TORONTO REGION BOARD OF TRADE

WOODGREEN

Sponsored by TD

Housing a Generation of Essential Workers

The Cost of Inaction

JULY 2021

3

Table of Contents

Foreword

It is time to shatter the perception that the affordable housing crisis is a looming future risk. As this third and final report in our *Housing a Generation of Essential Workers* series will illustrate, the housing crisis is already costing our regions billions of dollars annually. The reality is that the current government methodologies for increasing affordable housing won't get us there alone. We need to accelerate current practices and bring private and public sector partners to the table to help solve this crisis.

This report identifies those costs in the starkest of terms. Nearly $8 billion is being drained out of our economy every year because of housing costs – some of the highest in North America.

These higher housing costs harm our economy in a number of ways. Some employers pay a "GTA Wage Premium" to retain workers and account for the higher cost of living compared to other parts of Ontario. For industries that cannot pay the premium – often in the broader public sector – their workers are more likely to leave the region or face a punishing commute. The resulting higher rate of employee turnover forces organizations to pay increased recruitment costs and harms their productivity. In many ways, businesses, their employees and families are already bearing the burden of our region's collective inaction on workforce housing.

Yet the incentive to act on housing goes beyond a desire to protect the bottom line. For instance, businesses are a crucial part of our communities' social fabric. Yes, they provide jobs – but they also provide entertainment, culture and a sense of personality to neighborhoods, all of which are major drivers of a visitor economy that added $10 billion to the city's economy every year pre-pandemic.

The first report in this series, *Defining the Problem*, illustrates how people will pick up and leave the region if more housing options are not made available – either because they find the same employment in cities with better, more livable neighborhoods or simply because they just can't make the math work anymore. As a direct continuation of that conversation, this report also explores what that migration of essential workers will cost us – including poorer quality education or less available health care as teachers, nurses and other care providers are priced out of the region.

All hope is not lost, however. The series' second report, *Modelling Solutions*, showcased successful affordable housing projects while detailing the qualities that made them work, both internationally and here in Toronto. The region is more than capable of building more housing – it just needs to scale up on those efforts, delivering more units at a faster rate. Similarly, there's renewed attention on the importance of essential workers. Shelter staff, custodians, transit operators and grocery clerks are just some of the roles praised this past year for their essential work during the pandemic. People see the value of these workers, and both residents and political leaders are primed to want to support them. Taken together, this means Toronto has the models and the political will to build the workforce housing we need. What this report offers is the final kick – the message that while building and preserving housing comes with a price tag, it is costlier to do too little.

Jan De Silva
President & CEO
Toronto Region Board of Trade

Anne Babcock
President & CEO
WoodGreen

Introduction

As the Toronto Region transitions to a post-pandemic reality, how do we keep the spotlight on essential workers and their needs?

When WoodGreen and the Toronto Region Board of Trade (the Board) partnered on the *Housing a Generation of Essential Workers* report series, it had three goals: draw attention to the pressing need for affordable workforce housing, identify solutions that provide housing for essential workers, and encourage key partners to act on this urgent issue. When the COVID-19 pandemic began just weeks after the series' first report was launched, the importance of these efforts became painfully evident. In the region's moment of crisis, it was these essential workers that would keep our city running and add some semblance of security and stability to our overturned lives. They more than deserve quality, affordable places to live close to where they work and play.

The first two reports in this series explored the challenge of a lack of workforce housing through a local and international lens, offering existing and emerging solutions – some of which have been developed right here in Toronto. As we begin to look to a new post-pandemic reality, this final report in our series provides a stark assessment of how a shortage of affordable workforce housing is already harming our region's economy and society, and will cause even greater harm in the near future, if nothing is done.

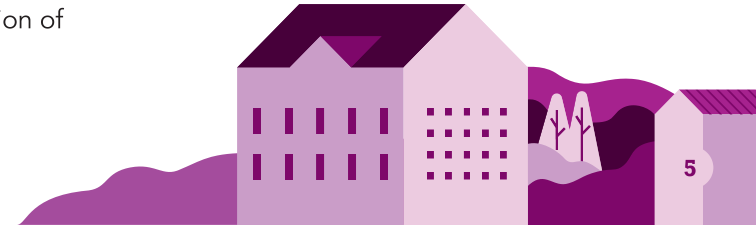
New analysis from Prism Economics, commissioned for this report, conservatively estimates that the direct and indirect economic costs of the GTA's housing affordability crisis are between $5.88 billion and $7.98 billion per year. Over a five-year period, the cumulative losses would be $29.4 billion to $37.9 billion. While these figures are staggering, they are only part of the whole picture. In this report, we highlight additional social and indirect costs that have not yet been calculated.

This report also introduces the concept of the GTA Wage Premium – a key factor in determining how the affordability crisis affects employers and employees in different occupations and industries. The premium is the additional amount which an individual would need to earn, compared to someone in the same occupation outside the GTA, to compensate for higher rent or housing costs in the GTA.

In addition, employers that are unable to pay the full premium see higher staff turnover and recruitment costs – with some leaving the region to better align their location with their workforce's ability to find housing. Yet in other industries – notably education, health care and community services – employers cannot relocate. Without urgent action on housing or additional funding in these sectors, the ultimate impact of the affordability crisis will be reduced service levels that will particularly harm the elderly and other vulnerable members of our society, who are most in need of caregiving support.

Any plan for the region's economic recovery from this pandemic must begin with bold action to address our shortage of affordable workforce housing and mitigate the negative economic and social effects that are already occurring. The good news is that proven, scalable models exist – and a collective, multi-sector commitment can help solve this problem before we lose an entire generation of essential workers.

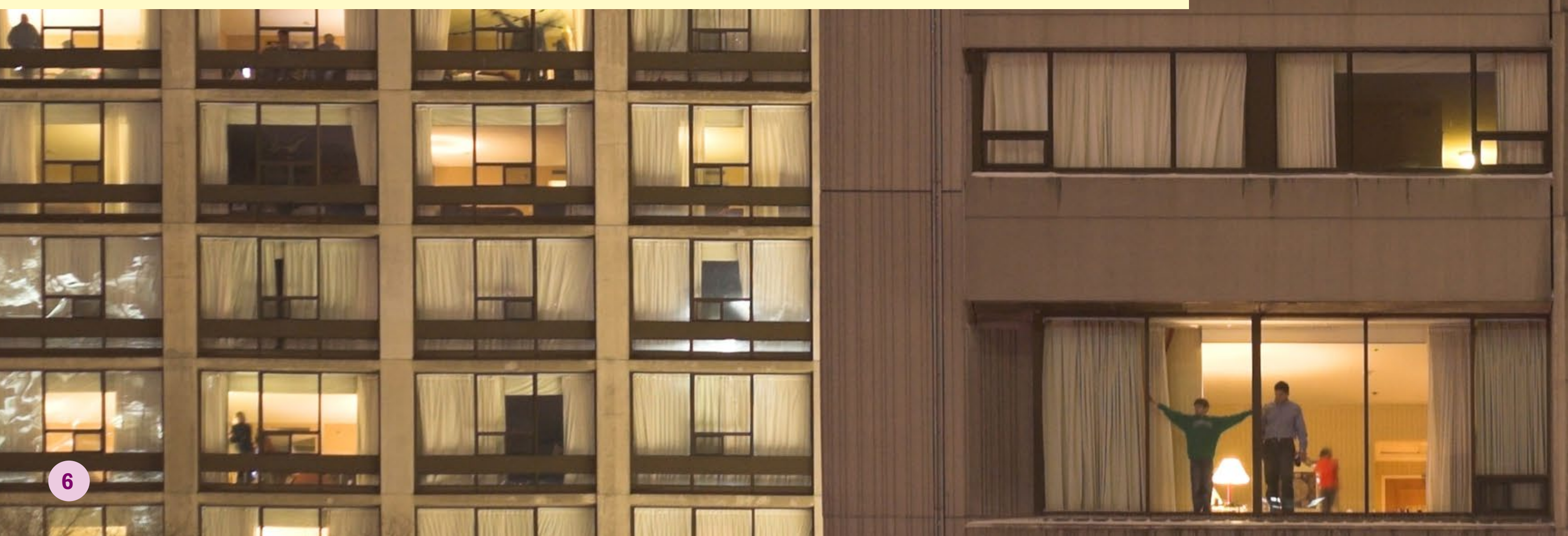
Any plan for the region's economic recovery from this pandemic must begin with bold action to address our shortage of affordable workforce housing and mitigate the negative economic and social effects that are already occurring.



Essential Housing: The Impacts of COVID–19

Since the release of our first report, *Defining the Problem*, in January 2020, the impacts of COVID-19 have reinforced that the time to act on creating new, affordable workforce housing is now.

As social distancing restrictions were put in place in March 2020 and the nation went into lockdown, there appeared to be a silver lining for renters in Toronto. Factors such as decreasing immigration, the sudden absence of post-secondary students, and restrictions on short-term rental services increased rental unit supply, leading to the first decrease in asking rents in years.



