

THE NEXT TORONTO



Economic Advisory Panel Report



**A PLAN FOR GROWTH
AND SHARED PROSPERITY IN
TORONTO FOR THE NEXT DECADE**

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INTRODUCTION



Executive Summary

Toronto's economic prosperity is important not only for the city, but also for the broader Canadian economy. Toronto's economy boasts considerable strengths that can drive future growth for the city, region, and for Canada. Its ability to attract global talent, its thriving high-growth sectors such as tech and life sciences, and its concentration of industry leaders in financial and professional services are significant assets. The city also continues to offer a high quality of life with vibrant neighborhoods, diverse employment opportunities, and rich cultural experiences.

However, the city faces significant challenges that impact both local and national economic stability. The COVID-19 pandemic has profoundly impacted Toronto's economic landscape, exacerbating unemployment, inflation, amplifying inequities, and shifting consumer behavior. Housing affordability, protection of essential employment and cultural spaces, and alleviating traffic congestion are increasingly pressing challenges. Additionally, the rise of remote work has transformed urban areas, affecting the real estate market and local businesses. These challenges are compounded by economic disparities, supply chain disruptions, and rapid changes in monetary policy, underscoring the urgent need for a comprehensive and contemporary economic strategy. The contrast between these strengths and the emerging challenges underscores a critical economic tension that must be addressed.

Acknowledging this tension between the challenges and opportunities, and the urgent need for a strategic response, Toronto's City Council tasked the Economic Development and Culture (EDC) Division with creating an Action Plan for Toronto's Economy (APTE), a 10-year forward-looking plan to set Toronto up for success in creating a more competitive, sustainable, and inclusive economy. In Spring 2023, an Economic Advisory Panel (EAP) was established to guide the development of the APTE. Co-chaired by Councillor Shelley Carroll and Zabeen Hirji, the panel consists of Toronto's leading business figures and sector experts to provide strategic advice to the city.

The EAP met with senior City officials over multiple working sessions, follow-up interviews and plenary sessions to identify components and factors an economic development plan for Toronto needs to consider and how these might best be met by policy responses by the City. EDC worked closely with the EAP to envision multiple, different, and unique ways the City may use its authorities, levers, and influence to help advance timely opportunities that will benefit Toronto's local economy. This report synthesizes the EAP's insights generated across all deliberations and emphasizes the need for collaborative efforts among the public and private sectors, the three orders of government, civil society, and other stakeholders.

The panel's insights focus on addressing current challenges while leveraging Toronto's strengths.

FIGURE 1

Key themes identified by the Economic Advisory Panel



Affordability



Place-Based
Transformation



Burden
Reduction



Toronto's
Global Brand



Inclusive Labour
Participation



Talent Attraction
and Retention



Resiliency of Workforce
Development



Innovation Economy



Sustainability

Under each theme (see Figure 1), the EAP has outlined specific focus areas to guide the development of the APTE. This collaborative and strategic approach aims to foster a resilient, prosperous local economy that benefits Toronto's residents and contributes to national economic well-being.

This report opens with an introduction on the Economic Advisory Panel, a message from the co-chairs, and the Advisory Panel's mandate. The report then details the panel's process in analyzing and understanding the challenges and opportunities to help guide the city's path toward a thriving and resilient economy. Next, the report sets the stage for the EAP and their findings by exploring the pivotal role Toronto's economy plays in both the city of Toronto and the broader Canadian economic landscape.

It also highlights the city's significant assets and opportunities, emphasizing its potential for long-term economic prosperity. Finally, the report presents the Panel's key themes and actions that are essential for developing a strategic and collaborative economic action plan.

Message from the Co-Chairs

Toronto is poised for a bold new chapter in its economic journey, one that leverages our strengths, addresses our challenges with focus and grit, and aims high for global leadership. After a historic period of focusing on the well-being and survival of our city, it is time to reignite our ambition for what can be achieved over the next decade—and beyond. This is not just about progress; it's about taking our place on the world stage as a centre for innovation, technology, and business excellence.

In 2011, Toronto adopted a 10-year Economic Development Plan that sparked significant growth by targeting key sectors and positioning the city as a global business hub. Offices in the downtown core thrived, new commercial developments emerged, and local and international businesses - and the talent that drove their growth - flocked to Toronto. None of this would have been possible without a strong partnership between the City, the business community, and post-secondary institutions, working together to align strategies and drive growth. Initiatives like Toronto Inc.— a collaboration between the Toronto Regional Board of Trade, Toronto Global, and Destination Toronto — showcased our ability to present a unified, compelling case to investors, entrepreneurs and talent worldwide.

