

# ONTARIO ENVIRONMENTAL SCAN

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## DEMOGRAPHICS

**15.6** million people lived in Ontario in 2023, an increase of 3.1% from 2022 to 2023. Ontario represents 38.9% of Canada's total population.

The proportion of **seniors aged 65+** is projected to increase from **18.3%** in 2023 to **22.1%** in 2033.

In 2023, individuals aged **55-64** accounted for **19.6%** of the **working-age population (aged 15-64)**. By 2033, that proportion could fall to **17.0%**.

The proportion of **youth (15-29)** is projected to decline from **20.6%** in 2023 to **18.6%** in 2033.

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

Labour force participation has risen amongst **workers aged 65 and over** in recent years as the cost of living has increased.

The **Indigenous population** comprised **2.6%** of the total Ontario working-age population, and accounted for **2.5%** of the Ontario employment as of 2023.

Ontario has the largest proportion of **recent immigrants** arriving in Canada, with **44.0%** of recent immigrants who arrived between 2016 and 2021. In 2023, Canada welcomed nearly **472,000 new permanent residents**, an increase of **7.8%** compared to the previous year, as about **44%** settled in Ontario. Immigration, Refugees and Citizenship Canada has set a goal of about **485,000** new permanent residents for 2024.



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.

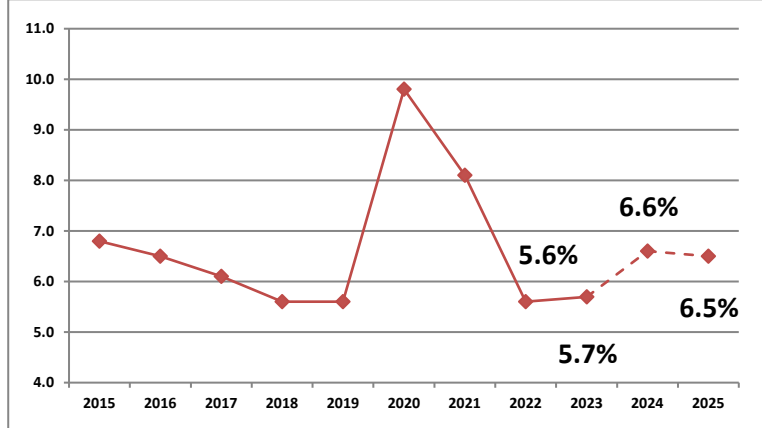
In 2017, **24.1%** of the Ontario population aged 15 and over were **persons with disabilities**. The 2017 Canadian Survey on Disability revealed wide differences in income and employment outcomes of those persons with disabilities when compared with the rest of the population.

## LABOUR MARKET CONDITIONS

### Ontario in 2023...

- ↑ **Employment** continued to make gains (+2.4%)
- ↑ **Unemployment** rose (+4.1%)
- ↑ **Participation rate** remained stable (65.4% to 65.5%)
- ↑ **Unemployment rate** up slightly (5.6% to 5.7%)

### Ontario's Unemployment Rate



### Ontario in 2024...

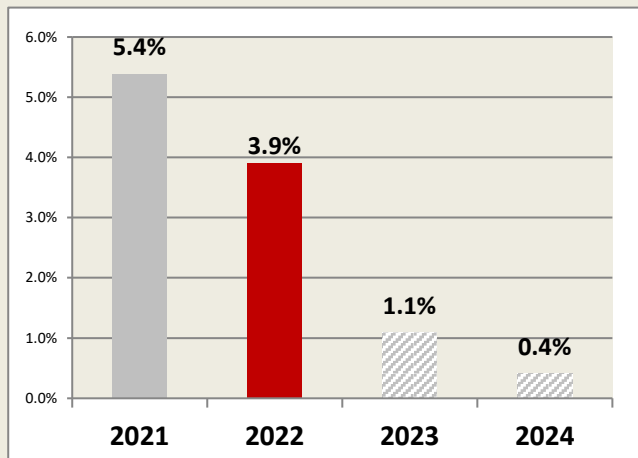
- The provincial economy continues to see high inflation, and the highest interest rates since 2001. **Employment** in Ontario is forecast to increase by about **0.7% - 1.2%** in 2024, and to expand further by about **1.5% - 2.0%** in 2025.
- The **unemployment rate** in Ontario is projected to rise to about **6.4% - 7.0%** in 2024, and will likely hover around that figure in 2025.

