



TORONTO  
BOARD OF TRADE



## TORONTO AS A GLOBAL CITY: Scorecard on Prosperity

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Founded in 1845, the Toronto Board of Trade is Canada's largest local chamber of commerce, representing 10,000 members and connecting more than 200,000 business professionals and influencers throughout the Toronto region. The Board of Trade advances the success of its members and the entire Toronto region by facilitating opportunities for knowledge sharing, networking, business development and city building.

Involvement with the Toronto Board of Trade delivers measurable professional and personal advantages for members. Equally important, the Board of Trade fuels the economic, social and cultural vitality of the entire Toronto region by fostering powerful collaborations among business, government, thought leaders and community builders. The Toronto Board of Trade plays a vital role in elevating the quality of life and global competitiveness of Canada's largest urban centre.

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## FOREWORD AND ACKNOWLEDGMENTS

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On behalf of all members of the Toronto Board of Trade, we are pleased to present *Toronto as a Global City: Scorecard on Prosperity*.

This report comes as the Toronto region is experiencing the shockwaves of economic upheaval. And businesses are coping with this rugged new reality by confronting the facts: they review their balance sheets, assess performance, set goals for the year to come and chart their way out of hardship. In other words, they keep score. And they develop a game plan to emerge the winner.

Residents, businesses and governments throughout the Toronto region need to work together to do the same.

Torontonians believe their metropolitan region is among the world's best, for its powerful financial industry, its vibrant research and cultural institutions, its diversity, its quality of life. Yet throughout the most recent period of prosperity, the region has been dogged by a sense of insecurity — by a nagging concern that all is not as well as it ought to be, that competing cities are gaining ground. And now that the buoyancy has been drained from the economy, there is a sense in Toronto's business community that, while the region has undoubtedly benefited from good times, it failed to make the most of the opportunity.

Yes, the Toronto region has grown and thrived. But with all we had going for us, we could have risen higher, if we'd had a plan, and if we'd kept proper score. Such is the mission of the *Scorecard on Prosperity*.

For many years now, business, government and academic leaders in Toronto have all agreed that this city must do a better job of measuring how it performs compared to other cities. But it is also universally agreed, not just in Toronto but around the world, that this sort of benchmarking is a difficult task. Economic statistics are easy to gather if you want to compare nations against nations. But, for all the rhetoric that cities are the engines of our national economies, few resources are currently available to keep proper score on the performance of municipal or regional economies, especially on a global scale.

This *Scorecard on Prosperity* marks something of a breakthrough in this regard. By compiling data on 25 specific indicators for the Toronto region and 20 other metropolitan areas, the Toronto Board of Trade has endeavoured to take a reliable measure of Toronto's place in the world. We have also examined the internal workings of the region, comparing the city centre with its surrounding municipalities, to see where each excels. Perhaps most important, our research can show policymakers where best to target efforts for improvement, as we pursue our common goal of a globally competitive city-region. The *Scorecard on Prosperity* tells us where we stand now and points us in the direction of future prosperity.

Torontonians believe their metropolitan region is among the world's best, for its powerful financial industry, its vibrant research and cultural institutions, its diversity, its quality of life.

The *Scorecard on Prosperity* also represents a breakthrough for the Toronto Board of Trade itself. For 164 years this organization has been a vocal advocate for our members with all levels of government. The *Scorecard on Prosperity* marks a deeper commitment to evidence-based research in pursuit of our policy goals. We will update the *Scorecard on Prosperity* every year, so that we can track the city's progress. It will become the foundation of our policy development and advocacy work.

We gratefully acknowledge the research support the *Scorecard on Prosperity* has received from The Conference Board of Canada, as well as funding support from the Certified Management Accountants of Ontario. We also wish to thank our Board of Directors and our Policy and Advocacy Committee for their direction and input. And we express our sincere gratitude to all our volunteers at the Toronto Board of Trade, particularly the business leaders who serve on our Economic Development Committee, whose vision and determination on this initiative will make a lasting contribution to the Toronto region's success for years to come.

We are eager to share our findings with stakeholders across the Toronto Region, and we look forward to charting our city's progress in future editions of the *Scorecard on Prosperity*.



**Paul Massara**  
Chair  
Toronto Board of Trade



**Carol Wilding**  
President & CEO  
Toronto Board of Trade

Globalization has lifted competition among countries, regions and cities around the world to unprecedented levels. Knowing how these jurisdictions stack up against one another is increasingly important.

# 1 EXECUTIVE SUMMARY

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## Toronto as a Global City: Scorecard on Prosperity

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Toronto is one of Canada's leading cities, seeking to improve its economic success by sharpening its competitive edge. Toronto generates about 10 per cent of Canada's total gross domestic product (GDP) and, particularly in light of the current financial turmoil and the accompanying global economic downturn, its prosperity should be a concern for all Canadians. Globalization has lifted competition among countries, regions and cities around the world to unprecedented levels.

The Toronto Board of Trade (the Board) plays a vital role in elevating the quality of life and global competitiveness of the Toronto region through its legacy of and continuing focus on public policy advocacy. A key policy focus for the Board is Toronto's economic development. For a number of years, the Board has been examining the economies of the city of Toronto (referred to as the City in this report) and surrounding regional municipalities to see how they are progressing with the transition to a 21<sup>st</sup> century economy. To see where Toronto, both the City and the region, is making this transition well and where progress is slow in coming, the Board decided to benchmark Toronto against a number of other great global cities.

In January 2008, the Mayor's Economic Competitiveness Advisory Committee released its *Agenda for Prosperity*. This document looks to provide strategic direction to ensure Toronto's long-term prosperity, based on four "prosperity pillars:"

- Proactive Toronto: Business Climate
- Global Toronto: Internationalization
- Creative Toronto: Productivity and Growth
- One Toronto: Economic Opportunity and Inclusion

Given its focus on Toronto's economic development, the Board advised both the City of Toronto and the Committee as *Agenda for Prosperity* was developed, helping to shape the document and its recommendations. As a result, *Agenda for Prosperity* recommends that Toronto compare itself to its global competitor cities to see how Toronto is performing in a global context.

Accordingly, the Board engaged The Conference Board of Canada to help benchmark the Census Metropolitan Area (CMA) of Toronto against other great urban areas of the world. Moreover, within this scorecard is a comparison between the city of Toronto and the other municipalities contained in the Toronto CMA (referred to as the 905 region in this report). This report marks the launch of a multi-year project, which will enable the Board to measure and monitor the CMA's performance and its potential for future success. The goal is to bring the City's strengths and weaknesses into sharper focus, enabling decision makers to act more strategically. It benchmarks the City's performance against the performance of 20 comparator metropolitan areas on a set of 25 indicators grouped into two domains: Economy and Labour Attractiveness.<sup>1</sup> The study uses a report card-style ranking of A–B–C–D to assess performance on each indicator, on each domain, and overall.

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1. There are a number of elements linked to urban prosperity and quality of life — such as infrastructure, environmental sustainability, income inequality and optimum density — that are not benchmarked because of a lack of comparable data across metro areas.

## Decent Fourth-Place Performance, But Much Room for Improvement

### Overall Ranking

Rank	Metro Area	Grade (Normalization Score)
1	Calgary	A (0.66)
2	Dallas	B (0.54)
3	Hong Kong	B (0.52)
T4*	<b>Toronto</b>	C (0.50)
	Boston	C (0.50)
	London	C (0.50)
	New York	C (0.50)
T8*	Vancouver	C (0.49)
	Seattle	C (0.49)
10	Quebec City	C (0.45)
11	Shanghai	C (0.44)
12	San Francisco	D (0.43)
13	Montreal	D (0.42)
14	Chicago	D (0.38)
15	Paris	D (0.37)
16	Los Angeles	D (0.36)
	Barcelona	N/A
	Madrid	N/A
	Oslo	N/A
	Rome	N/A
	Stockholm	N/A

\*T indicates a tied ranking.

Toronto's tied fourth-place ranking is a decent, if unspectacular, result. However, it is disappointing that Toronto only manages a "C" grade overall, particularly in a field where a Canadian CMA — Calgary — earned the only "A" grade. A closer look at the results shows Toronto as a region facing economic challenges but buoyed by the fundamentals of a high quality of life. Poor results on key growth indicators — such as GDP, productivity and disposable income — are troubling signs for Toronto's future prosperity. Generally good results in the Labour

Attractiveness domain boost Toronto all the way to the top third of the overall rankings. Above all, Toronto's strength comes from its diverse population: over 45 per cent of the CMA's population is foreign-born. In a field where all 21 metropolitan areas were included, Toronto took top spot, edging out Vancouver and beating New York, Los Angeles and London.

The benchmarking results confirm what most people believe: Toronto offers a generally good quality of life that will be in jeopardy without a stronger economic platform.

### Economy: Challenged by Mediocrity

Toronto's composite score on the 13 indicators used to measure outcomes related to the performance of the local economy show a metropolitan region challenged by mediocrity. Positioned squarely in the middle of the pack, Toronto ties with San Francisco for eighth place (out of 16), good enough for just a "C" grade. Leaders in this domain include Hong Kong and Calgary (both with "A" grades) and the "B-grade" cities of Seattle, Dallas, Boston, Vancouver and New York. Hong Kong is catapulted to the top by its stunning GDP growth (averaging nearly 20 per cent each year over the past five years) and its productivity. Calgary's position is powered by number one rankings in employment growth, unemployment rate, income growth and total tax burden. Toronto's tax competitiveness presents a mixed story. Please see Pages 28 and 39 inside the report for a fuller explanation.

### Highlights

Toronto shows a few bright spots in this domain:

- Toronto tops the list of seven metro regions in knowledge employment, coming slightly ahead of Montreal and Calgary, with 19.2 per cent of workers in knowledge employment.
- Toronto's share of high-tech employment (6 per cent) is good enough to put the CMA in fifth place, ahead of every other Canadian CMA.



## Economy Overall

Rank	Metro Area	Grade (Normalization Score)
T1*	Hong Kong	A (0.71)
	Calgary	A (0.71)
3	Seattle	B (0.56)
4	Dallas	B (0.55)
5	Boston	B (0.54)
6	Vancouver	B (0.52)
7	New York	B (0.48)
T8*	San Francisco	C (0.45)
	<b>Toronto</b>	C (0.45)
10	Quebec City	C (0.42)
11	Los Angeles	C (0.41)
12	Montreal	C (0.40)
T13*	London	C (0.37)
	Shanghai	C (0.37)
15	Chicago	D (0.34)
16	Paris	D (0.23)
	Barcelona	N/A
	Madrid	N/A
	Oslo	N/A
	Rome	N/A
	Stockholm	N/A

\*T indicates a tied ranking.

## Challenges

Toronto's "C" grade masks the weaknesses exposed by its "D" grades on key growth-related measures:

- Toronto's annual GDP growth, at 2.6 per cent, is fourth-lowest of all the ranked metropolitan areas.
- Toronto's disposable income growth, at 4.7 per cent, puts it far behind Calgary (first-ranked) and at the bottom of the pack in 12th position (out of 13).
- Toronto's annual productivity growth has been stuck for the past five years at just 0.6 per cent, dropping Toronto behind all U.S. metros and out of sight of first place Hong Kong. Only four urban areas fall below Toronto: Barcelona, Montreal, Oslo and Rome.

## Labour Attractiveness: Dynamic, Diverse and Affordable

Toronto's composite score on the 12 indicators used to measure the social and environmental complexities that distinguish great urban regions from mediocre ones puts it in fifth place with a "B" grade and in the top quarter of the rankings. Buoyed by its strong foreign-born population base, high numbers of university-educated people and low homicide rate, the results paint a portrait of Toronto as a dynamic, diverse and affordable place to live — just the kind of city that creates a "buzz." It falls short of an "A" grade because of the high percentage of the population living at or below the low-income cut-off.

## Highlights

Toronto's definite strength lies in its diversity. It is in first position on the foreign-born population indicator, with 45.7 per cent of its population identified as foreign-born. Other strengths in this domain:

- Toronto earns an "A" on housing affordability.
- Relatively high population growth rates (1.9 per cent annually) underscore the CMA as a magnet for immigrants. Only Calgary (2.6 per cent annually) and Dallas (2.3 per cent annually) have grown faster than Toronto.
- Toronto boasts a well-educated population: nearly one-third of the population over 25 has a university degree. This puts Toronto in fifth place, with a "B" grade on this indicator, ahead of all other Canadian CMAs. It also earns a "B" grade on the number of people involved in cultural occupations.

## Labour Attractiveness Overall

Rank	Metro Area	Grade (Normalization Score)
1	Madrid	A (0.72)
2	Barcelona	A (0.65)
3	London	A (0.63)
4	Calgary	B (0.60)
5	<b>Toronto</b>	B (0.56)
6	Dallas	B (0.54)
7	Paris	B (0.52)
T8*	New York	C (0.51)
	Shanghai	C (0.51)
10	Quebec City	C (0.48)
T11*	Oslo	C (0.46)
	Vancouver	C (0.46)
T13*	Boston	C (0.45)
	Stockholm	C (0.45)
15	Montreal	C (0.44)
16	Chicago	C (0.42)
T17*	Seattle	D (0.41)
	San Francisco	D (0.41)
19	Rome	D (0.40)
20	Hong Kong	D (0.32)
21	Los Angeles	D (0.31)

\*T indicates a tied ranking.

## Challenges

Toronto's strengths as an attractive city could potentially be undermined by its poor scores and position on key indicators in this domain:

- Toronto fails to keep up on elementary and secondary education, earning only a “C” and a bottom-half ranking for the ratio of teachers to the school-age population. This puts Toronto far behind the leader, Shanghai (with proportionately about 50 per cent more teachers), and Quebec City and Montreal, also ahead by 25 per cent and 15 per cent respectively.
- Toronto earns a “D” on its population between the ages of 25 and 34 years (only 14.1 per cent of its total population), well below the leaders Madrid (at 19.2 per cent) and Barcelona (at 18.4 per cent).

- The Toronto CMA also has an unacceptable level of low-income households. One in five Torontonians lives below the low-income cut-off (Statistics Canada's proxy for the poverty line). At 20.4 per cent, this rate is higher than every other Canadian CMA except Vancouver. However, the lack of comparable international data on low-income households means that it is impossible to gauge how Toronto stacks up against the wider field of American, European and Asian metros.

## Inside the Toronto CMA: Struggling City, Successful 905 Region

While the focus of this report is on how the Toronto CMA compares with other global metropolitan areas, a closer look at how the City compares with the rest of the CMA (referred to as the 905 region) uncovers a divide between a struggling City and a successful 905 region. Both the City and the 905 region are graced with highly diverse populations, but on all other measures they show stark contrasts. In particular, the City is lagging behind the 905 region on five fundamental economic indicators:

- income growth trends (with the average annual income growth close to 6 per cent for the 905 area, but only 3.5 per cent for the City);
- GDP growth (at 4.2 per cent for the 905 region, but only 1.2 per cent for the City);
- employment growth (at 2.5 per cent for the 905 region, and just over 1 per cent for the City);
- unemployment rate (5.9 per cent for the 905 region and 7.9 per cent for the City, with almost all employment growth for the CMA over the last 20 years occurring in the 905 region); and
- total tax index (83.8 for the 905 region and 88.1 for the City — for a discussion on the implications of this tax differential, please see Page 39).

Both the City and the 905 region do well on indicators measuring Labour Attractiveness, but for different reasons. The City outperforms the 905 region on commuter travel choices, young labour force, university

education and cultural occupations. The 905 region shines on population growth, housing affordability and low-income population indicators.

