



# Getting back to Growth: Measuring Recovery across Canada's Innovation Corridor

Presentation to Toronto Association for Business & Economics

**Marcy Burchfield**, Vice President

**Saad Usmani**, Director of Sector Research

Economic Blueprint Institute, Toronto Region Board of Trade

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# What we'll cover:

- About the Toronto Region Board of Trade
- Importance of metropolitan scale economic planning
- Measuring economic impacts of pandemic on business districts
  - Findings from Business District report series: *From Crisis to Opportunity*
  - Tracking recovery & getting back to growth
- What's next?

# TRBOT Regional Leadership and Advocacy Platforms



With more than 11,500 members, the Toronto Region Board of Trade (TRBOT) is one of the largest urban chambers of commerce in North America. In 2013, TRBOT added ‘**region**’ to its name to reflect the borderless ways business and the workforce operate.

Canadian Global  
Cities Council 

In 2015, TRBOT co-founded the **Canadian Global Cities Council (CGCC)**, a coalition of nine of Canada’s largest Chambers of Commerce and Boards of Trade established to advocate to the federal government for a national urban strategy underpinned by an economic blueprint that serves to guide infrastructure investments.



In 2017, TRBOT co-founded the **Innovation Corridor Business Council (ICBC)**, a coalition of the largest Chambers of Commerce & Boards of Trade across the Greater Toronto Area, Hamilton, Guelph, and Waterloo Region to advocate for a better-connected Corridor.

economic  
blueprint  
institute

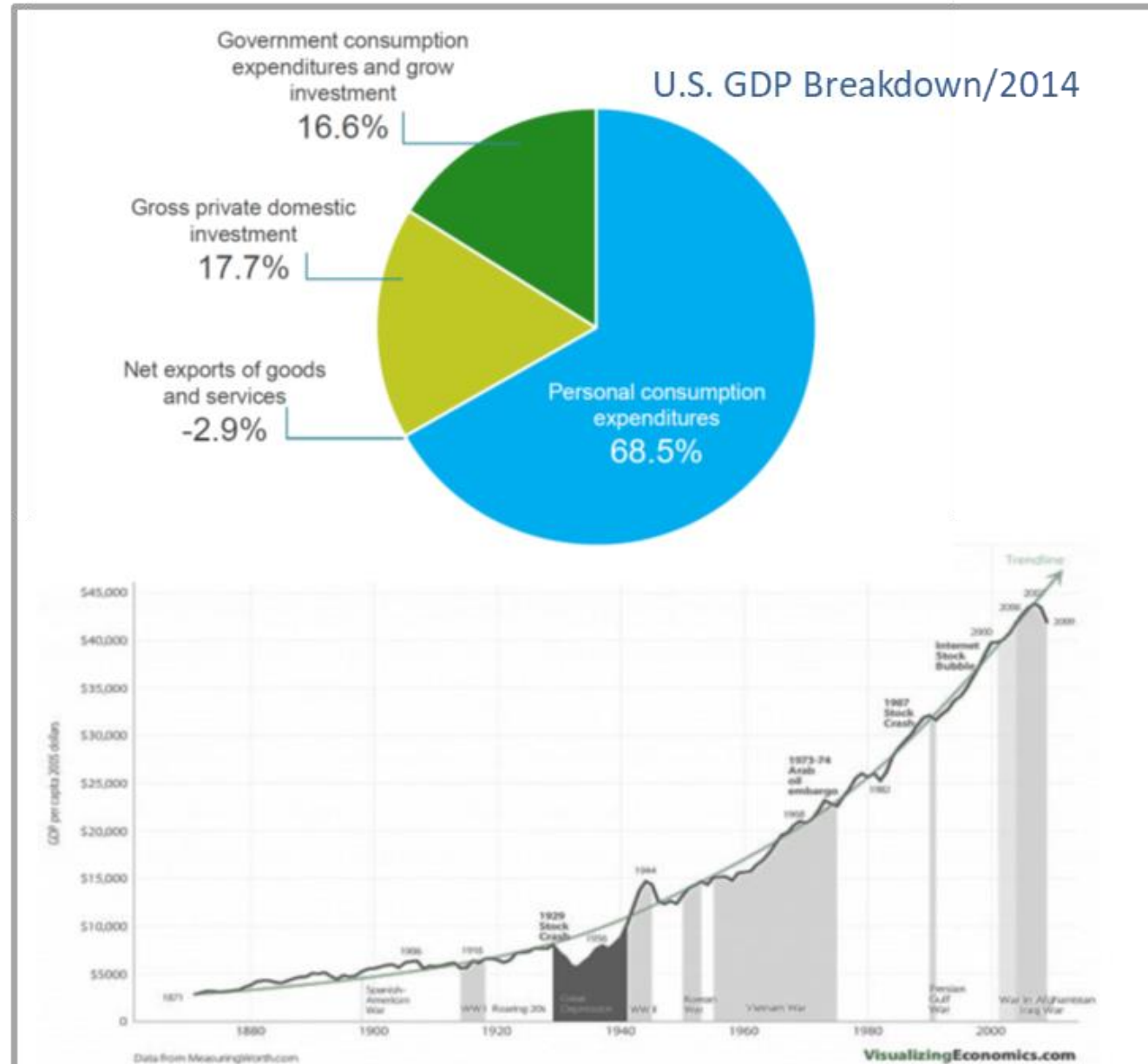
In 2018, TRBOT invested in the creation of the **Economic Blueprint Institute (EBI)**, a strategic initiative dedicated to data driven insights to inform and guide **integrated economic planning in the Innovation Corridor.**

“A true National Urban Strategy delivers more impact to regional economic zones than disjointed programs and funding envelopes.”

Canadian Global Cities Council

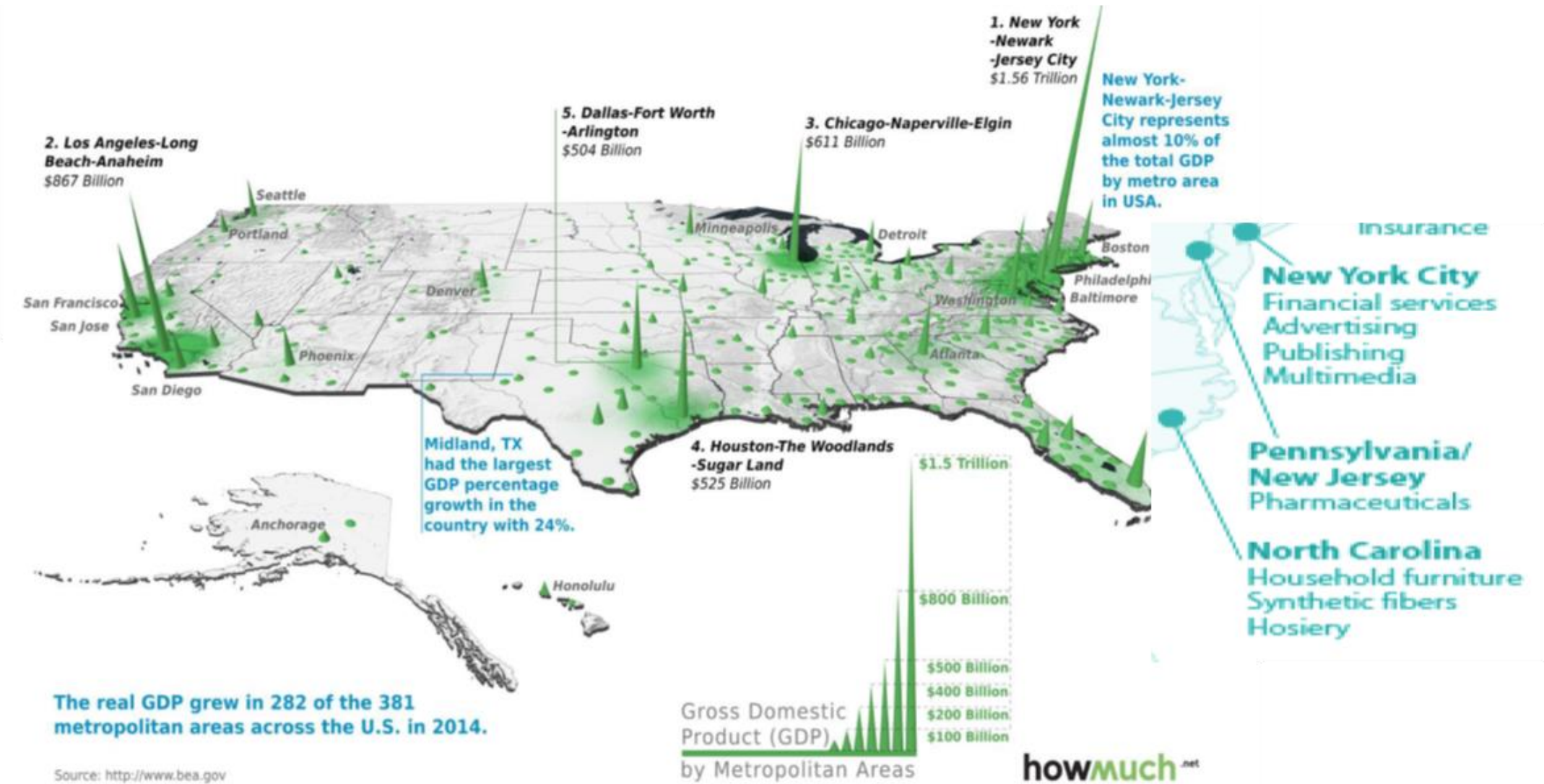
# Premise behind EBI: to understand economic data at metro & sub-metro scale

The traditional way of talking about the economy....