However, the world has changed. The global pandemic upended economies, disrupted industries, and transformed the future of work. It was clear that a simple redux of the 2011 plan would not suffice. Toronto needs to be more agile, more innovative, and more ambitious than ever before if we want retain our key competitive advantage – the ability to attract and retain the best talent from around the world. As we set the course for the next decade, we knew that crafting a new plan would require not just government insight but the collective expertise of our entire business community and other key stakeholders in the economy like labour, academia and civil society institutions.

We are deeply grateful to the business and community leaders who stepped up to join our Economic Advisory Panel. Their real-time insights into the challenges and opportunities of recovery have been instrumental in shaping “Sidewalks to Skylines: An Action Plan for Toronto’s Economy.” These leaders, drawn from all sectors of Toronto’s highly diversified economy, brought to the table the forward-thinking ideas that will allow Toronto to expand its leadership, drive productivity, and push the boundaries of innovation.

Our shared goal is clear: to ensure Toronto remains a world leader in business, technology, innovation and talent. By continuing to strengthen our partnerships, we will build an economy and workforce that is resilient, future-focused, and ready to compete on the global stage.

Let’s not just keep with the status quo—let’s lead the way to the Next Toronto.



Councillor Shelley Carroll
*Mayor’s Economic Development
& Culture Champion, City of Toronto*



Zabeen Hirji
*Executive Advisor and former Chief
Human Resources Officer, RBC*

THE ECONOMIC ADVISORY PANEL



Members

Co-chairs



Councillor Shelley Carroll
*Mayor's Economic Development
& Culture Champion, City of Toronto*



Zabeen Hirji
*Executive Advisor and former Chief
Human Resources Officer, RBC*

Members

Zabeen Hirji
*Executive Advisor and former Chief Human Resources
Officer*
RBC

David Amborski
*Director, Centre for Urban Research and Land
Development*
Toronto Metropolitan University

Patricia McCarney
Professor of Political Science (University of Toronto)
President and CEO - World Council on City Data and
Global Cities

Jonathan Davey
Vice President, Indigenous Financial Services
Scotiabank

Eva Lau
Managing Partner, Co-Founder
Two Small Fish Ventures

Lauren Epstein
Startup & Venture Capital Advisor and Investor

David Gerofsky
Principal & CEO
Osmington Gerofsky Development Corp.

Jeffrey Remedios
Chairman & CEO
Universal Music

Neishaw Ali
President / Executive Producer
Spin VFX

Goldy Hyder
President and Chief Executive Officer
Business Council of Canada

Giles Gherson
President & CEO
Toronto Region Board of Trade

Stephen Lund
Chief Executive Officer
Toronto Global

Deborah Flint
President and CEO
Greater Toronto Airports Authority

Andria Babbington
President
Toronto & York Region Labour council

Karen Chapple

Director of the School of Cities and Professor of Geography and Planning

University of Toronto

Nation Cheong

VP, Community Opportunities and Mobilization

United Way

Ross Cadastre

Chair, Board of Directors and Founder & CEO - Innovative Talent Solutions Inc.

Black Business and Professional Association

Aaron Binder

Director

Better Way Alliance

Troy Dunn

Director - CCAB and Director of Canada - Apple Retail

Canadian Council for Aboriginal Business, Apple Retail Canada

Melanee Short

Director, Sustainable Infrastructure

Sanofi

Luke Robertson

Vice President, Development and Government Affairs

Cadillac Fairview

Jon Shell

Managing Director and Partner

Social Capital Partners

Renee Gomes

Senior Vice President, Development

Diamond Corp, University of Toronto

Salima Rawji

President and Chief Executive Officer

York University Development Corp.

Maayan Ziv

Founder and CEO

AccessNow

Shamira Madhany

Managing Director and Deputy Executive Director

World Education Services

Andrew Weir

CEO

Destination Toronto

Our Mandate & Process

The Mandate

The mandate of the Economic Advisory Panel is to provide advice to the City of Toronto on:

- > Renewal of the City's economic development strategy for Toronto;
- > Achieving long-term sustainable economic growth and job creation in Toronto;
- > Establishing Toronto as a global centre of excellence for international trade, business, and leisure travel;
- > Ensuring the City's economic development approach is inclusive in nature with respect to Toronto's equity deserving communities.

The Process

Over the past year, the Economic Advisory Panel (EAP) engaged extensively with the City of Toronto to provide critical advice and help shape the City's response to Toronto's rapidly evolving economic landscape. This process included three preliminary meetings, eight group working sessions, fourteen follow-up interviews, and three plenary sessions. Engagement was designed to explore and identify actionable focus areas for advancing a more inclusive, prosperous, and sustainable local economy. To support these discussions, EDC developed six discussion papers, an interview primer, and a series of presentations on key topics, including the City's financial position, business lines, and areas of influence.