COVID-19 has also exposed the inadequate housing conditions that many essential workers experience, such as the struggle to self-isolate and reduce virus transmission in overcrowded apartments.

Yet, according to the Federation of Rental-Housing Providers of Ontario (FRPO), these shifts were merely temporary. According to FRPO, "Although the effects of COVID-19 will result in short-term market imbalances, current projections reveal that Ontario is underbuilding by a massive 24,500 units annually during the 2017-2021 period".[1] Coupled with population growth as the border reopens, it is predictable that we will continue to face a shortage of adequate affordable housing.

For over a year, the COVID-19 pandemic has put an overdue spotlight on the role essential workers, such as nurses, shelter staff, custodians, cashiers, transit operators and restaurant workers, play in keeping our cities and communities functioning. COVID-19 has also exposed the inadequate housing conditions that many essential workers experience, such as the struggle to self-isolate and reduce virus transmission in overcrowded apartments.

According to Statistics Canada, "Canadians belonging to groups designated as visible minorities are more likely to live in overcrowded housing conditions and to work in occupations associated with greater risk of exposure to the virus".[2] In the Toronto region, immigrants and women are overrepresented in frontline occupations, including educational services, health care and social assistance.[3] Studies have shown that COVID-19 outbreaks have disproportionately impacted communities in the GTA with larger populations of essential workers and lower-income families.[4] This further highlights the inadequate housing challenges faced by those on the frontlines, and the urgency to support their housing needs.

Evidently, the challenge of limited affordable workforce housing will require a systems-level response; one which no single organization or institution will be able to solve alone. In order to effectively and holistically address the urgent need to create tens of thousands of new units of affordable workforce housing, governments, employers, developers, housing providers and others must come together to effectively and efficiently address this issue before it's too late.

Direct Employer Costs of Inaction

on Affordable Workforce Housing

The affordability crisis is usually discussed as a social problem – and previous reports in this series highlighted some of the serious impacts of this dimension of the crisis. Less analyzed, however, is how the affordability crisis is impacting GTA employers and the economy.

To answer this question, WoodGreen and the Toronto Region Board of Trade commissioned Prism Economics (Prism) to conduct an analysis of how housing affordability is already affecting the GTA's economy and its employers. This report shows that the economic costs to the regional economy and to regional employers is both significant and growing. The affordability crisis also threatens to undermine long-term growth prospects in the GTA.

The study analyzed several key industries that are most likely to bear the economic effects of the systemic under-supply of affordable workforce housing, including the public education system, hospitals, the social service sector, manufacturing and retail. These industries are anchored in the Toronto region and cannot relocate to follow their workforce to more affordable regions. Prism modeled the effects of the systemic under-supply of workforce housing on companies in these industries by conducting interviews with human resources managers to gauge the effects on factors such as turnover and hiring costs, wage and salary costs, impact on competitiveness, potential to shift jobs out-of-region, and the risk of reduced operations owing to labour supply constraints. These interviews helped ground their analysis of Statistics Canada data, informed by studies completed in other jurisdictions.

Overall, the cost of the affordability crisis to the GTA economy and to GTA employers ranges, on average, from **$5.88 billion to $7.98 billion per year**. Over a five-year period, the cumulative losses would be $29.4 billion to $37.9 billion. Principal causes for these figures include the following factors:

PRESSURE ON WAGES AND SALARIES

Higher rents and housing costs in the GTA mean that employees have higher wage and salary expectations – putting pressure on employers to keep up.

ESTIMATED COSTS PER YEAR

$2.0 to $2.8 billion

MIGRATION OUT OF THE GTA

Increases in housing costs are accelerating the exodus of workers from the GTA to other regions of the province – causing lost economic output.

ESTIMATED COSTS PER YEAR

$3.05 billion

EMPLOYEE TURNOVER AND ADDITIONAL RECRUITMENT COSTS

Staff turnover rates have increased with rising housing costs – leaving employers covering substantial additional recruitment costs.

ESTIMATED COSTS PER YEAR

$0.18 billion

PRODUCTIVITY LOSSES FROM LONG COMMUTES

Long commutes for GTA workers are harming worker productivity and morale – a problem with a real economic impact.

ESTIMATED COSTS PER YEAR

$0.65 to $1.95 billion

*Of note, the figures illustrated in the above table are conservative estimates due to additional varying factors, which are described in greater detail throughout the report.

OVERALL

$5.88 to $7.98
billion per year, or

$29.4 to $37.9
billion over 5 years

While there are many benefits to living in the GTA, these benefits come at an increased cost compared to other regions in the province and are largely driven by the price of housing. Between 2008 and 2018, housing costs increased by roughly 115% in the Toronto region, while median income only increased by 25% – a stark illustration that, as the costs of living have continued to increase, income levels for many city-dwellers have relatively remained the same.[5]

The GTA Wage Premium

To keep talent within the city, some employers have begun to institute what is known as a wage premium: higher wages offered to an employee based in Toronto versus their counterpart outside of the GTA to offset the higher costs of living in the region. But many essential workers do not receive their required wage premium and are therefore at higher risk of being forced to leave the city.

Wage premiums illustrate the differing impacts of the affordability crisis on employers and employees in different occupations and industries. For some industries and occupations, employers are able to pass on the higher premium costs to customers or clients. For others, employers are unable to pay the required premium as a result of their funding limitations or for competitive reasons. Without additional funding, the ultimate impact of the affordability crisis on those sectors, particularly essential service providers, will be reduced service levels due to future costs of inaction, such as increasing turnover rates and out-migration. In sum, the effects of the GTA wage premium are being felt unevenly for different employers and employees in the region.

To better understand the existing industry gaps in wage premium applicability, it's important to consider two types of wage premiums: the **required wage premium**, which is the estimated premium that an individual should receive to offset higher rent or housing costs as compared to their counterpart outside the GTA; and the **actual wage premium**, which is the wage premium that is currently being offered, if at all, to workers in the Toronto region.

The chart that follows illustrates the wage premium received for various management professions. While senior management occupations receive a 69% GTA wage premium, the wage premium in education and social and community services is only 3% – far from what is needed to offset the higher cost of living.

Required GTA Wage Premium

The Required GTA Wage Premium is the additional amount which an individual would need to earn compared to someone in the same occupation outside the GTA to compensate for higher rent or housing costs in the GTA. Though it is possible to estimate the average required premium for certain occupations, the Required Wage Premium for each employee depends on factors such as their family circumstances (i.e., number of bedrooms required), expected quality of accommodation (i.e., size, location and amenities), whether the individual is renting or seeking to purchase, and whether the individual is seeking high-rise accommodation or a single-family house.

Actual GTA Wage Premium

The Actual GTA Wage Premium is the percentage difference in average full-time/full-year earnings when comparing an occupation in the GTA to the same occupation outside the GTA. Since housing and shelter costs are the most important regional factors in living costs, it might be expected that all occupations would reflect a GTA Wage Premium and that this premium would be in a range of around 12% to 17%. This, however, is not the case. While there are many occupations for which there is a significant GTA Wage Premium – often exceeding the required premium – there are also many other occupations for which the premium is negligible or non-existent.

GTA Wage Premium (2016 Census) Management Occupations	Toronto CMA	Average Non-Toronto	GTA Wage Premium
Senior Management Occupations	$252,120	$149,453	**68.7%**
SPECIALIZED MIDDLE MANAGEMENT OCCUPATIONS			
Communication (Except Broadcasting)	$105,866	$70,464	**50.2%**
Financial and Business Services	$124,222	$87,943	**41.3%**
Administrative Services	$122,704	$90,536	**35.5%**
Public Protection Services	$108,638	$86,009	**26.3%**
Public Administration	$110,666	$95,354	**16.1%**
Art, Culture, Recreation and Sport	$79,499	$68,986	**15.2%**
Health Care	$104,351	$93,648	**11.4%**
Engineering, Architecture, Science and Information Systems	$124,018	$144,406	**8.4%**
Education and Social and Community Services	$97,245	$94,397	**3.0%**

WAGE PRESSURE

up to $2.8 billion per year

Setting aside temporary or cyclical factors and deliberate policy measures, inflation and productivity are the principal determinants of increases in wages and salaries. As described in this report, the acceleration of rent increases and housing prices, relative to other regions in Ontario, has led to higher rates of wage and salary increases in the GTA. Recent data suggests that wages and salaries in the GTA increased by 1.4% more than outside the GTA. Drawing on wage and salary data from the 2016 Census, this would result in around $2.8 billion per year of additional pressure on payrolls, or around $14.0 billion over five years.

For too many of the city's most essential service providers, quality, affordable housing is out of reach. By looking at which workers are not receiving wage premiums, we can see which professions are most likely to be facing affordability challenges and where labour shortages in the GTA are increasingly likely. This data sends a clear warning sign of the need for action.

