

ONTARIO ENVIRONMENTAL SCAN

2021

DEMOGRAPHICS

14.2 million people lived in Ontario in 2021, an increase of 5.8% from 2016 to 2021. Ontario represents 38.5% of Canada's total population.

The proportion of **seniors aged 65+** is projected to increase from 18.5% in 2021 to 22.5% in 2031.

In 2021, individuals aged 55 and over accounted for 38.8% of the working-age population. By 2031, that proportion could reach 40%.

The proportion of **youth (15-29)** is projected to decline slightly from 18.8% in 2021 to 18.6% in 2031.

A high number of youth work in environments that prevent teleworking, such as front-line retail.

Average age of the **non-Indigenous population** in Ontario is 40.7 versus 33.6 in the **Indigenous population** (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.

The **official-language minority community** in Ontario represents 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.

LABOUR MARKET CONDITIONS

In 2021...

- Employment** recovered significantly (+4.9%)
- Unemployment** fell, but still above 2019 levels (-14.0%)
- Participation rate** recovered (63.6% to 64.9%)
- Employment rate** increased (57.5% to 59.7%)

Ontario's Unemployment Rate

Year	Unemployment Rate (%)
2013	7.6
2014	7.3
2015	6.8
2016	6.6
2017	6.0
2018	5.7
2019	5.6
2020	9.6
2021	8.0
2022	6.3
2023	5.7

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.

REGIONAL ECONOMIC CONDITIONS

Ontario's Economic Drivers in 2021

- Government expenditures providing pandemic-related support
- Growing consumer and business confidence
- Expanding investment in residential structures

GDP Growth Rate in Ontario

Year	GDP Growth Rate (%)
2019	2.0
2020	-5.1
2021 Forecast	4.4
2022 Forecast	4.4

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 Growth by Industry, 2021

Industry	Employment Growth (%)
Information, culture and recreation	+11.7
Professional, scientific and technical services	+11.1
Public administration	+10.5
Educational services	+9.8
Healthcare and social assistance	+9.5
Accommodation and food services	+9.2
Utilities	+8.8
Manufacturing	+8.5
Services-producing sector	+5.2
Total employed, all industries	+4.9
Trade	+4.5
Transportation and warehousing	+4.2
Goods-producing sector	+4.0
Construction	+3.8
Real estate and rental and leasing	+3.5
Forestry, fishing, mining, quarrying, oil and gas	+3.2
Business, building and other support services	+2.8
Other services (except public administration)	+2.5
Agriculture	-6.1

- 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

Economic Region	Employment Growth (%)
Windsor-Sarnia	+10.5
London	+9.8
Kingston-Pembroke	+6.5
Hamilton-Niagara Peninsula	+5.8
Toronto	+5.5
Ontario	+4.9
Ottawa	+4.2
Kitchener-Waterloo-Barrie	+4.1
Northwest	+3.8
Stratford-Bruce Peninsula	+2.5
Muskoka-Kawartha	+1.5
Northeast	-1.5