

# Appendix B: City Roles and Inclusive Economic Development Policy/Program Areas

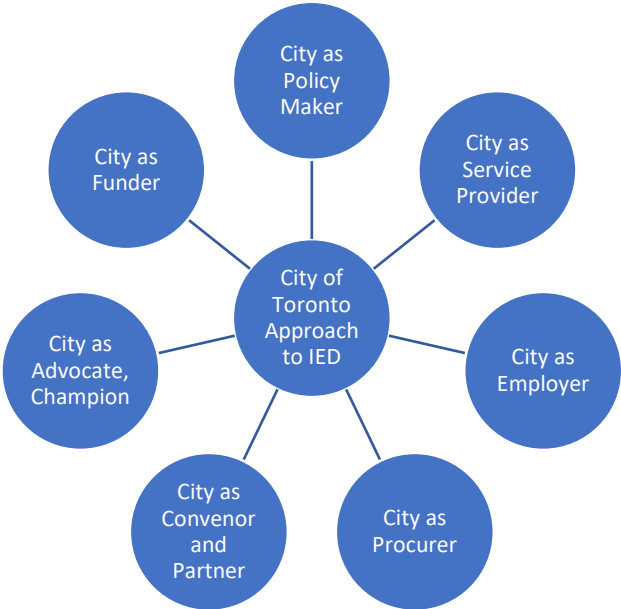
This appendix provides additional details about the recommended framework to help coordinate City programs, policies and partnerships to advance inclusive economic development (IED) across Toronto. The framework is composed of three pillars (see Appendix A) and each pillar is further explained here in Appendix B with details and examples of component policy/program areas and objectives. The inter-divisional collaboration leading to this report and the coordinated approach will allow staff to build on existing initiatives and complement each other in a way that makes the outcomes more impactful.

The appendix is laid out as follows:

- Section 1 outlines the City of Toronto’s various roles but also its jurisdictional limitations in advancing IED and CED.
- Section 2 details the policy/program areas within each pillar with examples of existing initiatives.
- Section 3 discusses policy/program gaps and opportunities for further exploration in future City strategies and action plans.

## Section 1: City Role(s) in Advancing Inclusive Economic Development

It's important to recognize that municipal government levers have limitations, and the extent of the City's role in advancing inclusive economic development can vary significantly as a consequence. These multiple roles are represented visually in the following chart and table. Understanding when the City has limited jurisdiction and tools helps clarify when and where willing partners will be required. Following the chart and table below, examples are provided of City roles and responsibilities as relate to each of the pillars of the IED framework.



City Roles in Advancing Inclusive Economic Development						
Convenor and Partner	Advocate/Champion	Policy Maker	Funder	Service provider	Employer	Procurer
<p>Convenor and Partner: Facilitating, convening, and establishing partnerships that drive systemic change or transformation that benefit residents living in poverty.</p> <p>Advocate/Champion: Engaging with other orders of government for policy or regulatory changes that shift practices or create an enabling environment to improve outcomes for residents.</p> <p>Policy Maker: Revisions to, or development of, policies that shift practices or create an enabling environment to improve outcomes for residents.</p> <p>Funder: Funding grants and other supports (e.g., assets, in-kind, deferred revenue) that incubate new ideas or sustain supportive programs, services and initiatives that improve the outcomes of residents.</p> <p>Service provider: New or enhanced services aimed at increasing access to employment and entrepreneurship opportunities.</p> <p>Employer: Recruitment and hiring of youth and adults into quality jobs.</p> <p>Procurer: Leveraging existing operating spending, or capital infrastructure investment to improve social and economic outcomes of communities.</p>						

**Pillar A: City Roles and Responsibilities – Inclusive Workforce Development and Sector Pathways**

- The City is a very significant direct employer with the ability to set employment standards for its own workforce. The City is also an indirect employer of contractors and suppliers of goods and services and can set requirements and/or influence employment practices for these contracted employers.
- Employment supports and services are a key enabler of workforce development. The City delivers/funds a number of employment supports/services across multiple divisions. Most significantly, the City has historically been funded by the Province to be the employment service system manager for Ontario Works recipients. The City’s role in delivering employment support services to social assistance recipients is currently evolving, as a result of the Ontario Government’s Employment Services Transformation. Under this transformation, the Provincial government will select a single Employment Services System Manager for all residents including those on social assistance. City Council endorsed a City bid for this role under certain conditions which were not agreed to by the Province, and as a result, a bid did not move forward. However, City Council also wants to make sure that the City’s workforce development ecosystem is responsive to the needs of the Toronto labour market, and staff are currently evaluating different options. These efforts can benefit from aligning workforce development strategies with an overall IED framework.
- The City can be a limited funder of training and bridging programs that are specific to certain industries and occupations. But more commonly the City, including EDC and TESS, can act as a convenor and facilitator of connections between employers, industry

associations, labour associations, trainers and job candidates to design and deliver programs.

