



> WHO WE ARE

With a population of more than seven million people (Fig. 1), the Toronto Region is the third largest of the comparator regions. It has fewer people than Illinois and Michigan, but a larger population than the other comparator regions. The region's population growth rate, at almost 2% over the last 10 years (Fig. 2), is healthy, fueled by growing numbers of educated immigrants. Household income is relatively high, and many people subscribe to wireless services. Its industrial sectors are diverse, and the region fares well in the high technology-related fields.

THE TORONTO REGION HAS RELATIVELY STRONG POPULATION GROWTH

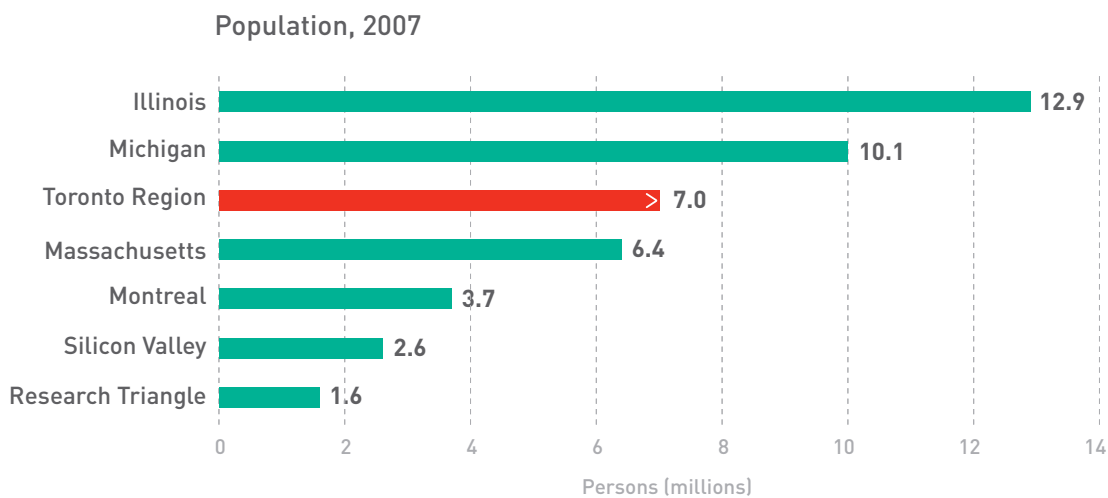
As Fig. 3 indicates, the Toronto Region's closest comparator, the Research Triangle, has a greater annual net migration. The Research Triangle's

population, however, is a quarter the size of the Toronto Region. In absolute numbers, the Toronto Region grew three times more – by approximately 140,000 people – than the Research Triangle, which grew by approximately 45,000 people.

The Toronto Region's net natural increase in population (i.e. births in the region) has remained steady at approximately 40,000 persons per year. As Fig. 4 shows, on balance, the population of the region increases by more than 80,000 persons annually – largely fueled by immigration, (i.e. adding births to immigrant numbers and subtracting migration from out of the region).

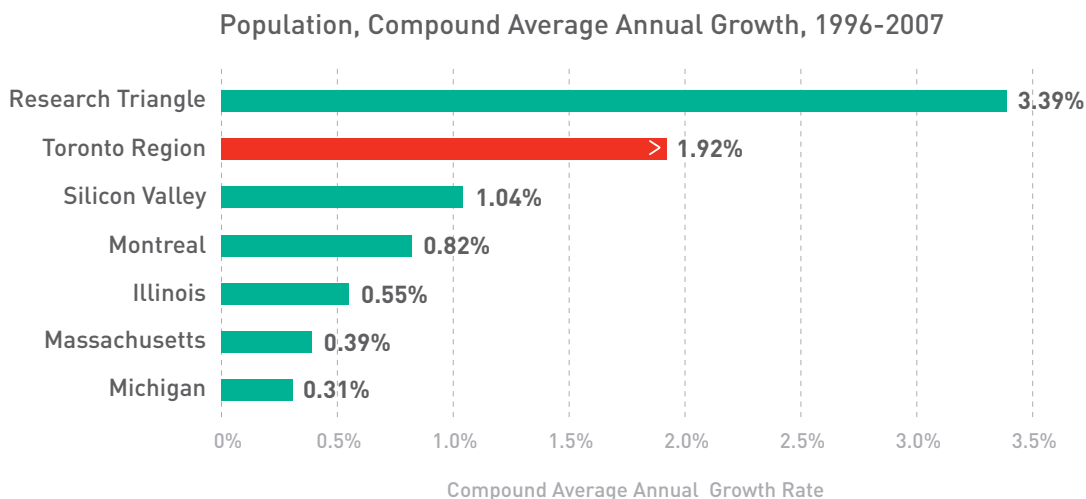
Indeed, the number of immigrants to the Toronto Region has been more than double that of the Toronto Region's closest comparator, the Research Triangle, in each year between 2000 and 2006.