On the other side of the coin, workers who are receiving wage premiums may be more comfortable affording GTA living costs, but their employers are the ones absorbing these costs. With the exception of the public sector, labour costs in the GTA, and especially in the city of Toronto, are increasing at a more rapid pace than in other regions.

The GTA's housing problem has now become an employer problem.

COVID-19 Considerations

How COVID-19 has impacted wage pressure will become clearer as businesses reopen and the economy begins to recover from this period of lockdowns and uncertainty. Already, some anecdotal evidence is suggesting that economic recovery could be adding inflationary wage pressure on employers, including the need to retain or attract talent that may have relocated during the pandemic. This would add further financial pressure on employers, layered on top of existing GTA wage premiums.

Sector Case Studies of Wage Premiums at Work

When analyzing actual wage premiums, employers for roughly 25% of all occupations in the GTA pay the required premium or higher; these occupations are mainly filled by employees in managerial positions or with hard-to-replace skills. For around 40% of all occupations, employers pay a moderate premium that is less than the required premium, but still offsets some of the higher housing or rental costs faced by employees. And for around a third of occupations, employers do not pay a premium. Importantly, the presence or absence of a wage premium does not necessarily correlate with whether an employee is in a higher-paid or lower-paid occupation.

This section features a closer look at health care workers, teachers, and social service workers, and how insufficient wage premiums are affecting both those industries and the lives of individual workers.

Wage premium application to GTA occupations

Methodology

Statistics Canada data shows that from 2017 to 2020, average wages in Toronto increased by 12.3% compared to 8.3% outside the GTA – a difference of 1.4% per year. The estimated total earnings of workers in the GTA, based on the 2016 Census, was approximately $179 billion. Adjusting for increases in average wage since 2016 suggests that in 2019, the total earnings of workers in the GTA was around $197.6 billion. Additional wage pressure of between 1.0% and 1.4% would result in an additional wage premium of $2.0 to $2.8 billion per year or around $10 to $14 billion over five years.

Health Care Workers

Health care employers pay a premium of approximately 11.4% for managerial occupations. While this is less than the required premium of around 12-17%, it nevertheless may be sufficient to avoid an acute retention crisis.

For most other non-managerial health care occupations, however, the wage premium is markedly below what is required to hold down turnover rates. This is especially the case for nurses, physiotherapists and occupational therapists. In nursing, collective bargaining has largely eliminated regional differences in hourly salaries, providing nurses with virtually the same hourly salary regardless of which hospital is their employer.

$25,000 to $45,000

estimated cost of hiring and orienting a nurse

(Canadian Nurses Association & London Health Sciences Centre)

Average Annual Earnings (Full Year/Full-Time)
Statistics Canada 2016 Census

NOC - Occupation	Toronto CMA	Average Non-Toronto	GTA Wage Premium
031 Managers	$104,351	$93,648	**11.4%**
301 Professional Nurses	$80,488	$78,206	**2.9%**
314 Physio and Occupational Therapists	$67,349	$66,318	**1.6%**
321 Medical Technologists Technicians	$60,827	$56,371	**7.9%**
341 Assisting Occupations	$40,088	$41,141	**7.2%**

A similar pattern is evident in nursing homes. For registered nurses employed by community agencies for home visits, there are minor regional differences in pay. These, however, fall well short of compensating for higher housing or rental costs in the GTA.

Many essential service providers, including within the health sector, are now struggling to retain workers, who are burnt out after more than a year of dealing with the challenges of working through a pandemic. A new survey by the Registered Nurses' Association of Ontario shows that a record number of the province's nurses may leave the profession once COVID-19 is over.[6]

Increased turnover rates come at a substantial cost to employers. The Canadian Nurses Association estimated the cost of hiring and orienting a nurse at $25,000, while the London Health Sciences Centre suggests the cost is closer to $40-45,000.[7] Statistics Canada's job tenure data show that the average turnover rate for nurses began to increase in early 2018, climbing from around 7.7% at the beginning of 2018 to around 10.1% by the end of 2019.

Among the most glaring examples of a staff retention crisis in health care, however, is the turnover of Personal Support Workers (PSWs) in long-term care facilities. The recently published Long-Term Care Staffing Study (2020) by the provincially-appointed advisory group reported that "approximately 25% of PSWs who have two or more years of experience leave the sector annually"[8]. This was before COVID.

While this rate of staff turnover may be manageable in the food service industry, it poses a significant challenge to delivering the standard of care that Ontarians would expect. Not surprisingly, the Advisory Committee report characterized the situation as a "staffing crisis". The staffing crisis reflects a systemic pattern of low salaries in the sector, particularly compared to the cost of living in the GTA.

Joie

Joie is a Toronto Personal Support Worker who rents one bedroom in a 4-bedroom boarding house with three other women, one of whom is also a frontline worker. Roughly 50-60% of Joie's income goes towards her rent and utilities each month.

The impact of COVID-19, combined with her challenging housing situation, has had a negative toll on her mental health. Joie said, "Looking at the other expenses, the cost of living here is higher than [ever]. There are things that I gave up in order to maintain where I am at the moment. […] We have been working very hard beyond our [capacity] to cope. Mentally, physically and emotionally – at some point I am drained."

Juliana

Juliana, 60, is a supply teacher with a Toronto school board who currently lives in her friend's basement in Hamilton in order to afford rent.

Living so far from her workplace has taken a toll on Juliana's ability to work in schools, as her ability to commute back and forth using public transit during the pandemic has been restricted for health reasons. "My problem with moving to Toronto is that I'd have to be paying at least $1600 a month [for an apartment], which I can't afford. [Toronto] literally is a catch-22: it offers so many employment [opportunities], but you cannot afford to work there because housing is expensive."

Teachers

The GTA Wage Premium for elementary and secondary school teachers is effectively zero. While there are some differences across school boards, these differences are minor. The 2016 Census indicates the GTA salaries (including private schools) are marginally higher than in Ottawa and Kitchener-Waterloo, but lower than in London, Hamilton, Oshawa, Windsor, Kingston and Niagara.

A teacher in the GTA who relocates outside of the GTA will likely earn the same salary (or higher) and will benefit from significantly lower housing costs.

Within the GTA, and especially in the city of Toronto, there is a second challenge facing school boards. As teachers earn seniority, they also accrue greater rights to seek transfers to schools that are closer to where they live. The result of this pattern is that within school boards, there is a higher rate of turnover in some schools and difficulty in retaining more experienced teachers in those schools.

Similarly, the impact of COVID-19 on teacher wellbeing and turnover rates has resulted in a shortage of teaching staff. Several school boards, including the Toronto Catholic District School Board (TCDSB) and Toronto District School Board (TDSB) have admitted to facing "challenges" in recent months in finding occasional teachers to cover classes for full-time teachers who are absent or on leave.[9]

Community and Social Services Workers

Employers in community and social services face among the most challenging labour market conditions. Salaries in community and social services tend to be lower than in health care, education or public administration. As a result, employers in community and social services must always deal with staff attrition prompted by higher salaries for similar occupations in health care, education or public administration. Additionally, employers in community and social services must also deal with funding policies and collective bargaining practices that tend to reduce salary gaps across regions. As a result, the GTA Wage Premium for occupations in this sector are among the lowest, averaging only 2-3%. Even at the managerial level where replacement costs are the highest, the GTA Wage Premium is only 3%.

For employees providing home-care support, the Census data similarly indicate that there is no material Wage Premium. Indeed, GTA earnings appear to be marginally lower than in some other regions.

There are two consequences of the negligible GTA Wage Premium. The first is turnover arising from geographic relocation and from workers seeking higher salaries by moving into the health care sector or by changing occupations entirely. The second consequence is that high housing cost areas of the GTA, which need the services of front-line community and social service workers, are increasingly difficult to staff owing to uncompensated commuting time. Pressure on service levels is inevitable.

Sandra

Sandra, 40, is a social service Child Care Assistant Supervisor who knows all too well about Toronto's affordability pressures. As a newly single parent currently renting a 2-bedroom unit in a low-rise co-op with her young daughter, Sandra feels it's like she's won the lottery on affordable housing in Toronto. "I used to live in a mid-rise apartment building four years ago, where I was paying significantly more than I am now for rent. I was on a waitlist for the co-op and got in at the right time." She says, "If I wasn't where I am now, I'm not sure how I'd be able to [make a living]."

For every one job created by Amazon in one of its distribution centres, slightly more than two jobs in traditional retail were eliminated.

Increasing Pressure on Payrolls

The impact of the spike in GTA housing prices and rents is beginning to be reflected in labour market data. Between the first quarter of 2017 and the first quarter of 2020, Statistics Canada's estimate of the offered wage to fill vacancies in the Toronto census metropolitan area (CMA) increased by 12.1% (4.0% per year). This was more than double the rate of inflation.

Data on tax filers available from 2017 to 2019 also indicates that in tech and financial services, average earnings increased over the two years by 8.2% and 8.0% respectively. This contrasts with health care, social assistance and education where government funding strategies held earnings increases to around half this amount.