### City and 905 Region

	Indicator	City of Toronto	905 Region
Economy	Real GDP per capita	\$49,696	\$43,250
	Real GDP growth (five-year average)	1.2%	4.2%
	After-tax income per capita	\$28,964	\$28,567
	After-tax income growth (five-year average)	3.5%	5.9%
	Productivity level	\$88,995	\$83,571
	Productivity growth (five-year average)	0.5%	0.8%
	Residential building permits growth (five-year average)	2.7%	2.1%
	Non-residential building permits growth (five-year average)	8.9%	10.2%
	Employment growth (five-year average)	1.1%	2.8%
	Unemployment rate	7.9%	5.9%
	High-tech employment (share of total employment)	5.1%	5.7%
	Knowledge employment (share of total employment)	21.1%	17.6%
	Total tax index	88.1	83.8
	Labour Attractiveness	Comfortable climate index	26.1
Proportion of population 25 to 34 years		15.4%	12.8%
Homicides (rate per 100,000 population)		2.8	1.0
Proportion of population, age 25 and over, with at least a bachelor's degree		33.0%	27.3%
Number of elementary and secondary teachers per 1,000 people of school age (5–19)		61.4	66.0
Proportion of population that is foreign-born		50.0%	41.7%
Proportion of population that is employed in cultural occupations		5.3%	2.7%
Housing affordability (average house prices as a ratio of average household income)		1.2	0.8
Proportion of population at or below low-income cut-off (LICO)		24.1%	16.4%
Travel to work: public transit, biking, walking (proportion of working population)		43.8%	13.0%
Population growth (five-year average)		0.3%	3.5%
Domestic water use, average daily flow (cubic metres)		219	237

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## Going From Low to High Gear

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Toronto can do better. With a “C” grade, the Toronto region is outstripped by economic powerhouses and fast-growing regions including Calgary, Dallas and Hong Kong. While Toronto’s fourth-place ranking is respectable, its position masks two important dichotomies: the region’s economic results are considerably weaker than those attached to labour attractiveness, and the City is struggling compared with the rest of the CMA. This confirms what most people believe: Toronto offers a generally good quality of life that will be in jeopardy without a stronger economic platform.

Toronto will need to do more to make sure that its strategies bring prosperity to everyone. Toronto is home to a large population of low-income households, greater than any other CMA in Canada except Vancouver. Toronto must also take care not to squander its most unique resource: newcomers. Much more needs to be done to ensure that new immigrants have access to all the opportunities that drew them to Toronto in the first place.

Toronto has many strengths that it can leverage to its advantage. It is an attractive place to be, drawing in people from every corner of the world, many with university degrees and many who are young enough to be in the labour force for a long time to come. Immigrants continue to flock to Toronto, a phenomenon which reflects the area’s attractiveness and can be attributed to its high quality of life: homicide rates are low, transportation options are available and housing is relatively affordable. The range of employment opportunities in knowledge, culture and technology industries constitutes another magnet for Toronto.

Looking ahead, Toronto should strive to strengthen its economic foundation and build on its considerable strengths as one of the world’s most liveable cities.

## 2 INTRODUCTION

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“Large, dynamic urban centres have a national importance that transcends their significance to a region or province, in the same way that the national railways were recognized in the 1800s as having a national significance. Our largest urban centres have a role to play in assuring Canada’s future prosperity that transcends their municipal and provincial boundaries.”

— *Compete to Win*, Report of the Government of Canada’s Competition Policy Review Panel, 2008.

“Toronto generates about 10% of total Canadian GDP, which is roughly equivalent to the combined contribution of New York, Chicago, Boston and San Francisco to the U.S. national GDP.”

— *Agenda for Prosperity*, Toronto Mayor’s Economic Competitiveness Advisory Committee, January 2008.

Globalization has lifted competition among countries, regions and cities around the world to unprecedented levels. Indeed, the current financial turmoil and accompanying global economic downturn, which started with problems in the U.S. sub-prime mortgage market but quickly spread through global financial markets and now to the economy as a whole, underscores just how globalized the world has become.

In this context, knowing how countries, regions and cities stack up against one another becomes increasingly important. Through benchmarking, countries and cities can identify their relative strengths and weaknesses, allowing them to develop action plans to improve their overall performance. Statistics Canada forecasts that it may take only 10 years before Canada has more people

at the age where they can leave the labour force than people at the age where they can begin working.<sup>1</sup> The 2006 Census revealed that Canada has never had so many people close to retirement. Competition for highly mobile workers has become an important issue for Canadian cities and, in fact, for cities around the world.

Toronto is one of Canada’s leading cities, seeking to improve its economic success by sharpening its competitive edge. This task has become even more crucial now that the region is facing a downturn on a scale not seen since the deep recession of the early 1990s. As the place that generates about 10 per cent of total gross domestic product (GDP) in the country, Toronto’s prosperity should be a concern for all Canadians.<sup>2</sup>

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1. Statistics Canada, “2006 Census: Age and Sex,” *The Daily* [online]. (July 17, 2007), [cited March 3, 2009]. [www.statcan.gc.ca/daily-quotidien/070717/dq070717a-eng.htm](http://www.statcan.gc.ca/daily-quotidien/070717/dq070717a-eng.htm).

2. Toronto Mayor’s Economic Competitiveness Advisory Committee, *Agenda for Prosperity* [online]. (Toronto: City of Toronto, January 2008), [cited March 3, 2009], <http://www.toronto.ca/prosperity/pdf/agenda-prosperity-report-full.pdf>, p. 15.

The Toronto Board of Trade (the Board) plays a vital role in elevating the quality of life and global competitiveness of the Toronto region through its legacy of and continuing focus on public policy advocacy. A key policy focus for the Board is Toronto's economic development. For a number of years, the Board has been examining the city of Toronto's and the region's economy to see how it is progressing with the transition to a 21<sup>st</sup> century economy. To see where Toronto, both the City and the region, is making this transition well and where progress is slow in coming, the Board decided to benchmark Toronto against a number of other great global cities.

In January 2008, the Mayor's Economic Competitiveness Advisory Committee released *Agenda for Prosperity*. This document looks to provide strategic direction to ensure Toronto's long-term prosperity, based on four "prosperity pillars":

- Proactive Toronto: Business Climate
- Global Toronto: Internationalization
- Creative Toronto: Productivity and Growth
- One Toronto: Economic Opportunity and Inclusion

With its focus on Toronto's economic development, the Board advised both the City of Toronto and the Committee as *Agenda for Prosperity* was developed, helping to shape the document and its recommendations. As a result, *Agenda for Prosperity* recommends that Toronto compare itself to its global competitor cities to see how Toronto is performing in a global context.

As part of its public policy advocacy mandate, the Board decided to undertake this global benchmarking of Toronto's performance on an annual basis. The Board believes this exercise will provide a clearer understanding of Toronto's strengths and weaknesses relative to its global competitors. At the same time, benchmarking will highlight how successful Toronto has been in implementing *Agenda for Prosperity*.

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## FOREIGN POLICY GLOBAL CITIES INDEX 2008

"But what makes a 'global city'? The term itself conjures a command center for the cognoscenti. It means power, sophistication, wealth, and influence. To call a global city your own suggests that the ideas and values of your metropolis shape the world. And, to a large extent, that's true. The cities that host the biggest capital markets, elite universities, most diverse and well-educated populations, wealthiest multinationals, and most powerful international organizations are connected to the rest of the world like nowhere else. But, more than anything, the cities that rise to the top of the list are those that continue to forge global links despite intensely complex economic environments. They are the ones making urbanization work to their advantage by providing the vast opportunities of global integration to their people; measuring cities' international presence captures the most accurate picture of the way the world works."

[www.foreignpolicy.com/story/cms.php?story\\_id=4509](http://www.foreignpolicy.com/story/cms.php?story_id=4509)

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Benchmarking global cities is of course, nothing new. By now, most city-watchers are familiar with the Mercer analysis, which annually tells us that Zurich, Geneva, or Vancouver are the best places to live, according to 39 quality-of-life measures. And in October 2008, two new reports were released: UN HABITAT's *State of the Cities Report* and *Foreign Policy's* "Global Cities Index."<sup>3</sup> Each tells us something about Toronto, but none provides the full picture of the city and the region and its place in the discrete constellations of Canadian, of American, of European, and — finally — of global cities.

Accordingly, the Board engaged The Conference Board of Canada to help develop a scorecard with a unique focus on the Toronto Census Metropolitan Area (CMA). Moreover, within this scorecard is a comparison between the city of Toronto and the other municipalities contained in the Toronto CMA (referred to as the

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3. UN-HABITAT, *State of the World's Cities 2008/2009: Harmonious Cities* [online]. (United Nations, October 2008), [cited March 3, 2009]. <http://www.unhabitat.org/content.asp?cid=5964&catid=7&typeid=46&subMenuId=0>; Foreign Policy, *The 2008 Global Cities Index* [online]. (Cited March 3, 2009). [http://www.foreignpolicy.com/story/cms.php?story\\_id=4509](http://www.foreignpolicy.com/story/cms.php?story_id=4509).

905 region in this report). This marks the launch of a multi-year project that will enable the Board to track Toronto's progress towards sustainable prosperity.

The scorecard will measure and monitor the Toronto CMA's performance and its potential for future success, based on indicators grouped into two domains: 1) Economy; and 2) Labour Attractiveness. The Economy domain is a familiar one, intended to measure outcomes related to the performance of the local economy, as well as reflecting the fundamentals of the business environment. The Labour Attractiveness domain attempts to capture some of the social and environmental complexities that distinguish a *great* urban region from a mediocre one.

Within each category, a number of specific indicators are used to benchmark Toronto's success against other metropolitan areas in Canada and around the world.<sup>4</sup>

A suite of 25 internationally comparable indicators measure success across a broad spectrum; for example:

- in the Economy domain — 13 indicators, such as per capita gross domestic product, unemployment rate, and per capita disposable income;
- in the Labour Attractiveness domain — 12 indicators, such as comfortable climate index, proportion of population with a bachelor's degree and commuter travel mode.

Outcomes for the Toronto CMA are assessed for each domain, highlighting satisfying and disappointing results, including a few surprises. An indicator-by-indicator analysis is included, as well as an overall assessment of how the Toronto CMA is performing on the international stage.

In addition, Section 6 of the report offers some insight into how the City is performing *within* the CMA by comparing, for the first time in any benchmarking study, the City's outcomes with those of the 905 municipalities. This section offers an assessment of the City's performance in comparison with its regional neighbours. Acknowledging that sound methodological approaches dictate against comparing *city*-level with *metropolitan*-level data, some observations nonetheless have been included about the City's possible standing among world metropolises.

This scorecard is just a start. The Board will undertake this benchmarking exercise annually, allowing us to see whether Toronto is making progress, both compared with the rest of the region and compared with other great global cities. As explained further in the section on methodology and in Appendix B, data limitations prevented the inclusion of all desired indicators and cities. Some of the indicators that may be included in future iterations of this scorecard are set out in further detail in Appendix A.

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4. Statistics Canada defines CMAs as urban areas with population greater than 100,000. The Toronto CMA is the largest of Canada's 31 CMAs, and includes the City of Toronto plus 22 regional municipalities, as shown on the map on the following page.

### Map of the Toronto CMA



Source: Statistics Canada



# 3 METHODOLOGY

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The Toronto Board of Trade seeks to ensure that Toronto remains a competitive and vibrant city, contributing in a significant way to the prosperity of Ontario and the country as a whole. To find out just how competitive Toronto is, the Board of Trade commissioned The Conference Board of Canada to develop a *Scorecard on Prosperity* for the Toronto CMA, benchmarking it against 20 metropolises around the world. The Board was also interested in taking the analysis a step further to look at how the City was performing in comparison with the rest of the CMA, which includes 22 regional municipalities defined by Statistics Canada (see map on Page 14).

Drawing on the successful benchmarking model developed in 2007, The Conference Board of Canada has replicated the methodology from *City Magnets* to create Toronto's scorecard.<sup>5</sup> Twenty-five indicators were chosen to measure Toronto's success in: 1) the global economy; and 2) its ability to attract and retain workers from around the world.

## Metropolitan Area Selection Process

A key starting point for this benchmarking project was the decision about which metropolitan areas to include. Discussions with the Toronto Board of Trade generated a long list of potential metro areas that reflect one or more of the following considerations:

- 1) Comparably-sized to Toronto: Barcelona, Boston, Dallas, Madrid, Rome, San Francisco and Seattle
- 2) Toronto's main Canadian competitors: Quebec City, Montreal, Calgary and Vancouver
- 3) Global cities to which Toronto is sometimes compared: Chicago, London, Los Angeles, New York and Paris

- 4) Metro regions with progressive social and environmental policies: Oslo and Stockholm
- 5) Metro regions in rapidly emerging economies: Hong Kong and Shanghai

The list of 20 comparator metropolitan areas was finalized following an iterative process, which screened out certain candidates due to lack of comparable data or uncertainty about data integrity. For instance, the intent to include a number of cities in emerging economies was thwarted when it became clear that data for places such as Mumbai, Kolkata or Dubai was either unreliable or unavailable. In other cases, candidate cities were eliminated to ensure a balance among world regions; that is, to ensure a representative sample from Canada, Europe and the United States.

The comparator metropolitan areas used in this report will be reviewed for future versions of the annual Scorecard. The possibility remains that cities currently excluded will be included in future years (if reliable data becomes available), and/or that some cities currently included will be removed in future years (if it becomes clear that their relative value as a comparator is not high).

## Indicator Selection Process

The search for indicators began with a commitment to find measures that showed the degree of economic strength, the degree of labour attractiveness, as well as the human, social and environmental sustainability of each metropolitan area. In other words, we sought to benchmark the Toronto CMA against metropolitan areas across the globe using a variety of indicators.

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5. The Conference Board of Canada, *City Magnets: Benchmarking the Attractiveness of Canada's CMAs* (December 2007).

The selection of indicators for each domain evolved over a period of weeks, to allow for consultation with the Toronto Board of Trade and to enable a test run for availability and reliability. The indicators that were selected provide valuable information on the performance or status of a metropolitan area within a particular domain, either as a direct output (e.g., disposable income) or a proxy measure (e.g., number of teachers per 1,000 people of school age as a proxy for access to education).

Unfortunately, it was impossible to collect data on all 25 indicators for every metropolitan area due mainly to data incomparability. But all indicators were available for the Toronto CMA. All data sources were rigorously screened to ensure that each indicator had the exact same definition as its Canadian counterpart. In other words, we wanted to avoid an “apples-to-oranges” comparison. But there were a couple of exceptions. Some vital indicators, such as housing affordability, were included despite slight differences in definitions across countries. In these cases, definitions were standardized by dividing each city’s indicator by its national average.

Benchmarking studies, of course, use annual historical data as a means of comparison. Given that this study was launched in the summer of 2008, data beyond the year 2007 was unavailable for any indicator. This means that the effects of the financial market turmoil, which erupted in September 2008, are not reflected in this study. This does not imply, however, that the results of this study are compromised. A benchmarking analysis, by definition, is a relative comparison. All cities in this study are being affected, one way or another, by the global economic downturn. Moreover, most of the economic indicators in this analysis are five-year averages, so the addition of one-year’s worth of data would have limited impact. Therefore, it is safe to assume that if 2008 full-year data were included in this study, the overall rankings would remain fairly stable.

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## WHY NOT BENCHMARK DENSITY?

The call for denser, more compact cities has been heard loudly and clearly across North America. After all, an urban area that is denser uses land more efficiently and facilitates service provision more cost-effectively. Higher densities are critical to the financial and operational success of public transit systems. It’s no surprise that 60 per cent of London’s residents choose options other than the automobile to get to work. European urban densities call to mind some of the most vibrant, dynamic and walkable cities in the world.

While tempting, the use of density as an indicator poses problems. The “higher the density, the better” is a value that can be challenged in places where super-high densities can lead to social and health problems linked to overcrowding, congested living and poor quality housing.

It is preferable to consider investigating the concept of “optimum density” as a way of capturing the important attributes of successful compact cities world-wide.

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## Ranking Method

This study uses a report card-style ranking of A–B–C–D to assess the performance of metropolitan areas on each indicator. A grade level was assigned to performance using the following method: for each indicator, we calculated the difference between the top and bottom performer and divided this figure by four. A metropolitan area received a scorecard ranking of “A” on a given indicator if its score was in the top quartile, a “B” if its score was in the second quartile, a “C” if its score was in the third quartile, and a “D” if its score was in the bottom quartile.

