban Structure, and as a result, the reported employment and establishment figures are not directly comparable.

### Secondary Plan Areas by Employment

Employment is concentrated in five Secondary Plan areas which collectively contain 71.2% of all the jobs contained within the 40 Secondary Plan areas (see Figure 17), down from 74.2% reported in 2020. The largest Secondary Plan area in terms of employment is the Downtown Plan (540,230 jobs), up from 529,400 in 2020, containing nearly two-thirds (70.8%) of all the jobs located within Secondary plan areas. This is calculated from the sum of all jobs in the Downtown Plan as well as in any overlapping Secondary Plan areas. This

is followed by King-Spadina (35,970 jobs), Central Waterfront (36,950 jobs), North York Centre (34,830 jobs) and Yonge-Eglinton Centre (33,320 jobs).

Of the remaining 35 Secondary Plan areas, approximately half contain between 2,000 to 30,000 jobs, with the other half containing less than 2,000 jobs each (see Figure 17).

The top three Secondary Plan areas (with at least 1,000 jobs) that gained the most jobs in 2021 include Railway Lands East, which grew by 49.7%, or 9,760 jobs, due to the recent opening of the CIBC Square building at 81 Bay St., Yonge St. Clair (6.7% or 890 jobs), and Regent Park (6.2% or 60 jobs). Conversely, the most significant decline was experienced by Central Don Mills (13.3% or 610 jobs), Scarborough Centre (6.4% or 970 jobs) and University of Toronto (4.2% or 740 jobs).

### Secondary Plan Areas by Activity

This distribution of employment reflects the success of the Official Plan's growth management policies in directing growth to appropriate areas. Based on unique employment across all Secondary Plan Areas without overlap, Office was the dominant employment category in 2021, representing two-thirds (67.8%) of all jobs and half of all establishments (50.8%). This was followed by Institutional (15.0% of all jobs), Service (7.9% of all jobs), Retail (6.0% of all jobs), Community and Entertainment (2.0% of all jobs), and Manufacturing (1.3% of all jobs) (see Figures 18 and 19).

There are a number of Secondary Plan areas where Office is not the main employment category. Manufacturing jobs comprise the bulk of employment in Warden Woods (50.0%) and the Downsview Area (43.7%). Retail jobs represent the majority of employment in Queen River (48.9%) and Lawrence-Allen (39.0%). Service jobs make up the majority of employment in Port Union Village Community (100%) and Railway Lands West (31.6%). Institutional jobs make up most of the employment for York University (86.9%), University of Toronto (84.9%), Highland Creek (69.9%), Morningside Heights (64.3%), and Fort York Neighbourhood (64.0%).