The discussions covered critical topics. These included the City's Long-Term Financial Plan (LTFP); addressing congestion as an urgent action; strengthening Toronto's ability to attract international investment and visitors; supporting innovation and entrepreneurship; enabling employment growth in key sectors and areas; sustaining and enabling higher levels of productivity; and fostering community wealth-building and decent work practices. Throughout this extensive engagement process, the EAP demonstrated nuanced thought leadership across a spectrum of interdisciplinary perspectives.

The insights provided in this report underscore the importance of a collaborative approach. To effectively navigate both the challenges and opportunities facing Toronto's economy, it is essential to involve a wide range of actors, including public and private sector leaders, civil society, other orders of government, and other key actors. This collective effort will be crucial in developing and implementing a successful Action Plan for Toronto's Economy. This report shares the collective outcomes of this process and provides a robust foundation for guiding the City of Toronto towards a growing and prosperous economic future.

SETTING THE STAGE



“Setting the Stage” for the Action Plan for Toronto’s Economy

This section outlines key considerations that helped inform the APTE in their development of critical advice for the City of Toronto. They were either presented to the EAP by the City of Toronto (e.g. the City’s current financial forecast) or by EAP members (e.g. the current state of downtown recovery), followed by in-depth discussions. They represent important factors for the City of Toronto to consider, in addition to the themes and focused areas in the next sections of this report, in developing the APTE.

The Significance of Toronto’s Economy

For the EAP, Toronto’s success is not only the region’s success, but also the nation’s success. Toronto’s economy is a powerhouse. It is integral to both the local and national economic landscape. With a population of over 7 million and projected to exceed 10 million by 2051, The Toronto Region is one of the largest and fastest-growing metropolitan regions in North America. The sheer size and projected growth of the city of Toronto and its surrounding region provides a range of opportunities for business development and economic growth, making it a key economic hub.

Indeed, Toronto supports the third-largest labour force in North America and is a major destination for global talent. The EAP highlighted that Toronto’s extensive and growing labour market underpins Toronto’s diverse economic base, which includes significant sectors such as financial services, technology, manufacturing, and life sciences. This results in an economic impact that is significant beyond just city limits, but at the provincial and national levels as well. Indeed,

the Toronto region generates 50-percent of the Province of Ontario’s economy and 20-percent of the total Canadian economy, while the city of Toronto comprises 10-percent of the total Canadian economy. These figures underscore the substantial role and importance of Toronto’s economy in driving local, regional, and national economic prosperity. Toronto’s unique position, history of success, and diversified economy reflects that what’s good for Toronto’s economy is good for Canada’s economy.

Toronto’s Assets and Opportunities

Beyond its significant role in the local, regional, and national economies, the EAP noted that Toronto possesses substantial assets and promising opportunities that enables Toronto to plan for the future from a position of strength. As a major economic hub, the city’s economic profile is characterized by its strong presence in several key sectors. Toronto has the largest technology sector in Canada and the third largest in North America, trailing only the Bay Area and New York City.



The city of Toronto hosts prominent Artificial Intelligence (A.I.) research facilities, which reinforces its position as a significant technology hub. Additionally, Toronto is the largest financial center in Canada and second largest in North America, highlighting its role in the financial services industry.

Beyond the technology and financial services sectors, the EAP noted that Toronto is also a major hub for manufacturing and the interactive media sector, including animation and visual effects, which has seen impressive growth in recent years, reflecting the city's expanding influence in the creative industries and manufacturing.

Given its extensive productive assets and the diverse sectors it supports, Toronto's economic health is critical to both the city and the broader national economy.

Given Toronto's ability to attract global talent, coupled with its rich network of anchor institutions and industry leaders, the EAP noted that this unique ability gives Toronto a solid foundation for future economic development. Moreover, the EAP noted that Toronto's vibrant neighborhoods, diverse employment opportunities, and rich cultural experiences further enhance its attractiveness and potential for sustained growth. Given its extensive productive assets and the diverse sectors it supports, Toronto's economic health is critical to both the city and the broader national economy.

Other Key Considerations

While Toronto's success and impact on the broader national economy present opportunities for growth, the city faces pressures from macro-economic factors and national challenges that are increasingly playing out in urban centers across the country. Despite the notable assets and opportunities previously discussed, Toronto must navigate a range of critical issues that could threaten its economic stability and future prosperity if left unaddressed.

Downtown Recovery

Like most urban centers around North America, Toronto's downtown has faced significant challenges exacerbated by the COVID-19 pandemic. The impact of the pandemic on the City's downtown core has been profound. Recognizing the significance of Toronto's downtown and the impact it may have on the future of Toronto's economy, the city invited Karen Chapple - member of the EAP, a leading global expert on downtown recovery, and Professor at the University of Toronto - to provide insights into the challenges and opportunities facing Toronto's downtown.

One key aspect of the revitalization of downtown Toronto, particularly in a post-pandemic environment, involves the potential for adaptive reuse of buildings. For instance, converting office spaces into residential units presents an opportunity to revitalize underutilized properties, support transit ridership, and increase housing availability. This approach not only addresses immediate challenges but also contributes to making the downtown area more vibrant and animated.