The GTA wage premium has particularly posed a challenge to the retail sector, which has become more apparent with the shift to e-commerce, accelerated by COVID-19. E-commerce represents a systemic competitive challenge over traditional retailers. E-commerce giants, like Amazon, have achieved significant economies of scale through their growing popularity, and the ease of access e-commerce presents to consumers, whose orders are processed, fulfilled, and delivered to their doorstep with the click of a mouse.

A 2016 study by the U.S.-based Institute for Local Self-Reliance estimated that for every one job created by Amazon in one of its distribution centres, slightly more than two jobs in traditional retail were eliminated.[10] Faced with the inexorable cost competition from e-commerce, bricks-and-mortar retail operations – and the jobs they support – will be under significantly increased pressure at a time when housing prices and rents are putting additional pressure on payrolls.

Despite the benefits that wage premiums present to address living affordability in the city, it is important to recognize that wage premiums are not a solution to the economic consequences that are demonstrated throughout this report; rather, they are a symptom of the conditions created over time as employees' housing costs continue to rise and sectors and employers try to keep up.

Indirect Employer & Employee Costs of Inaction

on Affordable Workforce Housing

What will happen if employers are unable to meet or sustain the required wage premiums for their workers in the years ahead?

Essentially, workers in the Toronto region struggling to meet living costs will be forced into inadequate housing and many will be forced to move out of the city, shrinking the size of the region's labour pool.

Though the priorities of governments and businesses have expectedly become overshadowed by COVID-19, Toronto's housing crisis has only worsened during this time and our region cannot afford any further inaction.

The following section details the calculation of the indirect costs of inaction that, if left unaddressed, could inhibit the region's continued growth.

INCREASED OUT-MIGRATION

$3.05 billion per year

Driving Out-migration from the GTA

"What if the city we love doesn't love us back?" reads the opening line of the website, Ninety minutes from:Toronto[11], an online database created by Audra Williams at the onset of the pandemic to compile an accessible list of towns that offer affordable homes and rental units within a reasonable drive of downtown Toronto.

Since COVID-19 arrived in Canada, real estate prices have increased dramatically both within the GTA as well as outside of it, in part due to the increased ability for many well-paid office workers to move to permanent remote work. This has driven greater public awareness of the potential for a larger migration away from urban centres. However, data demonstrates that this out-migration was already gaining steam in the years before the pandemic, driven at least in part by a shortage of affordable housing options.

Putting a price on the cost of migration out of the GTA over a five-year period, it is estimated that the economic loss amounts to at least $15.25 billion ($3.05 billion annually) from housing-related out-migration alone. This does not take into account the costs of negative externalities associated with out-migration, such as disruption of the labour market, social instability, knowledge loss, etc.

	2009	2019
Net Out-Migration (All Persons)	12,310	46,549
Net Out-Migration (Persons Age 25 to 45)	2,993	17,385
Age 25-45 as a Percent of Total Out-Migration	24.3%	37.3%

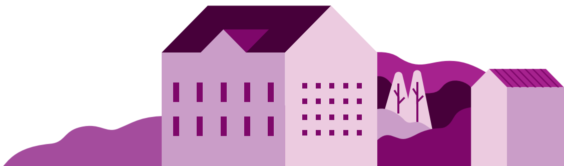
Source: Statistics Canada

Traditionally, large and densely populated metros like the Greater Toronto Area have been prime destinations for rural-urban and international migration – and they still are: 33% of Canada's international immigrants settle initially in the GTA, more than any metropolitan area in Canada. The GTA keeps gaining inhabitants and is poised to reach 9.5 million people by 2046, according to the Ontario Ministry of Finance[12].

The GTA's population growth, however, must not undermine the fact that the GTA is also losing its residents at a worrying rate. In fact, without immigration, the Greater Toronto Area's population would be declining[13]. The number of net out-migrants in 2010/2011 was just over 16,000 people. By 2019/2020, the number had risen to 50,375.

The same year (2019/2020), for every two international immigrants settling in the GTA, there was one established resident (often an earlier international immigrant) moving to another Ontario region. Ten years ago, the ratio was five arrivals for every one departure, illustrating that the economic advantage of international migration to the GTA is being increasingly stunted by out-migration to other Ontario regions.

For every two international immigrants settling in the GTA, there was one established resident (often an earlier international immigrant) moving to another Ontario region.



Although out-migration cannot be entirely attributed to the spike in housing prices, the upward trend in net out-migration occurred after 2016 – approximately the same time as housing prices began to surge.

Young families are particularly keen on considering moving to more affordable areas to save. Based on Mike Moffatt's analysis of Statistics Canada figures, the largest out-migration demographics for Toronto, York and Peel is within the 25-31 age group (18.9% of total outmigration), followed closely by the 0-8 age group (18.8%) and 32-39 age group (16.7%).[14]

Out-migration from the GTA raises significant challenges for Toronto and its surrounding cities as it weakens the workforce. The vast majority of those leaving are active members of the labour force and only a quarter of them relocate to regions that are within commuting distance of the Toronto region, such as Oshawa and Barrie. The remainder settle in regions beyond traditional commuting distance – leading to more traffic congestion from commuting or, more likely, a departure from the GTA labour market altogether.

COVID-19 Considerations

This economic analysis does not take into account how COVID-19 may impact migration decisions going forward. If office workers receive permanent remote work options, they may be more likely to relocate to lower-cost regions. While this may free up some housing stock in the GTA, the return of post-secondary students and immigrants is likely to offset any advantage that essential workers could see. An ongoing decline in occupancy in employment centres could also harm the service sector, resulting in fewer jobs for essential workers in these districts.

Methodology

In 2017 (most recent data) Statistics Canada estimated that the GDP of the Toronto CMA was $405.2 billion. In 2017, there were 3,206,700 persons employed in the Toronto CMA. The average output (GDP per person) of these workers was therefore $126,347.

In 2018/19, the GTA experienced out-migration of 112,775 persons. While some of these out-migrants were non-working family members or retirees, it is estimated that 43,687 were potential workers (i.e., 'participants in the labour force'). Although out-migration cannot be entirely attributed to the spike in housing prices, the upward trend in net out-migration occurred after 2016 – approximately the same time as housing prices began to surge. This analysis conservatively attributes at least half of the recent out-migration to other regions in Ontario to workers relocating to access more affordable housing. It also assumes an increase of out-migration by at least 5% per year for each of the next five years if housing prices do not correct and if rents return to their pre-Covid levels. Over a five-year period, this would imply a conservative average annual output loss attributable to out-migration of $3.05 billion or a total of $15.25 billion over five years.

ADDITIONAL RECRUITMENT

$180 million per year

Employee Turnover and Additional Recruitment Costs

In addition to pressure on wages, the lack of affordable workforce housing means workers are more likely to quit in favour of higher-paying jobs or more affordable places to live. This means higher levels of turnover and therefore additional recruitment costs for Toronto employers. As previously mentioned, population growth from immigration can help negate the economic losses from out-migration of other GTA residents; however, the process of restaffing and hiring typically requires additional costs beyond a new employee's salary alone.

Employee turnover costs are difficult to estimate. Some employers outsource their recruitment function. Other employers use only internal resources to screen and interview job applicants. Few employers track the overall executive and staff time that is absorbed by recruitment activities. The amount invested in recruitment also depends on the job. Relatively few resources will be devoted to recruiting low-skilled employees. On the other hand, significantly more resources will be invested in recruiting staff with managerial or specialized skills.

A widely cited estimate of average cost-per-hire in the United States is $3,976, based on 2014 survey data.[15] This represented approximately 7.7% of the average annual earnings of an American worker, based on the U.S. Bureau of Labor Statistics data. Applying this 7.7% ratio to the 2019 average annual earnings in Ontario, indicates an average hiring cost of around $4,200 CAD per hire.

$4,200 CAD
average cost-per-hire in Ontario

17% increase
in the turnover rate for nurses between 2017 and 2019

Higher rents and housing costs are likely to lead to retention challenges for employers as some workers are prompted by these pressures to relocate, seek an internal transfer, or change jobs.

Ontario's average turnover rate per year pre-COVID was approximately 11.4%, although this varied significantly across industries. Applying this rate to the GTA workforce, roughly 436,000 workers in Toronto left their jobs in 2019. If higher housing costs increased the rate of turnover by only 10%, these costs would amount to approximately $180 million per year or nearly $900 million over five years.

Higher rents and housing costs are likely to lead to retention challenges for employers as some workers are prompted by these pressures to relocate, seek an internal transfer, or change jobs or even occupations entirely. This effect will be most evident in occupations in which employers are unable to pay a significant wage premium. The nursing profession exemplifies this growing turnover pattern. According to statistics on the average turnover rate of professional occupations in nursing, the turnover rate of nurses grew from 8.6% to 10.1% between 2017 and 2019 – a 17% increase.[16]

COVID-19 Considerations

Anecdotal evidence suggests that higher turnover is already occurring due to COVID-19 related stress and burnout – particularly in frontline fields like healthcare. Workers may be rethinking their career options and lifestyle decisions, and may choose to relocate to lower-cost regions in order to strike a new balance. Early indicators suggest this movement, if it occurs, is likely to be an out-migration from urban centres.