**But...how does this enable Toronto to pursue its vision to be one of the most competitive and sought-after business regions in the world?**  
**And...where is the meaning in this for TRBOT members?**

A new look at economic data by metro area and clusters



**Breaking out economic activity by areas and clusters can enable actionable deep dives to address gaps and sources of further growth.**

Source: Adapted from John Kelleher, McKinsey & Co., Keynote, TRBOT July 2017 Policy Priority Setting Session

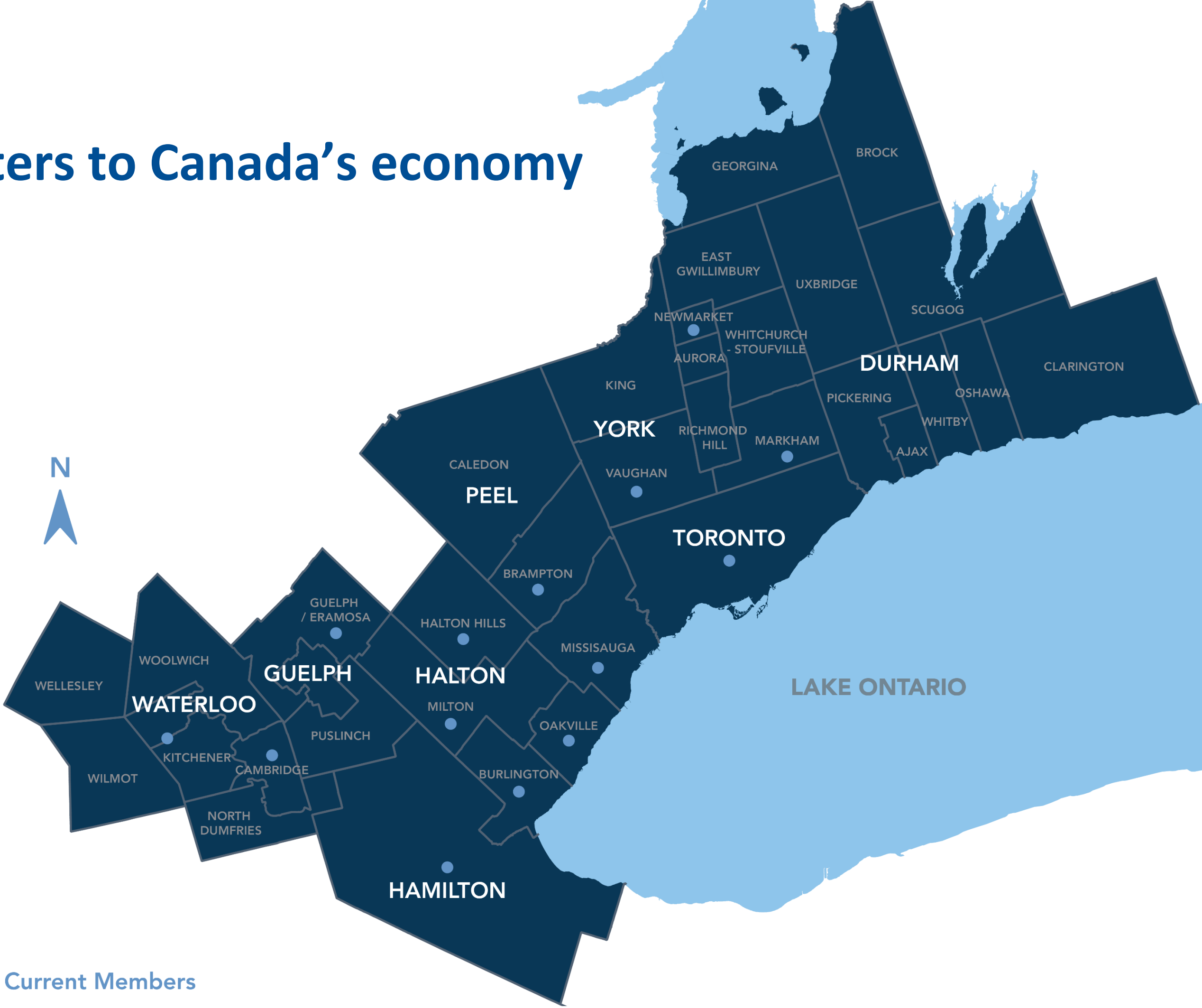
# Why the Innovation Corridor matters to Canada's economy

- 4th Largest Metro in North America
- 25% of Canada's GDP
- 34 interconnected municipalities
- 50% of Canada's Manufacturing/NAFTA
- One of the fastest-growing tech markets in NA

*Our economy is a regional economy. Collectively, we address pain points + competitiveness issues.*

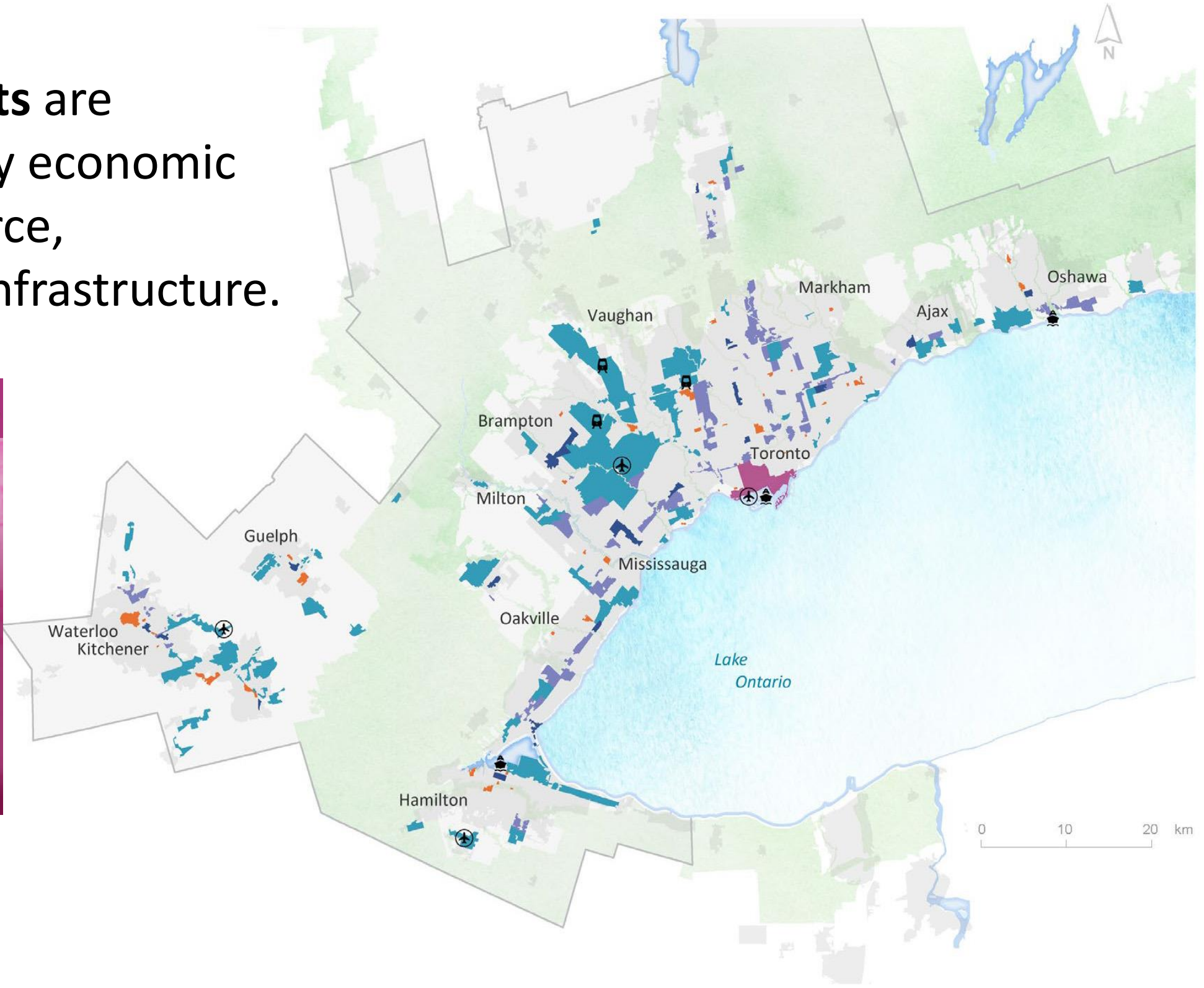


*Formed in 2017*



# Business Districts: A new model for understanding regional economy & its recovery

Home to ~75% of the Corridor's jobs, **business districts** are differentiated by economic activity, workforce, urban form, & infrastructure.

