

2022 Toronto Employment Survey

Date: April 12, 2023

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 2022 Toronto Employment Survey. The bulletin highlights the Survey's key findings and counts of employment and business establishments in the City of Toronto for 2022. The bulletin also reports on the type and longevity of establishments and employment activity in Downtown, the Centres, Secondary Plan areas, designated Employment Areas, and Areas of Employment across the city.

In 2022, the Toronto Employment Survey recorded 1,484,600 jobs citywide, an increase of 33,080 jobs or 2.3% from 2021. Toronto's economy experienced a partial recovery in 2022, following the record-breaking job losses of 2020 and 2021 due to the onset of the COVID-19 pandemic. Following the loss of 119,890 jobs in 2020, this rebound of 28.0% of the loss can partially be attributed to the removal of pandemic-related Provincial restrictions in the spring of 2022. In 2022, employment increases over 2021 were observed in Community and Entertainment (13.4%), Service (6.7%), Institutional (5.0%), Retail (3.0%) and Manufacturing (1.6%) categories. The only decrease was in the Office category (-0.1%). The Survey counted 71,750 establishments in 2022, a net increase of 1,760 establishments (2.5%) from 2021. In 2022, 6,470 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 forty 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 and to inform emerging policy directions that may be required to respond to changing economic activity. Survey results are also used to develop projections, and to plan municipal infrastructure and services. This report summarizes the Toronto Employment Survey results collected between May and November of 2022.

While the events of the past two years led to changes in the method by which the annual Toronto Employment Survey was undertaken, 2022 saw the return of the field survey method to pre-pandemic operations: in-person visits to all businesses across the city. When individual establishments imposed additional restrictions, the survey process took steps to accommodate them.

COMMENTS

Total Employment

- The Toronto Employment Survey counted 1,484,600 jobs in 2022.
- Toronto's economy experienced a partial recovery in 2022, following the record losses caused by the negative impacts of the COVID-19 pandemic. In 2022, the Toronto Employment Survey recorded a 2.3% increase in total jobs, up 33,080 jobs.
- Toronto has 85,200 (5.4%) fewer jobs than it did in 2019 when the Survey counted 1,569,800 jobs.
- Full-time employment increased by 21,750 jobs (1.9%) from 2021 to 1,141,100 jobs.
- Part-time employment increased by 3,650 jobs (3.4%) from 2021 to 343,500 jobs.
- The Survey has observed a long-term trend towards an increasing portion of total employment being comprised of part-time jobs. From 2012 to 2022, part-time employment grew at an annualized rate of 1.4% across all sectors versus just 0.9% for full-time jobs.

Employment by Category

- The category with the largest percentage increase in 2022 was Community and Entertainment which gained 13.4% or 4,770 jobs. This follows a sharp decline in 2020 of 19,860 jobs or 35.8% and little growth in 2021, just 60 jobs or 0.2%. Between 2019 and 2022, Community and Entertainment employment declined by 27.1% or 15,030 jobs.

- The Service category grew by 9,920 jobs or 6.7% in 2022, in contrast to declines in 2020 and 2021. Between 2019 and 2022, the Service category lost 38,710 jobs or 19.6%.
- The Institutional category grew by 12,650 jobs or 5.0% in 2022, regaining much of the losses since 2019. There remains a loss of 7,050 jobs or a 2.6% decline from 2019 to 2022. The net change conceals significant growth and change in this category: the Health Services Institutions sub-category led the 2022 growth, adding 96,460 jobs or 36.3% of all Institutional jobs.
- The Retail category gained 4,130 jobs or 3.0% in 2022. However, the Retail category has lost 9,530 jobs or 6.2% since 2019.
- In 2022, Manufacturing gained 2,070 jobs or 1.6%. This follows two years of decline, with 9,540 total jobs lost in 2020 and 2021. Between 2019 and 2022, this category lost 7,470 jobs or 5.5%.
- After making a partial recovery in 2021 of jobs lost the year before, Office employment decreased 0.1% or 570 jobs in 2022. The Office category has been the least impacted by the pandemic in Toronto, with only 1.0%, or 7,520, fewer jobs in 2022 than in 2019.

