

Attachment 1: City of Toronto Inclusive Economic Development (IED) Framework

The City of Toronto Inclusive Economic Development (IED) Framework provides City Council and City divisions and agencies with a clear, practical, and coordinated lens to advance inclusive economic development. Built in collaboration with external partners, it outlines a shared vision for Toronto's economy and a 'frame' to guide and align existing and new City of Toronto and partners' initiatives in achieving that vision. The IED Framework consists of:

- Definitions
- Key principles
- Indicators of an inclusive economy
- Scope for action

It is expected that, combined, these elements provide a strong foundation for the City of Toronto and partners to be intentional and coordinated in advancing actions that will make Toronto's economy work for all. The below outlines each of the elements of the IED Framework and includes a visual representation summarizing the IED Framework. An internal IED Indicator Development Tool was developed to support City divisions and agencies in aligning their work with the IED Framework. Progress achieved by the City of Toronto in advancing inclusive economic development actions will be included in annual *Sidewalks to Skylines* reports to City Council. Progress on the state of the economy from an IED lens will be reported through macroeconomic data aligned with the broad indicators of an inclusive economy identified in this Framework.

1. Elements of the IED Framework

*Definitions*¹

These definitions are central to the IED Framework—they provide a shared vision and shared language to advance coordinated efforts, and they informed the development of the other elements:

- Inclusive Economic Development (IED) “seeks to meet the social and economic rights of Toronto residents, using City levers to support, alongside community partners, accessible pathways to employment and decent work, skills training and entrepreneurship for residents and communities that have not benefitted from economic growth in the past. IED focuses on ensuring democratic processes for inclusive outcomes: it is shaped by and accountable to communities and neighbourhoods.”
- Community Economic Development (CED) is “the place-based application of inclusive economic development.”

¹ EC17.2 – A Partnered Approach to Inclusive Economic Development.

Key Principles²

Key principles advise that the City is best positioned to advance IED when:

1. It centres the social and economic rights of residents.
2. It values the meaningful participation of the people impacted in decision-making.
3. It works in close partnership with the private sector, labour-based organizations and the non-profit sector.
4. It enables training, job pathways and working conditions that provide economic security and decent work across a broad range of sectors.
5. It creates the conditions for communities and workers to build wealth and for wealth to remain and circulate in the local economy.

These principles, as adopted by Council through [EC17.2](#), do not create legal obligations or entitlements, except as explicitly authorized by Council. They recognize that all Toronto residents have a stake in the local economy, that local communities know their own realities, are well positioned to identify challenges and priorities and are able to participate in identifying/implementing effective solutions. The principles also recognize the need to ensure meaningful supports across a broad range of sectors including fast growing and internationally traded sectors, and more locally provided services. Finally, the principles acknowledge the not-for-profit sector as a key component of IED, given its role as a service provider, employer, and economic driver. They aim to help guide the IED work through shared values.

Indicators of an Inclusive Economy

An inclusive economy is reflected in overall trends including:

- Incomes rising with the cost of living.
- Reduced demographic disparities.
- Reduced employment precarity.
- Education and training leading to career pathways.
- New business formation and reduced business displacement.

The indicators reflect the desired outcomes of the IED Framework. In this sense, they serve two purposes—they inform the scope for action (in ‘D’ below) and the selection of macroeconomic data to be tracked to monitor how the economy is evolving.

The Toronto economy, and whether and how it is evolving in alignment with the indicators of an inclusive economy, will be monitored through macroeconomic data identified with the IED Working Table. Some of that data is updated regularly (monthly/quarterly) and publicly reported through the [Toronto Economic Dashboard](#), maintained by EDC, which currently reports on variables related to overall economic growth and some aspects of IED (e.g., unemployment rate, number of Employment Insurance claimants, average wages, etc.). In collaboration with City staff, the IED Working Table identified additional indicators that will be added to the dashboard to strengthen its ability to track inclusive economic outcomes. These include:

- Number/percentage of people in ‘temporary’ employment.
- Number/percentage of people in ‘involuntary part-time’ employment.
- Average wages compared to the ‘market-basket measure’ of prices.
- Average wages compared to home prices and asking rents.

² Also adopted by City Council in December 2024 through EC17.2 – A Partnered Approach to Inclusive Economic Development.

- Business turnover (# opening and closings).
- Labour force indicators with demographic overlays (unemployment rate and self-employment by age, gender and immigration status).

Additionally, City staff will produce a detailed IED polarization/inclusion report following each Census year to be shared with members of City Council. The report will build on macroeconomic data that are only available through the Canadian Census of Population and will include in-depth analysis of longer-term trends on income distribution, labour market outcomes, commuting patterns, educational attainment, underemployment and self employment. Combined, the data in the Economic Dashboard and the in-depth analysis in Census years will enable ongoing monitoring of the indicators of an inclusive economy.

Scope for Action

For meaningful positive impact in alignment with the indicators of an inclusive economy, the scope for IED action—the two pillars of policy and program areas to be developed and supported by the City of Toronto and partners—is focused on:

- inclusive employment and sector pathways
- inclusive entrepreneurship and ownership

The pillars are the core areas for IED as they are directly related to economic participation. Community Economic Development (CED) is embedded in both pillars and advanced when employment/entrepreneurship initiatives are developed or implemented at a neighbourhood level.

The IED Framework recognizes that economic opportunity is shaped by multiple policy areas including access to quality childcare, safe and reliable transit (overall mobility and transportation), bridging the 'digital divide' and safe, affordable and adequate housing. While these are considered 'out-of-scope' as IED initiatives, they are understood both as (a) foundational conditions that underpin an inclusive economy, and (b) as policy areas that can be influenced and shaped by the indicators of an inclusive economy via the IED pillars.

2. Overview – Visual Representation of the IED Framework

Informed by the IED definition, and developed with the IED Working Table, the chart on page 4 provides a visual representation of the IED Framework. At its centre are indicators of an inclusive economy, the desired outcomes of the City's approach to IED. Flanking the indicators are the two pillars, which provide a clear scope for action for the City of Toronto and partners' initiatives, policy and programs. Along the bottom of the chart are aligned City strategies, plans, and overall commitments, particularly those focussed on Reconciliation and equity.

Chart: Overview - City of Toronto Inclusive Economic Development Framework