Another significant challenge is the evolving nature of work and its impact on downtown spaces. As remote work and hybrid models become more common, the return-to-office strategies must be carefully crafted to reflect new cultural, financial, and behavioral trends. Understanding these emerging factors and how they will develop in a post-pandemic Toronto is essential for shaping effective policies and initiatives that support a resilient and adaptive downtown and broader economy.

Furthermore, positioning Toronto as a global hub is critical for the future of downtown Toronto. Strategic marketing, communication efforts, and event planning can enhance the city's appeal to businesses and talent. By showcasing Toronto's strengths and opportunities, the city can attract and retain business, foster business growth, and stimulate economic activity in the downtown area.

Taking a multi-faceted approach to re-position Toronto's downtown for the future is crucial for ensuring overall economic stability and vitality.

The City of Toronto's Long-Term Financial Forecast

The City of Toronto's financial position limits its ability to address challenge areas alone. The EAP received a comprehensive presentation from the City's Acting Chief Financial Officer on the City's Long-Term Fiscal Plan, which outlines the significant financial pressures Toronto is projected to face. The City is expected to confront \$46.5 billion in financial pressure over the next 10 years, affecting its ability to maintain services and manage business lines.

There are several key challenges contribute to the City's current fiscal instability. Growing demand for services, unforeseen legislative changes, aging infrastructure, rising inflation, and increased interest rates are central factors driving the financial strain. Moreover, Toronto lacks certain revenue tools available to other large cities, both nationally and internationally, such as a share of sales tax revenue. This limitation constrains the City's capacity to meet long-term goals for a more inclusive, sustainable, and prosperous economy.

Additionally, the City faces long-term structural financial issues that extend beyond the immediate impacts of COVID-19. These include the ongoing transformation and downloading of public services from other orders of government, which heightens the urgency of addressing Toronto's fiscal challenges. Ensuring financial stability is critical for the City to continue delivering essential services and pursuing its economic objectives.

Toronto's Economic Indicators and Outlook

Projecting future economic trends helps assess how resilient Toronto is to shifting economic conditions. The city provided a comprehensive overview of Toronto's economic forecast, highlighting key indicators used to track growth and economic health. The presentation and subsequent discussion revealed that recent restrictive monetary policies, designed to manage rising inflation, have tempered Toronto's economic growth. However, there is an expectation for GDP to increase once again starting in 2025.

Despite significant economic expansion over the past 15 years, growth has not been evenly distributed. Some sectors and communities are experiencing a slower recovery, exposing underlying disparities within the city's economic fabric. Furthermore, economic inequities are not limited to differences between sectors and communities; they also exist within them, adding complexity to Toronto's current and future economic conditions. These disparities further complicate efforts to achieve inclusive growth.

Nevertheless, Toronto's economy has previously shown resilience in the face of these challenges. Historical and strategic efforts to diversify the city's economic base has supported growth in key industries. Economic projections, while imperfect, are essential to understand weaknesses and strengths to be addressed in any long-term economic action plan.

Key Themes for a Strategic and Collective Economic Approach

The Economic Advisory Panel (EAP) has collectively identified nine themes below that, if addressed, will set Toronto for a path of continued success. By focusing on these nine themes, the EAP contends that the city can address the current and future challenges impacting Toronto's economy and move to the future from a position of strength.

Economic Advisory Panel Themes

The themes are ordered by urgency, although all themes are considered essential for the development of the APTE.



Affordability

Removing or reducing financial barriers for people and businesses to improve access to economic opportunities and advance economic well-being.



Place-Based Transformation

Leverage the potential of key areas that present significant economic development opportunities (e.g. Port Lands, Waterfront, Downsview) and/or that have significantly changed during COVID-19 (e.g. central business district, main streets).



Burden Reduction

Enable a more investable and competitive business climate for home grown entrepreneurs and global and domestic businesses by streamlining existing and new policies, programs, and services to alleviate burdens.



Toronto's Global Brand

Leverage Toronto's brand equity and further advance Toronto's reputation as an attractive and investable international destination.



Inclusive Labour Participation

Increase labour participation for Indigenous, Black, and equity-deserving communities across Toronto while creating pathways to good jobs that provide for economic mobility.



Talent Attraction and Retention

Strengthen Toronto's talent advantages by improving the attraction, retention and upward mobility of both home grown and international top talent to meet evolving business and human resource needs.



Resiliency of Workforce Development

Expand and integrate skills development policies, programs, and initiatives, in close partnership with Higher Education Institutions, to close "skill gaps" and enhance the adaptability and productivity of Toronto's workforce.