Fig. 1



Sources: Statistics Canada, Conference Board of Canada, U.S. Census Bureau, California Department of Finance

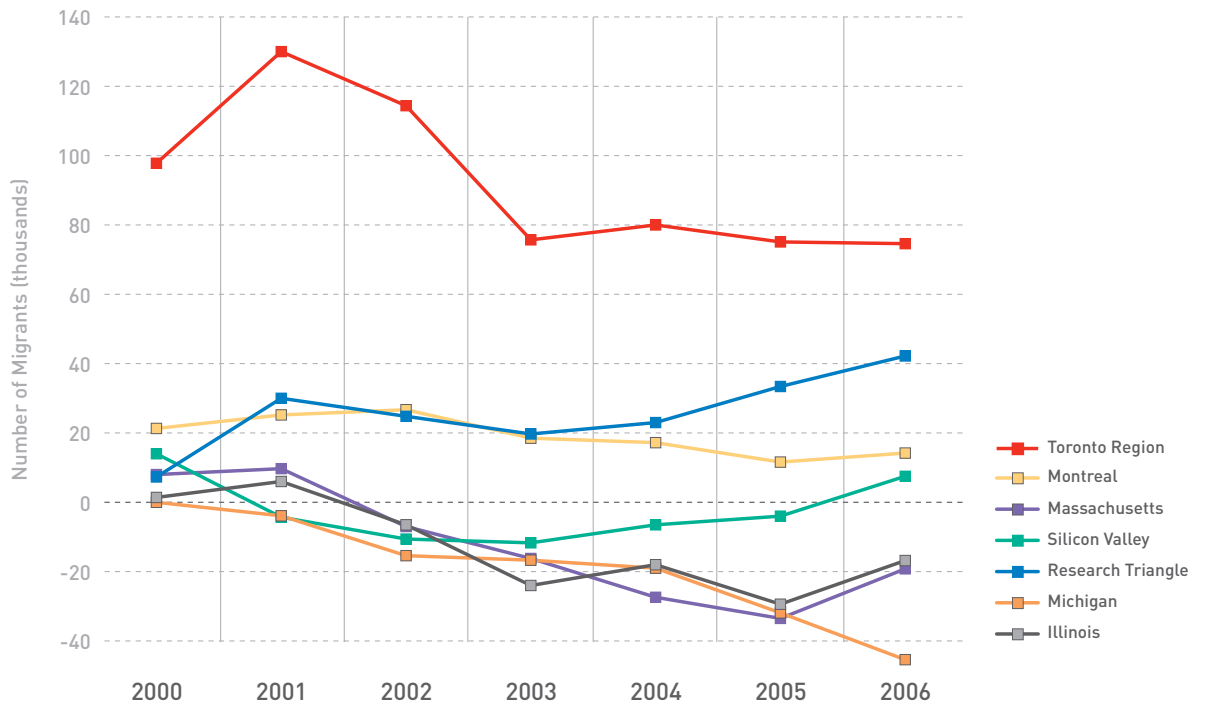
Fig. 2



Sources: Statistics Canada, Conference Board of Canada, U.S. Census Bureau, California Department of Finance

Fig. 3

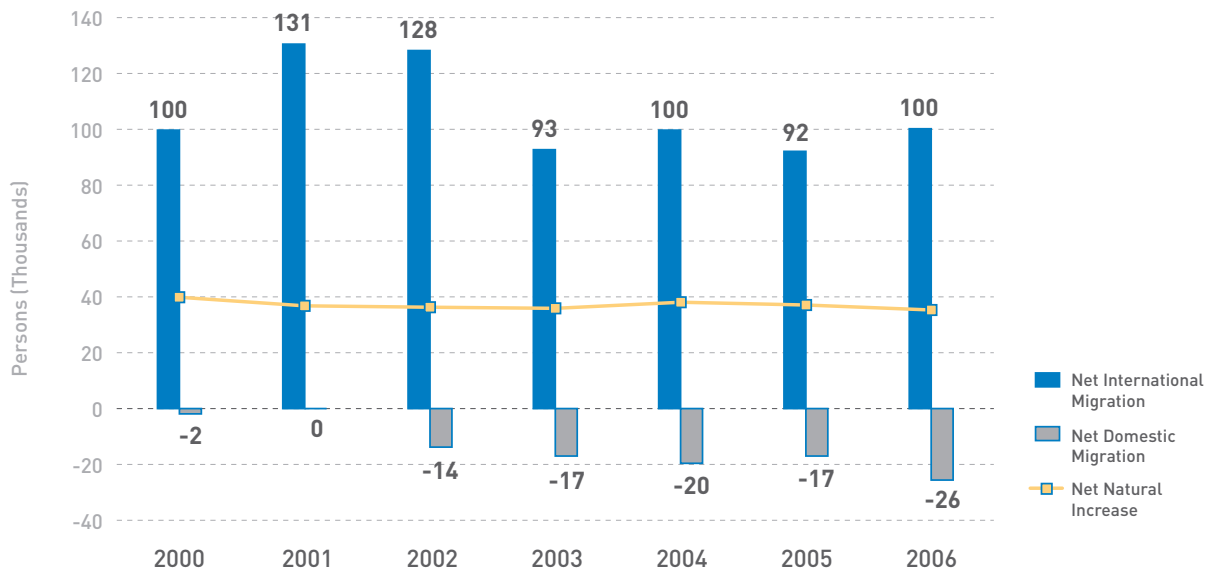
Annual Net Migration (International and Domestic), 2000-2006