- The City's multi-pronged role as convenor, policy maker, and procurer can be demonstrated through the Council-adopted Community Benefits Framework, which guides City divisions and agencies to use City levers and agreements to embed inclusive workforce development clauses that result in community benefits hiring pathways that connect City-led projects and initiatives to job seekers from Indigenous, Black and equity-deserving communities
- Similarly, the City's Community Benefits Framework can share community benefits best practice models and implementation tools with the private sector and other public sector entities to facilitate commitments to community benefits inclusive workforce development as part of new developments and infrastructure investments.

### **Pillar B: City Roles and Responsibilities – Inclusive Entrepreneurship and Asset Ownership**

- The City maintains many links to business owners and potential entrepreneurs. Among these, the Economic Development and Culture division provides entrepreneurship services that include business plan development, mentorship connections, workshops and other events like a Small Business Forum. The City has focussed on ensuring that these services are accessible across Toronto neighbourhoods and to Indigenous, Black and equity-deserving entrepreneurs and business owners. In limited cases, the City has partnered to establish and operate business incubators.
- The City's main policy lever to impact available space for inclusive business development is the setting of land use designations and zoning. Some tax and granting tools exist as well, including the City's small business tax class designation and a construction mitigation grant for non-profit organizations like Business Improvement Areas (BIAs) supporting businesses along transit corridors. The City also helps establish BIAs where member businesses can partner on joint initiatives.
- As a procurer of goods and services, the City leverages the Social Procurement Program to increase the diversity of the City's supply chain by providing Indigenous, Black and diverse suppliers with equitable access to competitive procurement processes, both directly and indirectly (through subcontracts). The City has shared this program model with other public sector institutions through the AnchorTO network.
- The City has a role to play as an advocate to senior orders of government to develop policies that enable more inclusive entrepreneurship and asset ownership opportunities, including legislation for employee owned businesses and trusts.

### **Pillar C: City Roles and Responsibilities – Research, Monitoring and Equity Impact**

- The City of Toronto is among a limited number of providers of local economic research. While Statistics Canada is the agency responsible for the most comprehensive data sets and tables including the Census and the monthly Labour Force Survey, research units

across City divisions analyze this data and produce tables and graphics specific to Toronto. The City Planning division also conducts significant primary research for the annual Toronto Employment Survey which contains information about Toronto business establishments and employment. Although individual business data is kept confidential, aggregated information helps demonstrate trends and inform policy.

- Depending on license and confidentiality agreements, the City serves as a publisher and sharer of data, especially in a variety of dashboards, data hubs and indices that are regularly updated and available on the City's website. The website also houses the Open Data Portal where several data sets and maps are available for download.
- The City is often a client for research as it purchases data sets and partners with external consultants, including local colleges and universities, to help understand and address important challenges facing the City and its residents, businesses and cultural organizations.

## **Section 2: Inclusive Economic Development Framework**

The framework to advance inclusive economic development involves three pillars and their component program areas, as shown in the chart in Appendix A and summarized in the attached staff report. This framework was developed by staff to coordinate and build on existing work across divisions. In this section of the appendix, each pillar is described briefly along with its component policy/program areas and examples of existing initiatives.

### **Pillar A: Inclusive Workforce Development and Sector Pathways**

This pillar focuses on aligning jobseekers and career pathways with efforts to support the growth of economic sectors and with the needs of specific communities. There are three main policy/program areas that are part of this pillar and are summarized below. These are:

- A1) Decent Work/Raising the Floor
- A2) Employment Support Services
- A3) Sector-Based Workforce Development

This section of Appendix B also describes how the inclusive workforce development and sector pathways pillar can be applied as part of place-based community economic development (A4).

#### **A1) Decent Work/Raising the Floor**

The concept of "raising the floor" of job quality refers to minimum standards for employment including wages, notice of scheduling, workplace safety standards and provision of paid sick days. These are almost exclusively the jurisdiction of Provincial legislation and are set out in the Ontario Labour Standards Act. However, supporting the improvement of standards beyond these provincial minimums can also be a role for municipalities, especially in a city like Toronto where the cost of living impacts what constitutes a decent wage. The City of Toronto has led some efforts to help raise the floor of job quality for the local labour force, including some of the examples that follow.