Methodology

Statistics Canada estimates job tenure (and therefore turnover) rates at the provincial level, but not at the sub-provincial level. For Ontario, the average turnover rate per year before COVID-19 was 11.4%, although this varied significantly across industries. If this percentage is applied to the GTA workforce, it implies that around 436,000 workers left their jobs in 2019.

Prism conservatively estimates that the effect of higher rents and housing costs would increase turnover rates by about 10%, i.e., from around 11.4% to around 12.5%. This would imply that an additional 43,600 workers are changing their jobs beyond what would be expected from applying the provincial average. Using the cost-per-hire estimate of $4,200, the additional costs that employers would incur would be approximately $180 million per year, or close to $900 million over five years.

The economy-wide estimate of $180 million per year is conservative. It does not take account of the reduced productivity associated with a new hire's learning period, nor does the estimate take account of internal transfers which are significant in large organizations. Finally, the cost estimate does not take account of the fact that some employers will disproportionately bear the impact of higher turnover because they are unable to pay a sufficient wage premium. Hospitals, the school system, and social and community services are among the sectors most at risk.

LOST PRODUCTIVITY

up to $1.95 billion per year

Negative Effects on Productivity from Long Commutes

On an individual level, the costs of inaction on affordable workforce housing can vary. Essential workers may be facing a variety of other factors which might impact their ability to meet core living costs, including housing. Other social determinants of health, including age, disability, race, gender, and sexual orientation, may also present barriers to adequate access to affordable housing.

As essential workers are forced to live farther and farther away from their workplaces to make ends meet, the challenge of long commute times is increasingly impairing their productivity and overall wellbeing. While emerging hybrid work models may somewhat reduce the needs for some workers to commute, many essential workers will continue to be required to do work in person and deal with the impacts of commuting.

Historically, literature in labour and urban economics has assumed that the productivity of workers is independent of one's commute; however, researchers from VU University Amsterdam in the Netherlands conducted an empirical analysis to determine whether long commutes did in fact reduce employee productivity, in addition to absenteeism.[17] They found that a longer commuting time may cause workers to arrive late at work, or leave earlier, which reduces productivity. These reductions in productivity, namely through increased absenteeism, may be observed by an employer, and the employer may take this into account when hiring (or firing) a certain worker.

Researchers at the University of Cambridge, RAND Europe and Mercer[18] found that employees with a commuting time of more than one hour each way were predicted to lose the equivalent of seven days of work per year, due to absenteeism, tardiness and fatigue. This would represent a productivity loss of approximately 3%.

According to the 2016 Census, across the GTA, roughly 16% of workers commuted more than one hour to their workplace. Using a conservative range of loss of productivity from 1% to 3%, the economic loss for the GTA associated with long commutes is estimated to be $0.65 billion to $1.95 billion per year.

In addition to decreased productivity and increased absenteeism, long commute times also contribute

Roughly 16% of workers commuted more than one hour to their workplace, across the GTA

to other detrimental mental and physical health factors for employees. Alongside exhaustion, other health effects include higher cholesterol, heightened depression and anxiety, high blood pressure, and backaches.[19]

The Toronto Star's *Priced Out* series (2019)[20], based on research by the Board, exposed the challenges that some paramedics in Toronto have been encountering, commuting from as far away as St. Catharines and Campbellford to work in the city-centre. According to Darryl Wilson, President of the Ontario Paramedic Association, "It's not unusual for a paramedic to get a late call in the last half-hour of their shift. That will push a 12-hour shift into a 14-hour workday. […] How do you ensure they're still going to be able to deliver a high calibre of human care?"

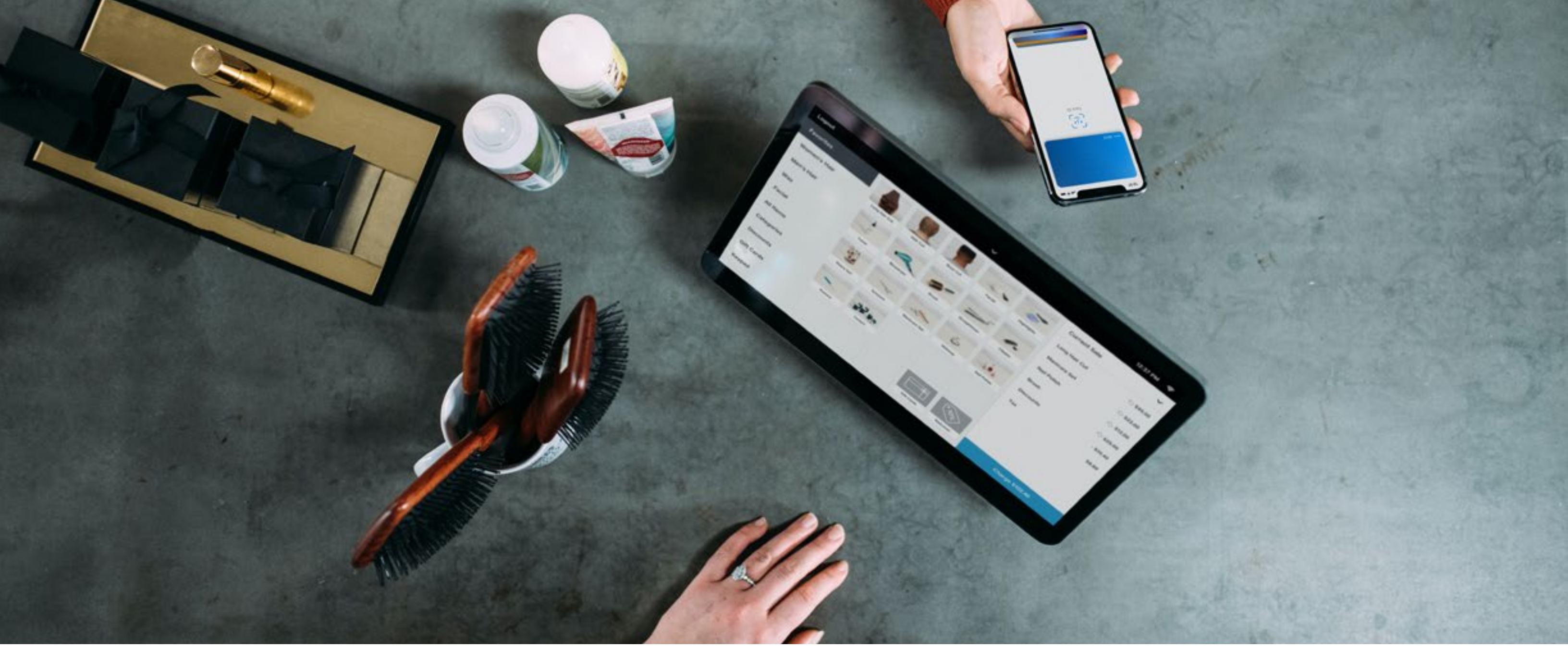
In addition to longer commute times, some of Toronto's essential workers have faced the additional challenge of overcrowding on their bus routes during the pandemic. This problem was particularly felt in communities located near the borders of the city, home to many essential workers who often rely on public transit for their work commutes. A photo of an overcrowded bus during the city's third lockdown on a 4:30AM route in Bloor West Village went viral in early 2021[21], reigniting the need for greater support and shedding light on the systemic challenges that exist for essential workers including transit service, workplace conditions, and access to decent and affordable housing.

COVID-19 Considerations

COVID-related impacts have often led to strong divides, and this extends to the commute. While most white-collar workers worked from home and entirely eliminated their commute, essential workers faced pared back transit schedules or increased safety barriers to carpooling. While traffic volumes declined early in the pandemic, they are returning towards pre-COVID levels. If transit service cannot be maintained at pre-existing levels, more essential workers could face increasingly long commutes and the negative impacts as the result.

Methodology

As noted earlier, the gross domestic product of the GTA in 2017 was $405.2 billion. Based on Statistics Canada's commuting estimates, around 16% of workers commute for more than one hour. Consequently, around $64.8 billion of the GTA's output is attributable to workers with long commutes. Based on the research into the effects of commuting which we discussed above, Prism conservatively estimates that the output of these workers was reduced somewhere between 1% and 3% as a result of their long commutes. This translates into an annual economic loss ranging from $0.65 billion to $1.95 billion.



Decreased local consumption and labour market success

In addition to indirect costs to employers, inaction on affordable housing can have direct costs to local economies. While this has not been quantified, the link between affordable housing and consumer consumption is an important consideration for housing developers and policymakers when planning for local business growth.