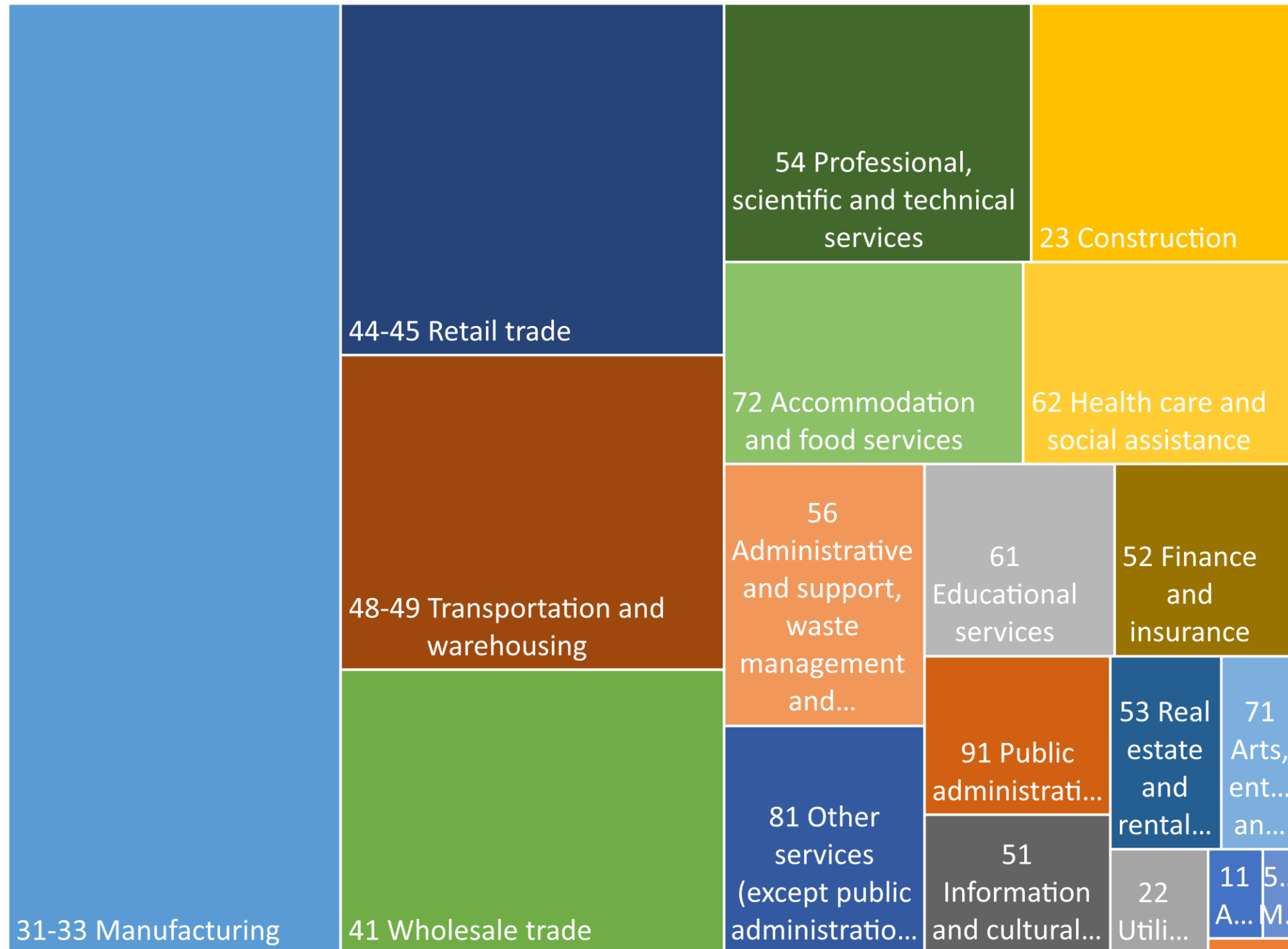


 Metropolitan Centre	The region's dominant urban centre characterized by a diverse and dense concentration of professional services, anchor institutions that support the region's innovation ecosystem, and business and leisure tourism attractors.
 Goods Production and Distribution	Predominance of activities associated with the large-scale production and movement of goods, such as manufacturing, warehousing, and logistics. Examples: Pearson Airport Employment Zone, Oakville Assembly Complex
 Services and Mixed Use	Mixture of less diverse and dense professional services, manufacturing and distribution hubs, and retail that service both the local residential and business market. Examples: Meadowvale Business Park, Markham and Richmond Hill Business Parks
 Regional Centres	Suburban and urban centres that are home to civic and government institutions, as well as professional and retail businesses that serve local workers and nearby residents. Examples: Mississauga City Centre, Downtown Hamilton
 Knowledge Creation	Campus-style anchor institutions such as universities, colleges, and teaching hospitals with a concentration of knowledge-based activities and specializations that form a key pillar of the region's innovation ecosystem. Examples: Sunnybrook Hospital, York University

# Economic activities in a district influence economic impact & recovery

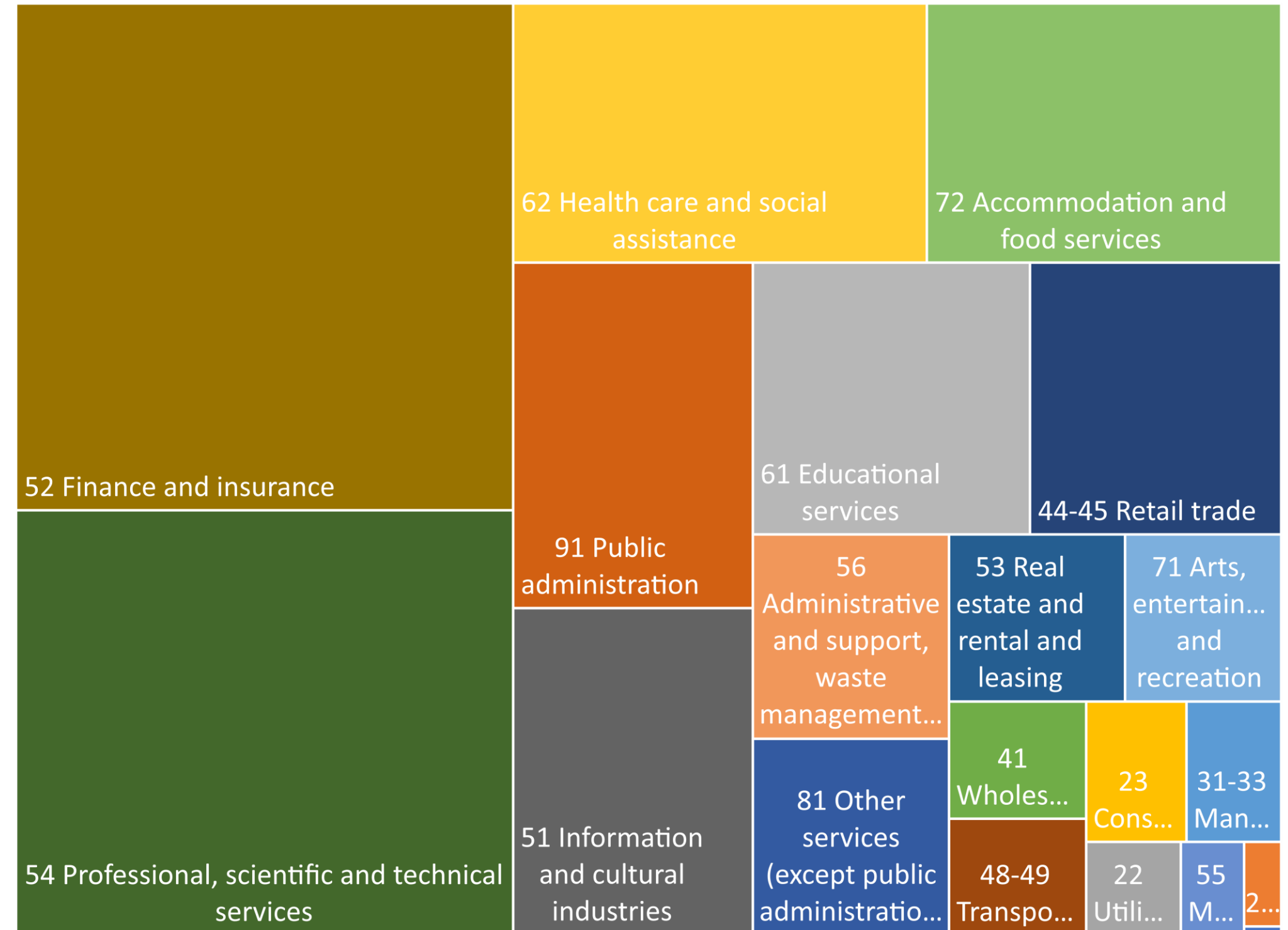
## Goods Production & Distribution District

