

# The Future of Work and Ontario Municipalities

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AMO Conference 2024

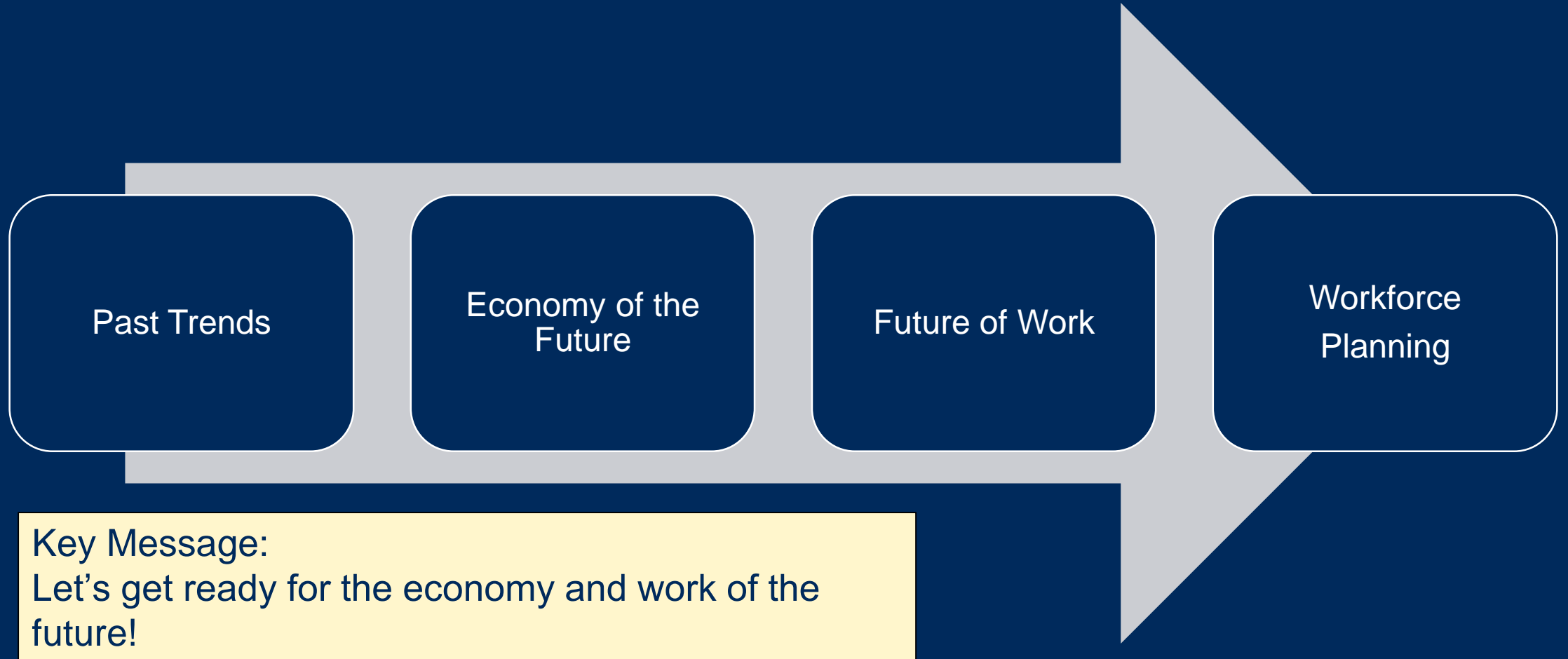


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# Overview



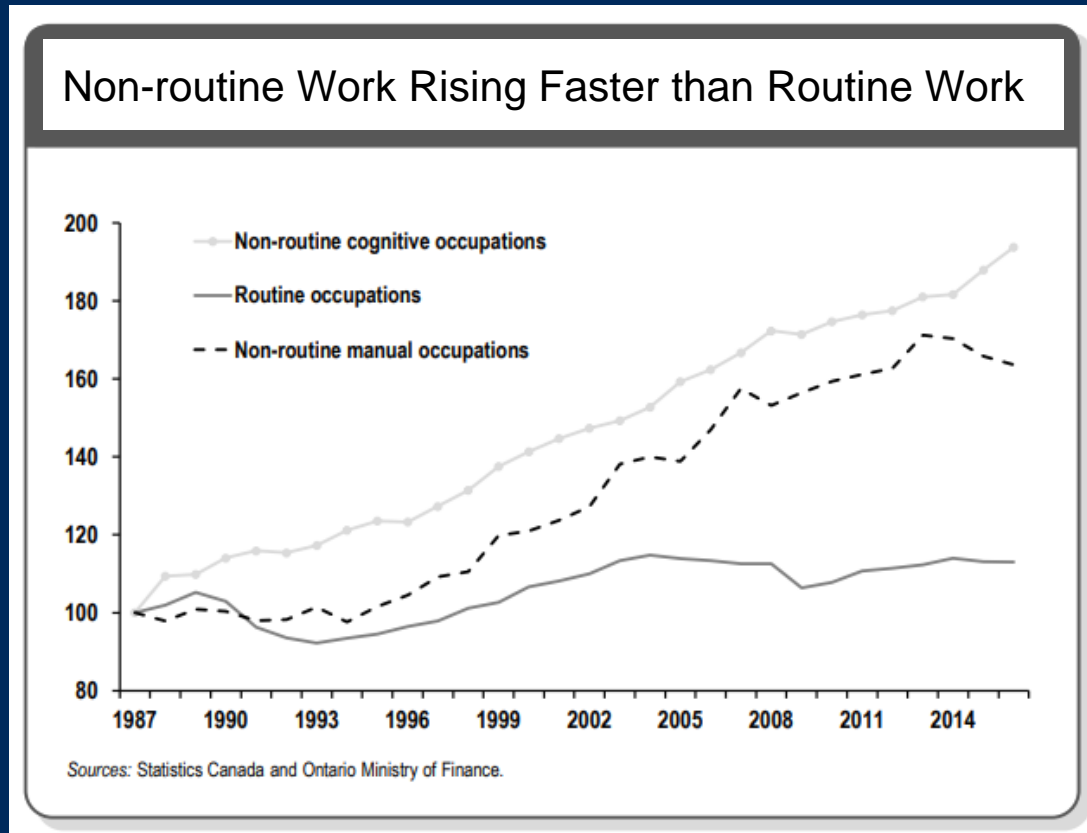
# Technological Change

Technological change has always been happening

Routine work is being replaced by machines and computers

Employment has shifted towards non-routine work

People continue to have jobs



Source: Ontario Long Term Report on the Economy, 2017.

# Artificial Intelligence



Source: Michelle Alexopoulos, *Tracking Technical Change: Past, Present & Future*.  
Canadian Economics Association Presidential Address, 2024.