Sources: Conference Board of Canada, U.S. Census Bureau, California Department of Finance

Fig. 4

Annual Components of Population Change, Toronto Region, 2000-2006



Source: Conference Board of Canada

MOST IMMIGRANTS ENTER THE REGION AS HIGHLY-EDUCATED WORKERS

The Toronto Region has been, and continues to be, a magnet for educated and experienced immigrants. Since 1961, more than a quarter of Ontario's population (26.8%) has been born outside Canada. This proportion is 33.0% in all city regions, but 43.4% in Toronto.²

Large numbers of educated immigrants are symptomatic of a national trend. In 1995, 21% of immigrants to Canada had a university degree; in 2000 this percentage had risen to 26%. The percentage of native-born Canadians with university degrees rose at a much slower rate, from 16% to 18% over the same period.³

Results from the 2001 census indicated that immigration has continued to be of growing importance to the region's population.⁴ By 2006, of the 636,500 recent core working-age immigrants who arrived in Canada, the lion's share went to Ontario's labour market (51.1%), followed by Quebec (19.2%) and British Columbia (15.9%).⁵ As Fig. 5 shows, between 2001 and 2006, the Toronto Region benefited from almost 45% of the new immigrants to

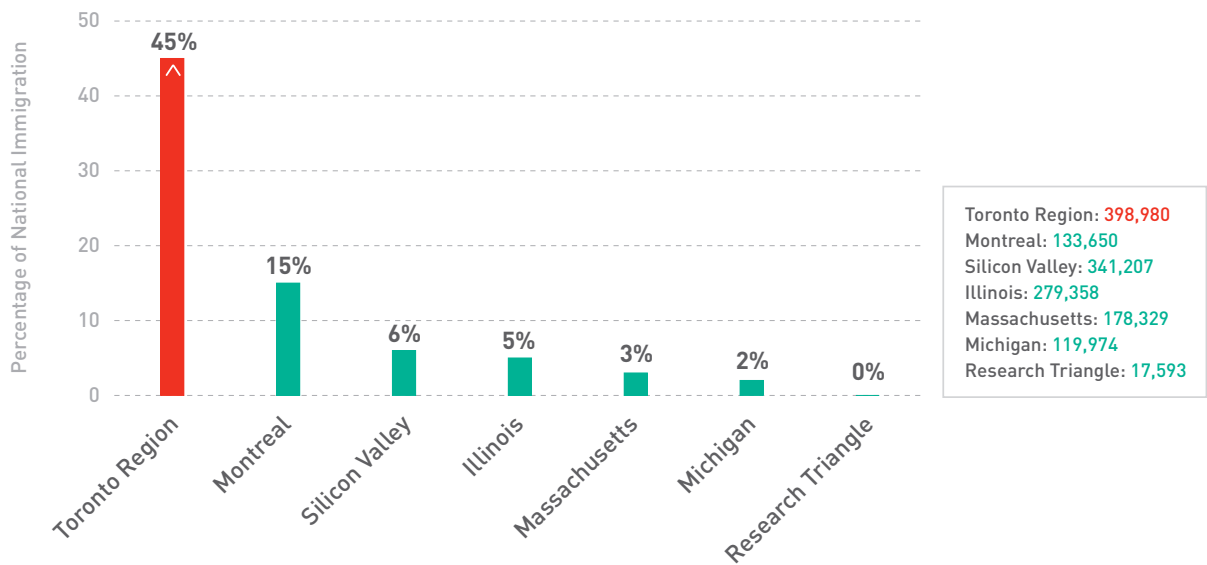
Canada, welcoming approximately 400,000 people. This represents approximately 60,000 more immigrants than the region's closest comparator, Silicon Valley, and three times more than its Canadian comparator, Montreal.

This influx of immigrants is particularly good news for the Toronto Region. In the years between 2000 and 2006, the Toronto Region welcomed increasing numbers of highly-educated and skilled immigrants as Fig. 6 shows. Of these immigrants, 73% are in the labour force (Fig. 6a) and, of this, 88% or approximately 196,000, are employed.