62% of workers required onsite



## Metropolitan Centre

33% of workers are required onsite

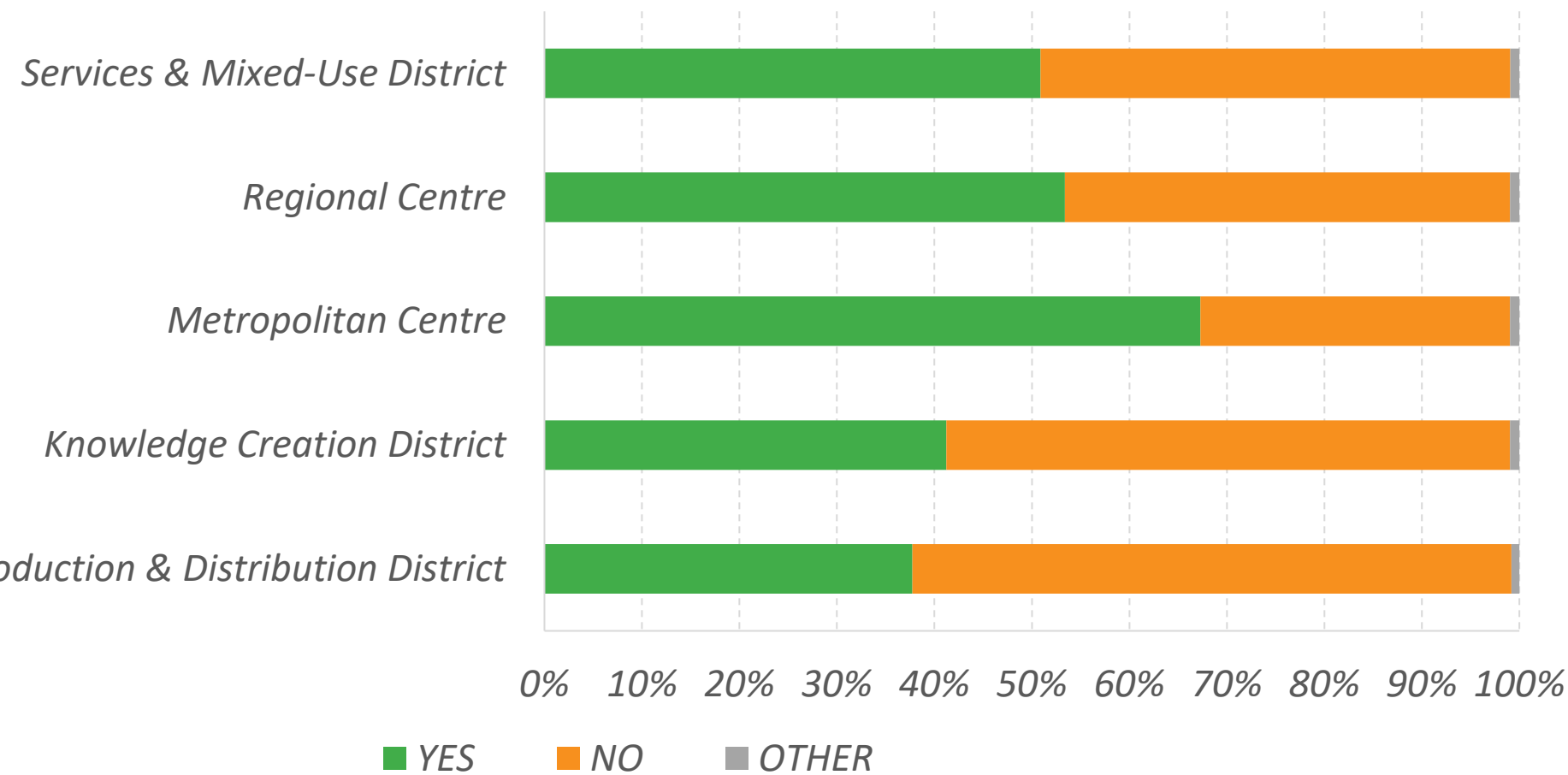


# Measuring the Economic Impact of the Pandemic on Business Districts



# Impact of nature of work in each business district on travel

Proportion of Workers with a Capacity for Remote Work, 2016



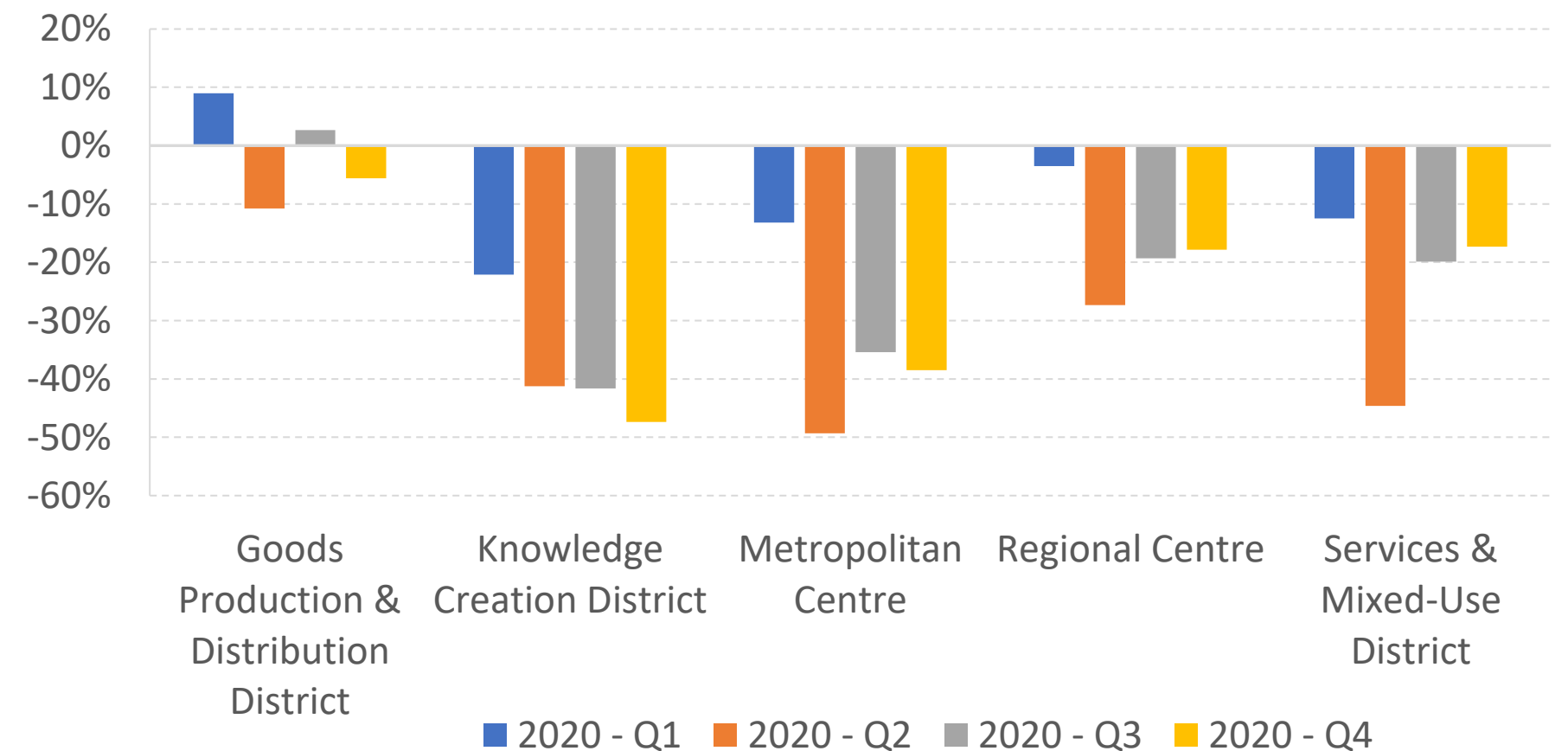
Source: EBI analysis of Statistics Canada, *Census* (2016).