For example, on the labour attractiveness indicator “proportion of the population that is foreign-born,” the top performer (Toronto) had 45.7 per cent of its population foreign-born in 2006 and the bottom performer (Shanghai) had only 0.7 per cent. Applying the method for scoring yields the following ranges for each grade:

- “A”: 45.7–34.5 per cent
- “B”: 34.4–23.2 per cent
- “C”: 23.1–11.9 per cent
- “D”: 11.8–0.7 per cent

(Note: In this example, a high score indicates a high level of performance. For indicators where a low score signifies a high level of performance — such as the homicide rate — the ranking levels are reversed, i.e., the highest result receives the lowest grade.)

It must be emphasized that two cities getting an “A” grade do not necessarily perform equally according to this methodology. In the example above, a city scoring 36 per cent would get an “A” grade in the same way that a city scoring 40 per cent would. However, when we establish a ranking of cities, the city getting a result of 40 per cent would be placed higher than the one scoring 36 per cent, even if they both get an “A” grade. Thus, in the tables below, the city with the higher score is listed first, even when they share the same letter grade.

The overall domain rankings are based on a composite index (an average of the normalized scores for each indicator in the specific domain). In other words, the top-ranking metropolitan area for a given indicator will receive a 1, while the bottom-ranking metropolitan area will receive a zero.

#### *Normalization Formula*

$$\text{Normalized value} = (\text{indicator value} - \text{minimum value}) / (\text{maximum value} - \text{minimum value})$$

To use the example above, a score of 1 would be attributed to Toronto, given that it leads with 45.7 per cent of its population foreign-born:  $(45.7 - 0.7) / (45.7 - 0.7)$ . Meanwhile, a zero would be attributed to Shanghai, given that it ranks last, with less than 1 per cent of its population foreign-born:  $(0.7 - 0.7) / (45.7 - 0.7)$ . A metropolitan area with a 25 per cent foreign-born population, for example, would get a score of 0.54:  $(25.0 - 0.7) / (45.7 - 0.7)$ .

To calculate a domain ranking, the metropolitan areas were then ranked according to their composite index scores. No attempt was made to give explicit differential weights to indicators according to importance: we are implicitly giving equal weight to each indicator. A grade level was assigned to the overall domain performance using the following method: by calculating the difference between the domain composite index of the top and bottom performer and dividing this figure by four.

A metropolitan area received a scorecard rating of “A” for the domain if its score was in the top quartile, a “B” if its score was in the second quartile, a “C” if its score was in the third quartile, and a “D” if its score was in the bottom quartile. Finally, a metropolitan area received a score of N/A for the domain if it was missing data in over half the indicators.

#### **Overall Performance**

An overall score was calculated by taking the average value of both domains’ normalized scores. As was done in *City Magnets*, no attempt was made to give explicit differential weights to the domains. So, in other words, both the Economy and Labour Attractiveness domains are assumed to have the same level of significance.

We assigned a grade level to the overall performance using the following method: we calculated the difference between the overall score of the top and bottom performers and divided this figure by four.

A metropolitan area received an overall scorecard rating of “A” if its score was in the top quartile, a “B” if its score was in the second quartile, a “C” if its score was in the third quartile, and a “D” if its score was in the bottom quartile. But not every metropolitan area received an overall score. A metropolitan area received an overall score of N/A if it received an N/A in either of the two domain rankings. If an N/A existed in both domain rankings, then that metropolitan area was removed.

# 4 THE BIG PICTURE

“Toronto has choices to make that will define its place in a globalized world. Economic competitiveness must be enhanced through internationalization, creativity, and inclusion, supported by a business climate that fosters private and public reinvestment.”

— *Agenda for Prosperity*, Toronto Mayor’s Economic Competitiveness Advisory Committee, January 2008.

## Background

Twenty-first century cities are being shaped by extraordinary waves of migration and mobility. In the developed world, urban growth is fuelled predominantly by international immigrants; in the developing world, through the movement of people from rural areas to cities. Toronto, like other global cities, is in a race to compete for talented workers — young, innovative, and socially responsible. Success in this race will depend not only on Toronto’s ability to attract new people, but also to retain them.

In the report that follows, we have compared Toronto to 20 other world cities. Some, like New York or London, are established as the world’s global leaders. Some are known as North America’s premier cities, such as Boston and San Francisco. Others, like Shanghai and Hong Kong, are moving toward global city status at lightning speed. In one way or another, all can be viewed as Toronto’s competitors. (See table facing for population figures for each of the comparator metropolitan regions.)

## Population of Metropolitan Areas

Metropolis	Year	Population
<b>Toronto</b>	2007	5,509,874
> City of Toronto	2007	2,651,717
> 905 Region	2007	2,858,157
Montreal	2007	3,695,790
Quebec City	2007	728,924
Calgary	2007	1,139,126
Vancouver	2007	2,285,893
New York	2007	18,815,987
Boston	2007	4,482,857
Chicago	2007	9,524,673
Dallas	2007	6,145,037
Seattle	2007	3,309,347
San Francisco	2007	4,203,898
Los Angeles	2007	12,875,587
London	2006	11,917,000
Paris	2006	11,089,124
Madrid	2006	5,804,829
Barcelona	2006	5,078,005
Rome	2006	3,457,690
Oslo	2006	1,090,513
Stockholm	2006	1,860,872
Shanghai	2005	13,680,800
Hong Kong	2007	6,952,800

## Overall Ranking

Rank	Metro Area	Grade (Normalization Score)
1	Calgary	A (0.66)
2	Dallas	B (0.54)
3	Hong Kong	B (0.52)
T4*	<b>Toronto</b>	C (0.50)
	Boston	C (0.50)
	London	C (0.50)
	New York	C (0.50)
T8*	Vancouver	C (0.49)
	Seattle	C (0.49)
10	Quebec City	C (0.45)
11	Shanghai	C (0.44)
12	San Francisco	D (0.43)
13	Montreal	D (0.42)
14	Chicago	D (0.38)
15	Paris	D (0.37)
16	Los Angeles	D (0.36)
	Barcelona	N/A
	Madrid	N/A
	Oslo	N/A
	Rome	N/A
	Stockholm	N/A

\*T indicates a tied ranking.

## Overall Ranking

Overall, Toronto is tied for fourth-place in a field of 16 global metropolises. This is a decent result, but comes with a rather unspectacular “C” grade.<sup>6</sup> A “C” result for Toronto is particularly disappointing in a field where a Canadian CMA earns the only “A” grade. Calgary takes top spot, ahead of a select group of “B” metropolises, led by Dallas and followed by Hong Kong. Toronto’s fourth-place ranking puts it in a tie with Boston, London and New York, but Toronto outperforms all other U.S. metropolitan areas and every European city.

Calgary’s blistering economy over the past five years may have powered it to the top, but its overall favourable environment provides a solid basis for attracting and keeping people. In the Economy domain alone, Calgary earns seven “A” grades, coming in as the top performer in five indicators: employment growth, income growth, unemployment rate, non-residential building permit growth and total tax index (TTI). On measures of Labour Attractiveness, Calgary’s strength comes from its low incidence of low-income population, low homicide rate and, somewhat surprisingly, its relative housing affordability.

Calgary’s perch at the top of our league of 16 global metropolises puts it in a class of its own. These results echo The Conference Board of Canada’s 2007 *City Magnets* report, where Calgary’s robust economic performance lifted it to the top of all 27 Canadian CMAs.<sup>7</sup> However, Calgary’s continued domination is currently under threat, as weaker energy prices and tighter credit conditions have slowed oil and gas activity in the province of Alberta. This is likely to be reflected, as data from current conditions becomes available.

A closer look at Toronto reveals a region facing economic challenges but buoyed by the fundamentals of a high quality of life. Poor results on key growth indicators, such as GDP, productivity and disposable income are troubling signs for Toronto’s future prosperity. Generally good results in the Labour Attractiveness domain boost Toronto all the way to the top half of the overall rankings. Above all, Toronto’s strength comes from its diverse population — over 45 per cent of the CMA’s population is foreign-born. In a field in which all 21 metropolitan areas were included, Toronto takes top spot, edging out Vancouver and beating New York, Los Angeles and London.

What about the other metropolises that out-performed the Toronto CMA? The “B” team — Dallas and Hong Kong — are clustered close together. Dallas earned its second-place ranking on the strength of its growing economy, marked by solid gains in disposable income, productivity and GDP. In addition, Dallas is one of the fastest-growing

6. Note that of the total 21 metropolitan areas investigated, enough data was found for only 16 to be included in the overall analysis (i.e., for more than half of the indicators). Consequently, Toronto’s overall fourth-place finish is better than one might have expected, coming up higher than either its fifth-place ranking in the Labour Attractiveness domain or its eighth place in Economy. With the two best Labour Attractiveness cities dropping off the overall list (Madrid, Barcelona), Toronto improved on its overall ranking. Nonetheless, both Madrid and Barcelona fall below Toronto on the short-list of Economy indicators for which data was available.

7. The Conference Board of Canada, *City Magnets*.

large metropolises in the U.S., posting population increases similar to those of Calgary.

Third-place Hong Kong explodes onto the economic stage with double-digit GDP and productivity growth. Like other cities in emerging economies, Hong Kong's strength reflects a rapid surge in growth coming from, in part at least, a relatively low starting point. According to the convergence hypothesis, countries with relatively low levels of economic activity have stronger potential output growth, as they tend to catch up to the level of economic activity of more developed nations. Hong Kong's staggering success on these GDP and productivity growth measures lifts it above Toronto in the rankings, despite its poor performance overall in the Labour Attractiveness domain.

Toronto ties with Boston, London and New York for fourth place. Boston's considerable strengths on measures such as GDP per capita (highest in the U.S.), share of high-tech employment (first place) and number of university-educated residents boosts its result in the Economy domain. On the other hand, Boston's weaker performance on Labour Attractiveness measures leads to a fourth-place finish overall. For instance, Boston has the worst rate of population growth among all 21 metro regions and, like many of its U.S. counterparts, has poor results on automobile commuting. Twice as many people in Toronto travel to work by walking, cycling, or public transit as in Boston.

Recognized as one of the world's few truly global cities, London's liveability is marred by some weak economic results. For example, London's Total Tax Index (TTI) is the second highest of all metropolitan areas, 45 points above Toronto's, according to the KPMG index.<sup>8</sup> And during the past five years, employment growth was only about half that of Toronto's. Similarly, London's unemployment rate has been persistently higher than Toronto's.

In New York's case, some weak results in both the Economy and Labour Attractiveness domains overshadow otherwise strong outcomes. Important economic fundamentals relating to high disposable income and productivity typify the advantages enjoyed by many of the U.S. cities, but New York's relatively low share of high-tech employment, high TTI, and weaker employment growth

helped to pull it even with Toronto. Moreover, compared with Toronto, New York's homicide rate is more than double and housing affordability is a more serious problem.

Perhaps surprisingly, the bottom quartile of cities includes key regional or national hubs: Los Angeles, San Francisco, Chicago and Paris. Such vibrant cities may be great places to visit but are not so great for living and working in. In the case of Paris, the city comes in last place on four economic indicators — and in most instances by a significant margin. For example, Paris's unemployment rate is 10.4 per cent, three times that of Calgary and 30 per cent higher than the next-worst place (Los Angeles). Similarly, Paris is the only metropolis to post negative employment growth. On top of all this, Paris is rated as the city with the highest TTI, more than twice that of Toronto.

The low results for the two California cities may be surprising, but here a combination of economic reversals and some key quality-of-life issues keep San Francisco and Los Angeles well below Toronto. They are the two worst cities for housing affordability and homicide rates. Both Los Angeles and San Francisco have homicide rates more than four times that of Toronto. And both, like Paris, are experiencing low levels of population growth (less than half a per cent). Los Angeles, unlike San Francisco, is still very much an auto-dependent city, with about 90 per cent of the population driving their cars to work. While economic results are decidedly mixed for San Francisco and Los Angeles, weak employment growth and high TTIs affect their overall outcomes. San Francisco, in particular, shows the second poorest employment growth after Paris at 0.1 per cent: employment there is barely growing at all.

Chicago, due to its location and size, is often most conveniently used as a comparator city for Toronto. On the basis of these economic and labour attractiveness indicators, Toronto outshines Chicago by a wide margin. Like its California counterparts, Chicago scores poorly on measures of employment growth, overall TTI and population growth. Unlike San Francisco and Los Angeles, however, Chicago is further disadvantaged by having a less diverse population base. Toronto has two-and-a-half times the share of foreign-born people as Chicago.

8. KPMG. *Competitive Alternatives: KPMG's Guide to International Business Location, 2008 Edition* [online]. (KPMG LLP, 2008), [cited March 3, 2009]. <http://www.competitivealternatives.com/>.

# 5 THE ECONOMY

“Toronto’s economic success can no longer be taken for granted. We need a strategy to build a world city. And we must start with economics, because unless we have prosperity we will not be able to create opportunity or finance the public services that make our city liveable.”

— Mayor David Miller, Speech to the Canadian Club,  
Toronto, February 11, 2008.

## Economy Overall

Rank	Metro Area	Grade (Normalization Score)
T1*	Hong Kong	A (0.71)
	Calgary	A (0.71)
3	Seattle	B (0.56)
4	Dallas	B (0.55)
5	Boston	B (0.54)
6	Vancouver	B (0.52)
7	New York	B (0.48)
T8*	San Francisco	C (0.45)
	<b>Toronto CMA</b>	C (0.45)
10	Quebec City	C (0.42)
11	Los Angeles	C (0.41)
12	Montreal	C (0.40)
T13*	London	C (0.37)
	Shanghai	C (0.37)
15	Chicago	D (0.34)
16	Paris	D (0.23)
	Barcelona	N/A
	Madrid	N/A
	Oslo	N/A
	Rome	N/A
	Stockholm	N/A

\*T indicates a tied ranking.

## Who’s Best?

The economic picture that emerges shows the Toronto CMA as a metropolitan region challenged by mediocrity. Positioned in the bottom-half of the pack, Toronto is tied with San Francisco in eighth (of 16), good enough for just a “C” grade. After league-leading Hong Kong and Calgary, the economic stars are North American. Hong Kong’s economic strength is nowhere more evident than in its dramatic gains in GDP and productivity. Hong Kong’s economic strength is rooted in the financial and banking sector, where it leads Asian cities in the number of international banks (about 240).<sup>9</sup> Over the past five years, GDP growth in Hong Kong has averaged nearly 20 per cent each year — a striking contrast to the Toronto CMA’s yearly average of 2.6 per cent. Hong Kong is the only metropolitan area to record double-digit productivity growth of 18.6 per cent during the same period. The next best is Boston, far behind at 4.5 per cent, while Toronto struggled to realize any gains, with only 0.6 per cent average annual productivity growth.

As mentioned previously, the rise of Hong Kong typifies the kind of success made possible in emerging economies, where the economic baselines had previously been weak.

9. Dr. Mee Kam Ng, “Global Competitiveness and Local Sustainability in Asian Metropolises,” presentation at the *Global Planners Network*, October 31, 2008.

Tied with Hong Kong, the only other metropolitan area to merit an “A” grade is Calgary, powered by number-one rankings in employment growth, unemployment rate, income growth and TTI. With the retreat in oil prices, future issues of the scorecard may tell a different story for Calgary. Five North American metro areas dominate the “B” grades, including Vancouver as the lone Canadian city.

Looking forward, Toronto, along with other North American metro areas, will be competing with the likes of Shanghai and Hong Kong. The latter two posted spectacular real GDP gains over the past five years, as well as significant personal income growth, in the case of Shanghai, and stunning productivity growth in Hong Kong (more than 18 per cent). As their economies mature, their potential rate of growth will slow to a level more in line with established cities, such as London or Toronto.