The positive contribution of educated immigrants to the Toronto Region is corroborated by national studies, which show that a higher percentage of immigrants with post-secondary education are entering the workforce. According to a recent StatsCan study on immigrants to Canada, "in 2007, the largest gains in immigrant employment were among university-educated immigrants of core working age. While employment for immigrants with other levels of education was mostly unchanged, those with university degrees had an estimated gain of 62,000 (+7.0%), all in full time."⁶

Fig. 5

Number of Immigrants as a Percentage of the National Number, 2001-2006



Sources: Statistics Canada, U.S. Census Bureau

Fig. 6

Immigrants to the Toronto Region, Highest Level of Education, Period of Immigration, 1991-2006

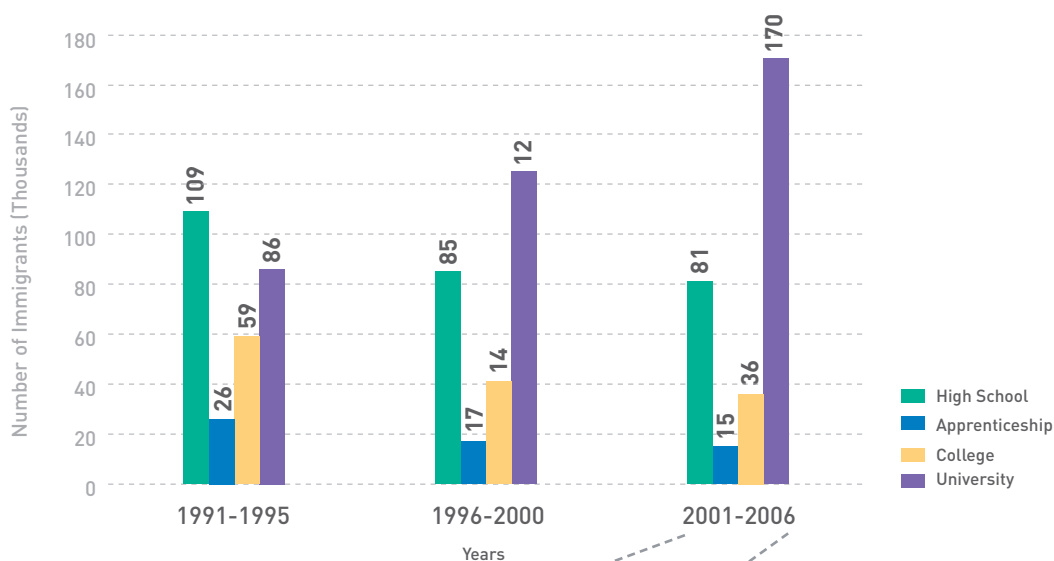
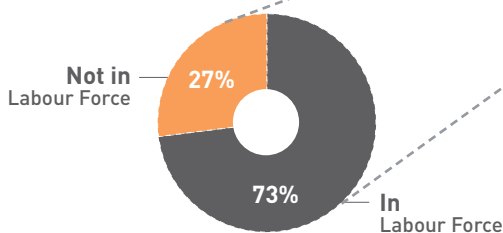


Fig. 6a

2006 Labour Force Status of Immigrants Arriving Between 2001-2006



73% of immigrants (221,000) arriving between 2001-2006 are in the labour force. Of this number:

- 196,000 were employed (88%)
- 25,000 were unemployed (12%)

Source: Statistics Canada

WHY ARE POPULATION GROWTH AND IMMIGRATION IMPORTANT?

The high rate of population growth in the Toronto Region is widely considered to be a requirement for economic growth, providing human capital and a constant influx of talent. As Dr. Larry Swanson, associate director of the University of Montana's O'Connor Center for the Rocky Mountain West pointed out, "economic strength follows population strength: population growth means economic growth and diversification; population loss means economic loss or stagnation."⁷

Immigrants – particularly the well-educated immigrants who are coming to the Toronto Region – are of particular importance in bolstering labour force growth. Immigrants enrich the Toronto Region with their skills, training and life experiences, augmenting the region's foundation for innovation. In fact, the Caledon Institute of Social Policy points to immigrants as a counterpoint to the much-debated "brain drain."⁸

THE TORONTO REGION IMMIGRANT EMPLOYMENT COUNCIL (TRIEC)

Established in September 2003, TRIEC is comprised of employers, labour, occupational regulatory bodies, post-secondary institutions, assessment service providers, community organizations, and all three levels of government. Its primary goal is to find and implement local solutions that help break down the barriers immigrants face when looking for work in the Toronto Region.

"The Toronto Region continues to attract large numbers of skilled immigrants who comprise virtually all net labour force growth in the region," says TRIEC director Elizabeth McIsaac. "This offers the local economy a competitive advantage if the skills and knowledge of these workers can be effectively leveraged and integrated."