Lower housing costs increase the potential for disposable income, which can contribute to higher market spending within a city. Local small and medium businesses frequented by the community are more likely to succeed when people have access to more disposable income. As of 2016, a total of 76% of renters in the Toronto CMA with less than $50,000 per year in household income were spending more than 30% of their income on housing, a point commonly defined as unaffordable.[22] This situation has almost certainly gotten worse over the past five years – meaning a large number of households may have less disposable income to support local shops.

In addition to consumption, affordable housing has a direct effect on labour markets. Studies have shown that cities with ample affordable housing and liveable neighbourhoods are more likely to have successful and competitive labour markets.[23] In an increasingly globalized world, cities with affordable housing are more likely to attract and retain highly skilled immigrants, enhancing the local labour supply.[24]

For the Toronto region to attract top global talent and retain its essential workers, many of whom are recent immigrants, it must increase its affordable workforce housing stock.

COVID-19 Considerations

While COVID-19 may increase out-migration from the GTA, it may have equally impacted consumer spending patterns. While out-migration figures account for the lost output from those workers' incomes, they do not capture lost consumption. Local economic activity is affected when those that may have disposable income move out of the city, just as it is by individuals without disposable income who stay. Toronto's local economy is therefore also negatively impacted by out-migration with local consumption shifting to surrounding regions.

Societal Costs of Inaction

on Affordable Workforce Housing

The previous section outlines several quantifiable labour market impacts that employers and employees face with an insufficient supply of affordable workforce housing. While the cost of inaction for Toronto's broader society is harder to calculate, it is no less important. These costs will be felt by our entire region, not just by a few. Recognizing that affordable housing is both an economic infrastructure issue and a social welfare issue[25], there is strong evidence to support the societal benefits of collective investments in affordable housing.

In this section, we identify additional societal impacts that will harm the region if nothing is done to support affordable workforce housing. While the economic aspects of these impacts have yet to be quantified, this section provides the foundation for further areas of economic analysis to measure the size of these impacts.

Poorer Quality of Education

Affordable workforce housing plays a key role in the well-being of individuals' lives, providing stable environments for parents and children alike to thrive. In addition to providing positive work environment impacts for adults, affordable workforce housing impacts school-aged children's educational outcomes.

There is a clear link between affordable housing, stability, and education. In a 2014 report, Enterprise Community Partners noted that when individuals have access to stable and affordable housing, this creates a healthy learning environment for children "by reducing frequent family moves and avoiding the negative impact of moving on educational achievement."[26] However, housing barriers to academic success are not limited to elementary and high-school students: 31% of post-secondary students in the Greater Toronto and Hamilton area report that commuting is a barrier to academic success. According to a study by StudentMoveTO, a similar number say they spent more than an hour commuting each way to school, and 41% have said their school commute discouraged them from heading to campus.[27]

Quality education is important to a city, a region, and a country's growth, as it shapes the next generation of city-builders and labour market participants. Quality education, nonetheless, starts with quality teachers. The OECD states that government education policies should align with other policies, like housing, to provide a holistic and conducive educational environment for both students and teachers.[28]

As noted in the first report of this series, *Defining the Problem*, should we do nothing to address affordable housing in the Toronto region for essential workers, like teachers, we risk exposing our region to severe shortages in teaching staff and oversized classrooms, as exemplified in California's San Mateo County in the heart of Silicon Valley. These outcomes will ultimately impact the quality of education provided to the region's youth, resulting in additional short and longer term economic and social costs.

Worsened Gender Inequality

Housing is not only an affordability issue, but also a gendered one.

As the economy took a hit, many sectors severely impacted were overrepresented by women, particularly racialized and newcomer women, such as the hospitality and retail sectors. As of March 2020, 63% of job losses across Canada were experienced by women.[29]

Beyond the impacts of the COVID-19 pandemic, women continue to face systemic barriers to housing affordability not experienced by their male counterparts. Despite the gender wage gap narrowing in the last few decades in Toronto, its impact is still prevalent. In 2019, the average income for women was $42,807 compared to $62,667 for men.[30] And, with over 84% of lone parent families in Toronto being led by women, it is even more challenging for single mothers to afford quality and stable housing for their children.[31]

Furthermore, an increase of 20% to 30% in domestic violence rates across the country were reported in March 2020.[32] The rise in domestic violence cases following the onset of the COVID-19 pandemic shed light on the barriers many women face in accessing safe and adequate affordable housing.

The specific challenges that women face in accessing stable and affordable housing is likely harming the region's economic growth, as well as creating intergenerational impacts for their children. The extent of this impact, however, has not yet been quantified. With women making up 52% of Toronto's population,[33] addressing the housing affordability issue using a gendered lens means Toronto's economy can thrive at its full potential.

The specific challenges that women face in accessing stable and affordable housing is likely harming the region's economic growth, as well as creating intergenerational impacts for their children.

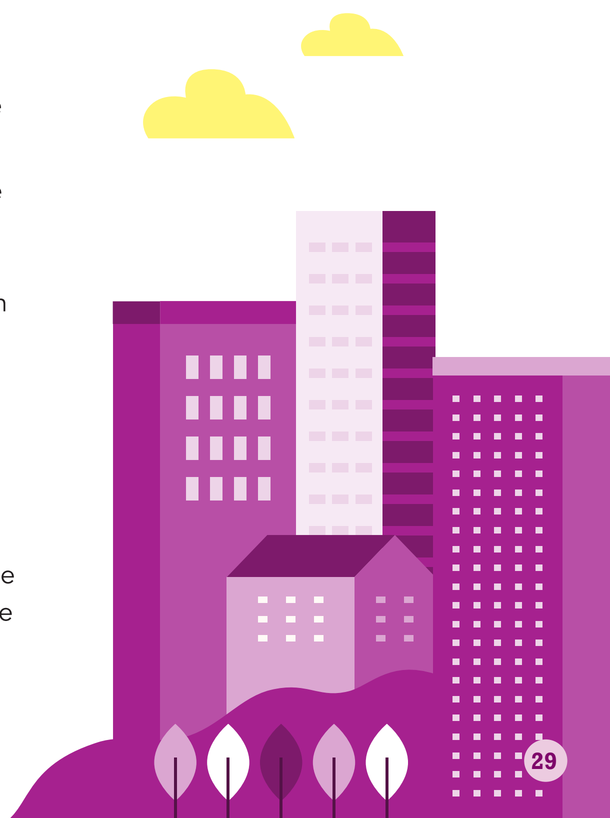
Limited Care-Giver Support for Toronto's Aging Population

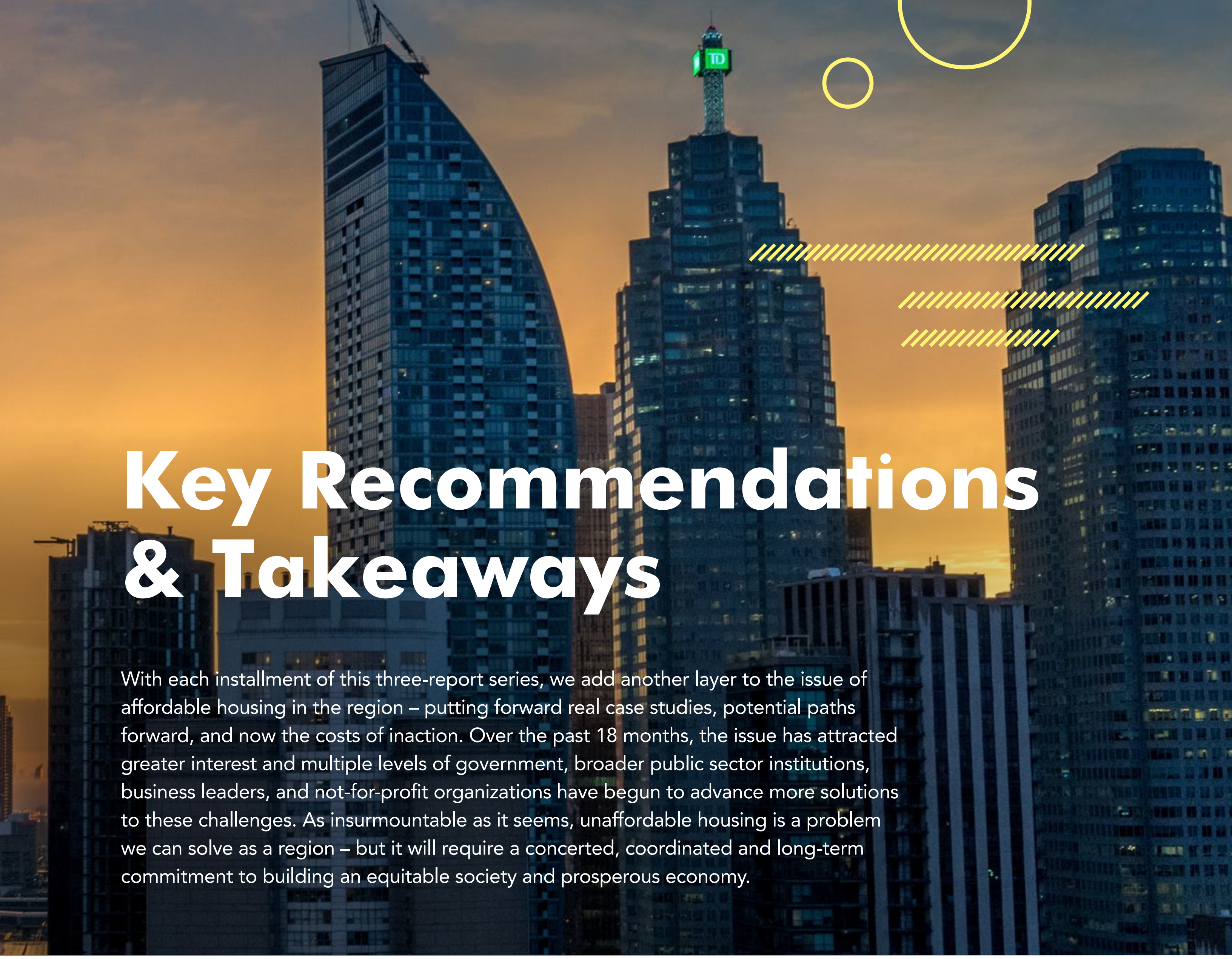
The benefits of creating tens of thousands of new affordable workforce housing units in Toronto will not only help the region right now, it will also be a necessary to accommodate looming demographic shifts.