Economic Indicators	Definition	Significance	What About Toronto?	The Grade																																												
<p><b>Gross domestic product (GDP) per capita</b></p> <p># cities ranked: 21</p>	<p>Overall value of goods and services produced within the metro region. GDP is divided by total population to get GDP per capita. Data is based on: Canada, U.S., Hong Kong: 2007 Europe, Shanghai: 2005</p>	<p>Per capita GDP is commonly used to compare relative wealth among metropolitan regions.</p>	<p>Toronto, 12<sup>th</sup> out of 21, ekes out a C grade, but at \$46,353, Toronto’s per capita GDP is only 55% of #1 Oslo at \$82,237. Calgary, Canada’s leader is 20% higher at \$56,412. Apart from Chicago and Los Angeles, all U.S. metros do better than Toronto.</p>	<table border="0"> <tr> <td>1. Oslo</td> <td>A</td> <td><b>12. Toronto</b></td> <td><b>C</b></td> </tr> <tr> <td>2. Paris</td> <td>A</td> <td>13. Los Angeles</td> <td>C</td> </tr> <tr> <td>3. Hong Kong</td> <td>B</td> <td>14. Chicago</td> <td>C</td> </tr> <tr> <td>4. Boston</td> <td>B</td> <td>15. Rome</td> <td>D</td> </tr> <tr> <td>5. Calgary</td> <td>B</td> <td>16. Vancouver</td> <td>D</td> </tr> <tr> <td>6. San Francisco</td> <td>B</td> <td>17. Quebec City</td> <td>D</td> </tr> <tr> <td>7. New York</td> <td>C</td> <td>18. Montreal</td> <td>D</td> </tr> <tr> <td>8. Seattle</td> <td>C</td> <td>19. Madrid</td> <td>D</td> </tr> <tr> <td>9. Dallas</td> <td>C</td> <td>20. Barcelona</td> <td>D</td> </tr> <tr> <td>10. Stockholm</td> <td>C</td> <td>21. Shanghai</td> <td>D</td> </tr> <tr> <td>11. London</td> <td>C</td> <td></td> <td></td> </tr> </table>	1. Oslo	A	<b>12. Toronto</b>	<b>C</b>	2. Paris	A	13. Los Angeles	C	3. Hong Kong	B	14. Chicago	C	4. Boston	B	15. Rome	D	5. Calgary	B	16. Vancouver	D	6. San Francisco	B	17. Quebec City	D	7. New York	C	18. Montreal	D	8. Seattle	C	19. Madrid	D	9. Dallas	C	20. Barcelona	D	10. Stockholm	C	21. Shanghai	D	11. London	C		
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<p><b>GDP growth</b></p> <p># cities ranked: 21</p>	<p>The average annual increase in GDP over a multi-year period, as per: Canada, U.S., Hong Kong: 2002–07 Europe: 2000–05 Shanghai: 2002–05</p>	<p>Stronger growth generates, among other things, more employment opportunities.</p>	<p>Troubling results here for Toronto, in 18<sup>th</sup> place with only Chicago, Montreal and Paris doing worse. Average annual growth of only 2.6% is a world away from Hong Kong (19.6%) and Shanghai (15.1%). 3<sup>rd</sup> place Stockholm’s growth was just about half that of Shanghai’s.</p>	<table border="0"> <tr> <td>1. Hong Kong</td> <td>A</td> <td>12. San Francisco</td> <td>D</td> </tr> <tr> <td>2. Shanghai</td> <td>A</td> <td>13. Vancouver</td> <td>D</td> </tr> <tr> <td>3. Stockholm</td> <td>C</td> <td>14. New York</td> <td>D</td> </tr> <tr> <td>4. London</td> <td>C</td> <td>15. Oslo</td> <td>D</td> </tr> <tr> <td>5. Madrid</td> <td>C</td> <td>16. Rome</td> <td>D</td> </tr> <tr> <td>6. Barcelona</td> <td>C</td> <td>17. Quebec City</td> <td>D</td> </tr> <tr> <td>7. Calgary</td> <td>C</td> <td><b>18. Toronto</b></td> <td><b>D</b></td> </tr> <tr> <td>8. Dallas</td> <td>C</td> <td>19. Chicago</td> <td>D</td> </tr> <tr> <td>9. Boston</td> <td>D</td> <td>20. Montreal</td> <td>D</td> </tr> <tr> <td>10. Los Angeles</td> <td>D</td> <td>21. Paris</td> <td>D</td> </tr> <tr> <td>11. Seattle</td> <td>D</td> <td></td> <td></td> </tr> </table>	1. Hong Kong	A	12. San Francisco	D	2. Shanghai	A	13. Vancouver	D	3. Stockholm	C	14. New York	D	4. London	C	15. Oslo	D	5. Madrid	C	16. Rome	D	6. Barcelona	C	17. Quebec City	D	7. Calgary	C	<b>18. Toronto</b>	<b>D</b>	8. Dallas	C	19. Chicago	D	9. Boston	D	20. Montreal	D	10. Los Angeles	D	21. Paris	D	11. Seattle	D		
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Economic Indicators	Definition	Significance	What About Toronto?	The Grade																																												
<p><b>Productivity</b></p> <p># cities ranked: 21</p>	<p>Productivity is GDP divided by employment, measuring total output per worker.</p> <p>Canada, U.S., Hong Kong: 2007 Europe, Shanghai: 2005</p>	<p>High productivity levels generate wealth, allowing businesses to pay higher salaries and wages.</p>	<p>Toronto sits just below the middle of the pack, ahead of the other Canadian CMAs except Calgary and 4 of 7 Europeans, but behind every U.S. metro. At \$86,285, Toronto is well behind the leaders: Hong Kong (\$126,121) and four U.S. metros with levels above \$100,000 (New York, San Francisco, Boston, and Los Angeles).</p>	<table border="0"> <tr> <td>1. Hong Kong</td> <td>A</td> <td>12. Stockholm</td> <td>B</td> </tr> <tr> <td>2. New York</td> <td>A</td> <td><b>13. Toronto</b></td> <td><b>B</b></td> </tr> <tr> <td>3. San Francisco</td> <td>A</td> <td>14. Rome</td> <td>C</td> </tr> <tr> <td>4. Boston</td> <td>A</td> <td>15. London</td> <td>C</td> </tr> <tr> <td>5. Los Angeles</td> <td>B</td> <td>16. Vancouver</td> <td>C</td> </tr> <tr> <td>6. Oslo</td> <td>B</td> <td>17. Montreal</td> <td>C</td> </tr> <tr> <td>7. Paris</td> <td>B</td> <td>18. Quebec City</td> <td>C</td> </tr> <tr> <td>8. Calgary</td> <td>B</td> <td>19. Madrid</td> <td>D</td> </tr> <tr> <td>9. Dallas</td> <td>B</td> <td>20. Barcelona</td> <td>D</td> </tr> <tr> <td>10. Chicago</td> <td>B</td> <td>21. Shanghai</td> <td>D</td> </tr> <tr> <td>11. Seattle</td> <td>B</td> <td></td> <td></td> </tr> </table>	1. Hong Kong	A	12. Stockholm	B	2. New York	A	<b>13. Toronto</b>	<b>B</b>	3. San Francisco	A	14. Rome	C	4. Boston	A	15. London	C	5. Los Angeles	B	16. Vancouver	C	6. Oslo	B	17. Montreal	C	7. Paris	B	18. Quebec City	C	8. Calgary	B	19. Madrid	D	9. Dallas	B	20. Barcelona	D	10. Chicago	B	21. Shanghai	D	11. Seattle	B		
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<p><b>Productivity growth</b></p> <p># cities ranked: 20</p> <p>Data unavailable for Shanghai.</p>	<p>Productivity growth shows how quickly a CMA is gaining in wealth, measured over a five year period.</p> <p>Canada, U.S., Hong Kong: 2002–07 Europe: 2000–05</p>	<p>Strong productivity growth allows for economic growth without inflationary pressures, fostering greater purchasing power for households.</p>	<p>Poor productivity growth in Toronto at only 0.6% positions the CMA in 16<sup>th</sup> place, behind all U.S. and Canadian CMAs except Montreal. Again, Hong Kong leads the field with 18.6% growth, followed distantly by four U.S. metros (Boston, San Francisco, Los Angeles, NY), with growth in the 2.8–4.5% range.</p>	<table border="0"> <tr> <td>1. Hong Kong</td> <td>A</td> <td>11. Quebec City</td> <td>D</td> </tr> <tr> <td>2. Boston</td> <td>D</td> <td>12. Calgary</td> <td>D</td> </tr> <tr> <td>3. San Francisco</td> <td>D</td> <td>13. Paris</td> <td>D</td> </tr> <tr> <td>4. Los Angeles</td> <td>D</td> <td>14. Vancouver</td> <td>D</td> </tr> <tr> <td>5. Dallas</td> <td>D</td> <td>15. Madrid</td> <td>D</td> </tr> <tr> <td>6. New York</td> <td>D</td> <td><b>16. Toronto</b></td> <td><b>D</b></td> </tr> <tr> <td>7. Stockholm</td> <td>D</td> <td>17. Barcelona</td> <td>D</td> </tr> <tr> <td>8. Seattle</td> <td>D</td> <td>18. Montreal</td> <td>D</td> </tr> <tr> <td>9. London</td> <td>D</td> <td>19. Oslo</td> <td>D</td> </tr> <tr> <td>10. Chicago</td> <td>D</td> <td>20. Rome</td> <td>D</td> </tr> </table>	1. Hong Kong	A	11. Quebec City	D	2. Boston	D	12. Calgary	D	3. San Francisco	D	13. Paris	D	4. Los Angeles	D	14. Vancouver	D	5. Dallas	D	15. Madrid	D	6. New York	D	<b>16. Toronto</b>	<b>D</b>	7. Stockholm	D	17. Barcelona	D	8. Seattle	D	18. Montreal	D	9. London	D	19. Oslo	D	10. Chicago	D	20. Rome	D				
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<p><b>Employment growth</b></p> <p># cities ranked: 20</p> <p>Data unavailable for Shanghai.</p>	<p>Annual average percentage increases (or decreases) in total employment (sum of employment in all industries) are calculated on the basis of the following periods:</p> <p>Canada, U.S.: 2002–07 Europe: 2000–05 Hong Kong: 2005–07</p>	<p>Strong employment growth means better opportunities for securing work. A high-growth CMA is more attractive.</p>	<p>Toronto’s employment growth of 2% seems mediocre but is good enough for a sixth-place ranking, ahead of every U.S. metro area. Calgary’s 3.5% employment growth topped the list.</p>	<table border="0"> <tr> <td>1. Calgary</td> <td>A</td> <td>11. Quebec City</td> <td>C</td> </tr> <tr> <td>2. Vancouver</td> <td>A</td> <td>12. London</td> <td>C</td> </tr> <tr> <td>3. Madrid</td> <td>A</td> <td>13. Hong Kong</td> <td>C</td> </tr> <tr> <td>4. Barcelona</td> <td>B</td> <td>14. Los Angeles</td> <td>C</td> </tr> <tr> <td>5. Rome</td> <td>B</td> <td>15. New York</td> <td>C</td> </tr> <tr> <td><b>6. Toronto</b></td> <td><b>B</b></td> <td>16. Stockholm</td> <td>C</td> </tr> <tr> <td>7. Seattle</td> <td>B</td> <td>17. Chicago</td> <td>C</td> </tr> <tr> <td>8. Dallas</td> <td>B</td> <td>18. Boston</td> <td>D</td> </tr> <tr> <td>9. Montreal</td> <td>B</td> <td>19. San Francisco</td> <td>D</td> </tr> <tr> <td>10. Oslo</td> <td>C</td> <td>20. Paris</td> <td>D</td> </tr> </table>	1. Calgary	A	11. Quebec City	C	2. Vancouver	A	12. London	C	3. Madrid	A	13. Hong Kong	C	4. Barcelona	B	14. Los Angeles	C	5. Rome	B	15. New York	C	<b>6. Toronto</b>	<b>B</b>	16. Stockholm	C	7. Seattle	B	17. Chicago	C	8. Dallas	B	18. Boston	D	9. Montreal	B	19. San Francisco	D	10. Oslo	C	20. Paris	D				
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Economic Indicators	Definition	Significance	What About Toronto?	The Grade			
<p><b>Unemployment rate</b></p> <p># cities ranked: 21</p>	<p>The percentage of the labour force not working in 2007, with the exception that data for European cities is from 2006.</p>	<p>A metropolitan area with a lower unemployment rate indicates a more engaged work force. In turn, such places are likeliest to attract people.</p>	<p>With a 6.8% unemployment rate, Toronto is far from first-place Calgary at 3.2%, and behind all U.S. metro areas (in the 4–5% range). Only Montreal, London, Rome, and Paris fared worse than Toronto.</p>	<p>1. Calgary A</p> <p>2. Hong Kong A</p> <p>3. Seattle A</p> <p>4. Vancouver A</p> <p>5. Boston A</p> <p>6. Dallas A</p> <p>7. Shanghai A</p> <p>8. New York A</p> <p>9. San Francisco A</p> <p>10. Oslo A</p> <p>11. Los Angeles A</p>	<p>12. Chicago A</p> <p>13. Quebec City B</p> <p>14. Stockholm B</p> <p>15. Madrid B</p> <p>16. Barcelona B</p> <p><b>17. Toronto B</b></p> <p>18. Montreal C</p> <p>19. London C</p> <p>20. Rome C</p> <p>21. Paris D</p>		
<p><b>Disposable income per capita</b></p> <p># cities ranked: 13</p> <p>Data unavailable for Barcelona, Hong Kong, London, Madrid, Oslo, Paris, Rome, Stockholm.</p>	<p>Average after-tax income is divided by total population. Data is based on average after-tax income over the 2002–07 period.</p>	<p>Metro regions with high disposable incomes are likely to draw in more people.</p>	<p>Toronto, like all Canadian CMAs, lags behind the U.S. metros — significantly. The Toronto CMA's \$28,758 disposable income is less than half that of first-place San Francisco at \$61,074, and just a little over half of Boston's at \$54,324. Calgary, Canada's best, is also well ahead of Toronto, at around \$40,000.</p>	<p>1. San Francisco A</p> <p>2. Boston A</p> <p>3. New York A</p> <p>4. Seattle A</p> <p>5. Chicago B</p> <p>6. Dallas B</p> <p>7. Los Angeles B</p>	<p>8. Calgary B</p> <p><b>9. Toronto C</b></p> <p>10. Vancouver C</p> <p>11. Quebec City C</p> <p>12. Montreal C</p> <p>13. Shanghai D</p>		
<p><b>Disposable income growth 2002–07</b></p> <p># cities ranked: 13</p> <p>Data unavailable for Barcelona, Hong Kong, London, Madrid, Oslo, Paris, Rome, Stockholm.</p>	<p>Percentage changes in disposable income are measured during 2002–7. A higher ranking shows how quickly a CMA is improving its standard of living.</p>	<p>Strong income growth boosts a metro region's attractiveness.</p>	<p>Toronto continues to show "growth problems," coming in second-last (4.7%) and faring worse than all other Canadian CMAs except Montreal. Calgary's 9.3% income growth tops the list, followed by Shanghai (8.9%) and Dallas (6.8%).</p>	<p>1. Calgary A</p> <p>2. Shanghai A</p> <p>3. Dallas B</p> <p>4. Seattle C</p> <p>5. New York C</p> <p>6. Vancouver C</p> <p>7. Los Angeles D</p>	<p>8. San Francisco D</p> <p>9. Chicago D</p> <p>10. Quebec City D</p> <p>11. Boston D</p> <p><b>12. Toronto D</b></p> <p>13. Montreal D</p>		