Immigrants also add what one researcher calls “knowledge spillover,” the learning and transfer of knowledge between individuals and firms that precedes innovation.

“Innovations occur when individuals with high degrees of existing creativity or knowledge make new and novel combinations of this knowledge with new insights observed or learned through spillovers,” say Brian Knudsen, Richard Florida, Gary Gates, and Kevin Stolarick in *Urban Density, Creativity, and Innovation*. They go on to point out that such spillovers occur “when one individual’s creativity is transferred to another individual or firm. These creative spillovers are in part believed to arise due to frequent face-to-face interactions and communication between individuals.”⁹

Is the Toronto Region taking full advantage of this latent potential?

Recognition of immigrants’ credentials has been a stumbling block in the past. According to data from Status of Women Canada, just over half of foreign-trained professionals are working in professions or trades three years after immigrating.¹⁰ In addition, the human capital of increasing number of immigrants from eastern Europe, south, east and west Asia and Africa who are now arriving (rising from 35% in 1981 to 72% in 2001) “may initially be less transferable due to potential issues regarding language, cultural differences, education quality, and possibly discrimination.”¹¹

EMPLOYMENT IN KEY INDUSTRIAL SECTORS IS STRONG

The Toronto Region has high levels of employment in key non-manufacturing industrial sectors, largely due to its

ENCOURAGING IMMIGRATION OF SKILLED AND EDUCATED WORKERS

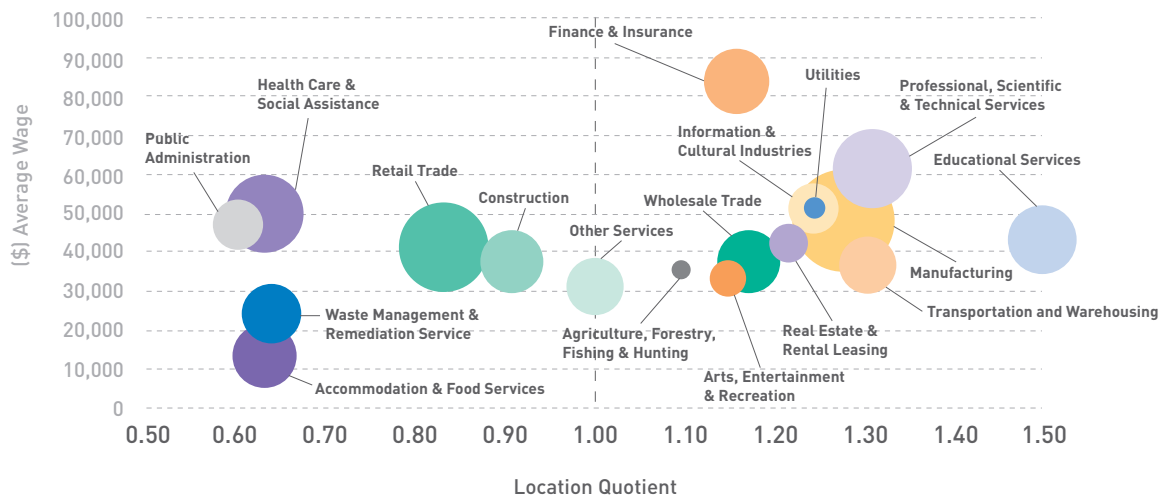
- Ontario now has an uncapped number of work permits available to foreign workers. For intra-company transfers, the process is fast and straightforward: transferees can quickly obtain a work permit for up to seven years. (www.cic.investinontario.com/bi)
- Ontario’s Provincial Nominee Program, an expedited permanent resident visa program, allows employers to permanently recruit high-end research staff and other workers within defined occupations. (www.ontarioimmigration.ca/english/pnp.asp)
- The 2007 federal budget created a Foreign Credential Recognition office (which has, however, so far limited itself to giving referrals to appropriate provincial offices).*
- In November 2007, Ottawa announced expanded foreign credential referral services in India and China that offer orientation sessions for potential immigrants.*

* The Conference Board of Canada, *The Canada Project Progress Report 2007: The Roads Not Travelled: Insights You Can Count On*, (Ottawa: The Conference Board, 2008)

strong regional focus and expertise in many sectors outside its traditional manufacturing base. Fig. 7 shows that the Toronto Region has a wide range of industrial sectors, and that the majority of industries in the Toronto

Fig. 7

Industry Sectors, by Size, Average Wage, and Relative North American Concentration, Toronto Region, 2006



Sources: Statistics Canada, U.S. Census Bureau

Region are performing better than in the rest of Canada. The X-axis of this graph shows its Location Quotient (LQ) – the employment concentration of industry clusters in the Toronto Region compared to the same industry clusters across North America. Industries with a LQ of one are performing at the average level. Those with a score higher than one have a higher competitive advantage. The Fig. 7 also shows that salaries are high in many of the region’s larger and stronger sectors. The relative size of the sphere shows the number of people employed in the sector, and many sectors in the region are quite large.