**Remote work capacity differs markedly across Districts.** In Metro Centre, 67% of workers were quickly able to pivot to work from home. In the Financial District, remote work capacity was 85%.

## Commuter trips by vehicles in the Corridor dropped in most Districts through 2020.

Early signs of recovery in Goods Production District was driven by the presence of essential businesses.

Year-over-Year % Change in Daily Vehicle Trips for Home to Work Commuters



Source: StreetLight (2020).

# The concentration of hardest hit industries across business districts

## The hardest hit industries during the pandemic include:

- Air Transportation
- Arts, Recreation and Entertainment
- Accommodation and Food Services

These industries tend to be dominated by SMEs and employ large numbers of vulnerable workers. As the region’s tourism and culture hub, the Metropolitan Centre has the highest proportion of jobs in these industries, followed by the Regional Centres, which represent ‘mini downtowns.’

Total and Share of Jobs in Impacted Industries, 2016

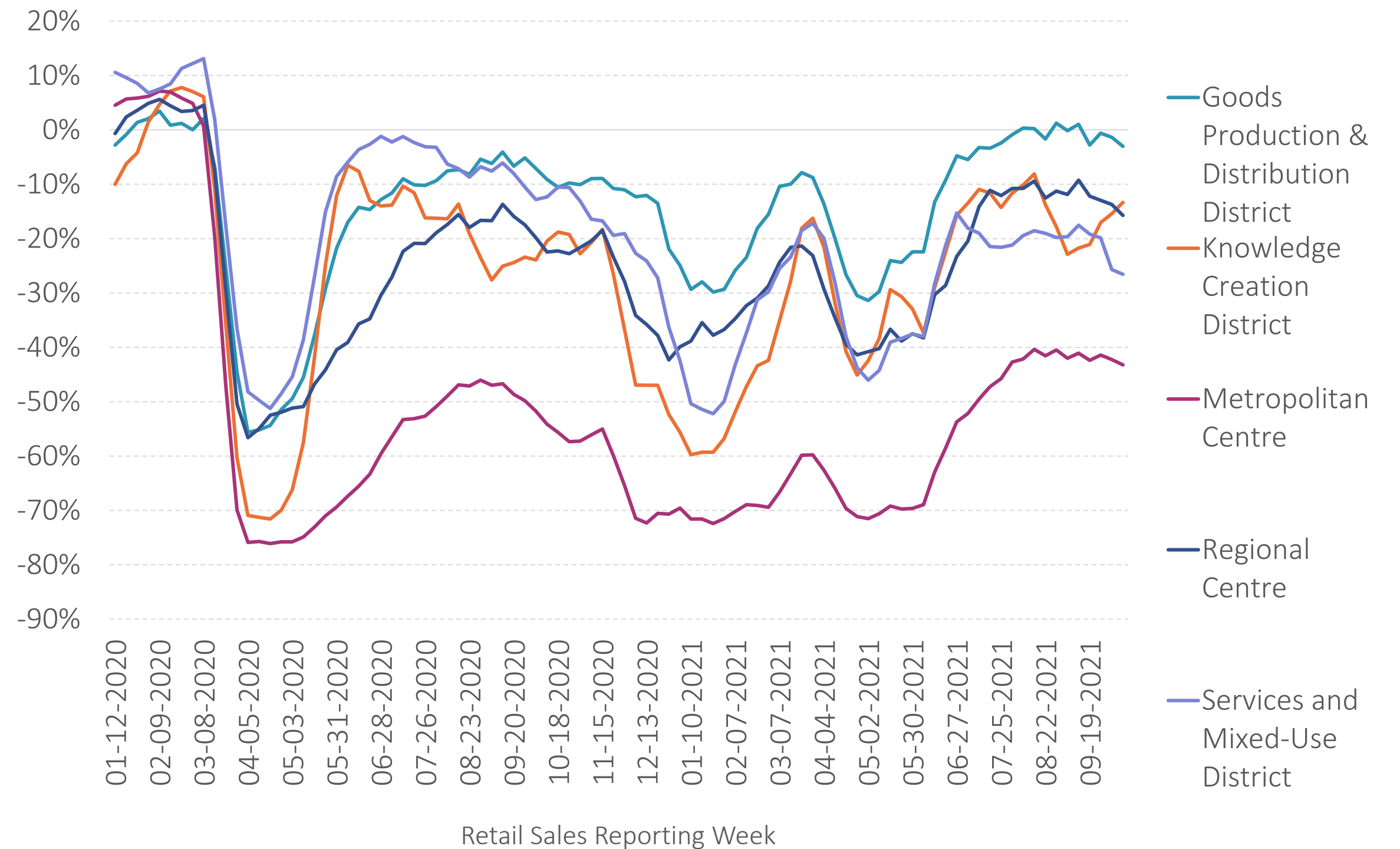


Source: “Place of Work,” Statistics Canada, Census (2016).

# Consumer Spending: a key indicator of economic impact to Business Districts






**In-person consumer spending plummeted in the Corridor during the initial lockdown.** Some Districts saw sharp recoveries when the lockdown was eased – especially the Goods Production & Distribution and Services & Mixed Use Districts – but others, such as the Metropolitan Centre, spending levels remained suppressed.

In-Person Consumer Spending, % Change from 2019, Innovation Corridor



Source: Moneris(2021).

# Key-Takeaways By Business District

		Description	Reopening Considerations	Key Recovery Drivers	Strategies for Recovery
	MC	The region's dominant urban centre	Enabling safe travel and managing high levels of density and use of space	<ul style="list-style-type: none"> <li>Attracting foot traffic back into the District</li> <li>Future of the office and office space</li> </ul>	<ul style="list-style-type: none"> <li>Investing in Smart Cities technologies</li> <li>Re-imagining use of urban infrastructure and space</li> </ul>
	GPDD	Areas with a predominance of activities related to large-scale production and movement of goods	Mitigating transmission in workplaces and contact tracing capabilities	<ul style="list-style-type: none"> <li>Acceleration of e-commerce</li> <li>Revitalizing the air transportation industry</li> </ul>	<ul style="list-style-type: none"> <li>Multi-model goods movement strategy</li> <li>Advancing First and Last Mile Mobility Solutions</li> </ul>
	SMUD	Mixture of less dense professional services, manufacturing hubs and retail services	Tailored protocols for a safe reopening for a diversity of operations	<ul style="list-style-type: none"> <li>Acceleration of e-commerce</li> <li>The future of suburban office parks</li> </ul>	<ul style="list-style-type: none"> <li>Protecting employment lands</li> <li>Re-imagining suburban office parks</li> </ul>
	RC	Urban and suburban centres anchored by municipal institutions, shopping malls and transit hubs	Enabling safe use of transit and managing moderate density and mixed-use business areas	<ul style="list-style-type: none"> <li>Sustainable regional transit infrastructure</li> <li>Attracting foot traffic back into the District</li> </ul>	<ul style="list-style-type: none"> <li>Re-imagining the RC as a place to live, work and play</li> <li>Implementing Regional Express Rail</li> </ul>
	KCD	Campus-style anchor institutions such as universities, colleges, and teaching hospitals	Safe re-opening of universities and colleges in the fall and use of transit for students	<ul style="list-style-type: none"> <li>Maintaining the presence of international students</li> <li>Supporting re-training of workers</li> </ul>	<ul style="list-style-type: none"> <li>Reviving Canada as a country of choice for international students</li> <li>Leveraging Strengths in Life Sciences</li> </ul>

# Measuring Recovery

# EBI Recovery Tracker: Overview

## Description

A dynamic web-based dashboard that tracks the progression of economic recovery in the *Innovation Corridor* and across each of the Board's five established Business Districts. In particular, the dashboard will provide insights into how key economic metrics have changed since the start of the pandemic.