Economic Indicators	Definition	Significance	What About Toronto?	The Grade
<p><b>High-tech employment</b></p> <p># cities ranked: 12</p> <p>Data unavailable for Barcelona, Hong Kong, London, Madrid, Oslo, Paris, Rome, Shanghai, Stockholm.</p>	<p>The share of total high-tech employment in the information and communications technology sector, by place of residence, and expressed as a five-year average. Data is for the 2003–07 period.</p>	<p>In line with the “creative cities” theory, high levels of employment in this sector signals an attractive metro region.</p>	<p>Toronto falls into fifth place, behind U.S. powerhouses Boston, Dallas, Seattle and San Francisco. But Toronto, with 6% of employment in the ICT sector, is the Canadian leader, just ahead of Montreal. Top-ranked Boston has a 7% share.</p>	<p>1. Boston A 2. Dallas A 3. Seattle A 4. San Francisco A <b>5. Toronto B</b> 6. Montreal B 7. Vancouver C 8. Calgary C 9. Los Angeles D 10. Quebec City D 11. New York D 12. Chicago D</p>
<p><b>Residential building permit growth 2002–07</b></p> <p># cities ranked: 12</p> <p>Data unavailable for Barcelona, Hong Kong, London, Madrid, Oslo, Paris, Rome, Shanghai, Stockholm.</p>	<p>The percentage increase in the number of residential building permits was calculated for the five-year period from 2002 to 2007.</p>	<p>Residential building permit growth indicates the rate of investment activity in the residential sector. As an important sector of the economy, housing is a proxy for confidence in the growth of the metro region.</p>	<p>Toronto, with 2.2% growth, falls behind all other Canadian CMAs. First-place Vancouver, with 13.8% growth, is five times greater and leads the pack of otherwise-strong Canadian CMAs. San Francisco and Chicago fared worst, recording negative growth.</p>	<p>1. Vancouver A 2. Quebec City A 3. Calgary A 4. Montreal B 5. Seattle B 6. New York B 7. Boston C 8. Dallas C 9. Los Angeles C <b>10. Toronto C</b> 11. San Francisco D 12. Chicago D</p>
<p><b>Non-residential building permit growth 2002–07</b></p> <p># cities ranked: 7</p> <p>Data unavailable for Barcelona, Boston, Chicago, Dallas, Hong Kong, London, Madrid, New York, Oslo, Paris, Rome, Seattle, Shanghai, Stockholm.</p>	<p>The percentage increase in planned construction activity in the commercial and public sectors.</p>	<p>A good proxy for business and public sector investment, this indicates a level of investor confidence and signals a robust and dynamic metro region. It is an indicator of future business activity.</p>	<p>Toronto lags behind all Canadian CMAs except Montreal, but still posted 9.7% growth. However, no place could catch Calgary, with a 36% increase in non-residential permit growth. Quebec City (17.2%) and Vancouver (15.5%) were also well ahead.</p>	<p>1. Calgary A 2. Quebec City C 3. Vancouver C <b>4. Toronto D</b> 5. Los Angeles D 6. Montreal D 7. San Francisco D</p>

Economic Indicators	Definition	Significance	What About Toronto?	The Grade
<p><b>Knowledge employment*</b></p> <p># cities ranked: 7</p> <p>Data unavailable for Barcelona, Boston, Chicago, Dallas, London, Los Angeles, Madrid, New York, Oslo, Paris, Rome, San Francisco, Seattle, Stockholm.</p>	<p>Based on the Statistics Canada definition, the share of total employment in 40 occupations, including but not limited to: engineers, physicians, judges and professors. Comparable data is based on the following years:</p> <p>Canada: 2007 Hong Kong: 2006 Shanghai: 2005</p>	<p>Included as part of the “creative cities” agenda. High levels of employment in knowledge-driven professional occupations are correlated positively with an attractive metro region.</p>	<p>Finally, some good news: Toronto is #1 in a field of 7 metro regions for which data are available, including Canada, Hong Kong and Shanghai. 19.2% of all Toronto’s employment can be classified as knowledge employment.</p>	<p><b>1. Toronto A</b></p> <p>2. Montreal A</p> <p>3. Calgary A</p> <p>4. Vancouver A</p> <p>5. Quebec City A</p> <p>6. Shanghai D</p> <p>7. Hong Kong D</p>
<p><b>Total tax index (TTI)</b></p> <p># cities ranked: 14</p> <p>Data unavailable for Barcelona, Hong Kong, Madrid, Oslo, Rome, Shanghai, Stockholm.</p>	<p>The total taxes paid by similar corporations in a particular location and industry, calculated as a percentage of total taxes paid by similar corporations across the United States. Data is for 2008.</p>	<p>The index is designed to compare the total tax burden faced by companies in each city, including: income taxes, capital taxes, sales taxes, property taxes, miscellaneous local business taxes and statutory labour costs. Metro regions with lower tax burdens are more attractive to new business and investment.</p>	<p>Toronto, along with all Canadian metros, scores highly, ahead of every U.S. city and far ahead of London and Paris, the two European comparators. With an “A” grade, Toronto’s tax burden is 85.4% of the U.S. average; by contrast, Paris is 190% of the U.S. average. However, Toronto’s score is the weakest in Canada. Had Toronto been graded in comparison with KPMG’s Canadian group, it would have earned a “D” grade. Please see “Tax Burden: When an “A” Grade Calls for Improvement”, on Pages 28 and 39, for a full explanation.</p>	<p>1. Calgary A</p> <p>2. Vancouver A</p> <p>3. Quebec City A</p> <p>4. Montreal A</p> <p><b>5. Toronto A</b></p> <p>6. Boston B</p> <p>7. Dallas B</p> <p>8. Los Angeles B</p> <p>9. Chicago B</p> <p>10. Seattle B</p> <p>11. New York B</p> <p>12. San Francisco B</p> <p>13. London C</p> <p>14. Paris D</p>

Sources: The Conference Board of Canada; Statistics Canada; Bureau of Labor Statistics; Moody’s Economy.com; Organisation for Economic Co-operation and Development; International Monetary Fund; KPMG; Shanghai Statistical Yearbook; Government of Hong Kong.

\*Occupational data from the Bureau of Labor Statistics was partially secure for some metro areas. Data was either missing or not available for several occupational categories. Therefore, a complete indicator could not be created for the missing U.S. Metropolitan Statistical Areas.

## Focus on Toronto CMA's Economy

### ECONOMY: TORONTO UPS AND DOWNS

CMA Best: Knowledge Employment (A)

CMA Worst: GDP Growth (D)

Overall Grade: C

The economic results for Toronto overall are lacklustre. As the financial and banking centre of Canada and a powerful engine of Ontario's economy, Toronto might have expected to do better. However, unlike Hong Kong or New York, which are recognized *international* financial and banking centres, Toronto's reach is more limited.

Toronto's overall "C" grade masks the weaknesses exposed by the CMA's "D" grades on four indicators (poorly balanced by only two "A"s). Perhaps most troubling is that Toronto has some of its poorest results in key growth-related measures:

- **Annual GDP growth** of 2.6 per cent is the fourth-lowest of all 21-ranked metros. Only Chicago, Montreal and Paris are worse. Toronto's rate is about half of Calgary's (5.1 per cent) and light-years away from the spectacular performances of Hong Kong (19.6 per cent) and Shanghai (15.1 per cent). The Asian cities are in a class of their own. Stockholm, with average growth of 7.8 per cent, is the next best, ranked third. **Grade: "D"**
- **Annual disposable income growth** at 4.7 per cent puts Toronto far behind first-ranked Calgary with an enviable 9.3 per cent income growth rate. Toronto posts the second-worst results, ranking 12th out of 13. (Montreal at 4.4 per cent is lower). Most U.S. metro areas are in the 5–6 per cent range. **Grade: "D"**
- **Annual productivity growth** during the past five years was stuck at just 0.6 per cent, dropping Toronto way down in the pack, behind all U.S. metros, and out of sight of first-place Hong Kong, whose 18.6 per cent growth rate obliterated the field. Second-place Boston has an otherwise-respectable productivity growth rate of 4.5 per cent (more than seven times better than Toronto's). San Francisco, Los Angeles and Dallas

are all above 3.0 per cent. Only four urban areas fall below Toronto: Barcelona, Montreal, Oslo, and Rome.

**Grade: "D"**

The level of labour productivity for Toronto, at \$86,285, is less than two-thirds that of first-place Hong Kong at \$136,121. Closer to home, Toronto is behind every U.S. metro area, led by New York, San Francisco, Boston and Los Angeles with levels over \$102,000. The Toronto Board of Trade and The Conference Board of Canada have long pointed out that improving productivity is the only sustainable way to reduce the gap in income per capita between Canada and other countries.

Similarly, Toronto's per capita GDP falls well behind Oslo, the league leader. In this category, Oslo leads with an impressive GDP per capita of \$82,237, 10 per cent higher than its nearest rival (Paris), 30 per cent higher than third place Boston, and 44 per cent higher than Toronto.

Toronto's 6.8 per cent unemployment rate is more than double first-place Calgary, at 3.2 per cent, and two points (or more) above every U.S. metro area and Vancouver. Paris's dismal unemployment rate of 10.4 per cent is well above the others, making Paris the only metro area to earn a "D" grade.

On measures of building activity, Toronto shows up in the lower half of the pack, where available data were limited to North American metropolitan areas. Looking at residential building activity, Toronto's 2.2 per cent growth rate only looks good in comparison with San Francisco's and Chicago's, both experiencing negative growth in the past five years. By contrast, Vancouver leads an otherwise strong Canadian field with 13.8 per cent *average* growth in residential building permits, followed by Quebec City (10.8 per cent) and Calgary (9.6 per cent).

The story on non-residential building activity is similar. Here, the Calgary juggernaut generates an average annual growth rate of 36 per cent, leading a strong Canadian contingent by a wide margin (more than double that of second-ranked Quebec City and triple that of Toronto). Toronto's mid-placed ranking comes at the expense of Montreal and the two California metros.

Disappointing outcomes on some key indicators push Toronto down to an average “C” grade, behind Hong Kong and six North American metros, including Calgary and Vancouver. However, a few bright spots interrupt this string of average-to-poor economic signals. What’s promising?

- The Toronto CMA tops the list of seven metro regions in knowledge employment, even though comparable data for the U.S. and Europe were largely unavailable.

With 19.2 per cent of workers in knowledge employment, Toronto comes slightly ahead of Montreal (18.2 per cent) and Calgary (18.1 per cent).

- Toronto’s share of high-tech employment (6.0 per cent) is good enough to put the CMA in fifth place, ahead of every other Canadian CMA. Toronto and Montreal are the only two “B” metro regions, falling behind the top four “A” cities in the U.S., led by Boston (Dallas, Seattle and San Francisco followed).

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#### TAX BURDEN: WHEN AN “A” GRADE CALLS FOR IMPROVEMENT (PART 1)

The 2008 KPMG study provided data for Toronto plus the Canadian comparators examined here (Quebec City, Montreal, Calgary and Vancouver). It also provided data for six of our U.S. comparators (New York, Boston, Chicago, Dallas, Seattle and Los Angeles); and two of our non-North American comparators (London and Paris).

Toronto’s “A” emerged from application of the grading procedure outlined earlier. The range between the lowest tax index in the group (Calgary at 69.3) and the highest (Paris at 190.7) was divided into four equal sub-ranges. Lower being better when it comes to taxes, the lowest sub-range is the “A” range. It extends from 69.3 up to 99.7. All five Canadian cities were within this sub-range, with Toronto posting the highest tax index of the five at 85.4.

It should be noted, however, that the KPMG report presents data on a larger number of Canadian municipalities: 17 in total. Within this larger group, Toronto’s tax index was higher than 15 of the others (Ottawa came in higher still, but only just). Had Toronto been graded in comparison with KPMG’s Canadian group it would have earned a “D.”

Another caveat should be noted when considering the U.S. cities. A recent report by Duanjie Chen and Jack Mintz (*Limited Horizons: The 2008 Report on Federal and Provincial Budgetary Tax Policies*, C.D. Howe Institute, July 2008) compared Ontario tax burdens on businesses with the U.S. average. The comparison variable they focused on was the “marginal effective tax rate on capital investment.” It combines corporate income and capital taxes with sales taxes on capital purchases. Since these taxes are uniform across Ontario, Ontario data apply to Toronto.

Capital is mobile, so the location of investment is highly sensitive to the tax-rate differences analyzed by Chen and Mintz. In 2008, the Ontario marginal effective tax rate was 34.8 per cent, while the U.S. average was only 26.9 per cent (i.e., Ontario is almost a third higher). While the U.S. rate is scheduled to move up by 2012, Chen and Mintz note “U.S. tax reform is on the political agenda, with some Democrat and Republican leaders advocating a sharp reduction in corporate tax rates in the future.”

And indeed the *American Recovery and Reinvestment Act of 2009* — the Obama stimulus package — has just been approved by the House of Representatives and the Senate. It extends the lifetime of depreciation provisions, contributing substantially to the favourable U.S. tax score.

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# 6 LABOUR ATTRACTIVENESS

“I’ve followed and admired Toronto’s transformation into a global urban centre since I was an undergrad in college. It was a place that always defined urbanism and has always been a spectacular urban centre. It has the ability to attract people from all over the world. It’s an incredible example of a mosaic community.”

— Richard Florida, *The National Post*, July 20, 2007.

## Overall Ranking

Rank	Metro Area	Grade (Normalization Score)
1	Madrid	A (0.72)
2	Barcelona	A (0.65)
3	London	A (0.63)
4	Calgary	B (0.60)
5	<b>Toronto</b>	B (0.56)
6	Dallas	B (0.54)
7	Paris	B (0.52)
T8*	New York	C (0.51)
	Shanghai	C (0.51)
10	Quebec City	C (0.48)
T11*	Oslo	C (0.46)
	Vancouver	C (0.46)
T13*	Boston	C (0.45)
	Stockholm	C (0.45)
15	Montreal	C (0.44)
16	Chicago	C (0.42)
T17*	Seattle	D (0.41)
	San Francisco	D (0.41)
19	Rome	D (0.40)
20	Hong Kong	D (0.32)
21	Los Angeles	D (0.31)

\*T indicates a tied ranking.

## Who’s Best?

Toronto’s fifth-place ranking and “B” grade positions the CMA in the top quarter of the rankings, buoyed by its strong foreign-born population base, high numbers of university-educated people and low homicide rate. The Toronto CMA falls short of an “A” grade due to a high incidence of low-income population.

European metropolises claim the top three spots, with Madrid emerging as the overall best place for labour attractiveness. Both Madrid and Barcelona share particular strengths in their young labour force population, low domestic water usage and, undeniably, the pleasant climate. Madrid’s extra edge comes from its high levels of non-automobile commuters and its low homicide rate. In third place, London claims the last of the “A”-grade spots. Like Madrid, London has a low homicide rate and a high ratio of non-automobile commuters but also is the league leader in cultural employment. With its fast-growing population and better housing affordability,<sup>10</sup> Calgary squeezes out Toronto for fourth place; both sit well above the other Canadian CMAs.

10. Readers should be careful when looking at housing affordability. Metro areas where house prices are higher can score well if the level of income in that metro area is relatively high.