### *Existing Initiative Example - City of Toronto Fair Wage Policy*

The Purchasing & Materials Management division (PMMD) has oversight of the City's Fair Wage policy. Originally implemented in 1893 to ensure that contractors for the City paid their workers the union rates or, for non-union workers, the prevailing wages and benefits in their field, the Fair Wage Policy has expanded over time to other non-construction occupations including security guards and cleaners. The Fair Wage policy is intended to create a level playing field for 'indirect' City workers by unifying wages and simplifying labour relations.

The Fair Wage Office administers the Fair Wage Policy. The Fair Wage Office investigates complaints and takes enforcement action when it is determined that a contractor has failed to pay its workers the prescribed hourly wage rates, vacation and holiday pay and applicable amount for fringe benefits shown in the current fair wage schedule. The Manager, Fair Wage Office, is delegated authority to update the wage rates every three years. Certain designated construction-related rates are based on the lowest rate established by collective bargaining, while the wage rates for other classifications are based on prevailing wages for non-union workers.

Council directed staff to pilot test a standard related to the advance notice of scheduling as a component of the 2018 Work Plan for the Poverty Reduction Strategy. The pilot would test the feasibility of adopting the standard into City contracts and procurement documents and measure the standard's impact on workers, vendors and City operations (EX29.12). The Pilot was assigned to the Fair Wage Office for administration. This pilot project has been successfully implemented and the Fair Wage Office recommends that the Poverty Reduction Strategy Office work with divisions to expand the use of Notice Provisions, implemented through a formal policy wherever feasible and appropriate.

### *Existing Initiative Example - IMIT Local Employment Requirement*

Another City program intended to raise minimum standards for certain jobs is the Local Employment Requirement attached to the Imagination, Manufacturing, Innovation and Technology (IMIT) property tax rebate. Administered by the Economic Development and Culture division, the program introduced a pilot modification in 2020 which requires recipients of an IMIT grant to implement employment goals and practices through construction and tenancy. The program requires that IMIT recipients select and implement different measures (each assigned a number of 'points' that must add to a minimum total) including commitments to living wages, equitable hiring policies and pre-apprenticeships for equity-deserving candidates.

## **A2) Employment Support Services**

Likely the most familiar policy/program area within the broader category of workforce development is direct employment support services that help jobseekers build their qualifications and connect with potential employers. Toronto Employment and Social Services (TESS) carries out Toronto's delegated authority under the Ontario Works Act to deliver the Ontario Works social assistance program on behalf of the Province. Beyond the provision of financial assistance and other benefits to eligible recipients, this role includes supports to assist clients to move into employment.

TESS also funds over 240 community organizations to provide employment related programs and services to Ontario Works clients. These programs differ from Provincial programs in that they are specifically focused on supporting individuals that are further from the labour market. As the number and needs of these individuals have increased, the City has had to concentrate its resources and scale back workforce development supports to other segments of the labour market including newcomers trying to bridge credentials and workers impacted by job cuts in certain industries. City Council has asked staff to recommend how the City can collaborate with partners to ensure that broad employment support services are available and relevant across Toronto.

### **A3) Sector-based Workforce Development**

In addition to employment service supports provided to job seekers, workforce development also includes partnerships with industries and employers to understand their labour force needs; connect employers to employment support providers and candidates; and encourage employers to provide professional development. Both employers and jobseekers can benefit from the application of a sector-based lens to research and programs: businesses in the same industry often have similar labour force needs and labour force members can build career ladders within a sector as they gain qualifications. The overall Toronto economy can deliver more inclusive opportunities and outcomes if sectors can become more inclusive in their hiring and engagement with workforce development.

#### *Existing Initiative Example - xoTO Screen Industry Pathways*

EDC's Film and Entertainment Industries section has identified the recruitment and training of new workforce members as a necessity to maintain the strength of Toronto as a film industry hub. Staff helped develop the xoTO Screen Industry Pathways program to educate and train new workers in the field. The xoTO initiative also aims to make the screen-based industries more inclusive and representative of Toronto's racial and ethnic diversity and to help production and post-production companies tap into diverse talent more directly. These programs are delivered in partnership with unions/guilds, post-secondary institutions and community groups. The City of Toronto facilitates and funds these partnerships.

#### *Existing Initiative Example – City of Toronto as Employer (Public Administration Sector)*

The City actively tries to develop career pathways for its own workforce and, in that role, helps support inclusive workforce development for the public administration sector. As an employer, the City is committed to increasing access to employment opportunities for Indigenous, Black, and equity-deserving youth. The People and Equity division has introduced temporary short-term placement and training initiatives including the Indigenous Youth Research Associate program and the Toronto Urban Fellows program. These programs focus on young people and aim to provide career preparation and a 'foot in the door' to a career in public service. However, transitions to permanent employment through these programs are not guaranteed.