By 2026, more than 20% of Canada's population is projected to be 65 years old or older.[34] In a 2019 report, the City of Toronto stated that by 2031, the number of Toronto's seniors is estimated to grow by 59% to 695,000. By 2041, this number is estimated to be nearly 830,000.[35] Furthermore, the average age of Toronto's population may further increase as younger families struggle to enter or remain in the city due to affordability.[36]

The city's increasing aging population will necessitate an increase in home care and long-term care workers, including nurses and personal support workers. As essential workers and younger generations continue to be priced out of the city, Toronto's talent pool of caregivers is at risk of human capital shortages as the city's aging population reaches an all-time high. A shortage of workers could lead to higher care costs and reduced care services, ultimately impacting the wellbeing of our region's overall health and aging population.

Business and government must be proactive in our approach to improving housing policy and ensuring the creation of new affordable housing for our essential workers as the city and its population grow. The future success of our region depends on delivering rapid solutions to the workforce housing challenge.





Key Recommendations & Takeaways

With each installment of this three-report series, we add another layer to the issue of affordable housing in the region – putting forward real case studies, potential paths forward, and now the costs of inaction. Over the past 18 months, the issue has attracted greater interest and multiple levels of government, broader public sector institutions, business leaders, and not-for-profit organizations have begun to advance more solutions to these challenges. As insurmountable as it seems, unaffordable housing is a problem we can solve as a region – but it will require a concerted, coordinated and long-term commitment to building an equitable society and prosperous economy.

Based on all three reports, we determined three key recommendations for action on Toronto's workforce housing challenge:

1. Scale Workable Models

The series' second installment, *Modelling Solutions*, laid out six principles to evaluate the affordability and scalability of affordable housing models. Private and non-profit developers should be bold in proposing approaches that meet these criteria and identify what funding and regulatory support they would need to make the projects happen.

The recent EVOLV purpose-built residence developed by Sun Life, Daniels and WoodGreen successfully piloted a tri-partnership agreement between the private sector, city and a social service agency. Similarly, the BlackNorth Initiative, in collaboration with the CMHC and several corporate partners, recently introduced a $65 million Homeownership Bridge program to provide Black and racialized workforce income earners with access to affordable housing ownership and opportunities for generational wealth.

PURPOSEFUL BUILDING

LAND MAXIMIZATION

FINANCIAL SCALABILITY

LONG-TERM AFFORDABILITY

MODEL REPLICABILITY

STRATEGIC PARTNERSHIPS

Both of these examples illustrate innovative public-private approaches to incorporating degrees of affordability at scale and in real time. Alongside building new units and houses, we must also preserve existing affordable units, such as in Toronto's older tower communities. At the same time, governments can ensure that workforce housing is integrated into projects approved through programs like the City's Housing Now Initiative – and that these programs start to specifically track the number of units that are created for households in this income bracket.

2. Expand the Business Case

The numbers in this report are alarming, but they are only a piece of the full picture. The true impact is even greater, and there are many economic questions still to be addressed that can help reinforce the business case for public and private-sector investment in workforce housing. This includes quantifying the negative impacts on education outcomes and the greater socioeconomic divides caused by a lack of affordable housing options. Many other questions remain to be answered, such as how the intersectionality of worker occupation, routine and identity impacts one's ability to access adequate housing; how COVID-19 will impact pre-existing trends around wages, work locations and commuting patterns; and what other factors impact the cost of housing and the region's overall economic health. Further research into these areas can help reinforce the case for action, while also identifying what government policy supports are required to deliver specific types of workforce housing units.

3. Implement a Workforce Housing Strategy

True success will be measured by how many more low- and middle-income workers are living in decent homes that they can afford. Toronto can provide innovative and interconnected approaches to get funding committed and shovels in the ground for these much-needed projects. Specific commitments to action on workforce housing are required by governments and leaders from the private and not-for-profit sectors, and should include the following actions:

- Set targets for workforce housing units that align with the city's current goal of building 40,000 new units of affordable housing over the next ten years;
- Strengthen existing multi-sector partnerships, and build new ones that engage the expertise needed to successfully deliver projects;
- Unlock more low-interest public and private financing for projects that will provide workforce housing;
- Commit more publicly-held (including institutional) land for mixed-income housing, and leveraging density to maximize this scarce resource;
- Deliver both rental and ownership options that can meet the needs of workers and provide longer-term affordability;
- Streamline approvals processes for projects that will deliver a substantial amount of workforce housing.

The data and stories in this series have underscored the urgency of this matter. As said time and again, Toronto's continued economic growth depends on finding an answer to the increasingly urgent problem of affordable housing, and specifically affordable workforce housing. Housing should be seen as a critical component of economic development strategies – because companies and organizations cannot create new jobs if there are no places for their workers to live. We urge decision-makers to consider the research and adopt the recommendations put forward in this series to start building more housing today for a more prosperous and inclusive region tomorrow.

End Notes

1 Urbanation, 2020, "2019 Ontario Rental Market Study: Revising the Supply Gap & Opportunities for Development", https://www.frpo.org/wp-content/uploads/2020/09/Urbanation-FRPO-Ontario-Rental-Market-Report-Summer-2020.pdf

2 Subedi, R., Greenberg, L., & Turcotte, M., 2020, "COVID-19 mortality rates in Canada's ethno-cultural neighbourhoods", Statistics Canada, https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00079-eng.htm

3 Mowat, D. & Rafi, S., 2020, "COVID-19: Impacts and Opportunities", City of Toronto, https://www.toronto.ca/wp-content/uploads/2020/09/9133-torr-covid19-impacts-opportunities-2020.pdf

4 Chagla, Z., Ma, H., Sander, B., Baral, S. D., & Mishra, S., 2021, "Characterizing the disproportionate burden of SARS-CoV-2 variants of concern among essential workers in the Greater Toronto Area, Canada", https://www.medrxiv.org/content/10.1101/2021.03.22.21254127v1

5 Toronto Foundation, 2019, "Toronto's Vital Signs", https://www.torontofoundation.ca/wp-content/uploads/2019/10/VitalSigns2019.pdf

6 Registered Nurses' Association of Ontario, 2021, "Work and Wellbeing Survey Results". https://rnao.ca/sites/rnao-ca/files/Nurses_Wellbeing_Survey_Results_-_March_31.pdf

7 PRISM, 2020, "The Impact of Housing Affordability on GTA Employers and the GTA Economy".

8 Long-Term Care Staffing Study Advisory Group, Ontario Ministry of Long-Term Care, "Long-Term Care Staffing Study", July 30, 2020 https://files.ontario.ca/mltc-long-term-care-staffing-study-en-2020-07-31.pdf

9 Loriggio, P., 2021, "Ontario school boards struggle to find supply teachers amid rise in absences due to COVID-19", Global News, https://globalnews.ca/news/7714498/ontario-school-boards-supply-teachers-covid-19/

10 Mitchell, S. & LaVecchia, O., 2016, "Amazon's Stranglehold: How the Company's Tightening Grip Is Stifling Competition, Eroding Jobs, and Threatening Communities", https://ilsr.org/wp-content/uploads/2020/04/ILSR_AmazonReport_final.pdf

11 Ninety minutes from: Toronto, 2021, https://ninetyminutesfrom.com/

12 Ontario Ministry of Finance, 2020, "Ontario Population Projections Update, 2019–2046", https://www.fin.gov.on.ca/en/economy/demographics/projections/6.