Figure 17: Secondary Plan Area Employment, 2021

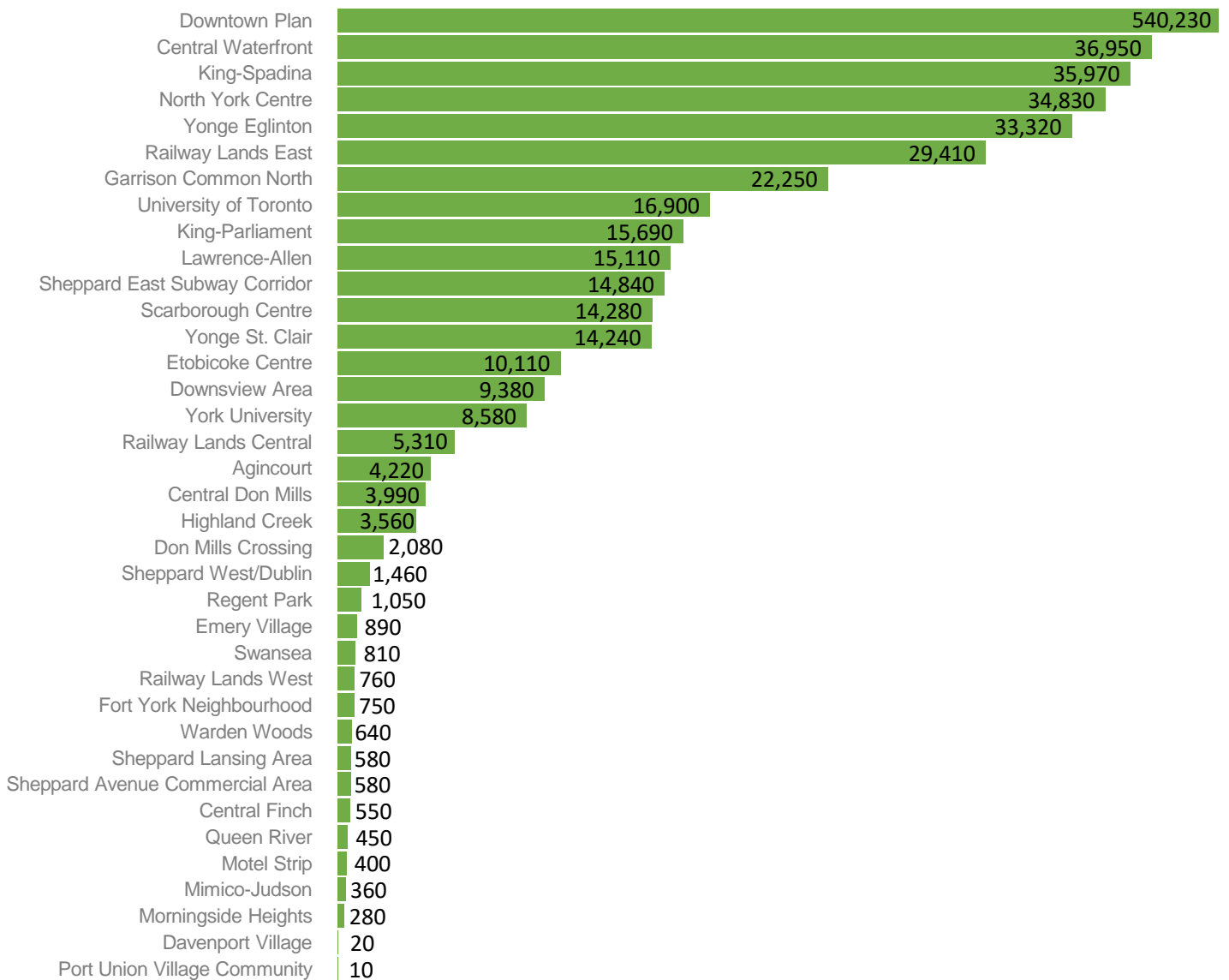


Figure 18: Secondary Plan Area Unique Employment, 2021

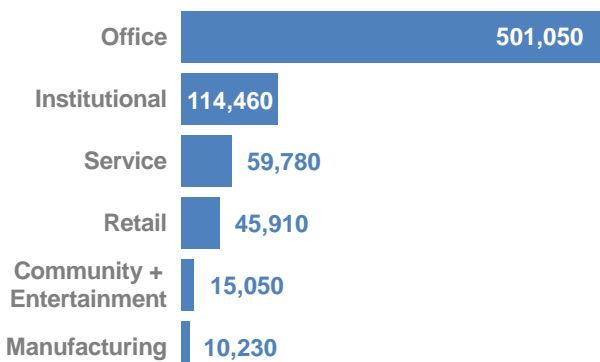
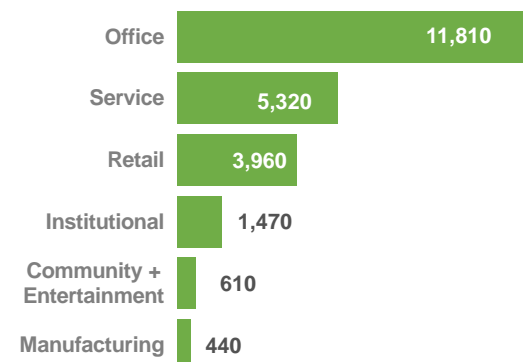


Figure 19: Secondary Plan Area Unique Establishments, 2021



## Employment Areas

Toronto's Employment Areas are a key part of the city's land use framework and are designated for employment use and growth. These areas are important as regionally and globally competitive locations for national and international business, as well as areas for business formation.