#### *Existing Initiative Example – City as Procurer (Construction Sector)*

The workforce development component of the Social Procurement Program, an initiative implemented in close collaboration with the Community Benefits Framework, aims to increase the number of employment, apprenticeship and training opportunities in City contracts, especially in the construction sector. Procurements valued over \$5 million are assessed for

suitability, reach, volume and feasibility. If selected, workforce development provisions are incorporated into the procurement, which are monitored over the term of the contract.

#### **A4) Pillar A – Application in place-based Community Economic Development**

As shown in the chart in Appendix A, there is an overlap where policy/program tools within the inclusive workforce and sector development pillar are part of the community economic development toolkit that can be applied as part of area-specific community plans to address specific community needs. Some tools within this pillar that can be applied with a place-based focus are explained below.

##### *Existing Initiative Example - Community Benefits Hiring and Training*

The City of Toronto's Community Benefits Framework (CBF)<sup>1</sup> was adopted by City Council in 2019 to create inclusive and equitable economic opportunities when the City buys and builds. The CBF is an umbrella framework that provides coordination and guidance to City divisions, agencies, and Councillors' offices who wish to leverage City-led projects and initiatives to create equity-focused community benefits opportunities. At times, community benefits targets can focus on "local" geographic areas, although most City-led community benefits initiatives set targets that aim to reach Indigenous, Black and equity-deserving communities more broadly across Toronto. The CBF is also exploring ways to compel private sector-led development projects to opt into community benefits plans.

##### *Existing Initiative Example: Neighbourhood-based Employment Support Services*

While the TESS division has increasingly focussed its programming on those furthest from the labour market, it still operates several Access and Resource Centres (ARCs) in different parts of Toronto. These facilities are accessible to all members of the public and provide various resources including advisory services, computer access, workshops and meeting rooms. Staff at these ARCs also remain integrated in local employment service support agency networks and TESS continues to fund many of these smaller agencies. Toronto Public Library branches serve a similar neighbourhood-based role in workforce development by providing access to computers, workshops, staff time and other online resources.

#### **Pillar B: Inclusive Entrepreneurship and Asset Ownership**

This pillar focuses on supporting residents to start and grow businesses and improve their economic outcomes via asset ownership. There are five main policy/program areas that are part of this pillar and are summarized below. These are:

- B1) Business Incubation
- B2) Supporting Employment through Land Use Policies
- B3) Social Procurement
- B4) Employee Business Ownership
- B5) Community-Serving Businesses and Social Enterprise

---

<sup>1</sup> ([Agenda Item History - 2019.EC6.15 \(toronto.ca\)](#))

This section of Appendix B also describes how the inclusive entrepreneurship and asset ownership pillar can be applied as part of place-based community economic development (B6).

## **B1) Business Incubation**

The City has been involved in the development and operation of several business incubators, but not without significant challenges. Generally, incubators are facilities where multiple businesses in their early stages are provided with relatively affordable space and access to other early-stage business supports. In some cases there is a limit on the amount of time that start-ups can stay in the incubator with the expectation that they should eventually be ready to 'graduate' to a space with fewer subsidized supports.

### *Existing Initiative Example – Indigenous Centre for Innovation and Entrepreneurship (ICIE)*

To support the goals of the Reconciliation Action Plan, the City has recently played a lead role in the development of the Indigenous Centre for Innovation and Entrepreneurship (ICIE), a 22,000 square foot space scheduled to open in 2025. The ICIE provides a designated space for Indigenous entrepreneurs in Toronto to access business programming, advisory services, mentorship support, shared workspace, and community event space. The centre will help to further advance economic opportunities for the over 70,000 First Nation, Inuit, and Métis peoples that call Tkaronto home.

### *Existing Initiative Example – North York Food Hall*

Located at 5210 Yonge Street, North York Food Hall, also called the Food Learning and Innovation Place (FLIP), was made available through a former Section 37 Density Bonus benefit related to the development of 5200 Yonge Street. The EDC division helped design a shared hall equipped with four commercial grade food preparation stations and display areas. The food hall aims to provide opportunities for equity-deserving food entrepreneurs to operate a stall at below-market rent on a cost-recovery basis. Additionally, tenants have access to assistance and training on how to operate a sustainable business.