## PROVINCIAL ECONOMIC CONDITIONS

### Ontario's Economic Factors in 2023

- High interest rates
- Slowing household expenditures
- Weakening business confidence

### GDP Growth Rate in Ontario



### Reviewing 2023

- The **Ontario economy** avoided a recession in 2023, but many components slowed down to account for higher borrowing costs, including household expenditures, business investment and housing markets.
- Inflation** continued to rise in 2023, most notably in shelter and food costs.
- GDP** is projected to have grown by about **1.1%** in 2023. Due to economic uncertainty, GDP forecasts for 2024 have been wide-ranging, but growth is expected to be relatively flat for the year.

### Risks to the Ontario Economy in 2024

- Mortgages** that are up for renewals may become an issue in 2024 and beyond, as those who purchased properties during the pandemic may see their terms conclude between 2024 to 2026, resulting in higher payments due to elevated interest rates.
- High interest rates** will likely continue to affect the Ontario economy, including in investment in residential construction projects, businesses investment, and hiring intentions.

### Wages and Low-Income Populations

About **10.1%** of Ontario's population were in **low-income status**, according to the 2021 Census. The prevalence of low-income was especially high for those living alone, and those living in a single-parent household.

With high inflation and labour constraints, an upward pressure was exerted on wages, as average **wages** went up by **5.1%** in 2023, higher than the Ontario **inflation** rate of **3.8%**. Credit card balances have increased among Canadian consumers, and rental costs remain highly elevated in large metropolitan areas.

### Small-Medium Enterprises (SMEs)

**Small enterprises** (1-99 employees) represented **97.9%** of businesses with at least one employee in Ontario, and employed **37.0%** of employees in Ontario as of June 2023.

**Medium enterprises** (100-499 employees) represented **1.8%** of businesses with at least one employee in Ontario, and employed **15.9%** of employees in Ontario as of June 2023.

**Large enterprises** (500+ employees) represented **0.3%** of businesses with at least one employee in Ontario, and employed **47.1%** of employees in Ontario as of June 2023.

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.

## INDUSTRY TRENDS

### Employment Growth by Industry, 2023

Industry	Employment Growth (%)
Mining, quarrying, and oil and gas extraction	+12.0
Agriculture	+10.5
Other services	+9.5
Accommodation and food services	+8.5
Utilities	+7.5
Transportation and warehousing	+7.0
Health care and social assistance	+6.5
Information, culture and recreation	+6.0
Finance and insurance	+5.5
Professional, scientific and technical services	+5.0
Public administration	+4.5
Goods-producing sector	+4.0
Manufacturing	+3.5
Total	+3.0
Services-producing sector	+2.5
Construction	+2.0
Wholesale trade	+1.5
Educational services	+1.0
Business, building and other support services	+0.5
Retail trade	+0.5
Real estate	-8.5
Forestry and logging	-11.3

- Employment increased in both the **goods (+2.8%)** and **services-producing (+2.3%)** sectors in 2023 in Ontario.
- Employment gains** were recorded in the majority of the industries, continuing the broad recovery across most sectors the past few years.
- Mining, quarrying and oil and gas extraction (+12.0%)** and **agriculture (+10.5%)** had the sharpest employment growth among sectors in Ontario.
- Forestry and logging (-11.3%)** and **real estate (-8.5%)** observed the sharpest losses in employment in 2023.

## REGIONAL ECONOMIC CONDITIONS

- Employment levels **grew** in seven of eleven **economic regions** in Ontario in 2023.
- Windsor-Sarnia (+6.9%)** observed the sharpest employment growth in Ontario, with its third consecutive year of growth in the region post-pandemic.
- Employment fell the sharpest in **Stratford-Bruce Peninsula (-4.1%)**. The regional labour market saw significant decreases in its **transportation and warehousing**, and **professional, scientific and technical services** industries.

### Employment Growth by Economic Region, 2023

Economic Region	Employment Growth (%)
Windsor-Sarnia	+6.9
Ottawa	+5.5
Muskoka-Kawartha	+4.5
Kitchener-Waterloo-Barrie	+4.0
Northwest	+3.5
Toronto	+2.5
Ontario	+2.3
London	+1.5
Hamilton-Niagara Peninsula	+0.5
Northeast	-1.5
Kingston-Pembroke	-2.5
Stratford-Bruce Peninsula	-4.1