Labour Attractiveness Indicators	Definition	Significance	What About Toronto?	The Grade																																												
<p><b>Population 25–34 years old</b></p> <p># cities ranked: 20 Data unavailable for Shanghai.</p>	<p>The proportion of the population between the ages of 25 and 34 in 2006.</p>	<p>This age group represents the mobile, educated and creative core of the talented labour pool. A metro region able to attract workers in this age cohort will be better positioned to thrive in the future — the more the better.</p>	<p>Toronto, with only 14.1% of the population in this younger cohort, is well below the leaders: Madrid (19.2%) and Barcelona (18.4%), and below all European metros. In North America, Dallas and Calgary do best (both with 15.9%).</p>	<table> <tr><td>1. Madrid</td><td>A</td><td>11. Seattle</td><td>D</td></tr> <tr><td>2. Barcelona</td><td>A</td><td>12. Los Angeles</td><td>D</td></tr> <tr><td>3. Paris</td><td>B</td><td><b>13. Toronto</b></td><td><b>D</b></td></tr> <tr><td>4. London</td><td>B</td><td>14. Chicago</td><td>D</td></tr> <tr><td>5. Oslo</td><td>B</td><td>15. Montreal</td><td>D</td></tr> <tr><td>6. Dallas</td><td>C</td><td>16. Vancouver</td><td>D</td></tr> <tr><td>7. Calgary</td><td>C</td><td>17. San Francisco</td><td>D</td></tr> <tr><td>8. Stockholm</td><td>C</td><td>18. Quebec City</td><td>D</td></tr> <tr><td>9. Hong Kong</td><td>C</td><td>19. New York</td><td>D</td></tr> <tr><td>10. Rome</td><td>C</td><td>20. Boston</td><td>D</td></tr> </table>	1. Madrid	A	11. Seattle	D	2. Barcelona	A	12. Los Angeles	D	3. Paris	B	<b>13. Toronto</b>	<b>D</b>	4. London	B	14. Chicago	D	5. Oslo	B	15. Montreal	D	6. Dallas	C	16. Vancouver	D	7. Calgary	C	17. San Francisco	D	8. Stockholm	C	18. Quebec City	D	9. Hong Kong	C	19. New York	D	10. Rome	C	20. Boston	D				
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<p><b>Immigrant population</b></p> <p># cities ranked: 21</p>	<p>The proportion of the population who were foreign-born. 2006 (Canada and most European); 2005 (Hong Kong and Shanghai); 2000 (U.S.); 2002 (Paris); and 2001 (London).</p>	<p>With lower birth rates, immigration is a critical tool to boost workforces in the future. New immigrants seek open-minded and diverse places, such as those with a large foreign-born population. A metro region with a high proportion of foreign-born residents scores best.</p>	<p>Toronto owns this category, leading all metro regions. With 45.7% of its population foreign-born, Toronto outshines Vancouver (39.6%), Los Angeles (36.2%), New York (33.7%) and London (27.1%). Note that even if 2001 data were used (lowest common denominator), Toronto and all Canadian urban areas would have maintained their relative standings.</p>	<table> <tr><td><b>1. Toronto</b></td><td><b>A</b></td><td>12. Seattle</td><td>C</td></tr> <tr><td>2. Vancouver</td><td>A</td><td>13. Stockholm</td><td>D</td></tr> <tr><td>3. Los Angeles</td><td>A</td><td>14. Paris</td><td>D</td></tr> <tr><td>4. New York</td><td>B</td><td>15. Oslo</td><td>D</td></tr> <tr><td>5. San Francisco</td><td>B</td><td>16. Quebec City</td><td>D</td></tr> <tr><td>6. London</td><td>B</td><td>17. Hong Kong</td><td>D</td></tr> <tr><td>7. Calgary</td><td>B</td><td>18. Rome</td><td>D</td></tr> <tr><td>8. Montreal</td><td>C</td><td>19. Madrid</td><td>D</td></tr> <tr><td>9. Chicago</td><td>C</td><td>20. Barcelona</td><td>D</td></tr> <tr><td>10. Dallas</td><td>C</td><td>21. Shanghai</td><td>D</td></tr> <tr><td>11. Boston</td><td>C</td><td></td><td></td></tr> </table>	<b>1. Toronto</b>	<b>A</b>	12. Seattle	C	2. Vancouver	A	13. Stockholm	D	3. Los Angeles	A	14. Paris	D	4. New York	B	15. Oslo	D	5. San Francisco	B	16. Quebec City	D	6. London	B	17. Hong Kong	D	7. Calgary	B	18. Rome	D	8. Montreal	C	19. Madrid	D	9. Chicago	C	20. Barcelona	D	10. Dallas	C	21. Shanghai	D	11. Boston	C		
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Labour Attractiveness Indicators	Definition	Significance	What About Toronto?	The Grade
<p><b>Population with at least a bachelor's degree</b></p> <p># cities ranked: 20 Data unavailable for Shanghai.</p>	<p>The percentage of the population aged 25 and over with at least a bachelor's degree in 2006 (except U.S. at 2001).</p>	<p>University-educated population figures are commonly used as an indicator of a professional labour force. The higher the percentage, the higher the score.</p>	<p>Toronto has a strong sixth place finish, with nearly one-third of the population having at least a bachelor's degree. San Francisco (38.8%), Boston (37%) and Oslo (33.5%) lead the field. Toronto leads all Canadian CMAs.</p>	<p>1. San Francisco A    11. Calgary B 2. Boston A    12. Vancouver B 3. Oslo A    13. Los Angeles C 4. Seattle B    14. Montreal C 5. New York B    15. Madrid C <b>6. Toronto B</b>    16. Quebec City C 7. Stockholm B    17. Barcelona C 8. Paris B    18. London D 9. Chicago B    19. Hong Kong D 10. Dallas B    20. Rome D</p>
<p><b>Cultural occupations*</b></p> <p># cities ranked: 9 Data unavailable for Barcelona, Boston, Chicago, Dallas, Los Angeles, Madrid, New York, Oslo, Paris, Rome, San Francisco, Seattle.</p>	<p>Using Statistics Canada's occupation data, the proportion of the employed workforce employed in cultural occupations, based on a 5-year average from 2002–06.</p>	<p>The prevalence of artists, writers, performers, musicians, etc., indicates a vibrant cultural life and a community that nourishes creativity and promotes culture. A CMA with a higher share of cultural workers will be more attractive.</p>	<p>Toronto does well in this category, ranked fifth overall behind London, Stockholm, Montreal and Vancouver.</p>	<p>1. London A 2. Stockholm B 3. Montreal B 4. Vancouver B <b>5. Toronto B</b> 6. Quebec City C 7. Calgary C 8. Hong Kong D 9. Shanghai D</p>
<p><b>Number of teachers per 1,000 school-aged children*</b></p> <p># cities ranked: 11 Data unavailable for Barcelona, Boston, London, Madrid, New York, Oslo, Paris, Rome, San Francisco, Stockholm.</p>	<p>The number of elementary and secondary school teachers per 1,000 students aged 5–19, averaged.</p>	<p>This is used as proxy for the education system and assumes the greater the number of teachers per student population, the better the education.</p>	<p>Toronto is in the bottom half of the pack, far behind the leader, Shanghai, with proportionately about 50% more teachers. Quebec City and Montreal are well ahead of Toronto (25% and 15% more teachers per pupil respectively).</p>	<p>1. Shanghai A 2. Quebec City A 3. Montreal B 4. Vancouver C 5. Chicago C <b>6. Toronto C</b> 7. Dallas C 8. Calgary C 9. Hong Kong D 10. Los Angeles D 11. Seattle D</p>

\*Occupational data from the Bureau of Labor Statistics was partially secure for some metro areas. Data was either missing or not available for several occupational categories. Therefore, a complete indicator could not be created for some U.S. Metropolitan Statistical Areas.

Labour Attractiveness Indicators	Definition	Significance	What About Toronto?	The Grade																																												
<p><b>Comfortable climate</b></p> <p># cities ranked: 21</p>	How far the average maximum temperature strays from 15°C in the winter months and from 25°C in the summer, adjusted for hours of sunshine.	This is meant to capture the notion of an "ideal climate." A metro region with low-scoring values is best; that is, closest to the ideal. Very hot or very cold places score poorly.	Although well behind in the group of 21 metro regions, Toronto's overall climate score can be viewed as respectable and easier to take than that of Montreal, Quebec City, Stockholm or Oslo. But Barcelona, San Francisco, Los Angeles and Rome are the ones to beat.	<table border="0"> <tr><td>1. Barcelona</td><td>A</td><td>12. Hong Kong</td><td>B</td></tr> <tr><td>2. San Francisco</td><td>A</td><td>13. Paris</td><td>B</td></tr> <tr><td>3. Los Angeles</td><td>A</td><td>14. London</td><td>B</td></tr> <tr><td>4. Rome</td><td>A</td><td>15. Vancouver</td><td>B</td></tr> <tr><td>5. Madrid</td><td>A</td><td>16. Calgary</td><td>B</td></tr> <tr><td>6. Dallas</td><td>A</td><td><b>17. Toronto</b></td><td><b>B</b></td></tr> <tr><td>7. Shanghai</td><td>A</td><td>18. Montreal</td><td>C</td></tr> <tr><td>8. New York</td><td>A</td><td>19. Quebec City</td><td>C</td></tr> <tr><td>9. Boston</td><td>A</td><td>20. Oslo</td><td>D</td></tr> <tr><td>10. Chicago</td><td>B</td><td>21. Stockholm</td><td>D</td></tr> <tr><td>11. Seattle</td><td>B</td><td></td><td></td></tr> </table>	1. Barcelona	A	12. Hong Kong	B	2. San Francisco	A	13. Paris	B	3. Los Angeles	A	14. London	B	4. Rome	A	15. Vancouver	B	5. Madrid	A	16. Calgary	B	6. Dallas	A	<b>17. Toronto</b>	<b>B</b>	7. Shanghai	A	18. Montreal	C	8. New York	A	19. Quebec City	C	9. Boston	A	20. Oslo	D	10. Chicago	B	21. Stockholm	D	11. Seattle	B		
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<p><b>Crime: homicide rate</b></p> <p># cities ranked: 15</p> <p>Data unavailable for Barcelona, Chicago, Oslo, Paris, Rome, Shanghai.</p>	The number of homicides per 100,000 people, based on a five-year average.	The lower the homicide rate, the more attractive the city or metro region.	Toronto scores well, along with its Canadian counterparts. A homicide rate of 1.9/100,000 is substantially below Los Angeles' rate of 8.7 or San Francisco's 8.1 — the two worst areas. Quebec City and Hong Kong share top spot, with their low rates of 0.6/100,000.	<table border="0"> <tr><td>1. Quebec City</td><td>A</td></tr> <tr><td>2. Hong Kong</td><td>A</td></tr> <tr><td>3. Montreal</td><td>A</td></tr> <tr><td>4. Madrid</td><td>A</td></tr> <tr><td><b>5. Toronto</b></td><td><b>A</b></td></tr> <tr><td>6. Calgary</td><td>A</td></tr> <tr><td>7. London</td><td>A</td></tr> <tr><td>8. Boston</td><td>A</td></tr> <tr><td>9. Vancouver</td><td>A</td></tr> <tr><td>10. Stockholm</td><td>B</td></tr> <tr><td>11. Seattle</td><td>B</td></tr> <tr><td>12. New York</td><td>C</td></tr> <tr><td>13. Dallas</td><td>C</td></tr> <tr><td>14. San Francisco</td><td>D</td></tr> <tr><td>15. Los Angeles</td><td>D</td></tr> </table>	1. Quebec City	A	2. Hong Kong	A	3. Montreal	A	4. Madrid	A	<b>5. Toronto</b>	<b>A</b>	6. Calgary	A	7. London	A	8. Boston	A	9. Vancouver	A	10. Stockholm	B	11. Seattle	B	12. New York	C	13. Dallas	C	14. San Francisco	D	15. Los Angeles	D														
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<p><b>Travel to work: transit, walking, and other non-auto</b></p> <p># cities ranked: 17</p> <p>Data unavailable for Hong Kong, Oslo, Paris, Shanghai.</p>	The proportion of the employed labour force that does not drive to work. 2006 data, except for: Rome, Madrid, Barcelona (2002).	A CMA with a high proportion of non-car commuters not only offers more options for commuters, but is also more sustainable. A city with better access to public transit, better bike paths and/or better walking paths is more attractive.	Positioned seventh of 17, Toronto ranks just behind Montreal but ahead of Rome, Vancouver, and San Francisco. 28.8% of commuters in Toronto choose non-auto options. Overall, New York and the Europeans are hard to beat — London rates highest, with just under 60% of commuters travelling to work by transit, cycling or walking; #2 New York is 56.9%.	<table border="0"> <tr><td>1. London</td><td>A</td></tr> <tr><td>2. New York</td><td>A</td></tr> <tr><td>3. Madrid</td><td>A</td></tr> <tr><td>4. Stockholm</td><td>A</td></tr> <tr><td>5. Barcelona</td><td>A</td></tr> <tr><td>6. Montreal</td><td>C</td></tr> <tr><td><b>7. Toronto</b></td><td><b>C</b></td></tr> <tr><td>8. Rome</td><td>C</td></tr> <tr><td>9. Vancouver</td><td>C</td></tr> <tr><td>10. San Francisco</td><td>C</td></tr> <tr><td>11. Calgary</td><td>C</td></tr> <tr><td>12. Quebec City</td><td>C</td></tr> <tr><td>13. Chicago</td><td>D</td></tr> <tr><td>14. Boston</td><td>D</td></tr> <tr><td>15. Seattle</td><td>D</td></tr> <tr><td>16. Los Angeles</td><td>D</td></tr> <tr><td>17. Dallas</td><td>D</td></tr> </table>	1. London	A	2. New York	A	3. Madrid	A	4. Stockholm	A	5. Barcelona	A	6. Montreal	C	<b>7. Toronto</b>	<b>C</b>	8. Rome	C	9. Vancouver	C	10. San Francisco	C	11. Calgary	C	12. Quebec City	C	13. Chicago	D	14. Boston	D	15. Seattle	D	16. Los Angeles	D	17. Dallas	D										
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Labour Attractiveness Indicators	Definition	Significance	What About Toronto?	The Grade
<p><b>Low-income population</b></p> <p># cities ranked: 5</p> <p>Data unavailable for Barcelona, Boston, Chicago, Dallas, Hong Kong, London, Los Angeles, Madrid, New York, Oslo, Paris, Rome, San Francisco, Seattle, Shanghai, Stockholm.</p>	<p>The percentage of the population that is at or below the low-income cut-off (LICO) — an income threshold below which a family will likely devote a larger share of its income to the necessities of food, shelter and clothing than the average family.</p>	<p>A metro region with a higher proportion of low-income people scores poorly on social sustainability. While not an absolute measure of poverty, LICOs are often used as a proxy for poverty.</p>	<p>Toronto's 20.4% rate is higher than every other Canadian CMA except Vancouver. Ranked fourth out of 5, Toronto earns a "D" grade on this indicator. Unfortunately, the absence of comparable data for metro regions in the U.S., Europe and Asia means no international comparisons.</p>	<p>1. Calgary A 2. Quebec City B 3. Montreal D <b>4. Toronto D</b> 5. Vancouver D</p>
<p><b>Housing affordability</b></p> <p># cities ranked: 12</p> <p>Data unavailable for Barcelona, Hong Kong, London, Madrid, Oslo Paris, Rome, Shanghai, Stockholm.</p>	<p>The relative spread of the ratio of housing prices to income to the national average in a specific metro region/city. Metro areas where house prices are higher can perform well if the level of income in that metro area is relatively high.</p>	<p>Housing affordability is a key factor in location decisions. Although bigger, fast-growing cities may have expensive housing, higher incomes may compensate. Cities and metro areas with better housing affordability would be more attractive.</p>	<p>Toronto does surprisingly well in housing affordability compared with most of the U.S. and Vancouver. Of the 12 metros ranked, Toronto is sixth. Dallas and Quebec City come in first and second respectively. Worst of all are the two California metros of San Francisco and Los Angeles.</p>	<p>1. Dallas A 2. Quebec City A 3. Montreal A 4. Calgary A <b>5. Toronto A</b> 6. Chicago B 7. Boston B 8. Seattle B 9. New York C 10. Vancouver C 11. Los Angeles D 12. San Francisco D</p>

Labour Attractiveness Indicators	Definition	Significance	What About Toronto?	The Grade
<p><b>Population growth</b></p> <p># cities ranked: 21</p>	<p>The annual population growth rate, compounded over five years (2002–07) except for metro areas in Europe, which are calculated based on four years of data (2002–06).</p>	<p>Population growth is a proxy for labour attractiveness. The higher the growth rate, the more attractive and vibrant an urban area.</p>	<p>Toronto's average annual population growth of 1.9% during the past five years lifts the CMA to third place, behind Calgary (2.6%) and Dallas (2.3%). Apart from Seattle, all other U.S. metros grew at a rate below 1%.</p>	<p>1. Calgary A 12. London D  2. Dallas A 13. Rome D  <b>3. Toronto B</b> 14. Shanghai D  4. Madrid B 15. Chicago D  5. Vancouver B 16. Stockholm D  6. Barcelona B 17. Paris D  7. Seattle C 18. Los Angeles D  8. Montreal C 19. New York D  9. Quebec City C 20. San Francisco D  10. Oslo C 21. Boston D  11. Hong Kong D</p>
<p><b>Domestic water usage</b></p> <p># cities ranked: 11</p> <p>Data unavailable for Boston, Chicago, Dallas, Hong Kong, London, Los Angeles, New York, San Francisco, Seattle, Stockholm.</p>	<p>Domestic water usage only, based on the per capita average daily water flow in cubic metres (m<sup>3</sup>).</p>	<p>Low water usage indicates more efficient and sustainable use of this natural resource. City/metro regions scored highest when domestic water usage was low.</p>	<p>Toronto could do better, despite being Canada's best CMA, and earning a "B" grade. Daily domestic water usage is 3 times greater than Barcelona; 2.5 times greater than Shanghai; and just over twice that of Paris.</p>	<p>1. Barcelona A  2. Madrid A  3. Shanghai A  4. Paris A  5. Rome A  6. Oslo B  <b>7. Toronto B</b>  8. Calgary B  9. Quebec City C  10. Vancouver D  11. Montreal D</p>

Sources: Statistics Canada; Census 2006; Environment Canada; Canadian Real Estate Association; Bureau of Labor Statistics; Moody's Economy.com; Eurostat; Demographia World Urban Atlas; UK Census; Transport for London; Shanghai Statistical Yearbook; Government of Hong Kong; Hong Kong Census; Weather Network.