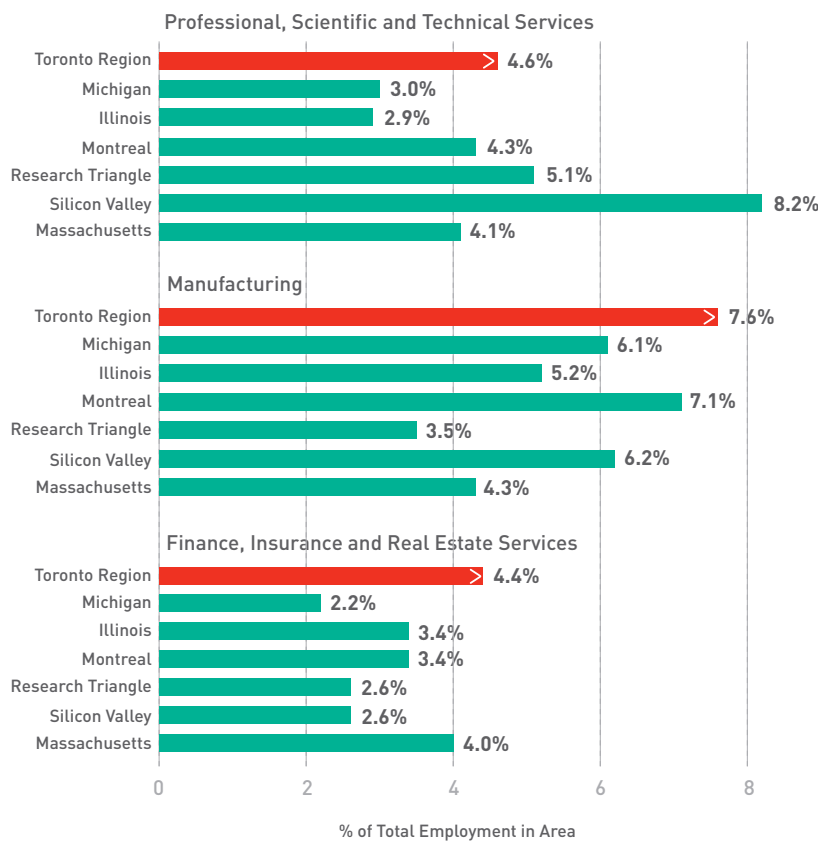
“...what you’re looking at here is really a story of diversity versus one of specialization.”

– Meric Gertler,
Dean of Arts and Science, University of Toronto

The region has high levels of employment in the Manufacturing and Professional, Scientific and Technical sectors as well as in Finance, Insurance and Real Estate sector and compares favorably to Silicon Valley and Massachusetts, in each of these sectors (Fig. 8). This is of particular importance as these regions are strong performers in both R&D and innovation performance.

Fig. 8

Industrial Employment, Percentage in Key Sectors, 2007



Sources: Statistics Canada, U.S. Census Bureau

EMPLOYMENT OPPORTUNITIES ARE DIVERSE

The Toronto Region has a wide range of specializations and many occupations within the working population (Fig. 9). Approximately 75% of these occupations require specialized training and education, indicating the region has a labour force which is “rich” in specialized skills and education.

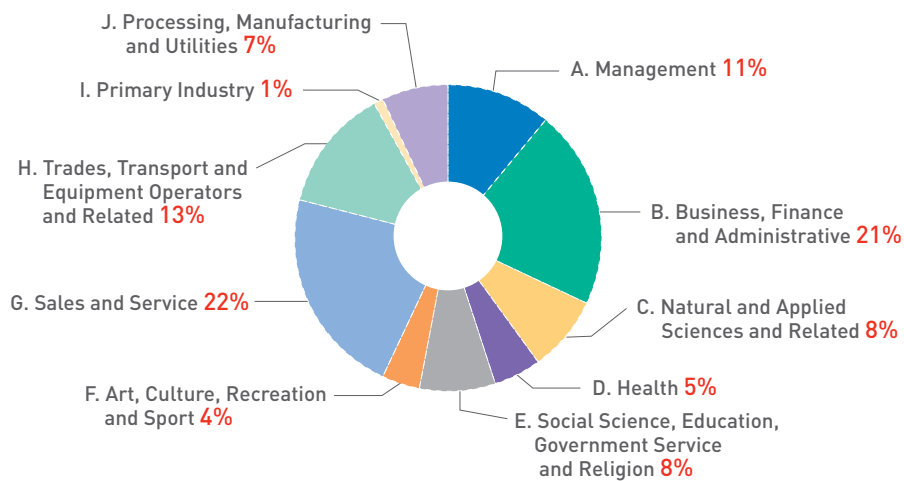
MANY “FIRMS TO WATCH”

The Toronto Region has many successful high-tech “firms to watch.” As Fig. 10 shows, the region fares well among its comparators with fastest-growing technology firms in North America between 2001 and 2007.