AI is a different, new tech change

Opportunity to improve service delivery

Some work will be enhanced, some displaced

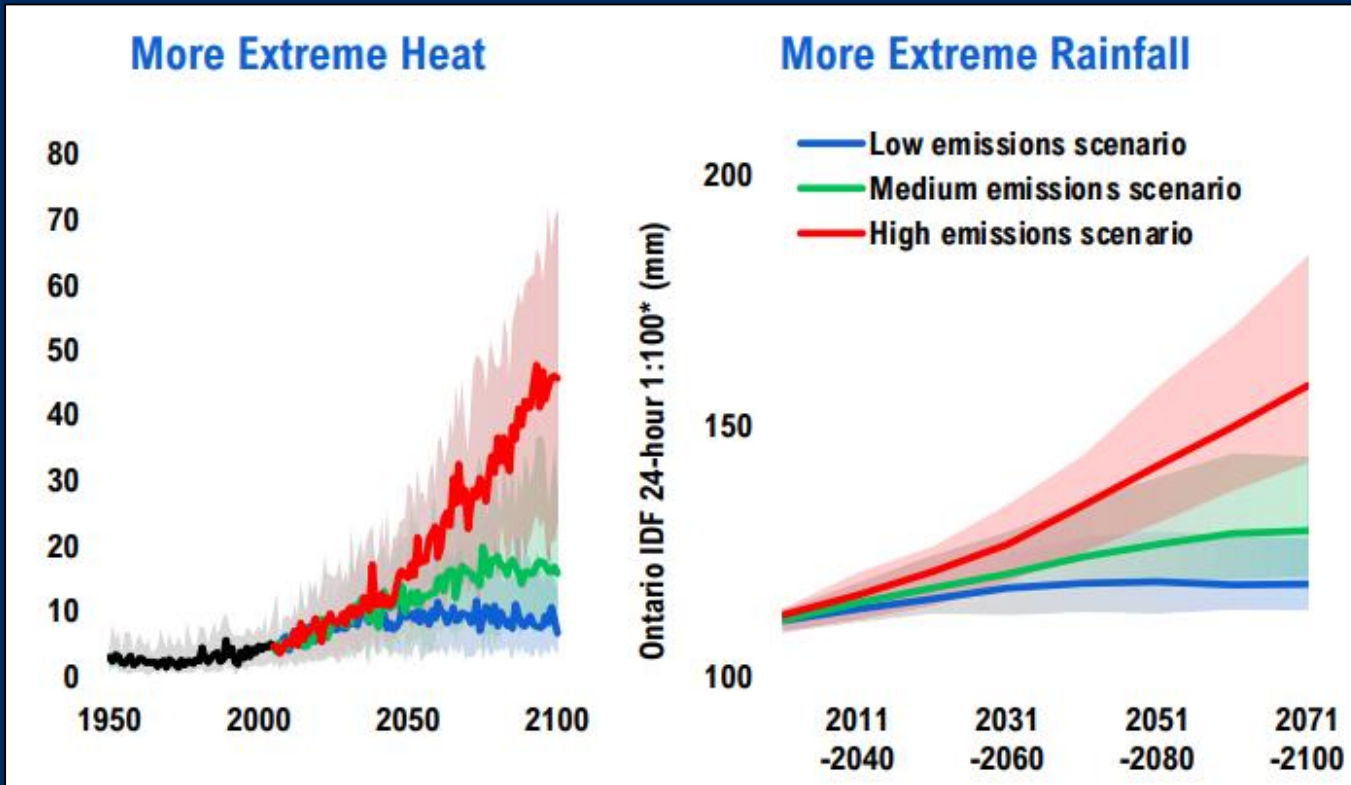
More workers who are skilled in the latest technologies

More workers managing and implementing new technologies

More highly educated workers

Embrace the future

# Climate Change



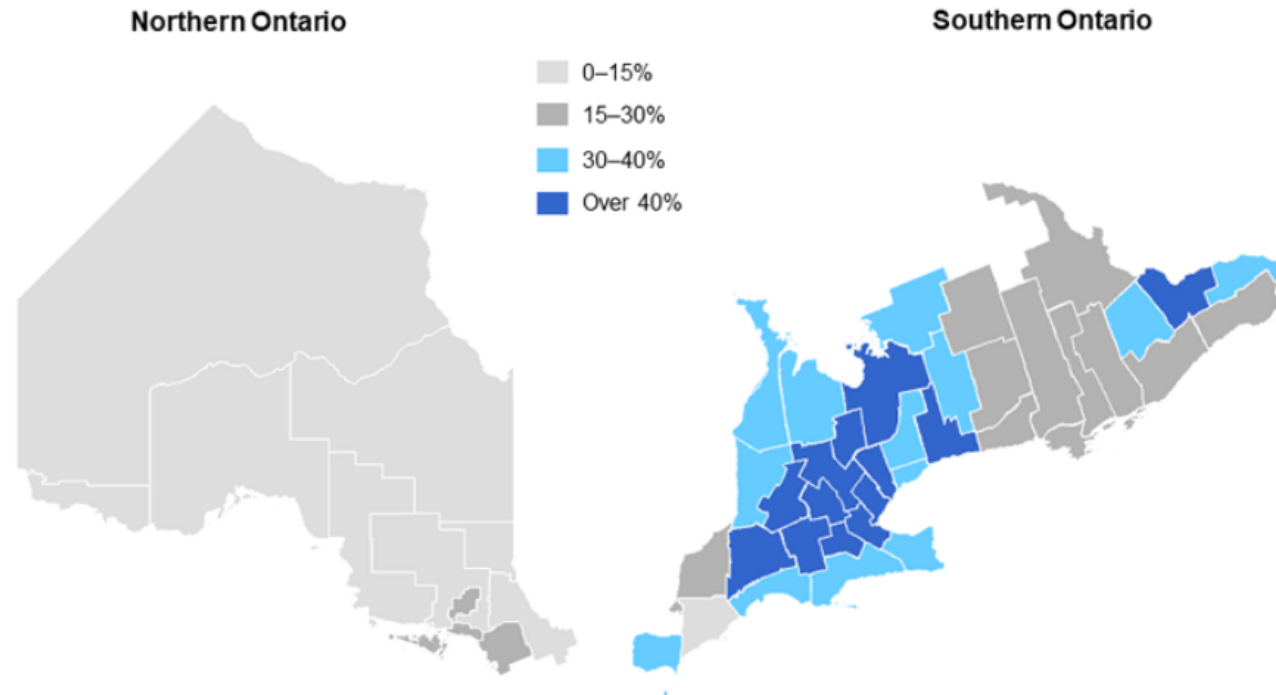
Source: Financial Accountability Office of Ontario