### Focus on Toronto CMA's Labour Attractiveness

Toronto's attractiveness as a place to live and work confirms that it is a dynamic, diverse and affordable place: just the kind of city that creates a "buzz." After the poor results coming out of the Economic domain, the results in the Labour Attractiveness domain tell a "tale of two cities." In this domain, Toronto earns "A" and "B" grades on eight of the 12 indicators, emerging convincingly in top spot on one: percentage of foreign-born population.

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#### LABOUR ATTRACTIVENESS: TORONTO UPS AND DOWNS

CMA Best: Foreign-Born Population (A)

CMA Worst: Low Income Population (D)

Overall Grade: C

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Toronto's strength is its diversity. With 45.7 per cent of the population identified as foreign-born, the CMA owns first place, well ahead of second place Vancouver (39.6 per cent) and the much-heralded multi-cultural centres of Los Angeles (36 per cent), New York (34 per cent) and London (27 per cent). Relatively high population growth rates in Toronto (1.9 per cent annually) also underscore the CMA as a magnet for immigrants. Only two metros grew faster than Toronto — Calgary and Dallas, averaging 2.6 per cent and 2.3 per cent respectively. And apart from Dallas, all Canadian CMAs grew faster than their American counterparts. Somewhat surprisingly, so did most European metropolitan regions.

Toronto can also take pride in its well-educated population. With nearly one-third of the population over 25 having a university degree, Toronto ranks best among Canadian CMAs. San Francisco is tops overall, with 38.8 per cent of its over-25s with at least a Bachelor's degree. Six of the top 10 metros are in the United States. Only one European city is better than Toronto, but just barely. With 33.5 per cent having a degree, Oslo is 0.5 percentage points higher than the Toronto metro area.

While the CMA scores well on its number of university-educated residents, it fails to keep up when it comes to elementary and secondary education. The CMA only earns a "C" and a bottom-half ranking for the number of teachers /school age population.<sup>11</sup> Number one Shanghai's 93 teachers per 1,000 children is 50 per cent higher than Toronto's. Quebec City and Montreal come in behind Shanghai to lead the rest of the field. The Conference Board of Canada, in its earlier report *City Magnets*, noted that CMAs in the province of Quebec consistently outsourced their Canadian counterparts on this education measure. The province's priorities for education appear to support a higher teacher-to-student ratio.

Although falling short of an "A" grade in Labour Attractiveness, the Toronto CMA appears to do much better when bounded only by North America. Compared with U.S. metros, Toronto is more compact and has a far more favourable proportion of non-automobile commuters (apart from New York). Just under 29 per cent of Toronto's commuters chose non-car options compared with 16 per cent of Chicago commuters and 13 per cent of Bostonians. Dallas is the worst place of all, with over 95 per cent of residents commuting to work by car. Nonetheless, Toronto's overall strong results within North America are eclipsed by those of the European metropolises. Of the 17 metros ranked, London sets the gold standard, where 60 per cent of commuters travel to work by transit, walking or cycling. About half or more of commuters in Madrid, Stockholm and Barcelona also opt for non-auto transportation.

The result above notwithstanding, congestion and gridlock issues remain important for Toronto. In *City Magnets*, The Conference Board of Canada showed that the Toronto CMA was doing poorly with respect to commuting time to work. Metropolitan Toronto came second to last, behind Oshawa only.<sup>12</sup> Toronto is the fourth most congested area in North America and the most congested in Canada.<sup>13</sup> Further, Toronto is on a trajectory to vie with Los Angeles as the most congested city on the continent. Unfortunately, a commuting time indicator could not be used for this report because comparable international data was not available.

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11. This field does not include any European metropolitan areas, as comparable data was unavailable.

12. The Conference Board of Canada, *City Magnets*.

13. Office of the Premier, Ontario (June 15, 2007). *MoveOntario 2020: The Cost of Congestion*. Backgrounder. [www.premier.gov.on.ca/news/Product.asp?ProductID=1384](http://www.premier.gov.on.ca/news/Product.asp?ProductID=1384).

Toronto also enjoys lower homicide rates than any U.S. metropolitan area. Toronto's homicide rate is fifth best, behind Quebec City (#1) and Montreal (#3). But at 1.9 homicides per 100,000 population, Toronto's rate is far below that of New York (5.1) and a fraction of San Francisco's (8.0) or Los Angeles' (8.7). No one disputes that this is a key indicator of quality of life, central to a region's ability to attract and retain people.

Marring the otherwise sunny portrait of Toronto's quality of life is an unacceptable level of low-income households. One in five Torontonians lives below the low-income cutoff — Statistics Canada's proxy for the poverty line. Vancouver is the only CMA that fared worse, with a slightly higher incidence of low-income residents (21.1 per cent vs. Toronto's 20.4 per cent). Unfortunately, the lack of comparable international data on low-income households means that it is impossible to gauge how Toronto stacks up against the wider field of American, European and Asian metros.

Lastly, one can speculate that the New York metro area, for example, would lose some of its lustre if a measure of poverty or income inequality were taken into account. In its most recent *State of the World's Cities Report*, UN-HABITAT assesses income inequality in selected metropolitan areas on every continent and concludes:

“Although cities in the USA have relatively lower levels of poverty than many other cities in the developed world, levels of income inequality are quite high, and have risen above the international alert line. Major metropolitan areas, such as New York, Atlanta, Washington DC, have the highest levels of inequality in the country, similar to those of Nairobi, Buenos Aires, and Santiago.”<sup>14</sup>

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14. UN-HABITAT, *State of the World's Cities 2008/2009*, p. 65.

# 7 INSIDE THE TORONTO CMA: THE CITY AND THE 905 REGION

“Forget the damned motor car and build the cities for lovers and friends.”

— Lewis Mumford, as quoted in Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States*. (New York: Oxford University Press, 1985).

While the focus of this report has been on metropolitan areas to ensure “apples-to-apples” comparisons, the following section takes a closer look at what’s happening *within* metropolitan Toronto. This section breaks down the results for the CMA to better understand the overall results obtained for the Toronto CMA. A microanalysis can be useful to identify potential remedies moving forward. In this section, we set out to examine how the city of Toronto (referred to as the City in this report) and the rest of the CMA (referred to as the 905 region) are performing on an “individual” basis. We also took a little liberty in speculating where the City and the 905 region might rank, had they been included in the universe of benchmarked metropolitan areas.

## The Geo-politics of Prosperity

Shining the spotlight on Toronto and its constituent parts reveals two different pictures: a struggling City, and a successful 905 region. If ranked with our selection of cities from around the world, the City would slip into the bottom half of the standings with a “C” grade, while the 905 area would have surfaced in second place, out-scored only by Calgary and at the head of the “B” metropolises. On this basis, the City would have ranked as the worst Canadian urban area and the 905 region as the best after Calgary.

The City in particular is a study in contrasts, struggling to keep pace on the economic fundamentals but scoring

well on all the attributes of an attractive city. Weak employment growth coupled with near-stagnant productivity growth contribute to the City’s poor economic showing. In the 905 region, much stronger gains in GDP, employment and income would have put the area higher in the Economic rankings and, along with good results in Labour Attractiveness, would have propelled it to an excellent overall finish.

Both the City and the 905 region are graced with highly diverse populations and, if ranked alongside all metropolitan areas, the City, the 905 region and the CMA would have taken the top three spots. But, as described in the following sections, the strengths and weaknesses of the City and the 905 region provide a study in contrasts.

## Economy: Toronto and the 905 Region

Declining economic conditions for the City are happening in lock-step with rising fortunes in the 905 region. The City’s weak performance earns it only a “C” grade; ranked on its own, it would have fallen just below Quebec City, or six places behind the 905 region. In short, the City is lagging on five fundamental economic indicators:

**Income growth trends:** average annual income growth approached 6 per cent in the 905 region, but only 3.5 per cent in the City. With average disposable income virtually the same in the City as in the 905 region in 2007, the spending power of 905 residents will soon surpass that of City dwellers.

## ECONOMY

### City and 905 Region

Indicator	City of Toronto	905 Region
Real GDP per capita	\$49,696	\$43,250
Real GDP growth (five-year average)	1.2%	4.2%
After-tax income per capita	28,964	28,567
After-tax income growth (five-year average)	3.5%	5.9%
Productivity level	\$88,995	\$83,571
Productivity growth (five-year average)	0.5%	0.8%
Residential building permits growth (five-year average)	2.7%	2.1%
Non-residential building permits growth (five-year average)	8.9%	10.2%
Employment growth (five-year average)	1.1%	2.8%
Unemployment rate	7.9%	5.9%
High-tech employment (share of total employment)	5.1%	5.7%
Knowledge employment (share of total employment)	21.1%	17.6%
Total tax index (TTI)	88.1	83.8

**GDP growth:** averaging only 1.2 per cent during the past five years, the City's GDP growth is well behind the 905 region at 4.2 per cent. Although the City's per capita GDP (at \$49,696) is \$6,000 higher than that of 905 region, this GDP growth result shows that the 905 region is closing the gap.<sup>15</sup>

**Employment growth:** average annual employment growth in the 905 region (2.8 per cent) is out-paced only by Calgary's (3.5 per cent). The City, at just over 1 per cent, is 11 places behind — worst of all Canadian urban areas.

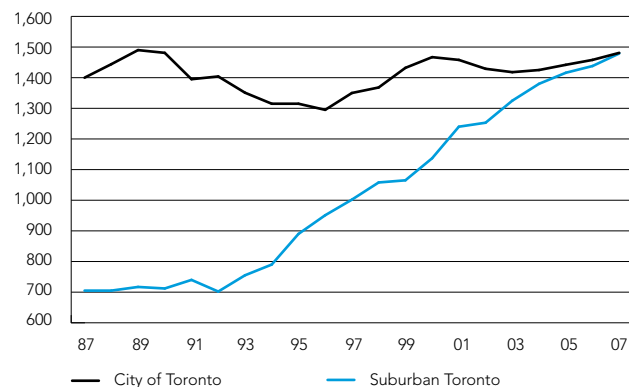
**Unemployment rate:** at 7.9 per cent, the City's unemployment rate is a full 2 points above the 905 region.

**Total Tax Index:** there is well over a 4-point differential between the City and 905 region.

Underlying these economic markers is a steady decline in the City's share of overall employment growth within the Toronto CMA. The following table illustrates the point. Almost all employment growth over the last 20 years in the Toronto CMA has occurred in the 905 region. Annual average growth in the 905 region was 3.8 per cent from 1988–2007, compared with just 0.3 per cent in the City.

## JOB GROWTH IN THE TORONTO CMA

### Employment by Place of Work ('000s)



Sources: City of Toronto; The Conference Board of Canada.

There is little in the way of good economic news for the City, except for the surprising result on its overall tax advantage compared with U.S. metropolitan areas. A closer look at the City and the 905 region presents a different picture, one that Toronto-area businesses are all too familiar with — the business tax burden is greater in the City. The inclusion of a tax indicator that highlights this tax differential is a key aspect of this Scorecard. In fact, the relative tax differential between the City and the 905 region is a partial explanation of the gap in job growth. (See Page 39, “Tax Burden: When an “A” Grade Calls for Improvement” [Part 2]).

15. It may be surprising to some readers that GDP per capita is much higher in the City than in the 905 region when income per capita is roughly the same in both entities. This suggests that a significant proportion of high-income earners working in the City live in the 905 region. This affects the GDP and income numbers because the former is computed on a place of work basis, while the latter is measured by place of residence.



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## TAX BURDEN: WHEN AN “A” GRADE CALLS FOR IMPROVEMENT (PART 2)

According to the KPMG report *Competitive Alternatives 2008*,<sup>16</sup> the Toronto CMA does well on its total tax index, which measures total tax paid by businesses relative to their pre-tax income. This report uses the KPMG index to benchmark the Toronto CMA against 13 other metropolitan areas. On this basis, Toronto ranks fifth out of 14, better than all U.S. cities and earning Toronto an “A” Grade.

This result, however, masks a very important issue: namely, the business property tax differential between the City and the 905 region. This matter is not addressed in the KPMG study. The lacklustre economic performance of the City vis-à-vis the 905 region over the past 20-plus years has been attributed in part to the City’s higher business tax. A 2005 report prepared by the Canadian Urban Institute for the Toronto Office Coalition found that, in part due to this tax differential, there has been a 25 to 50 per cent increase in assessment value in other Greater Toronto Area municipalities between 1992 and 2005, compared with a decrease in Toronto’s assessment base over the same period.<sup>17</sup> A companion report by the economist Peter Tomlinson notes that “instead of being driven by economic fundamentals, investment [due to the 416 / 905 tax-rate differential] is artificially driven outside the Toronto boundary.”<sup>18</sup> From 1992 to 2007, non-residential building permits have grown almost twice as fast in the 905 region — by 13.2 per cent per year compared with 7.1 per cent per year in the City.

This rapid economic development has led to much faster employment growth in the 905 portion of the CMA (see “Job Growth in Toronto CMA” on page 38). No doubt, the fast pace of job creation in the 905 region attracted many new residents to that region. During the past 15 years, population growth averaged 3.4 per cent per year, compared with 0.9 per cent per year in the City. Given the importance of population growth in the determination of potential economic growth, the City has reason for concern.

Before 1998, commercial and industrial tax rates in the City were more than twice as high as tax rates in adjacent regions. For example, in 1998 the composite rate (municipal plus education) for industrial properties was 10.66 per cent for the City, compared with 4.65 per cent for the average composite rate in adjoining municipalities. Proportionately, the differential for commercial properties was similar, with 7.64 per cent for the City relative to 3.59 per cent for surrounding communities.

The City did put forth some effort to tackle this issue. Since 1998, the tax differential for industrial and commercial properties has been reduced. For industrial properties, the tax differential in 2008 now stands at roughly one percentage point (4.34 per cent vs. 3.25 per cent). For commercial properties, the spread is slightly greater, at near 1.5 percentage points (4.12 per cent vs. 2.70 per cent). Nonetheless, a significant gap remains between the 905 and the 416 regions. In fact, this report shows that the Total Tax Index (TTI) for the City remains nearly 4.5 percentage points higher than in the 905 region in 2008. This is still a significant gap, suggesting that the City has more work to do.

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16. KPMG, *Competitive Alternatives: KPMG’s Guide to International Business Location, 2008 Edition* [online]. (KPMG LLP, 2008), [cited March 3, 2009]. [www.competitivealternatives.com](http://www.competitivealternatives.com).

17. Canadian Urban Institute, *Business Competitiveness in the GTA: Why Toronto is Losing Ground* (Toronto, Author, June 2005), [cited March 3, 2009]. [www.torontoofficecoalition.com/pdf/CUI-Business\\_Competitiveness.pdf](http://www.torontoofficecoalition.com/pdf/CUI-Business_Competitiveness.pdf).

18. Peter Tomlinson, *A Level Playing Field by 2009: Achieving Property Tax Parity for Toronto Businesses*, Report for the Toronto Office Coalition, [cited March 3, 2009]. [www.torontoofficecoalition.com/pdf/TomlinsonStudy.pdf](http://www.torontoofficecoalition.com/pdf/TomlinsonStudy.pdf), p. 2.