## Objectives

- Produce geographically granular and timely insights to monitor recovery and to inform government response to recovery
- Empower stakeholders to track recovery in the Corridor
- Assess recovery trajectories and economic disruptions across the five Business Districts to support business and workforce recovery

## Indicators

### Corridor-Wide:

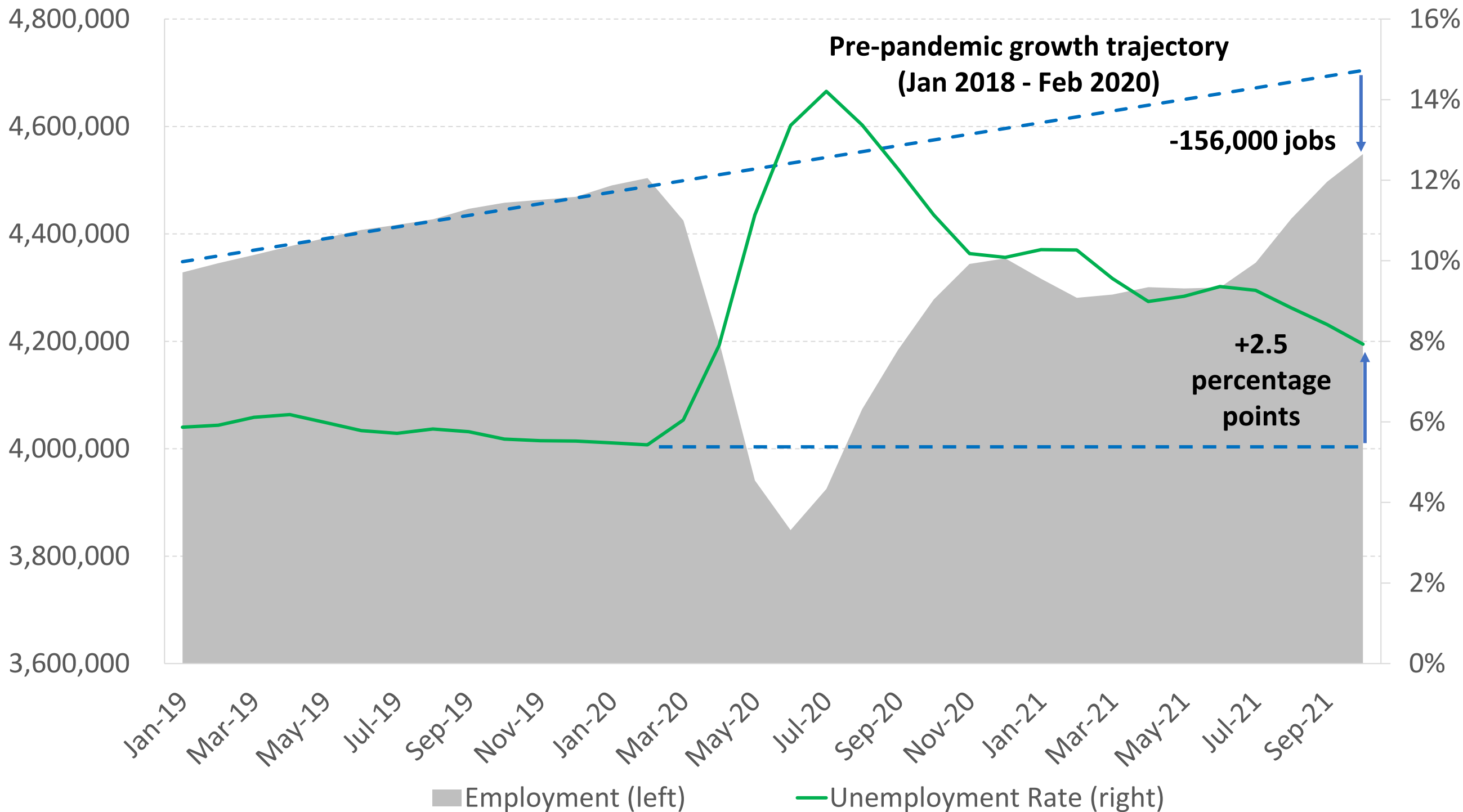
- Total employment and employment by sector
- Unemployment Rate
- Employment Rate
- Number of active businesses

### By Business District:

- Vehicle trips by destination
- In-person consumer spending
- E-commerce consumer spending
- Consumer spending by Industry Group
- Number of day-time workers
- Number of visitors

# Labour Market Insights

Employment and Unemployment Rate, Innovation Corridor



- Employment in the Corridor recovered to pre-pandemic levels in September, 19 months after February 2020.
- The difference between actual employment and the pre-pandemic trend of job growth shrunk to -156,000 jobs or -3%.
- At 7.9%, the unemployment rate remains a challenge
- Close to 23% of unemployed individuals in Canada live in the Toronto CMA – up from 17% in February 2020

Source: Statistics Canada, Labour Force Survey.

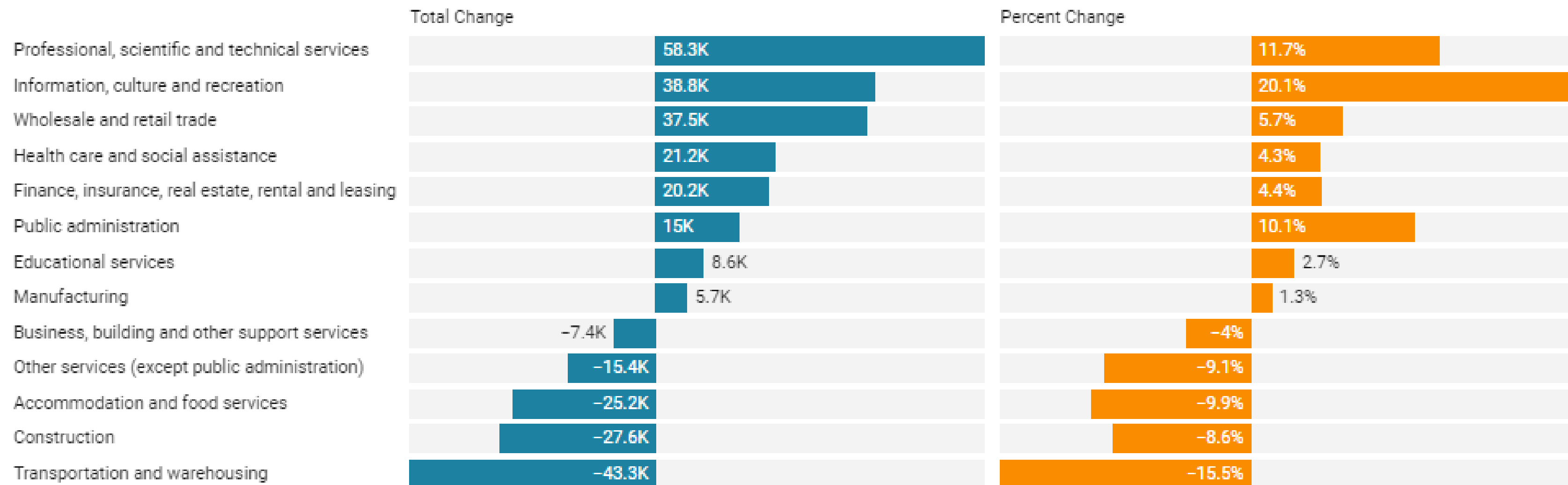
# Labour Market Insights

- Transportation and warehousing, food and accommodation, and construction sectors account for the largest share of employment losses in the Corridor.

## Change in Employment by Sector

Three-month moving average, unadjusted for seasonality. Innovation Corridor. Oct 2019 - Oct 2021.