Innovation Economy

Champion Toronto's tech ecosystem, across existing key sectors of strength and a renewed emphasis on high growth emerging sectors, such as A.I., to strengthen Toronto's Innovation Economy, and improve the sector's access to the city supports that will enable them to thrive.



Sustainability

Grow Toronto's Economy in a sustainable, resilient, and net-zero manner, with a focus on supporting innovative local firms producing scalable solutions to global sustainability challenges.



Affordability

Throughout multiple sessions, the Economic Advisory Panel (EAP) emphasized the need to address affordability challenges as a central theme for guiding Toronto's economic future. The rising costs for businesses and consumers have strained the city's purchasing power, impacting its economic stability, and threatening key drivers such as talent attraction, livability, and competitiveness. To address affordability, the EAP has outlined several focus areas. It is important to note that while affordability relates to broader macroeconomic trends not within the City's control, its impact in Toronto requires dedicated and strategic focus areas to address it.

One primary focus is **advancing regulatory and policy initiatives to accelerate the supply of housing**. The EAP recommends working with external stakeholders and other orders of government to streamline permitting processes, make effective use of City-owned lands, and promote innovative housing solutions. This approach aims to enhance the availability of diverse and affordable housing options, which is essential for sustaining Toronto's economic vibrancy and competitiveness, as well as welcoming newcomers that are a major contributor to Toronto's growth.

Another key area is **supporting initiatives that foster household wealth and business formation**. The EAP recommends collaborating with other governmental bodies to explore tools and pathways, such as employee ownership models and entrepreneurship training programs. These efforts are intended to improve access to financial capital, support local job retention, and stimulate new business ventures, thereby providing more opportunities for individuals to generate wealth.

Additionally, the EAP highlights the importance of **enhancing supports for local artists and cultural entrepreneurs**. By partnering with arts councils, cultural organizations and funding agencies, the city can offer targeted assistance through grants, affordable workspaces, and business development programs. Cultural industries are at risk during economic downturns but play an important role in shaping the vibrancy of Toronto and are a draw to talent looking for a place to live and work. Supporting creative and cultural industries with targeted strategies that address affordability will support individual artists and help them continue to foster a desirable city to live, work, and play in.



Place-Based Transformation

In a post-pandemic Toronto, the EAP emphasized the immense yet often underutilized potential of Toronto's distinctive spaces, architectural marvels, and places to drive economic growth. They envision these areas as a dynamic canvas for enhancing economic development across the city. By capitalizing on Toronto's unique characteristics, the EAP highlights that place-based transformation can not only honour these qualities, but also reimagine how these spaces can foster small businesses, improve infrastructure, and create vibrant, inclusive communities.

To achieve this, the EAP has outlined several focus areas aimed at maximizing economic development across key areas of Toronto. First, the EAP seeks to bolster the **economic resilience of important existing areas, such as downtown and the waterfront areas**. By leveraging the economic potential of cultural attractions, small businesses, and local amenities, the EAP recommends working closely with stakeholders to develop a long-term economic vision for these regions. This vision should provide clear guidance for seizing short-, medium-, and long-term opportunities, addressing the current challenges, and ensuring these vital areas continue to contribute to Toronto's economic vitality.

The EAP also highlights the importance of creating **new community employment hubs in strategic locations throughout Toronto**. Hubs anchored by key institutions and corporate partners would stimulate local economic development and strengthen community ties. By offering local residents employment opportunities within the city, they can help mitigate the need to seek jobs in regions outside of Toronto, thereby supporting more complete communities throughout the city.

Additionally, **safeguarding and expanding employment uses across Toronto's diverse spaces is crucial for maintaining the city's long-term economic potential**.

The EAP advises strengthening zoning and land use protections for existing employment lands to prevent their conversion to non-employment purposes. One of the key facets of continuing growth is space. Toronto has long been successful in protecting employment areas. As land-use regulations change, continued protection of employment areas will preserve the city's economic diversity and allow the city to capture future economic opportunities.

Additionally, the EAP recommends focusing on enhancing the **promotion of cultural events and spaces in key locations across Toronto**. To achieve this, it is essential to integrate cultural planning and space allocation into both internal and external land development processes. This approach ensures that the needs of artists, performers, and cultural organizations are prioritized in the creation of new neighbourhoods, fostering a thriving cultural landscape throughout the city.

Finally, **increasing the accessibility and utilization of Toronto's public spaces** is vital. The EAP suggests conducting accessibility audits of public spaces such as parks and community centers. Identifying and addressing barriers to inclusivity will ensure that these spaces are accessible to all residents, thereby enhancing participation and contributing to the city's overall economic and social well-being.