The City does well on three indicators, albeit with less dramatic results:

1. The City's per capita GDP is still 15 per cent stronger than in the 905 region (though this might be eroded by the much stronger economic performance in the 905 region).
2. Residential building activity in the City, measured by building permit growth, was boosted by a condominium boom, giving the City an average increase of 2.7 per cent annually, modestly ahead of the 905 average of 2.1 per cent.
3. The City's share of employment in knowledge industries is 21.1 per cent, compared with 17.6 per cent for the 905 region (and 19.2 per cent in the CMA overall). At this level, the City would have topped the field of all Canadian metropolitan areas.

On measures of per capita disposable income, productivity and productivity growth, there is little to distinguish the City and the 905 region and little to celebrate. On all three indicators, the City and the 905 region would have lagged behind the U.S. metropolitan areas and Calgary.

If the overall employment picture is somewhat bleak for the City, there is one important area where the City is at least "keeping up." The City's per capita GDP, at just under \$50,000, is not far off New York's at \$52,000, just ahead of Stockholm's, London's, Los Angeles' and Chicago's, and well ahead of Montreal's (\$33,332) and Barcelona's (\$27,785).

#### **Labour Attractiveness: the City of Toronto and the 905 Region**

The City and the 905 region both do well on this domain, but for different reasons. The principal feature they have in common is the high numbers of foreign-born residents, making the City, the 905 region and the CMA the best of all metropolitan areas. No place comes close to the diversity of the City population, where fully 50 per cent of residents are foreign-born.

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Half of the City's population was born outside Canada. This would make it the number one-ranked city of the 21 global metropolises. But considering that newcomers typically start their new lives in the central part of metropolitan regions, we decided to see whether the City's results would hold up against other cities, as opposed to metropolitan regions. And they do: in Los Angeles, 41% are foreign-born; in New York City, the share is 36%.

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On at least half of the indicators, the City and 905 region show stark differences:

#### **1. Commuter travel choices**

Forty-four per cent of Torontonians choose to leave their cars at home when commuting to work, compared with only 13 per cent of 905 residents. Of course, Toronto's strong results are supported by the City's smaller size; more people with access to transit; and more people within walking distance of the major downtown employment area.

#### **2. Population growth**

The 905 region's powerful growth rate of 3.5 per cent per year out-paces the City by a factor of 10 (0.3 per cent) and would have led all 21 other areas in population growth. The next-best place is Calgary, which averaged 2.6 per cent growth annually during the past five years. The City's low population growth, on the other hand, is consistent with four of the big North American metropolitan areas: Los Angeles and New York — both with 0.3 per cent growth rates — and San Francisco (0.2 per cent) and Boston (0.1 per cent).

#### **3. Young labour force**

The City has a higher proportion of population in the young labour force age group (between 25–34 years of age): 15.4 per cent compared with only 12.8 per cent in the 905 region. If ranked, the 905 region would have anchored the bottom, behind Boston at 12.9 per cent. However, it is quite likely that the 905 region has a higher percentage of young children and teenagers who will enter the labour force in the next 10 to 15 years.

#### 4. University education

More City residents possess a university degree: 33 per cent compared with 27 per cent in the 905 region. The City's highly educated labour force can be one of its big selling points. In North America, only San Francisco (38.8 per cent) and Boston (37 per cent) are better. And third-ranked Oslo is only fractionally higher, with 33.5 per cent of its over-25 population with a university degree. The 905 region is on par with Vancouver and Los Angeles.

#### 5. Housing affordability

Not surprisingly, housing affordability is better in the 905 region, similar to third-ranked Montreal and good enough to have picked up an "A" grade. The City's affordability problems, while worse than most of the other Canadian metropolitan areas (except Vancouver), would be viewed as very "average" when compared with U.S. metros. On this indicator, the City would have picked up a "B" grade, positioned just above Boston.

#### 6. Low-income population

On the critical component of social sustainability, the City's high proportion of low-income residents contrasts starkly with the 905 region's, making the incidence of low-income residents in the City 50 per cent higher. Nearly one in four people in the City is below the low income cut-off established by Statistics Canada, compared with one in eight in the 905 region. Unacceptably high, the City must strive to ensure that a prosperous Toronto lifts all households. It is cold comfort to know that Vancouver and Montreal have similarly high numbers of low-income residents. Toronto's 24.5 per cent low-income population share is significantly above the 905 region's 16.4 per cent. Although less than the city of Montreal's (28.9 per cent) and the city of Vancouver's (25.1 per cent), Toronto's rate is simply unacceptable.

#### 7. Cultural occupations

The City's strong showing on cultural occupations shouldn't come as a surprise; it is, after all, one of the defining characteristics of the City centre. 5.3 per cent of the City's population are engaged in cultural occupations.

This would have put the City near the top of the rankings, just below London at 6.1 per cent, and the only other place to earn an "A" grade. (Note that data for U.S. metros was not comparable). The 905 region has only about half the number of people employed in the culture sector, but at 2.7 per cent would have nearly matched Calgary, where 2.9 per cent of the people are employed in cultural occupations.

#### LABOUR ATTRACTIVENESS City and 905 Region

Indicator	City of Toronto	905 Region
Comfortable climate index	26.1	26.1
Proportion of population 25 to 34 years old	15.4%	12.8%
Homicides (rate per 100,000 population)	2.8	1.0
Proportion of population, age 25 and over, with at least a bachelor's degree	33.0%	27.3%
Number of elementary and secondary teachers per 1,000 people of school age (5–19)	61.4	66.0
Proportion of population that is foreign-born	50.0%	41.7%
Proportion of population that is employed in cultural occupations	5.3%	2.7%
Housing affordability (average house prices as a ratio of average household income)	1.2	0.8
Proportion of population at or below low-income cut-offs (LICO)	24.1%	16.4%
Travel to work: public transit, biking, walking (proportion of working population)	43.8%	13.0%
Population growth (five-year average)	0.3%	3.5%
Domestic water use, average daily flow (cubic metres)	219	237

## 8 CONCLUSION: GOING FROM LOW TO HIGH GEAR

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“For the sake of Canada’s continued prosperity, we cannot afford to let Toronto’s economic performance continue to slide. We urgently need to invest in Toronto, and in Canada’s other major cities, to ensure prosperity and opportunity for now and for future generations...”

— *Agenda for Prosperity*, Toronto Mayor’s Economic Competitiveness Advisory Committee, January 2008.

Toronto can do better. With a “C” grade, the Toronto CMA is outscored by economic powerhouses and fast-growing regions including Calgary, Dallas and Hong Kong. Toronto’s fourth-place tie is respectable, lifting the CMA to the same level as some of the world’s greatest metropolises (London, New York and Boston). Yet, both Toronto’s ranking and its score mask two dichotomies embedded in the results. Firstly, the Toronto CMA’s economic results are considerably weaker than those attached to labour attractiveness. This confirms what most people believe: that Toronto offers a generally good quality of life that will be in jeopardy without a stronger economic platform. Secondly, the City is struggling, compared with the rest of the CMA.

And while some of the economic factors are endemic to Canada generally (i.e., productivity), most are reflective of local circumstances. With Calgary and Vancouver in the elite group of “A” and “B” metro regions in the Economy domain, it would be wrong to conclude that Canada’s cities simply cannot compete.

Furthermore, economic results for the 905 region are significantly better than those of the City. The City has some catching up to do, particularly when it comes to gains in personal disposable income and GDP growth and, perhaps most significantly, in employment growth, which was more than double in the 905 region. While the lagging economic performance of the City is nothing new, these persistent mediocre results must be tackled head on, or efforts to raise the region’s competitiveness will fail. The Toronto CMA as a whole will achieve its optimal economic performance if and only if the City and the 905 region are thriving.

Toronto will need to do more to make sure that its strategies bring prosperity to everyone. Toronto is home to a large population of low-income households, greater than any other CMA in Canada except Vancouver. The issues linked to poverty and income inequality are complex and cut across demographic lines, affecting newcomers, families, seniors and young singles. And Toronto must take care not to squander its most unique resource: newcomers. Much more needs to be done to ensure that new immigrants have access to all the opportunities that drew them to Toronto in the first place.

It is fitting to end positively. This report puts the Toronto CMA in a fourth-place tie among 16 world-class cities selected from around the globe. Toronto is an attractive place to be, drawing in people from every corner of the world, many with university degrees and many who are young enough to be in the labour force for a long time to come. Immigrants continue to flock to Toronto — a phenomenon which reflects the area's attractiveness and in turn attributes to a high quality of life, where homicide rates are low, transportation options are available, and housing is relatively affordable. The range of employment opportunities in knowledge, culture and technology industries constitutes another magnet for Toronto.

Looking ahead, Toronto should strive to strengthen its economic foundation and build on its considerable strengths as one of the world's most liveable cities.

## APPENDIX A: EMERGING INDICATORS

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In an ideal world, both The Conference Board of Canada and the Toronto Board of Trade would have expanded the suite of indicators to address other key elements linked to urban prosperity and quality of life. Despite our best efforts, we were unsuccessful in finding comparable data across the wide sweep of global metro regions in areas such as:<sup>19</sup>

- Infrastructure
- Environmental sustainability
- Traffic congestion
- Urban open space and parkland
- Non-university post-secondary education, including community colleges
- Recreation, arts and culture
- Income inequality
- Optimum density

These indicators contribute in one way or another to a metropolitan area's ability to attract labour and generate wealth, while supporting social and environmental sustainability. **Infrastructure**, for example, is essential to any city's growth, economic development, safety and quality of life. Transportation networks, clean water and effective waste disposal all play a critical role in making urban areas efficient and attractive places to live and to do business. The following list includes potential indicators to help benchmark Toronto's infrastructure assets and service. Data would originate with the agency providing the service and would require significant resources to obtain. It is likely that benchmarking would be limited in the first instance to Canadian municipal infrastructure.

- **Cost of service per capita:** presents the total costs associated with providing the service in terms of operations and maintenance, repairs and rehabilitation, on a per capita basis, with respect to the levels of service established by the community and within the service area.

- **Actual level of service vs. agency target level of service:** indicator comparing the levels of services *provided* to the *target* levels of service set by the agency. Levels of service would be determined by "industry standard," depending on whether it is water supply, wastewater, solid waste disposal or transport.
- **Closures or disruptions in transportation services:** this would measure the frequency and duration of closures/major disruptions for roads, bridges and public transit.
- **Affordability of service:** this would measure the fee paid per person against average income.
- **Accessibility of public transit:** this would measure the number of people within 400 metres of a transit stop or station.
- **Service deficiency:** the percentage of affected population days per year for which a service deficiency (e.g., boil water advisory, sewer backup) has occurred.

Investigating **income inequality** would have revealed the gap between the richest and poorest in metropolitan society, indicating the degree of social cohesion and inclusiveness. UN-HABITAT has, for the first time, collected income inequality data on cities worldwide, based on the widely accepted norm of a Gini coefficient, which determines the extent to which the distribution of income among households deviates from a perfectly equal distribution. A proposed new indicator would be:

- **Income inequality Gini coefficient:** this would measure income inequality, defined as a ratio between 0 and 1, where zero represents perfect equality. The international "alert line," or inequality threshold, is 0.4.

We had also intended to cluster several indicators within a **sustainability** domain, but the preferred indicators proved to be among the most difficult to collect. For instance, measures linked to air quality, urban open space and access to indoor and outdoor recreation were unavailable or defined according to widely differing criteria. Methodological difficulties arose even when

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19. Appendix B contains a more detailed list of cities and indicators that we would have liked to include in this report had comparable data been available.

limiting the comparisons to CMAs in Canada only. However, as a critical component of an urban area's future prosperity, further exploration of new environmental sustainability indicators is warranted. Potential indicators to consider include:

- **Metropolitan ecological footprint/energy footprint:** this is now an accepted indicator of sustainability worldwide, measuring how much productive land and water a city (individual or country) requires to produce all the resources it consumes and to absorb all the waste it generates. It is measured in hectares per person. Alternatively, a measure of the energy footprint could be used. This is a subset of the broader measure and takes into account carbon-based and nuclear-generated energy sources and is the dominant component at the metropolitan scale.
- **Energy consumption:** this would measure energy use by sector (industry, building, transport). Data for residential and non-residential buildings could be disaggregated.
- **Solid waste recycled or composted:** this would measure the percentage of solid waste recycled or composted.
- **Travel time to work:** this would measure the average round-trip journey-to-work time for commuters. Other measures of congestion could also be explored, looking at, in particular, the suite of indicators developed by Transport for London in their monitoring reports on the Congestion Charge.
- **Optimum density:** this would measure density in persons per square kilometre and benchmarked against an "optimum density" figure, which needs further exploration.
- **Urban open space and parkland:** this would measure the amount of urban open space and/or parkland, expressed in hectares per person. Obtaining comparable definitions of "open space" is the biggest challenge.

We would also have preferred to include more direct indicators that measure **arts and culture**, a key aspect of quality of life. An additional indicator would include:

- **Theatre seats per capita:** this would measure the number of theatre seats per person in each city.

Indicators that measure **innovation** in metropolitan areas have also been very difficult to find. A valuable indicator in this area would include:

- **Access to capital:** this would measure the ability of entrepreneurs to gain access to financial capital.

Finally, we had tried to enrich both our Economy and Labour Attractiveness domains with clear and concise information on employment by occupation. As it stands right now, Canada is the only country providing a detailed breakdown of employment by occupation in metropolitan areas. Results in the U.S. were disappointing, whereas European data was non-existent. If a common global database existed, we could have confidently measured employment in high-tech and knowledge industries in the Economy domain, as well as employment in culture industries and the number of practicing physicians in the Labour Attractiveness domain.

## APPENDIX B: LIST OF EXCLUDED METRO AREAS AND MISSING INDICATORS

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When this Scorecard was first conceptualized, a number of cities from around the globe were considered for inclusion. After a number of iterations between the Toronto Board of Trade and The Conference Board of Canada, the list of 21 metropolises was decided upon, based largely on data availability and the desire to be concise. Unfortunately, this meant that the following metro areas were not included in this scorecard:

- Atlanta
- Phoenix
- Helsinki
- Frankfurt
- Berlin
- Dublin
- Zurich
- Brussels
- Amsterdam
- Tokyo
- Sydney
- Melbourne
- Seoul
- Singapore
- Dubai
- Kolkata
- Delhi
- Mumbai
- Rio de Janeiro
- Sao Paolo
- Moscow

Regrettably, Dubai and metro areas in India were originally part of the scorecard, but lack of available data eventually led to their elimination.

Similarly, the list of indicators was also kept to a manageable size. As a result (and due to limits on data availability), a list of 25 indicators is included in this scorecard. This meant that indicators not easily comparable across countries were disqualified, such as:

- Education levels
- Cultural density, additional culture indicators
- Earnings potential and education level of immigrants
- Primary and secondary school attainment

- Pollution levels
- Amount of green space
- Commuting distance/time
- Congestion
- Hospital beds
- Number of physicians
- Average household income
- Rental affordability
- Number of trade-marks/patents registered
- Adult literacy
- Tourism indicators
- Tolerance indicators
- Proportion of population with Body Mass Index (BMI) between 30 and 99.8
- Potential years of life lost due to cancers, circulatory and respiratory diseases
- Households with access to recycling
- Income of foreign-born as percentage of income of non-foreign-born

Moreover, the following indicators were excluded because data were unavailable:

- New business start-ups
- Electrical supply
- Capital stock
- Infrastructure
- Amount of solid waste collected
- Amount of solid waste processed or recycled
- Innovation office vacancy rates
- Foreign and domestic capital asset investment
- Head office units
- Number of research centres

Next, we excluded indicators that were too costly to reproduce. These included:

- Green indicators  
(i.e., number of LEED certified buildings)
- Business operating costs
- Cost of industrial space
- Effective corporate taxation rate
- Carbon footprint indicator



# TORONTO BOARD OF TRADE VOLUNTEER LEADERSHIP

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