Increased need for emergency preparedness and response

Infrastructure upgrades such as municipal storm and wastewater

# Population Growth

## Population Growth to Vary By Census Division (2022 to 2046)



Source: Ontario Ministry of Finance. Ontario Population Projections

Population will rise

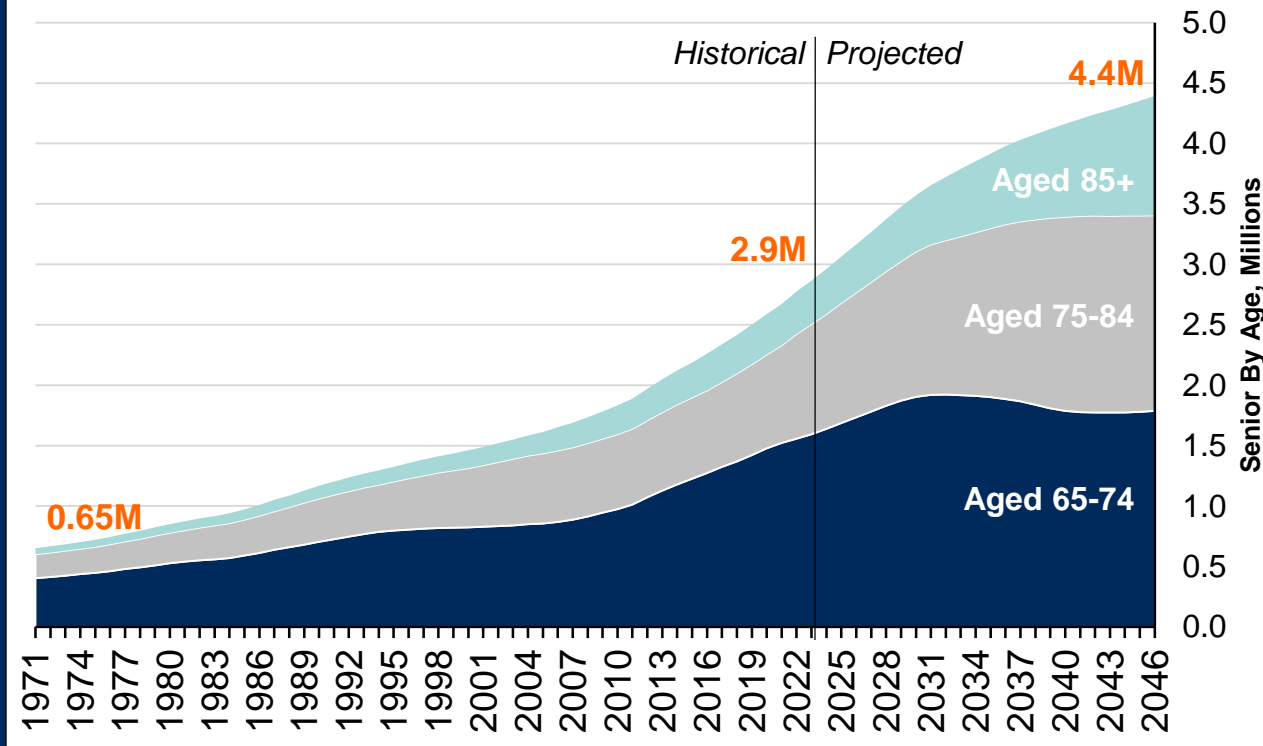
Varies across the province

