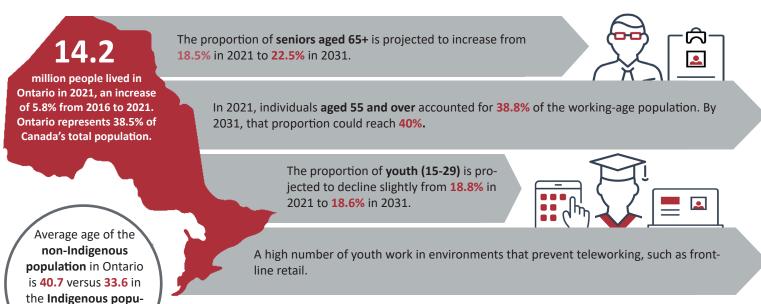
# **ONTARIO ENVIRONMENTAL SCAN** 2021

### DEMOGRAPHICS

lation (Census 2016).



The Indigenous population comprises 2.8% of the total Ontario population (2016 Census), and continues to be under-represented in the labour market, accounting for 2.2% of the Ontario labour force as of 2020. The geographic isolation of many Indigenous communities has heightened the impact of COVID-19 on Indigenous peoples, particularly in terms of access to health care.

Ontario has the largest proportion of recent immigrants arriving in Canada, with 39.0% of recent immigrants who arrived between 2011 and 2016. Newcomers to Ontario have been concerned with health-related issues, employment and finance issues, and education issues due to the COVID-19 pandemic.



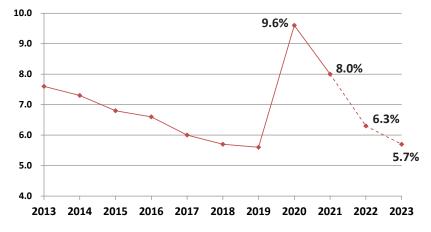
### LABOUR MARKET CONDITIONS

#### In 2021...

Employment recovered significantly (+4.9%)

Unemployment fell, but still above 2019 levels (-14.0%)

### **Ontario's Unemployment Rate**



## **REGIONAL ECONOMIC CONDITIONS**

Ontario's Economic Drivers in 2021

The official-language minority community in Ontario rep-



resents 4.1% of the provincial population (2016 Census), and is prevalent mostly in the Northeast Ontario and Ottawa economic regions.

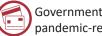
In 2017, 24.1% of the Ontario population aged 15 and over were persons with disabilities. The 2017 Canadian Survey on Disability revealed wide differences in income and employment outcomes of those persons with disabilities when compared with the rest of the population.

Participation rate recovered (63.6% to 64.9%)

Employment rate increased (57.5% to 59.7%)

### In 2022...

- As the economy gradually recovers from the widespread impact of the COVID-19 pandemic, employment in Ontario is projected to expand by about 3.5% in 2022, and to increase further by about 2% in 2023.
- In addition, the Ontario unemployment rate is projected to fall to about 6.3% in 2022, and then to drop further to about 5.7% in 2023.



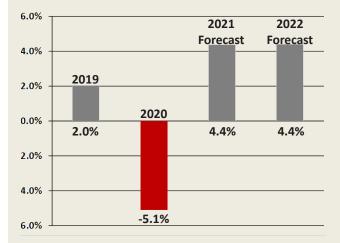
Government expenditures providing pandemic-related support



Growing consumer and business confidence



#### **GDP Growth Rate in Ontario**



#### Reviewing 2021...

Public health measures and restrictions accompanied various waves of the COVID-19 pandemic, leading to significant federal & provincial government support in 2021.

Economic activity rebounded in 2021 in Ontario, as consumer and business confidence grew through the year. Investment flowed into numerous sectors, notably into residential construction and renovation.

Inflation rates reached historic highs, driven by supply chain and labour shortage issues. Pent-up consumer savings, elevated demand for goods and services, and government spending are also contributing factors.

→ Real GDP fell by 5.1% in 2020, but is forecast to grow by about 4.4% in Ontario over 2021, and similarly in 2022. However, risks to the Ontario economy remain due to the unpredictable nature of the pandemic.

#### Risks to the Ontario Economy in 2022 -

- Uncertainty of possible restrictions in response to the ongoing COVID-19 pandemic, resulting in labour shortages, lower production, business layoffs and/or closures.
- Greater digitalization and physical distancing measures, primarily affecting tourism and travel, accommodation and food services, education, and retail trade
- Elevated household debt levels affected by increases in interest rates

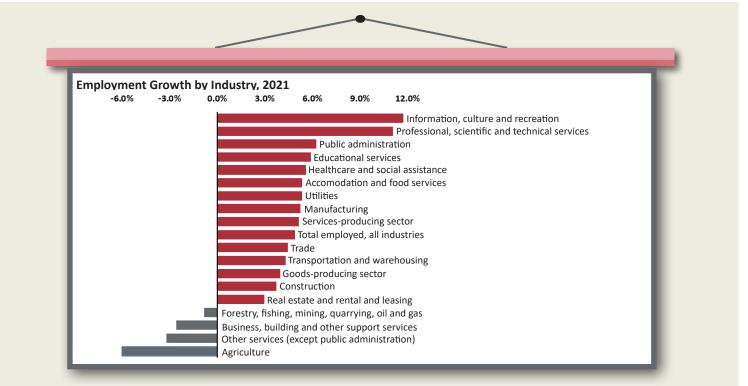
#### Wages and Low-Income Populations



The COVID-19 pandemic has accelerated workplace trends such as telework or work-from-home.

Low-income individuals have experienced increased financial hardships in the pandemic-affected labour market, due to the high concentration of these workers in the industries and occupations most affected by the guidelines aimed at mitigating the pandemic.

### INDUSTRY TRENDS



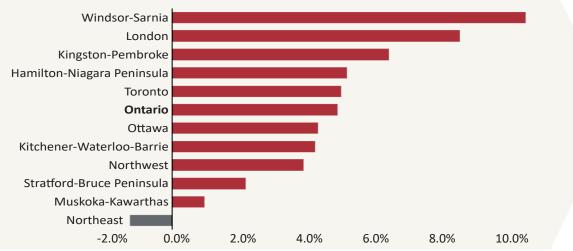
- Employment gains were recorded in the majority of the industries in Ontario in 2021, recovering from the nearly universal employment losses across all sectors in 2020.
- Information, culture and recreation (+11.7%) and professional, scientific and technical services (+11.1%) had the sharpest growths among sectors in Ontario, as film production picked up again, and IT-related employment went from strength to strength even through the pandemic.
- Agriculture (-6.1%) endured a 2nd consecutive year of employment losses in Ontario, as workforce levels in the sector continued

its downward trend.

Employment increased in both the goods (+4.0%) and services-producing (+5.2%) sectors in 2021 in Ontario.

### REGIONAL ECONOMIC CONDITIONS

- Employment levels grew in all but one economic region in Ontario in 2021.
- Windsor-Sarnia (+10.5%) observed the sharpest employment growth among Ontario regions, reversing the trend from the previous year when the region had the steepest employment decline among all regions in Ontario.
- Northeast Ontario was the only region in Ontario where employment fell for 2021. The regional labour market saw workforce decreases in its trade and health care sectors.



#### Employment Growth by Economic Region, 2021

Created by Labour Market and Socio-economic Information Directorate, Service Canada - Ontario Region June 2022