While the region pales in comparison to the numbers in Silicon Valley and Massachusetts, it performs well in comparison to other selected regions, consistently out-performing Montreal, Research Triangle, Illinois and Michigan.

Fig. 9

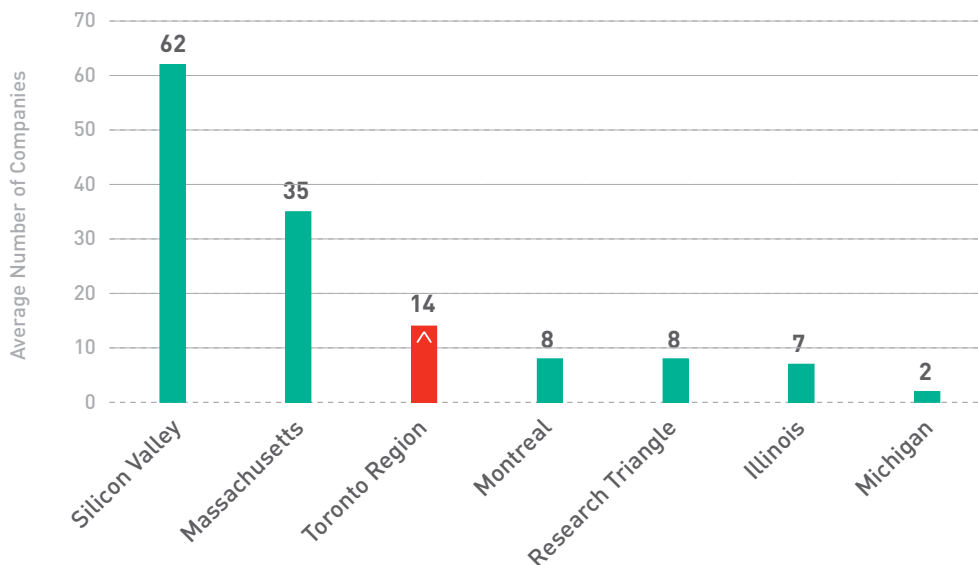
Labour Force by Occupation, Toronto Region, 2006



Source: Statistics Canada

Fig. 10

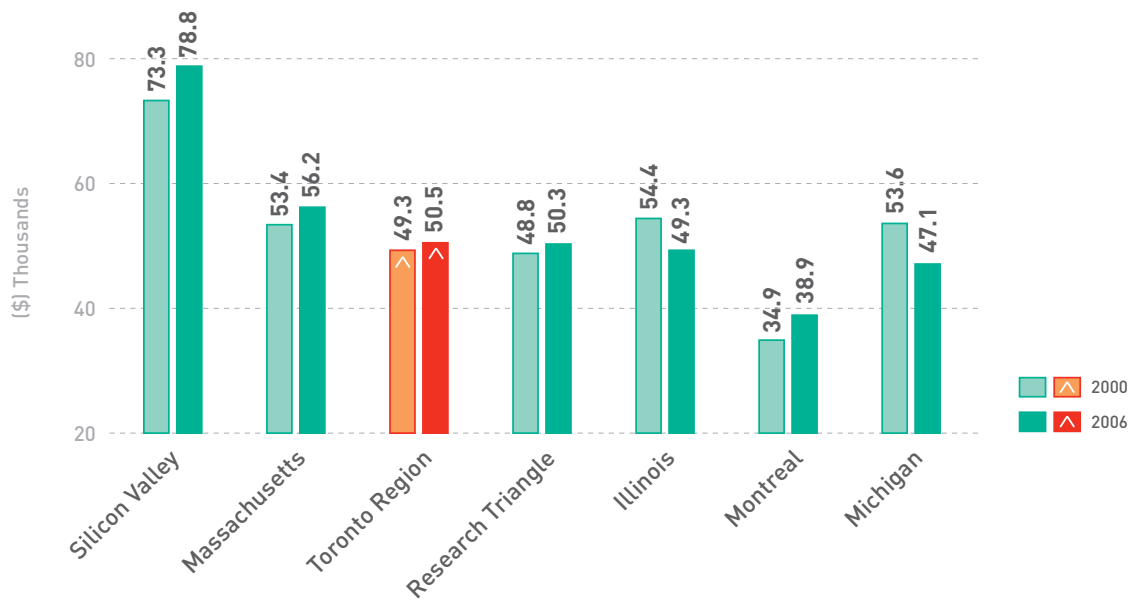
Technology “Fast 500 Companies” Annual Average Number, 2001-2007



Source: Deloitte and Touche

Fig. 11

Median Household Income, Constant 2006 USD, 2000 and 2006



Sources: Statistics Canada, U.S. Census Bureau, U.S. Department of Labor-Bureau of Labor Statistics

WHY IS A DIVERSE ECONOMY IMPORTANT?