## **B2) Supporting Employment through Land Use Policies**

Through Toronto's Official Plan, the City has taken steps to implement land use policy tools that protect existing businesses and encourage the growth of new ones. Nearly 8,000 hectares of the City's lands are designated as Employment Areas. A robust policy framework protects these lands to be used for employment uses only, while sensitive uses such as residential are generally not permitted. This is to prevent conflicts that could arise between industry and sensitive uses if they are too close together. It is important to minimize risk to public health and safety as well as protect the economic viability of businesses by providing adequate space for them to operate and grow. As stated in the Official Plan, "it is the City's goal to conserve our Employment Areas, now and in the longer term, to expand existing businesses and incubate and welcome new businesses that will employ future generations of Torontonians." In 2022, Toronto's Employment Areas were home to over 21,600 establishments employing over 390,000 people (27% of all jobs in the city).

Employment Areas play an important role in accommodating a range of businesses including those that offer attainable employment opportunities for people of various education levels and



skill sets. 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.

In addition, the City has taken steps to incorporate employment-oriented policies and requirements into Secondary Plans. This often takes the form of general non-residential land use requirements, or can be in the form of more specific directions such as Priority Retail Streets or office space provision. While these policies do not ensure the provision of affordable commercial space, they can help achieve balanced communities that accommodate a diversity of land uses.

### **B3) Social Procurement**

Social procurement (as a policy/program area of Pillar B) refers to the supply chain diversity component of the Social Procurement Program, which aims to increase the diversity of the City's supply chain by providing Indigenous, Black and equity-deserving suppliers with equitable access to competitive procurement processes.

The primary focus of supply chain diversity in the current Social Procurement Policy is invitational, or limited, solicitations. These are procurements that are valued under \$100,000 and are not covered by any trade agreements that apply to the City of Toronto. The Social Procurement Policy requires staff to invite at least one certified diverse supplier to submit a quote for an invitational solicitation, when it is feasible to do so.

For procurements valued over \$100,000, requirements are added to encourage suppliers to adopt a supplier diversity policy and, for scored procurements, points are awarded to diverse suppliers and to suppliers that demonstrate a commitment to supplier diversity. In cases of tied bids, the award is made to the diverse supplier.

### **B4) Employee Business Ownership**

One way to improve the economic outcomes of more Toronto residents is to support their broader opportunity to be business owners. Both governments and private sector organizations have recently begun to encourage and facilitate the sale by sole owners of companies to their employees. While the relevant legislation to enable these ownership structures is primarily Federal, the City can publicize the available supports and benefits of employee ownership to existing and potential business owners and employees in Toronto.

Another idea receiving increased attention from residents and businesses is the expanded use of Community Land Trusts (CLTs). While existing examples of CLTs have mainly been used to secure affordable housing, commercial or business-based models could also help ensure that community-serving and/or community-owned businesses can access space and maintain operations. City staff and partners are doing research to learn more about these models.

## **B5) Community-Serving Businesses and Social Enterprise**

The City can also draw on its connections to the private sector and its various business support services to encourage industries and individual businesses to respond to community needs and to align with City of Toronto strategies and goals. The City can support the start-up and growth, for example, of food based businesses that provide economic opportunities to entrepreneurs while also contributing to community food sovereignty and the availability of healthy food options for consumers. The City can also consider how it prioritizes 'strategic sectors' to include industries like the care economy that are significant employers and also provide health and wellbeing services.

### *Existing Initiative Example – Alternatives to Payday Lending (Inclusive Financial Services)*

In 2018, City Council took steps to limit the number of payday loan establishments in each ward. However, Council also recognized that despite the potentially exploitative interest rates attached to payday loans, Toronto residents continue to rely on them when there is a lack of alternatives. Successive versions of the City's Poverty Reduction Strategy have included actions to improve "access to relevant financial products and services ... in partnership with the financial services industry and the For Public Benefit (not-for-profit) sector." A renewal of these efforts could further reduce reliance on punitive lending practices. Engagement with the financial services sector also offers a potential example of inclusive sector development if, in addition to supporting the ongoing function of Toronto as the financial centre of Canada, the City can also support the provision of services to local communities and financial establishments that contribute to community wealth building.

## **B6) Pillar B – Application in place-based Community Economic Development**

The inclusive economic development framework considers how inclusive entrepreneurship and asset ownership can be applied as part of area-specific community plans to address specific community needs. Within the area where the community economic development toolkit intersects with this pillar, City Planning policies and the Secondary Plan process are particularly relevant, as are programs to mitigate commercial displacement. Some tools with a place-based focus are explained below.

### *Existing Initiative Example - Planning for Inclusive Business Development*

The availability, or supply, of leasable space is a key determinant of the affordability of that space to potential entrepreneurs. To support inclusive entrepreneurship, the City can build on its existing efforts to encourage the preservation and addition of built space for commercial uses. For example, the City created a Residential Apartment Commercial (RAC) zoning designation. This designation allows for ground floor spaces within apartment buildings to accommodate small retail and service businesses, opening space opportunities for small business owners and increased ability for residents to access goods and services nearby.