■ Total Change ■ Percent Change

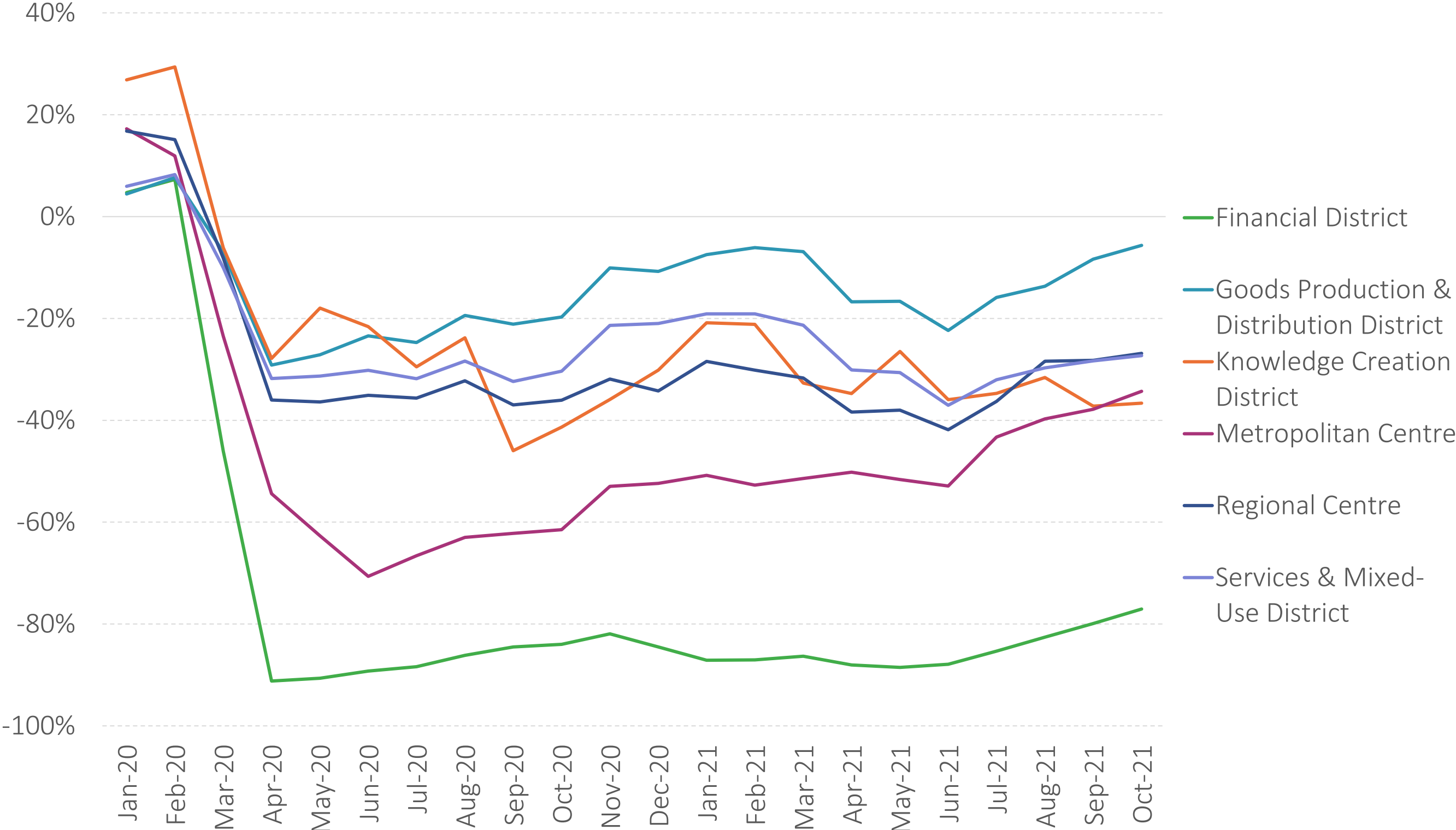


Sectors with data suppression have been omitted



# Mobility Insights

Average Weekday Workers Volume, % Change from 2019, Innovation Corridor

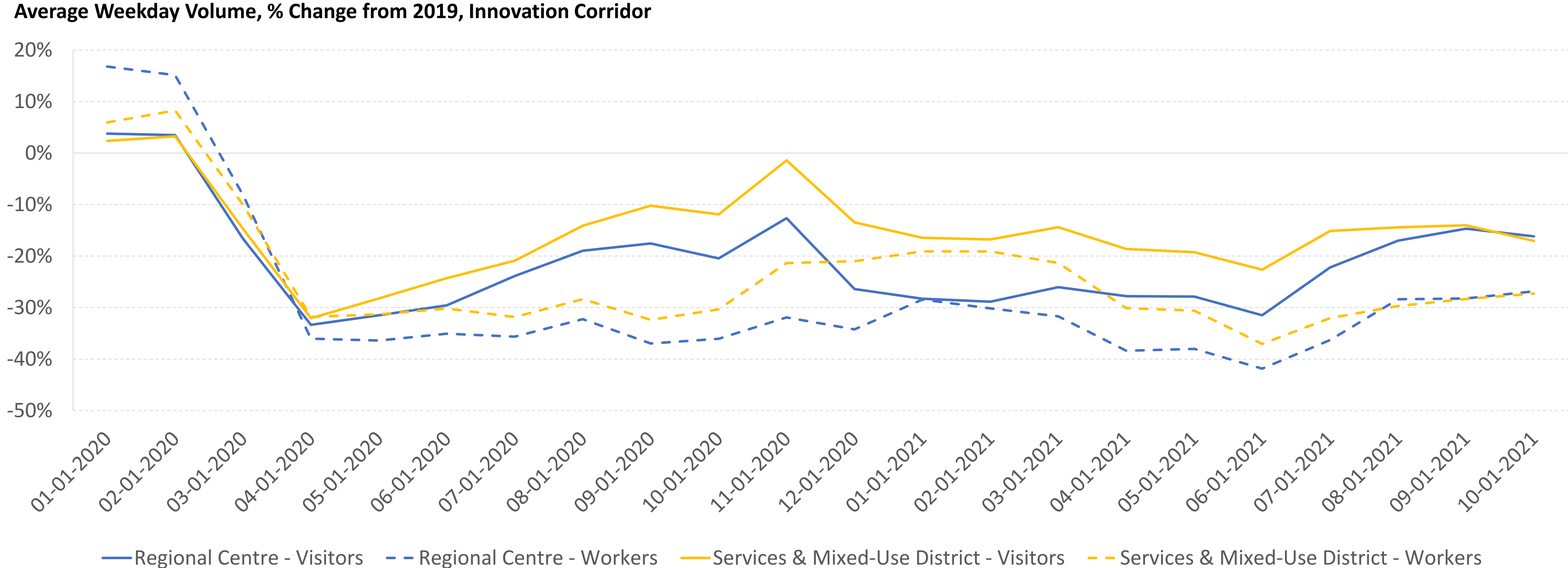


- Goods District leads the way in return-to-work volume
- Metro Centre saw the sharpest decline in worker volumes, owing to significant work-from-home capabilities (67% can telework)
- Workers have since begun to return back to the office in the MC - not the case in the Financial District

Source: Telus Insights (2021).

# Mobility Insights

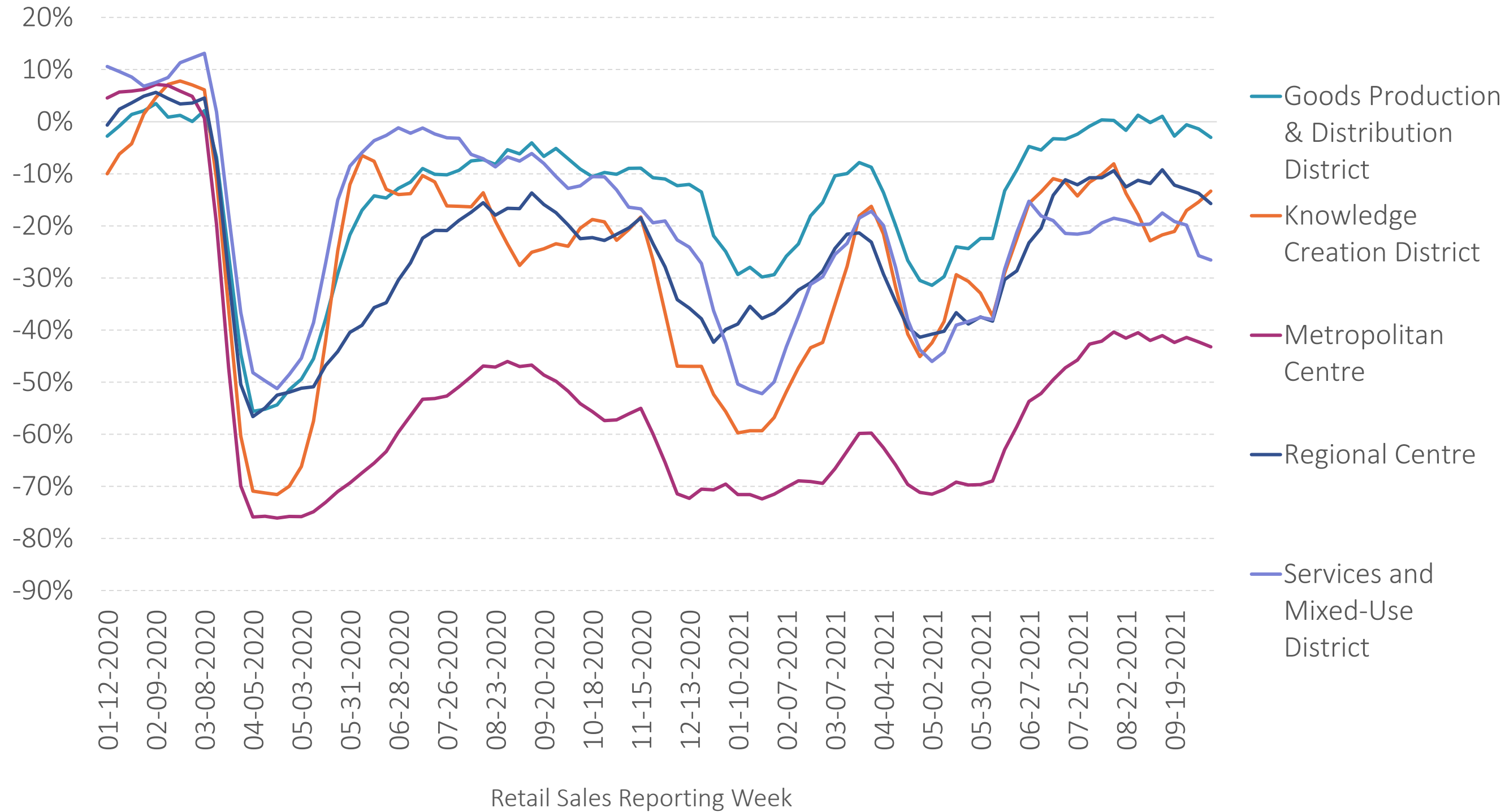
- Visitor volumes in some districts recovering at a faster pace than workers



Source: Telus Insights (2021).