Employment Areas are generally occupied by manufacturing, warehousing, and product assembly activities, as well as commercial business parks. They provide a broad range of job opportunities for Toronto residents and the regional labour force, help ensure a stable environment for investment, and maintain and grow the city's revenue base.

Map 3 shows the location and boundaries of *Core* and *General Employment Areas* identified in the City's Official Plan at the time of the 2021 Survey. In 2021, 29.4% of all establishments (20,600 locations) and 25.0% of all jobs (391,670 jobs) were located in Toronto's Employment Areas. This represents a greater concentration of employment across a reduced number of establishments compared to 2020, when Employment Areas comprised 29.6% of all establishments (21,630 locations) and 25.6% of all jobs (402,250 jobs).

Employment Areas are particularly important to the Manufacturing sector, with approximately 4 out of 5 Manufacturing establishments and 88.6% of all Manufacturing jobs located in Toronto's Employment Areas.

Employment Areas continue to attract new businesses, with 22.0% of new establishments (180 establishments) in the city in 2021 locating in Employment Areas.

Employment Areas play a role in accommodating a range of businesses including those that offer attainable employment opportunities for people of various education levels and skill sets. The relationship between Employment

Areas and economic opportunities for visible minority households is also important. Jobs in distribution and in manufacturing and other goods producing sectors are commonly identified as low-barrier employment opportunities for recent immigrants and other individuals that tend to face challenges related to having their professional certifications recognized along with those individuals where English is not their first language.

### Official Plan Amendment 231

On December 18, 2013, Council adopted Amendment 231 of the Official Plan (OPA 231). OPA 231 amends Policy 2.1.2 of the Official Plan by deleting the term Employment Districts and replacing it with Employment Areas. As a result, the Survey began reporting on Employment Areas in 2016 (including statistics back to 2013).

### Core and General Employment Areas

Section 4.6 of OPA 231 differentiates *Core* and *General Employment Areas*. These designations came into force by an Order of the Ontario Municipal Board on December 20, 2016.

*Core Employment Areas* are, for the most part, geographically located within the interior of employment areas. Uses that would attract the general public into the interior of employment lands and possibly disrupt industrial operations are not typically permitted in *Core Employment Areas*.

*General Employment Areas* are often located on the periphery of Employment Areas and along major roads. In addition to the uses permitted in *Core Employment Areas*, this designation provides for retail stores, service shops, and restaurants. These areas have increased visibility and transit access to draw the broader public.

## Employment Area Sector Activity

The top three NAICS sectors in Employment Areas include Manufacturing, Wholesale and Retail Trade, and Professional, Scientific and Technical Services. Manufacturing employment is the largest component of Employment Areas, making up 19.2% of all jobs (75,140 jobs). Consistent with what was observed in 2020, the sector experienced an almost identical net loss in 2021, decreasing by 4,320 jobs in 2021 and 4,270 jobs in 2020, while the sector's proportion of all jobs remained relatively stable. Wholesale and Retail Trade also maintained its share of employment in 2021 and 2020 of 16.2%, though the number of jobs was reduced by 1,680 to a total of 63,520 jobs. The share of Professional, Scientific and Technical Services employment increased slightly in 2021 to represent 10.9% or 42,650 jobs, from 10.8% in 2020 or 43,350 jobs.

Employment Areas accommodate important concentrations of jobs citywide in several sectors, led by Transportation and Warehousing (95.4%), Wholesale and Retail Trade (91.0%), Manufacturing (88.6%), Utilities (82.7%), and Other Services (Except Public Administration) (75.6%).

### Core Employment Area Activity

*Core Employment Areas* host land consumptive uses. They cover 60.7 km<sup>2</sup> in Toronto, which represents 9.6% of the city's total land area. *Core Employment Areas* accounted for 63.5% of all jobs in Employment Areas in 2021 (down from 63.9% in 2020) and had an average of 4,098 jobs per km<sup>2</sup> or 41 jobs per hectare.

In 2021, the sectors with the greatest amount of jobs in Core Employment Areas were Manufacturing (26.0% or 64,760 jobs), Wholesale and Retail Trade (14.3% or 35,530 jobs), and Transportation and Warehousing (13% or 32,440 jobs).