As part of the Expanding Housing Options in Neighbourhoods initiative, the City Planning division is conducting a Local Neighbourhood Retail and Services study to assess ways to permit locally serving, small-scale retail, service and office uses in areas across the city that are currently zoned exclusively for residential uses under a Neighbourhoods designation. In addition, through PlazaPOV, City Planning is studying commercial strip plazas across Toronto

to understand how they serve local communities and contribute to the city's economy, including providing a range of spaces catering to different business types.

#### *Existing Initiative Example – Inclusive Local Economic Opportunity Initiative*

While not a City-led example, the United Way Greater Toronto and corporate partners have developed the Inclusive Local Economic Opportunity (ILEO) initiative in the Greater Golden Mile area of Scarborough. Six component pilot projects are being advanced as part of the initiative including a Storefront Starter program that provides outdoor market space and other business development supports to help scale retail businesses and a joint venture construction/maintenance company to be co-owned by Aecon and Golden Mile based community organizations.

The selection of these pilots was based on community engagement and they are tailored to build on existing community assets and respond to needs and desires of residents in the Greater Golden Mile. A key feature of the ILEO Initiative is the formation of the Centre for Inclusive Economic Opportunity (CIEO), a not-for-profit organization founded in 2020 by 10 Golden Mile community organizations. The CIEO helps ensure that ILEO remains aligned with community goals. It is also the 51% owner of the joint venture construction company.

#### *Existing Initiative Example - AnchorTO Network*

A well-established initiative to advance place-based community economic development that relies on City coordination is the AnchorTO network. Convened by the City's Poverty Reduction Strategy Office in the SDFA division in partnership with the Atkinson Foundation, AnchorTO is a network of public sector institutions (including colleges, universities and transit agencies) operating in Toronto with significant labour force needs and procurement budgets. The network is based on a model from the US where institutions with significant endowments and funding are located in or near underserved neighbourhoods. Some of these 'anchor institutions' made efforts to orient their hiring and procurement to benefit local residents and businesses. The goals and objectives of the AnchorTO network are focused on growing social procurement, creating an inclusive workforce and increasing capital investment in community development. Institutions can share information and are encouraged to develop social procurement policies to drive social impact.

The original anchor institution concept is aligned with place-based community economic development because it focused on people and businesses in a particular part of a city (ie. surrounding the institutions). However, as with the Community Benefits Framework, the AnchorTO network also encourage equity-based hiring and procurement intended to benefit equity-deserving communities across Toronto. AnchorTO has, for example, commissioned a guide for members about addressing anti-Black racism in procurement.

#### *Existing Initiative Example – Main Street Recovery and Rebuild Initiative*

Since 2022 the City's EDC division has partnered with FedDev Ontario, to deliver the Main Street Recovery and Rebuild Initiative (MRRI). In its initial year, MRRI provided \$18 million for seven component programs focused on supporting bricks-and-mortar businesses to recover from the COVID-19 pandemic and the shift to online shopping. These seven programs included a transit construction mitigation grant and a program focused specifically on African, Black and Caribbean-owned businesses in the Little Jamaica neighbourhood. To address the possible displacement of legacy businesses, the Little Jamaica program funded the Black Business and

Professional Association (BBPA) to provide technical assistance to local small businesses and to coordinate advocacy. BBPA is using this funding to provide marketing, web and e-commerce solutions, tax filing, business plan development, financial reviews, payroll, marketing and connections to professional accounting and legal services.

### **Pillar C: Research, Monitoring and Equity Impact**

This pillar focuses on the need for indicators that illustrate shared prosperity and opportunity alongside overall growth. There are three main policy/program areas that are part of this pillar and are summarized below. These are:

- C1) Key Indicators
- C2) Research Partnerships
- C3) City Data Dashboards and Updates

This section of Appendix B also describes how the research, monitoring and equity impact pillar can be applied as part of place-based community economic development (C4).

#### **C1) Key Indicators of IED**

The selection of indicators to monitor inclusive economic development will ultimately be based on both relevance and data availability. Notably, many of these indicators can also be useful for the City's Poverty Reduction Strategy and other key Council adopted equity-advancing strategies and goals.

##### *Key Indicators: Household and Individual Income*

The most obvious measure of economic opportunity and prosperity is income. In its Census of Population, conducted every five years, Statistics Canada assesses different dimensions of income for individuals and households across the country. For example, Census tables distinguish between labour income and government transfers; before- and after-tax income; and nominal vs. real income that is adjusted for inflation. With the sample size available from the Census, this income data can be specified to the level of individual census tracts.