Burden Reduction

The Economic Advisory Panel (EAP) delivered clear guidance on the urgent need for Toronto to reduce regulatory and administrative burdens on businesses. Central to this advice is the recognition that processes and regulations play a crucial role in shaping and enabling the city's economic development. By addressing administrative hurdles and enhancing regulatory efficiency, Toronto can stimulate economic activity, foster innovation, and provide confidence to business that they have a partner in the city to help them grow. The EAP underscored that optimizing and streamlining these processes is essential for unlocking Toronto's latent economic potential, creating a more conducive environment for investment, innovation, and entrepreneurship.

To boost Toronto's business climate, the EAP first urges the city to **increase land use flexibility to build a more investable, green, and competitive regulatory and business environment**. This involves re-examining municipal and provincial regulations to broaden commercial and industrial permissions, integrate sustainability criteria such as carbon neutrality targets, and promote green technologies. Enhancing flexibility of land use will reduce the burden on both businesses and the City of Toronto.

Second, the EAP calls for a focus on **streamlining business regulatory processes**. The EAP recommends simplifying and improving City permitting, licensing, and support systems in collaboration with Toronto's business community. This approach reduces the burden on businesses, encourages investment, and promotes entrepreneurial activities. Streamlining business supports can help businesses in navigating City services and programs that may be applicable to them.

Additionally, the EAP suggests exploring **demand-side policies and financial incentives to enhance transit accessibility and infrastructure affordability** for both people and businesses. The EAP recommends working with provincial transit agencies to develop subsidized transit programs, off-peak travel incentives, and innovative financing models to ensure adequate funding for infrastructure projects.

Moreover, the EAP emphasizes the need for **regulatory relief to adopt innovative congestion-reducing technologies**. They advocate for collaboration with various levels of government to implement autonomous vehicle infrastructure, dynamic road pricing, and smart traffic management systems. These measures can help optimize traffic flow, reduce delays, and improve the efficiency of Toronto's transportation network.



Toronto's Global Brand

The EAP consistently advised that Toronto has a prime opportunity to bolster its reputation as a leading international destination for investment and tourism. Toronto's dynamic, vibrant character sets it apart both nationally and globally. Known for its culture, entertainment, innovation, and technology, the city of Toronto makes a significant contribution to Canada's national economy. However, the EAP highlights that congestion, the shortage of affordable housing, and the challenges associated with the future of downtowns hinder Toronto's potential to attract further investment and enhance its global brand. To address these challenges and strengthen Toronto's international standing, the EAP recommends three key focus areas.

First, the EAP emphasizes the need to **boost Toronto's ability to bid for and host major international events and conferences**, including the FIFA Men's World Cup in 2026. The Panel suggests developing a comprehensive tourism and marketing strategy that highlights Toronto's global appeal, diverse culture, and competitive advantages. This strategy should leverage the city's growing culinary scene and other unique assets to attract investors, visitors, and businesses.

In addition, the EAP advocates for **enhancing Toronto's visitor economy through increased collaboration and strategic planning**. By partnering with local businesses, attractions, and tourism organizations, Toronto can create enticing packages and offers that draw tourists and encourage longer stays. These efforts should involve both the private sector and all levels of government to maximize their impact.

Furthermore, the EAP encourages solidifying **Toronto's reputation as a dynamic and inclusive business hub**. This involves promoting a diversity of Toronto-based businesses and entrepreneurs on both national and international stages. Developing marketing campaigns that showcase the achievements of local businesses across various sectors will create compelling content that resonates with audiences globally. By presenting a unified and inspiring image of the diversity of Toronto businesses and entrepreneurs, Toronto can reinforce its role and image as a leader in innovation and inclusion.

Strengthening Toronto's international appeal will attract more investment, drive tourism, and elevate the city's profile worldwide, ultimately contributing positively to the national economy and affirming Toronto's role as a pivotal economic hub.



Inclusive Labour Participation

The EAP highlighted the urgent need for Toronto to amplify its efforts to foster labour participation among Indigenous, Black, and equity-deserving communities. The EAP emphasizes that addressing barriers to workforce entry for these communities is crucial for creating a truly inclusive economy. By breaking down these barriers, Toronto can unlock new opportunities for meaningful employment and entrepreneurship, ultimately enhancing socioeconomic mobility and reducing urban inequities. When individuals from all backgrounds have access to employment opportunities, they can build wealth, boost consumer spending, and contribute to a more equitable society. To advance this vision, the EAP recommends integrating three focus areas into the city's ongoing and future decision-making processes.

Firstly, the EAP advises ensuring that **financial supports for small businesses are distributed equitably across Toronto and the broader Greater Toronto Region**. To do so, the EAP suggests exploring the establishment of an advisory committee composed of small business representatives and neighboring municipalities. This committee could provide valuable input and guidance on designing and implementing financial support programs to reach small business owners.

Additionally, the EAP underscores the importance of **expanding 'care economy' services to enhance workforce participation and meet community needs**. The Panel proposes broadening the definition of the care economy to include a wider range of participants. This expansion would help address gaps in service provision and support greater workforce involvement.