Implications for future service demands

Composition matters

# Population Aging

## Largest Increases in the Oldest Age Groups



Source: Ontario Ministry of Finance. Ontario Population Projections

Significant rise in population 65+, notably 85+

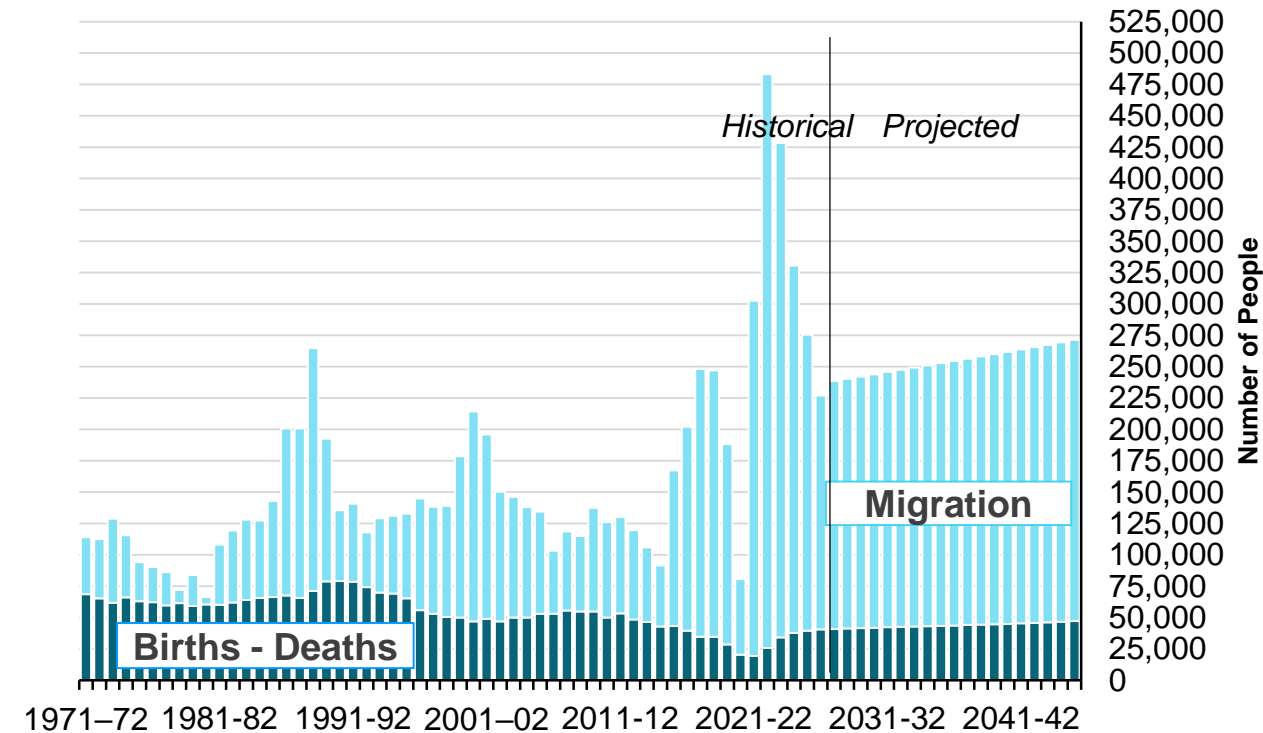
Increased demand for services related to seniors