# Consumer Spending Insights

In-Person Consumer Spending, % Change from 2019, Innovation Corridor



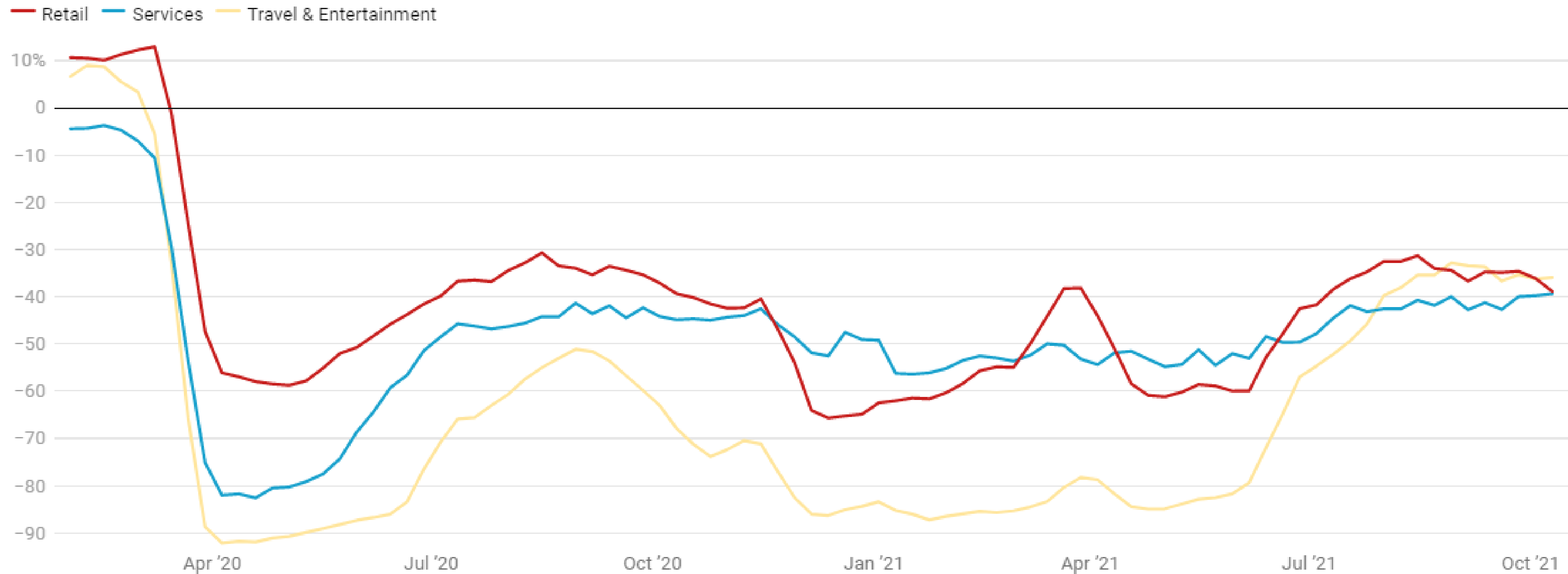
- Recovery for in-person spending has lost momentum since the summer
- Spending in the Metro Centre is still 40% below 2019 levels
- Spending in services related to transportation and entertainment surged as restrictions were eased but have tapered off again

Source: Moneris(2021).

# Surge in Transportation & Entertainment Spending

## Consumer Spending, In-person (Metropolitan Centre - % change from 2019)

Weekly in-person transactions by spending category. % change from the same week in 2019. Three-week moving average. Innovation Corridor. Feb 2020 - Oct 2021.

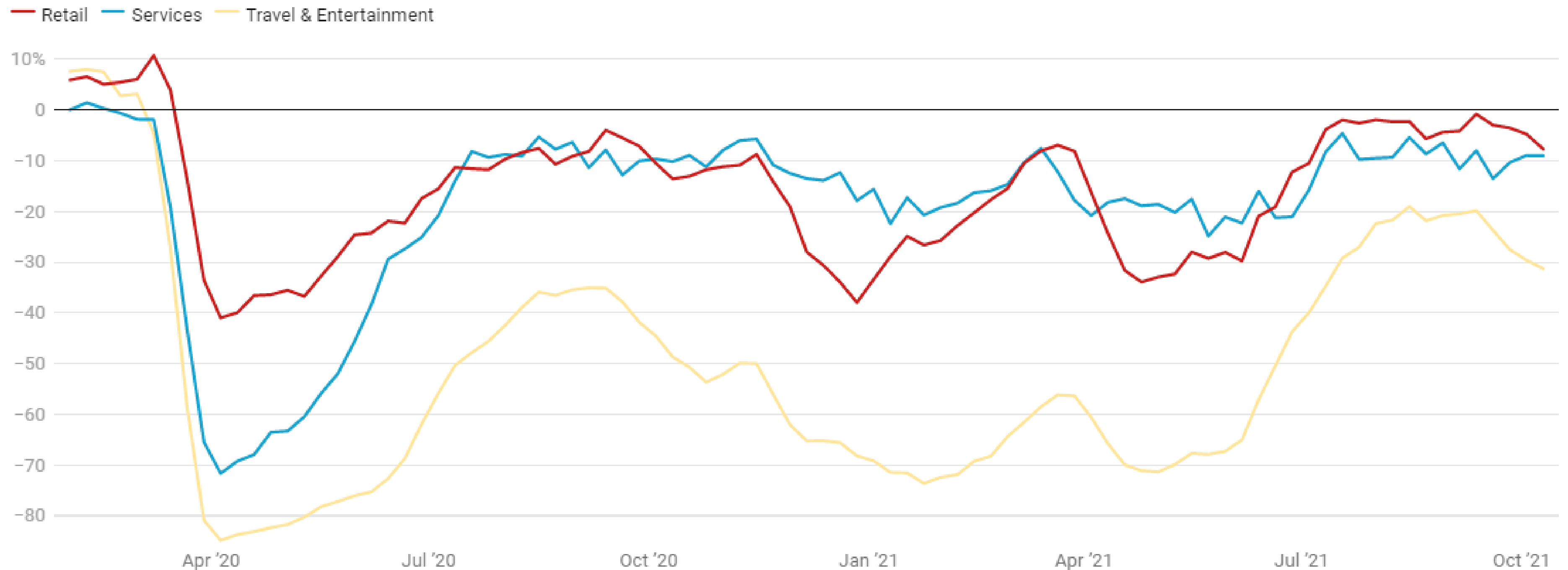


Source: Moneris(2021).

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Source: Moneris(2021).

# Challenges for Enabling Growth

- Granular and timely data to understand recovery challenges & identify strategies for growth
- Economic zone planning to build a more competitive region
  - Infrastructure needs specific to business districts
    - Transit
    - Movement of Goods
    - Climate Economy
- Enabling economic opportunities for businesses
  - Talent acquisition and retention

# What's Next for our Work

- Continue to track recovery across business districts through Q1, 2022
- Convene regional stakeholders on key issues driving recovery in the Innovation Corridor
- Conduct 'Deep Dives' into Business Districts—Toronto Pearson Logistics Zone
- Champion economic zone planning through TRBOT advocacy
  - To fill data gaps with more timely, granular, and standardized economic data
  - To take a more strategic and integrated approach to planning city-regions

**Please reach out for further discussion.**

**Marcy Burchfield**

Vice President, Economic Blueprint Institute  
Toronto Region Board of Trade

**MBURCHFIELD@BOT.COM**

**416-302-4462**

**TWITTER | @BURCHFIE**

**Saad Usmani**

Director of Sector Research, Economic Blueprint Institute  
Toronto Region Board of Trade

**SUSMANI@BOT.COM**

**289-819-0978**

**TWITTER | @USMANISAAD**