Lastly, to support the key theme of inclusive labour participation in Toronto's economy, the EAP calls for a focus on **opening career pathways in high-demand and emerging sectors, such as green industries, for Indigenous, Black, and equity-deserving groups and communities**. The EAP recommends collaborating with local stakeholders, including higher education institutions and business owners, to develop interventions that provide support and resources for overcoming employment barriers faced by these communities.

By prioritizing these focus areas, Toronto will not only advance its inclusive economy but also strengthen its overall economic health. Increasing labour participation among underrepresented communities contributes to a more diverse and dynamic workforce, which in turn drives economic growth and innovation. This inclusivity benefits Toronto's economy and, by extension, positively impacts the national economy.



Talent Attraction and Retention

The EAP highlighted a pressing challenge for Toronto economy: the challenge of attracting and retaining top talent amidst uncertainty. Businesses across various sectors face difficulties in stabilizing and growing their operations due to a “brain drain,” where highly skilled individuals are increasingly choosing to work and live outside of Toronto or even Canada. To counteract this trend, the EAP underscores the need for Toronto to create an environment where top talent is drawn to live and work. Such an environment will bolster Toronto’s competitive edge and ensure a sustainable, productive workforce, which is crucial not only for the city’s economic health but also for Canada’s national economy. To address these challenges, the EAP suggests three focus areas for Toronto to enhance its talent acquisition and retention strategies.

First, the EAP recommends that the city **promote a collaborative dialogue between current and future employers and employees to better understand the evolving “Future of Work.”** Engaging with community members, higher education institutions, school boards, trade associations, and businesses will help identify current and future employment needs. This knowledge should then inform the evaluation of essential city systems, such as public transit, amenities, and childcare, ensuring they align with the changing nature of work in Toronto.

Additionally, the EAP emphasizes **strengthening talent retention and upward mobility to enhance Toronto’s regional competitiveness.**

Developing flexible retention strategies will help businesses across the city keep valuable employees and facilitate their career advancement. Such strategies will not only strengthen Toronto’s position within the region but also enhance its attractiveness across North America.

Lastly, the EAP recommends adopting a **holistic approach to support the transition to return to office initiatives.** By engaging with city officials, community members, employers, and administrators, Toronto can develop strategies that comprehensively address employee needs and concerns while maintaining organizational productivity and efficiency.

By implementing these focus areas, Toronto can create a more appealing environment for top talent, which in turn will support the city’s economic growth and bolster its role as a key player in the national economy. Attracting and retaining skilled workers is essential for fostering innovation, driving economic development, and ensuring that Toronto remains a vibrant and competitive global city.



Resiliency of Workforce Development

The EAP emphasized that Toronto must invest more in and focus on workforce development to build a well-trained and adaptable workforce. This investment is crucial for creating a labor market that can swiftly adjust to emerging industries and withstand economic shifts. By equipping people with skills for new and growing sectors, the city can reduce unemployment, enhance human capital, and strengthen residents in their ability to manage economic downturns. To enhance the resiliency of Toronto's workforce, the EAP suggests four focus areas.

First, the EAP found that **leveraging the City's purchasing power can support the creation of quality jobs across various sectors and for Indigenous, Black, and equity-deserving populations.** By improving employment and skills training for services that are sought after by major institutions, especially in high-impact areas like green industries, Toronto can foster a more inclusive, skilled, and ultimately resilient workforce.

Second, the EAP recommends that the city focus on **optimizing workforce development programs.** These programs should align closely with the needs of essential services and high-growth sectors like green industries and artificial intelligence (AI). Ensuring that workforce initiatives match current and future industry demands will keep Toronto competitive and responsive to market changes.

Third, the EAP recommends **exploring new pathways for workforce development to further strengthen the City's economic position.** This includes reviewing and updating the City's existing workforce development

initiatives and integrating experiential learning, financial literacy, business incubation, and soft skills development into these existing programs. By doing so, Toronto can advance a more competitive workforce that is more resilient to the demands of a rapidly evolving job market.

Lastly, the EAP advises **amplifying efforts to build strong partnerships among workforce development stakeholders.** The city should foster public-private collaborations and work closely with higher education institutions and private sector partners. These coordinated efforts will help Toronto cultivate a robust and adaptable workforce capable of thriving in a dynamic economic environment.

By focusing on these areas, Toronto will create a workforce that is more resilient. Supporting equity-deserving groups and new immigrants in developing skills is vital to enhancing business formation and growth in Toronto. The successful integration of newcomers into Toronto's economy will contribute significantly to growth, making the city a more resilient and competitive place on both local and national scales.



