ONTARIO ENVIRONMENTAL SCAN

2022

DEMOGRAPHICS



15.1 million people lived in Ontario in 2022, an increase of 2.0% from 2021 to 2022. Ontario represents 38.8% of

Canada's total population.

The proportion of seniors aged 65+ is projected to increase from 18.4% in 2022 to 22.0% in 2032.



In 2022, individuals aged 55 and over accounted for 37.6% of the working-age population. By 2032, that proportion could reach 38.4%.

Average age of the non-Indigenous population in Ontario is **41.6** versus **35.3** in the Indigenous population (Census 2021).

The proportion of youth (15-29) is projected to decline from 20.1% in 2022 to 18.7% in 2032.

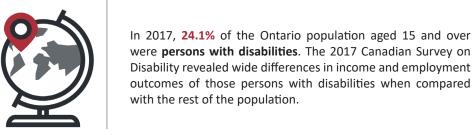


Labour force participation has fallen amongst workers aged 45 and over in recent years due to pandemic-induced impacts, such as earlier retirements.

working-age population (2021 Census), and continues to be under-represented in the labour market, accounting for 1.5% of the Ontario employment as of 2022. Ontario has the largest proportion of recent

The Indigenous population comprised 2.5% of the total Ontario

immigrants arriving in Canada, with 44.0% of recent immigrants who arrived between 2016 and 2021. In 2022, despite COVID-19 challenges, Canada welcomed over 437,000 new permanent residents, a record high. About 42% settled in Ontario. Immigration, Refugees and Citizenship Canada has set a goal of 465,000 new permanent residents for 2023.



The official-language minority community in Ontario represented 4.1% of the provincial population (2021 Census), and is prevalent mostly in the Northeast Ontario and Ottawa economic regions.

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.

In 2022...

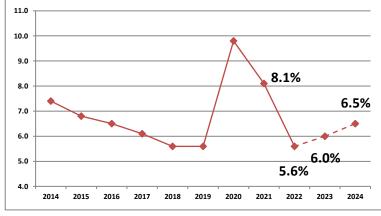
LABOUR MARKET CONDITIONS

Employment continued strong gains (+4.6%)



Participation rate inched up (65.2% to 65.4%)





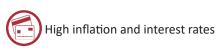
As the economy wrestles with pandemic-induced

In 2023...

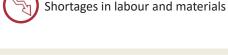
- inflationary pressures and higher interest rates, employment in Ontario is projected to expand by about 1.0% -1.5% in 2023, and to increase further by about **0.5%-1.0%** in 2024. The unemployment rate in Ontario is projected to
- rise to about 6% in 2023, and will likely rise slightly more to about 6.5% in 2024.

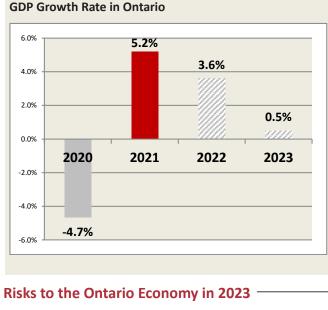
Ontario's Economic Factors in 2022/23

PROVINCIAL ECONOMIC CONDITIONS









ment slowed, and housing markets had gone through corrections due to

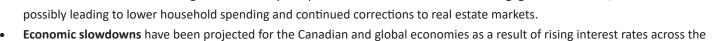
Falling housing markets

higher interest rates designed to curb inflation. → Inflation rates increased to levels last observed during the early 1980's. Some of the contributing factors were supply chain issues, geo-po-

→ The economy grew at a slower pace through 2022 in Ontario. Invest-

- litical challenges, government support, and labour shortages. → GDP increased by 5.2% in Ontario in 2021, and is projected to have grown by about 3.6% in 2022. Due to economic uncertainty, GDP forecasts
- for 2023 have been wide-ranging, but growth is expected to be relatively flat throughout the year.

Household debt levels are being exacerbated by sharp increases in interest rates for mortgages and business, auto and other loans,



The ongoing impacts of the pandemic have resulted in labour shortages, higher retirements, and industry-specific layoffs and clo-

- globe to curb inflation.
- Wages and Low-Income Populations -



politan areas.

With the high inflation and labour constraints, an upward pressure on wages is possible. Credit card balances have increased among Canadian consumers, and rental costs have ballooned in large metro-

Many low-income individuals experienced financial hardship in the pandemic-affected labour market, due to the high concentration of these workers in the industries and occupations most affected by pan-

Large enterprises Small enterprises (1-99 employees) represent 97.9% of business-(500+ employes with at least one employee in Ontario, and employ 36.0% of ees) represent employees in Ontario as of Q1 2022. 0.2% of business-

INDUSTRY TRENDS

Small and medium enterprises have been hit particularly hard by the economic impacts of both the pandemic and high inflation. Lower saving reserves compared to large enterprises has put SMEs at greater risk of not being able to endure tougher economic conditions or higher repayments for business loans.

Medium enterprises (100-499 employ-

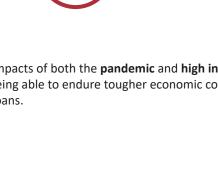
ees) represent 1.8% of businesses with

at least one employee in Ontario, and

employ 15.7% of employees in Ontar-

io as of Q1 2022.

demic-induced measures.



U o U o

of employees in Ontario as of Q1 2022.

es with at least

one employee

in Ontario, and

employ 48.2%

1.0%

4.0%

7.0%

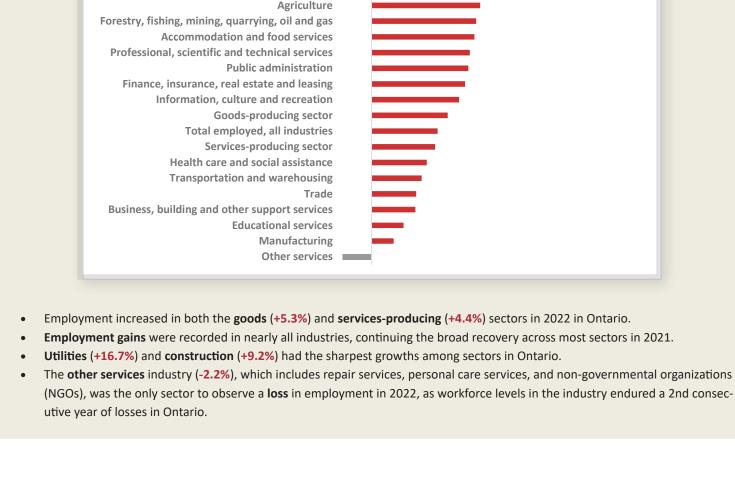
10.0%

13.0%

-2.0%

Utilities Construction

Employment Growth by Industry, 2022



Employment grew the slowest in the Northwest (+1.1%). The regional labour market saw workforce decreases in its accommodation and food services, and educational services, sectors.

Employment Growth by Economic Region, 2022

Ottawa

REGIONAL ECONOMIC CONDITIONS

Kingston-Pembroke London

Employment levels **grew** in all eleven **economic regions** in Ontario in 2022.

second consecutive year of growth in the region post-pandemic.

Kingston-Pembroke (+8.1%) observed the sharpest employment growth in Ontario, the

- Muskoka-Kawarthas
- Kitchener-Waterloo-Barrie Hamilton-Niagara Peninsula
- Northeast Ontario **Toronto**
- Windsor-Sarnia Stratford-Bruce Peninsula Northwest 0.0% 1.0% 2.0% 3.0% 4.0% 5.0% 6.0% 7.0% 8.0% 9.0%

March 2023