Using income data, comparisons can be made across time, demographic groups and neighbourhoods. For example, household income data at the census tract level has been used in the past to show how different parts of Toronto have been diverging from the median household income for the city overall. The Census and other StatsCan products including the monthly Labour Force Survey also include income data by industry and occupation categories which reveals key opportunity and outcome differences across different types of work.

##### *Key Indicators: Job Quality*

Beyond income, it is also useful to monitor other indicators of job quality. An increasing topic of research and advocacy has centred around the growth of 'precarious' work, and the related concept of a 'gig economy'. This discussion has pointed out that income data can be incomplete if more working hours are required to keep pace, or if income and predictability of hours is more variable. As with income, other job quality variables are correlated with occupation and industry.

The pandemic made clear that workers in industries that did not enable work from home faced higher likelihood of job loss and/or more health vulnerability in the workplace.

*Key Indicators: Intergenerational Economic Mobility*

There may be some expectation, at least historically, that newcomers to Canada will have more limited employment opportunities and lower average incomes within a relatively short period after immigration. However, evidence has shown that these trends can persist across generations. Intergenerational income mobility data can therefore offer another key indicator of economic barriers and polarization.

*Key Indicators: Business Entries/Exits*

Reliable data on entrepreneurship can be much more difficult to collect than data on employment, but where available can be another important category of IED indicators. For example, if data can be found, it will be instructive to know if there are higher rates of entrepreneurship or business formation in Toronto by members of Indigenous, Black and equity deserving communities. Similarly, the geographic concentration of payday lenders suggests that there may be differential access to business loans and other banking services. Related to community economic development, some businesses may be especially vulnerable to commercial displacement. And finally, as the City's Social Procurement Policy has tried to address, some supplier businesses may find it more difficult to access procurement opportunities that they would be qualified to fulfill.

## **C2) Research Partnerships**

Many City divisions have dedicated research units responsible for tracking topic-specific indicators and helping to inform divisional policy and program development. These research units will be central to the development of future actions within and related to the research, monitoring and equity impact pillar of IED. Research partnerships with external stakeholders can also be very useful. For example, the vast knowledge and capacity that exists within Toronto's colleges and universities can continue to be drawn on to advance municipal policy areas, including IED.

*Existing Initiative Example – CivicLabTO*

The EDC division has recently issued a CivicLabTO Innovation Challenge seeking a partnership with one or more of the eight participating Toronto Higher Education Institutions (HEIs). Through CivicLab, the City hopes to leverage “opportunities for innovation, intellectual exchange of ideas, critical analysis, research and evaluation, and the ability to raise research funds.” EDC sought HEI support to develop the research, monitoring and equity impact pillar of a coordinated approach to inclusive economic development, and in particular, the selection and analysis of some key indicators. Through this process EDC has officially partnered with a team of researchers and students from Toronto Metropolitan University.

*Existing Initiative Example – Data for Equity*

Within the City, a partnership between SDFA, People & Equity, Technology Services and the Indigenous Affairs Office helped to create the now Council-approved Data for Equity Strategy (D4E). The goal of D4E is to support the collection of sociodemographic data and use of

disaggregated data to “inform program planning, policy development and service delivery that is inclusive of and responsive to the needs of all Torontonians, particularly Indigenous, Black and equity-seeking groups,” and to “support equitable, evidence-based and accountable decision-making.” D4E provides guidance to other City divisions and agencies, including those involved in the coordinated approach to IED on how to “collect consistent, high quality socio-demographic data (such as race, gender and disability) on a voluntary basis from Toronto residents and service users.” Collection of this data can lead to its application in monitoring and developing new policies and programs.

### **C3) City Data Dashboards and Updates**

Quantitative and qualitative analysis are key inputs to the City of Toronto policy process in most divisions. Data published on the City’s website and presented in public forums like City Council meetings helps to develop common understanding of trends and challenges, and helps inform responsive policy development. Advancing a coordinated approach to inclusive economic development will require that indicators of IED are built into the quantitative and qualitative analysis that City staff collect and share, and the updates that staff provide to City Council.

#### *Existing Initiative Example – Toronto Economic Dashboard*

Currently, the EDC division publishes the [Toronto Economic Dashboard](#) on the City’s website which is updated weekly and “offers a timely bird’s-eye view of Toronto’s economy in both graphical and tabular format, including data on financial, labour market, real estate, and transportation activity.” A special edition of the Dashboard is published with annualized data at the end of each year. EDC staff also periodically provide updates to City Council on the state of the local economy, using many of the same indicators.