Innovation Economy

Innovation is a critical component of a competitive economy. For Toronto, its rich history of innovation has created a strong foundation of specialized industries that contribute to global innovations. To solidify Toronto's status as a leading, attractive city in a global landscape that is increasingly interconnected and competitive the EAP underscores the importance of re-evaluating and enhancing Toronto's innovation ecosystem. By reimagining this ecosystem, Toronto can strengthen its resilience in the face of ongoing technological disruptions. Aligning with the needs of various sectors and stakeholders will help attract more business, investment, and foster long-term innovative thinking. To bolster the innovation economy, the EAP suggests three key focus areas.

First, Toronto must ensure that its **innovation ecosystem supports the development and resilience of both current and emerging high-value sectors**. Establishing a dedicated Toronto Innovation Office can play a pivotal role in this. This office would examine the entire innovation landscape, fostering stronger partnerships between investors, higher education institutions, and businesses. By focusing on sectors of strength such as artificial intelligence, fintech, environmental sustainability, and creative industries, Toronto can build a more integrated and dynamic innovation environment.

Second, the EAP recommends that Toronto focus on **cementing its reputation as a major hub for national and international innovation**. This involves working with partners to identify strategic actions, such as setting up a Toronto Innovation Fund to promote the city as a prime destination for innovation events. By hosting premier and signature events, Toronto can showcase its strengths and enhance its global standing. Emphasizing the intersection of

technology and creativity can lead to the scaling of new festivals that not only boost the city's brand but also support business development.

Lastly, **promoting the clustering of green businesses is essential for Toronto to establish itself as a global leader in green innovation**. Increasing opportunities for knowledge sharing, in collaboration with higher education institutions, can facilitate the exchange of business ideas and solutions. This approach will help employ green technologies and practices, attract investors through financial incentives, and incubate new ideas.



Sustainability

Environmental sustainability and economic growth are deeply interconnected. The EAP found that the city should play a role in ensuring that business practices shift toward a more sustainable future given the strong linkage between national and global environmental needs and Toronto's local economy. By aligning economic development and sustainability, Toronto can build the capacity needed to tackle climate change while also adapting to emerging business demands. The EAP highlights the economic advantages of this alignment, noting that integrating sustainability into business practices can foster reinvestment and job creation, ultimately advancing Toronto's economy. To achieve economic growth in a sustainable, resilient, and net-zero manner, the EAP recommends three focus areas.

First, Toronto must ensure that its **green infrastructure investments, developments, and maintenance plans support net-zero growth**. This means aligning infrastructure investments with local strategic policies aimed at greening the economy and adhering to federal and provincial strategies, such as the electrification of transit fleets. Supporting innovative Toronto firms that produce sustainable products and services with export potential will further enhance this alignment.

Second, the EAP emphasizes the need to **encourage the modernization of Toronto's electricity grid in partnership with other levels of government**. This modernization is essential for attracting green investments, fostering innovation, and supporting sustainable local economic development. The EAP recommends that Toronto investigate implementing policies and strategies that anticipate future energy demands, explore emerging energy conservation technologies, and develop efficient methods for storing and distributing electricity.

Lastly, Toronto should focus on **facilitating efforts to adapt existing infrastructure and the built environment to enhance climate resilience and attract investment**. By incorporating climate resilience planning into city incentives, policies, and programs, Toronto can improve its infrastructure as well as attract companies looking to achieve greener business outcomes. This may include integrating features such as EV charging stations, grid electrification, flood-resistant technologies, and measures to reduce urban heat islands into existing sites.

CLOSING REMARKS



Closing Remarks

The Economic Advisory Panel offers a strategic perspective on the complex and interrelated challenges facing Toronto and provides advice on areas for the city to focus on to advance a more inclusive, sustainable, and prosperous economy. The EAP's insights are crucial as Toronto navigates the aftermath of the COVID-19 pandemic and current global economic uncertainties.

The EAP underscores the need for urgent and proactive measures to ensure economic stability and growth in Toronto. Addressing these needs effectively will not only improve the city's immediate economic conditions but also contribute to its long-term prosperity. By leveraging the current momentum and public support, Toronto has an opportunity to strengthen its economic foundation.

The EAP acknowledges that the decisions made today will significantly shape Toronto's economic landscape for years to come. With strategic foresight and dedicated effort, the city can overcome recent setbacks and chart a path toward a more inclusive and sustainable future. The complexity of these issues needs a forward-thinking approach to long-term economic development. Toronto's commitment

to developing a ten-year Action Plan for its economy, informed by extensive engagement and the EAP's insights, sets a positive example for other cities grappling with similar economic challenges.

This report reaffirms the critical role of Toronto's economy in the national context. The urgency of addressing Toronto's economic challenges is underscored by its significant impact on the broader Canadian economy. A cooperative and strategic approach will be essential to navigating these challenges and ensuring a vibrant economic future for Toronto and the nation.

By leveraging the current momentum and public support, Toronto has an opportunity to strengthen its economic foundation.