Number of Establishments

- In 2022, the Survey counted 71,750 establishments, a net increase of 1,760 establishments (2.5%) from 2021.
- A total of 6,470 establishments were new to the city in 2022. Of these, 2,250 are located in Employment Areas (34.8%), 1,240 in Downtown (19.2%), 340 in the Centres (5.2%), and 2,640 (40.8%) in the rest of the city.
- Community and Entertainment had the most new establishments in 2022 with 2,120 new establishments.

Downtown and Centres

- There were 564,990 jobs in Toronto's Downtown in 2022. Downtown grew faster than the citywide average of 2.3%, gaining 17,290 jobs, or 3.2%, in 2022. The combined 2021 and 2022 growth of 27,680 jobs represents partial recovery of the 2020 losses of 47,350 jobs or -8.1%. However, Downtown employment is still down by 3.3% or 19,670 jobs since 2019.
- Downtown continues to attract a significant share of new establishments, adding 1,240 in 2022, representing 19.2% of all new business establishments in the city.
- The four Centres contain 73,820 jobs or 5.0% of all jobs in the city.
- In 2022, the Centres lost a combined 2,500 jobs or 3.3%. This represents greater decline than the previous year when employment decreased by 1.7%. The decline in employment was led by Yonge-Eglinton Centre (1,130 jobs), followed by North York Centre (1,060 jobs), Scarborough Centre (160 jobs) and Etobicoke Centre (150 jobs). In total, the Centres have 8,500 (10.3%) fewer jobs than they did in 2019.

Secondary Plan Areas

- In 2022, over half of all city-wide employment, 823,970 jobs or 56.8% of citywide employment, were in the Secondary Plan areas. These areas reflect much of the city's more recent urban growth, adding 56,440 jobs in 2022.
- The largest Secondary Plan area in terms of employment is the Downtown Plan area with 556,690 jobs. This represents an increase of 16,460 jobs from 2021.
- Downtown contains nearly half (49.6%) of all jobs located within Secondary Plan areas.
- The Office category is the predominant employment category in Secondary Plan areas, representing approximately 527,805 jobs and almost two-thirds of total employment (64.1%).

Employment Areas

- In 2022, there were 21,690 establishments in Toronto's *Employment Areas*, 30.2% of city total, up from 29.4% in 2021 with 1,090 more establishments.
- In 2022, *Employment Areas* contained 398,080 jobs, 26.8% of the city total, up from 25.0% in 2021 by 6,410 jobs.
- *Employment Areas* continue to attract new businesses, with 34.8% of new establishments in the city or 2,248 establishments in 2022 locating in *Employment Areas*.
- *Employment Areas* are particularly important to the Manufacturing category, with 81.7% of Manufacturing establishments and 89.4% of all Manufacturing jobs located in Toronto's *Employment Areas*.
- Manufacturing employment is the largest component of *Employment Areas* work, making up 19.3% of all jobs there or 76,830 jobs, up 2.3% or 1,700 jobs from 2021. This increase is a positive sign after this sector lost close to 8,600 jobs in 2020 and 2021 combined.
- Wholesale and Retail Trade maintained its share of employment in 2022 at 16.3%, noting that the number of jobs increased by 1,428 to a total of 64,950 jobs.
- The share of Professional, Scientific and Technical Services employment also remained stable at 11.0% or 43,692 jobs, including an increase of 1,045 jobs.
- *Core Employment Areas* contained 63.6% of all jobs in *Employment Areas* or 253,250 jobs, while *General Employment Areas* contained 36.4% or 144,830 jobs.