To advance a coordinated approach to inclusive economic development, some key indicators of inclusion can be added to the Economic Dashboard, and improvement of economic opportunity and outcomes across Toronto’s population can be a focus of updates to Council. It is a recommendation of the attached staff report that City Council direct EDC, SDFA and TESS to identify available metrics of economic inclusion/polarization across Toronto and include these in the City’s Economic Dashboard and other reports to Council on city and regional economic development trends.

### **C4) Pillar C – Application in place-based Community Economic Development**

Although many of the key indicators of inclusive economic development will only be available at a city-wide level, there is also an important set of indicators and a research agenda specific to place-based community economic development. Growing economic polarization has already been demonstrated through measures of average household income and wealth in different neighbourhoods, and requires ongoing monitoring. Further, at the outset of area studies and community development plans, benchmarking of neighbourhood level socio-economic variables will help demonstrate community needs and monitor the impact of policies and actions. The community development plan engagement process can also draw on existing community-based research and/or involve new specific research projects and surveys.

## **Section 3. Gaps and Opportunities**

The recommended IED framework helps to organize existing initiatives being led by different divisions and demonstrate how they relate to each other. The framework also allows for an evaluation of what more can be done to strengthen each of the pillars and helps show where program/policy areas fall outside of current City or divisional mandates and stand to be further developed. Some gaps and opportunities that have become evident and/or have been suggested as part of previous community engagement and strategy development are listed below. These can be explored further in the development of relevant City program and service reviews, plans and strategies, including the forthcoming Action Plan for Toronto's Economy.

### **Pillar A – Inclusive Workforce and Sector Development**

- The City's role in funding and delivering workforce development is under consideration and to be determined. As part of consultations related to the Provincial Employment Service Transformation, stakeholders felt that the City should assume an enhanced role in Toronto's workforce development ecosystem. Gaps were identified to facilitate jobseeker entry or re-entry into the labour force and robust relationships with employers and industry to understand their skill needs.
- Council has requested that the City's role and funding be maintained to support the management of an appropriately focused network of training, skills development and pre-employment programming and financial supports to maximize the successful transition of Ontario Works clients to Employment Ontario Employment Services and ultimately to employment.
- Pilot partnerships with private-sector led developments involving community benefits commitments can help inform future partnerships and establish standards.
- The advance notice of scheduling pilot assigned to the Fair Wage Office for administration can be expanded to include the use of Notice Provisions, implemented through a formal policy wherever feasible and appropriate.
- Interdivisional staff can continue to develop a CED toolkit with potential applications of inclusive workforce and sector development for particular communities and through the community planning process.
- Leveraging learning from sector-specific workforce development programs, the City can help identify labour force needs in other industries and help convene and support similar workforce development and career pathway initiatives.

### **Pillar B – Inclusive Entrepreneurship and Asset Ownership**

- The City can continue to develop tools to maintain available space for business development including non-residential replacement policies, community land trusts, and allowing more retail establishments within neighbourhoods.

- Ongoing refinement of the City's Social Procurement Program can evaluate remaining barriers to business participation and awareness building about the process to achieve certification.
- There may be an opportunity to expand the reach of the AnchorTO network, both by adding member institution/organizations and by continuing to develop best practices related to procurement and hiring.
- The City can publicize enabling legislation and the benefits of employee ownership to existing and potential business owners and employees in Toronto.
- Community Development Plans implemented in parallel to Secondary Plans can prioritize actions, to be undertaken by the City and partners, to mitigate commercial displacement and expand opportunities for new business formation.
- Interdivisional staff can continue to develop a CED toolkit with potential applications of inclusive entrepreneurship and asset ownership for particular communities and through the community planning process.
- The City can engage with the financial services sector to ensure that all Toronto residents have access to banking services and that there are alternatives to payday lending.
- While not a City-led initiative, the United Way ILEO initiative and its component programs (including a construction joint venture and a retail accelerator) could be expanded to other neighbourhoods.

### **Pillar C – Research, Monitoring and Equity Impact**

- Key metrics of economic inclusion/polarization across Toronto should be added to the City's Economic Dashboard.
- There may be an opportunity to continue to partner with local colleges and universities to select and assess key metrics and advance specific research projects related to IED.
- The EDC division can use available indicators of inclusive economic development as part of background research to inform the development of the City's next Action Plan for Toronto's Economy.
- Jurisdictional scans have been conducted to identify how other cities are supporting inclusive economic development, however results and ideas are often not applicable in different contexts. Nonetheless the City can monitor similar approaches and initiatives in peer cities that could inform a coordinated approach to IED in Toronto. There may also be a possibility to co-host forums or conferences.
- The City can explore the use of the Toronto Neighbourhood Assessment Framework as a benchmarking and monitoring tool at the outset of future Secondary Plans, Community Development Plans and other place-based City initiatives and partnerships that include IED goals.