13 Petramala and Smythe, 2020, "GTA Housing Pulse", Ryerson University, https://www.ryerson.ca/content/dam/cur/pdfs/CUR_GTA_Housing_Market_Pulse_June_22_2020.pdf

14 Moffatt, M., 2021, "Ontarians on the Move, 2021 Edition. #4 — It's Mostly Young Families, not Retirees, leaving Toronto", https://mikepmoffatt.medium.com/ontarians-on-the-move-2021-edition-bf5ccf59e364.

15 Bersin Deloitte, 2015, "Talent Acquisition Factbook". https://www.academia.edu/23826742/Talent_acqusition_factbook

16 PRISM, 2020, "The Impact of Housing Affordability on GTA Employers and the GTA Economy".

17 Van Ommeren, & J. Gutièrrez-i-Puigarnau, 2009, "Are Workers with A Long Commute Less Productive? An Empirical Analysis of Absenteeism", Tinbergen Institute, https://papers.tinbergen.nl/09014.pdf

18 Mercer, 2017, "Long commutes costing firms a week's worth of staff productivity", https://www.uk.mercer.com/newsroom/britains-healthiest-workplace-flexible-working-and-commuting.html

19 Kylstra, C., 2014, "10 Things Your Commute Does to Your Body", https://www.womenshealthmag.com/health/a19945469/commuting/

20 Toronto Region Board of Trade and WoodGreen, "Housing a Generation of Workers", https://workforcehousing.trbot.ca/

21 Draaisma, M., 2021, "TTC reviewing service on overnight route after man posts photo of inside a crowded bus", CBC News, https://www.cbc.ca/news/canada/toronto/crowded-bus-photo-ttc-extra-service-essential-workers-safety-toronto-pandemic-1.5988346

22 Toronto Foundation, "Toronto's Vital Signs Report 2019/20: Housing," 2019, https://torontofoundation.ca/vitalsigns-issue-2/

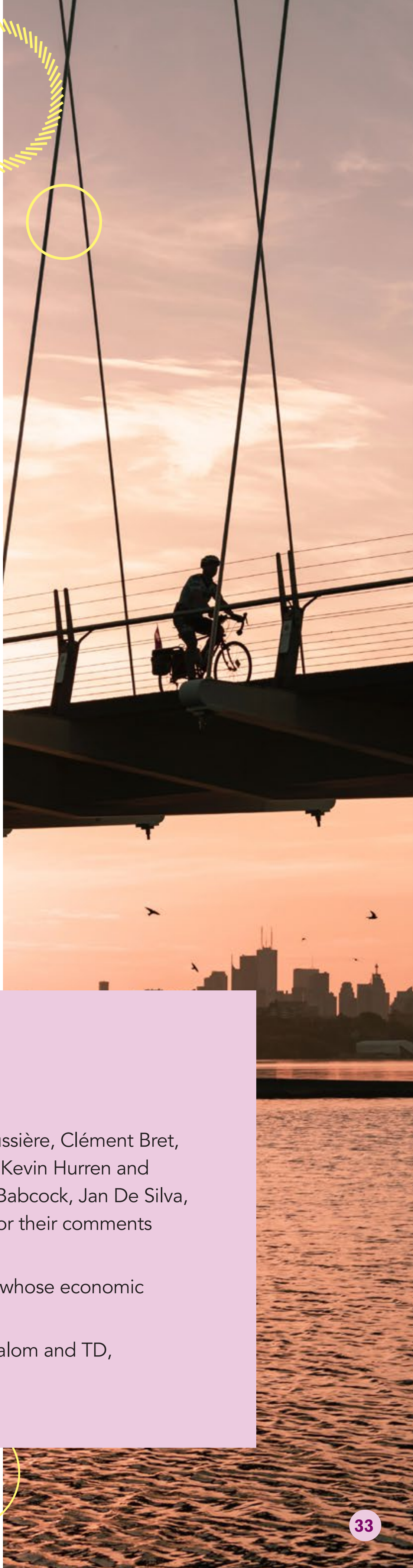
23 D. Maclennan, 2012, "Housing for the Toronto Economy", Cities Centre, University of Toronto, http://www.urbancentre.utoronto.ca/pdfs/publications/RP212MaclennanHousingTorontoEconomy7-2008.pdf

24 Ibid.

25 D Maclennan et al., 2018, "Making Better Economic Cases for Housing Policies", City Futures Research Centre, UNSW Sydney, https://policyscotland.gla.ac.uk/publication-making-better-economic-cases-for-housing-policies/

26 Enterprise Community Partners Inc, 2014, "Impact of Affordable Housing on Families and Communities: A Review of the Evidence Base" https://homeforallsmc.org/wp-content/uploads/2017/05/Impact-of-Affordable-Housing-on-Families-and-Communities.pdf

27 Simonpillai, R., 2020, "The school commute is a barrier to success for Toronto students", Now Toronto, https://nowtoronto.com/lifestyle/the-school-commute-is-a-barrier-to-success-for-students



28 OECD, 2012, "Equity and Quality in Education: Supporting Disadvantaged Students and Schools", https://www.oecd.org/education/school/50293148.pdf

29 Sultana, A. & Ravanera, C., 2020, "A Feminist Economic Recovery Plan for Canada: Making the Economy Work for Everyone", The Institute for Gender and the Economy (GATE) and YWCA Canada, https://static1.squarespace.com/static/5f0cd2090f50a31a91b37ff7/t/5f205a15b1b7191d12282bf5/1595955746613/Feminist+Economy+Recovery+Plan+for+Canada.pdf

30 City of Toronto, 2019, "Creating a Gender Equity Strategy and Gender Equality Office for Toronto", https://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-137130.pdf

31 Ibid

32 Sultana, A. & Ravanera, C., 2020, "A Feminist Economic Recovery Plan for Canada: Making the Economy Work for Everyone", The Institute for Gender and the Economy (GATE) and YWCA Canada, https://static1.squarespace.com/static/5f0cd2090f50a31a91b37ff7/t/5f205a15b1b7191d12282bf5/1595955746613/Feminist+Economy+Recovery+Plan+for+Canada.pdf

33 City of Toronto, 2019, "Population Demographics"https://www.toronto.ca/wp-content/uploads/2019/11/99b4-TOHealthCheck_2019Chapter1.pdf

34 Rochon, Paul, N. Stall and J. Roebuck, January 2020, "It's not the same old story: Canada's aging population is on the rise, but we don't have the resources to match", Globe and Mail https://www.theglobeandmail.com/opinion/article-its-not-the-same-old-story-canadas-aging-population-is-on-the-rise/

35 City of Toronto, 2019, "Toronto Housing Market Analysis: From Insight to Action" https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-124480.pdf

36 Smetanin, P., Stiff, D., Barake, E., Evenson, J., Liadsky, D., Matthews-Hunter, K. & McDonough, A.,2019, "Toronto Housing Market Analysis: From Insight to Action", Canadian Centre of Economic Analysis (CANCEA) & Canadian Urban Institute (CUI), https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-124480.pdf

Acknowledgments

This report was written by Anna-Kay Russell, Craig Ruttan, Stéphanie Bussière, Clément Bret, Nathalia Marques, Tua Hytönen and Michelle German. It was edited by Kevin Hurren and Avi D'Souza and designed by Lisa Davison Design. Thank you to Anne Babcock, Jan De Silva, Roselle Martino, Mwarigha, Mark Richardson, and Teresa Vasilopoulos for their comments on an earlier draft of the report. Any errors remain those of the authors.

Thank you to John O'Grady and Cheyenne Martin of Prism Economics, whose economic analysis and research provided essential insights for this report.

We greatly appreciate the engagement and generous support of Leo Salom and TD, who made this research project possible.

The **Toronto Region Board of Trade** is one of the largest and most influential chambers of commerce in North America and is a catalyst for the region's economic growth agenda. Backed by more than 13,500 members, we pursue policy change to drive the growth and competitiveness of the Toronto region, and facilitate market opportunities with programs, partnerships and connections to help our members succeed – domestically and internationally. To learn about the Board's economic recovery efforts and response to COVID-19, visit **supportbusiness.bot.com**. For more on making Toronto one of the most competitive and sought-after business regions in the world, visit **bot.com** and follow us at **@TorontoRBOT**.

A United Way Anchor Agency, **WoodGreen** combines significant scale and a proven track record with an entrepreneurial mindset, continuously seeking and developing innovative solutions to critical social needs. With a rich history spanning more than 80 years, WoodGreen is one of the largest social service agencies in Toronto, serving 37,000 people each year from 36 locations. Together we help people find safe, affordable housing, seniors live independently, internationally-trained professionals enter the job market, parents access childcare, children and youth access after-school programs, newcomers settle in to Canadian life, homeless and marginalized people get off the streets, youth find meaningful employment and training and provide a wide range of mental health supports.

TORONTO REGION BOARD OF TRADE

WOODGREEN

Sponsored by TD