Areas of Employment

- According to the Ontario Planning Act, an "'area of employment' means an area of land designated in an official plan for clusters of business and economic uses including, without limitation, the uses listed in subsection (5) [of the Act], or as otherwise prescribed by regulation". These uses include manufacturing, warehousing, office, associated retail uses ancillary facilities. In Toronto, there are 23 Areas of Employment (AOE) which represent geographic clusters of lands designated as either *Core Employment Area* or *General Employment Area* in the Official Plan.
- Employment in the AOE accounts for 398,290 jobs, 26.8% of all citywide employment, and 21,650 establishments, 30.2% of the total. In 2021, there were

6,500 fewer jobs than 2022, totalling 391,790 jobs. This shows the strength of these areas to regain lost employment in an uncertain economic environment.

- The leading employment activity in 2022 was Manufacturing, comprising 76,850 jobs or 19.3% of all jobs located in an AOE. Other sectoral concentrations in AOE include Warehousing and Retail Trade at 65,000 jobs or 16.3%, and Professional, Scientific and Technical Services with 43,790 jobs or 11.0%.

Pandemic Impact

- In 2022, approximately 500 establishments reported significant employment change as a result of the COVID-19 pandemic, representing a loss of 15,650 jobs.
- There were 260 establishments that reported growth related to the pandemic, adding 21,660 jobs (81.6%), which is a slight increase from last year, while 250 establishments reported a loss of 4,900 jobs (18.4%).
- Separating increases from declines, the categories of establishments that reported the highest percentage employment gains were Institutional (36.2%), Service (26.9%) and Office (22.4%). The categories whose establishments reported the highest percentage employment losses were Service (32.1%), Office (22.3%) and Retail (18.8%).
- In 2022, of the 30,440 businesses that responded to the "work-from-home" survey questions, 4,540 establishments (14.9%) reported having some degree of work-from-home employment, with approximately 100,000 jobs reported as work-from-home. This is 6.2% of all Toronto establishments, and 6.8% of employment in the city. The majority of the establishments reporting work-from-home employment were in the Office category (74.7%).

Regional Employment Policies

- From 2009 to 2019, the Toronto Employment Survey measured employment growth at a rate of 2.0%, accelerating to 2.6% during the years 2016-2019. These rates of growth would have led Toronto to reach the Growth Plan employment forecast sometime around 2032, at least 19 years before the forecast horizon.
- The effects of the COVID-19 pandemic have slowed employment growth considerably. In 2022, the ten-year growth rate is lower than 2019 at 1.1%. However, much of this effect may be due to the reduced response rate of the Survey over the past three years due to pandemic conditions. Regardless, the 2022 results indicate that if current growth rates continue, then Toronto's job growth would still be on track to reach the 2051 Growth Plan forecast sometime before 2046. This scenario would represent some degree of economic recovery going forward.
- *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* reinforces Toronto's Official Plan Urban Structure by encouraging intensification of Strategic Growth Areas. Schedule 3 contains employment forecasts for the City of Toronto to 2051. The Ministry of Municipal Affairs and Housing is currently undertaking a policy review of *A Place to Grow* and the Provincial Policy Statement. The intended outcome is to streamline the province-wide land use planning policy framework in order to speed up housing approvals and increase housing supply. Depending on the outcome of the review, population and employment forecasts may be amended as well as other employment related policies regarding the conversion of land.

Data Collection

- In 2022, 44,843 establishments out of 71,714 responded to the Survey, representing a 62.5% response rate from identified business establishments. Responses represent 789,010 jobs or 53.1% of all employment in the city. This is slightly higher than the Survey's response rate of 60% in 2021 but lower than the rate of 85 to 90% in pre-pandemic years.

2023 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 2023 Survey programme will commence in May, with the fieldwork scheduled to be completed by August 2023. This will be the 40th anniversary of the Survey.

City Planning will continue to monitor changes in employment, and report on notable changes such as trends in working from home and its impact on office employment uses, as this will have an impact on future policy directions.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Toronto Employment Survey 2022 Bulletin