Diversity in the Toronto Region industry and multiple employment sectors has contributed to stronger population growth than in areas that are heavily reliant on a manufacturing base. Furthermore, the region's diverse areas of specialization add economic stability. Because the Toronto Region is not dependent upon one sector, its economy may not be as vulnerable when one sector is suffering, because others are available to support the economy.

Many strong industrial sectors indicate that the Toronto Region is doing an excellent job of maintaining and growing non-manufacturing related industries and supplying the human capital required for these jobs.

HOUSEHOLD INCOME GROWTH IS HEALTHY

The Toronto Region's average household income growth, while lower than in Massachusetts and Silicon Valley, is healthy (see Fig. 11). The Toronto Region's diverse industrial make-up will likely ensure that the region will continue to fare better than the U.S. comparator regions as the economic downturn in the United States begins to affect America's overall income growth.

Michigan and Illinois have already shown declines in household income due to the decline of manufacturing in these regions. A more diversified economy has prevented this from happening in the Toronto Region.

WHY IS HOUSEHOLD INCOME IMPORTANT?

Good household income is a sign of overall economic prosperity and can act as an indicator of innovation. The Toronto Region ranks high in this category, likely due to its diverse industrial sectors, relatively low unemployment rate, and the consistent growth in its economy since the early 1990s.

WIRELESS SUBSCRIBER RATE IS HIGH ACROSS THE REGION

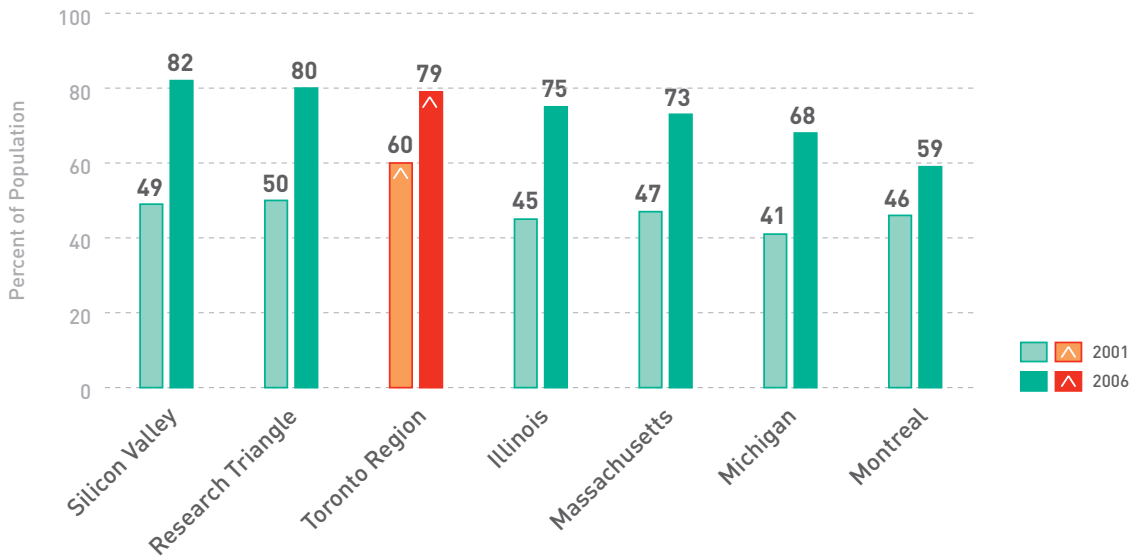
The Toronto Region is keeping up with or is on par with the comparator regions with respect to number of subscribers to wireless communications and services (Fig. 12). Since 2001, however, the region has fallen behind relative to its comparators. In 2001, the Toronto Region had the highest number of subscribers, with a 10% advantage over its closest comparators, Silicon Valley and the Research Triangle. By 2006, the region had fallen to third in this indicator.

WHY IS WIRELESS SUBSCRIPTION IMPORTANT?

The Toronto Region's high number of subscribers to wireless communications indicates a technologically-connected and progressive society.

Fig. 12

Suscribers to Wireless Communications and Services, Percentage of Population, 2001 and 2006



Sources: FCC, Statistics Canada

THE BOTTOM LINE

- Toronto Region has a strong and growing population base
- Toronto Region attracts and retains skilled immigrants
- Toronto Region has a diverse economy, with strong industrial clusters in key areas
- Toronto Region is tech savvy and inter-connected
- The Toronto Region has “fast companies” with highlighted potential for growth