Potential wave of retirements and corresponding skill shortages

Significant variation among regions / municipalities

# Immigration

## Population Growth to be Driven By Immigration



Source: Ontario Ministry of Finance. Ontario Population Projections

Long standing Canadian support for immigration

Crucial for meeting our workforce needs

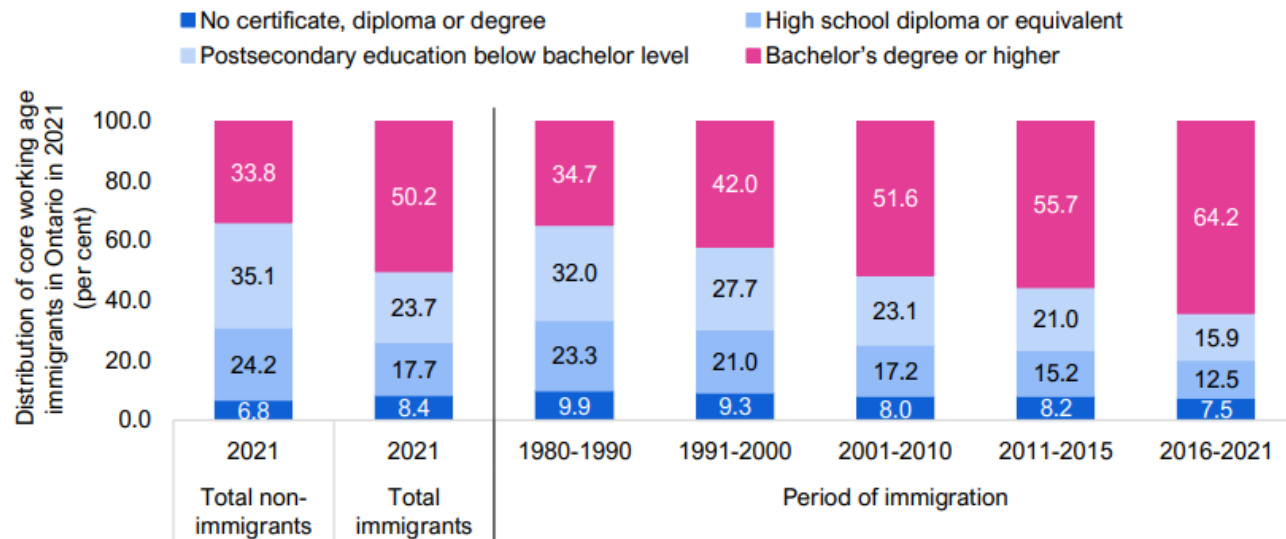
Increased demand for services related to immigrants

Workforce skills adaptation and training



# Immigration and Workforce Skills

## Immigration Was Shifting Towards Higher Education Levels



Note: All bars show the distribution of immigrants aged 25-54 years in 2021. Right five bars categorize all immigrants recorded in the 2021 Census by period of immigration.

Source: Statistics Canada: 2021 Census: [Table 98-10-0309-01](#).

Source: Financial Accountability Office of Ontario.  
Labour Market Outcomes of Immigrants in Ontario and its Major Cities, November 2023.

Will Canada's immigration system continue to be an economic success?

Plugging low-skill holes versus recruiting top talent

Increases in low wage temporary foreign workers

Restrictions on international students

Critical importance for meeting labour force skills needs

# Economic Opportunities

## Ontario Strengths

Highly skilled workforce

Supportive institutions and policies

Location

Favourable costs & exchange rates

Diverse, strong economic sectors

## High Potential Sectors

Manufacturing re-shoring

Electric vehicles and critical minerals

Life sciences

Agri-food

Financial services

Educational services

Artificial intelligence, Information and  
Communications Technology

... and many more!

# Attracting Business Investment

Labour force skills are consistently one of the top factors in choosing a business location

Local talent a key consideration

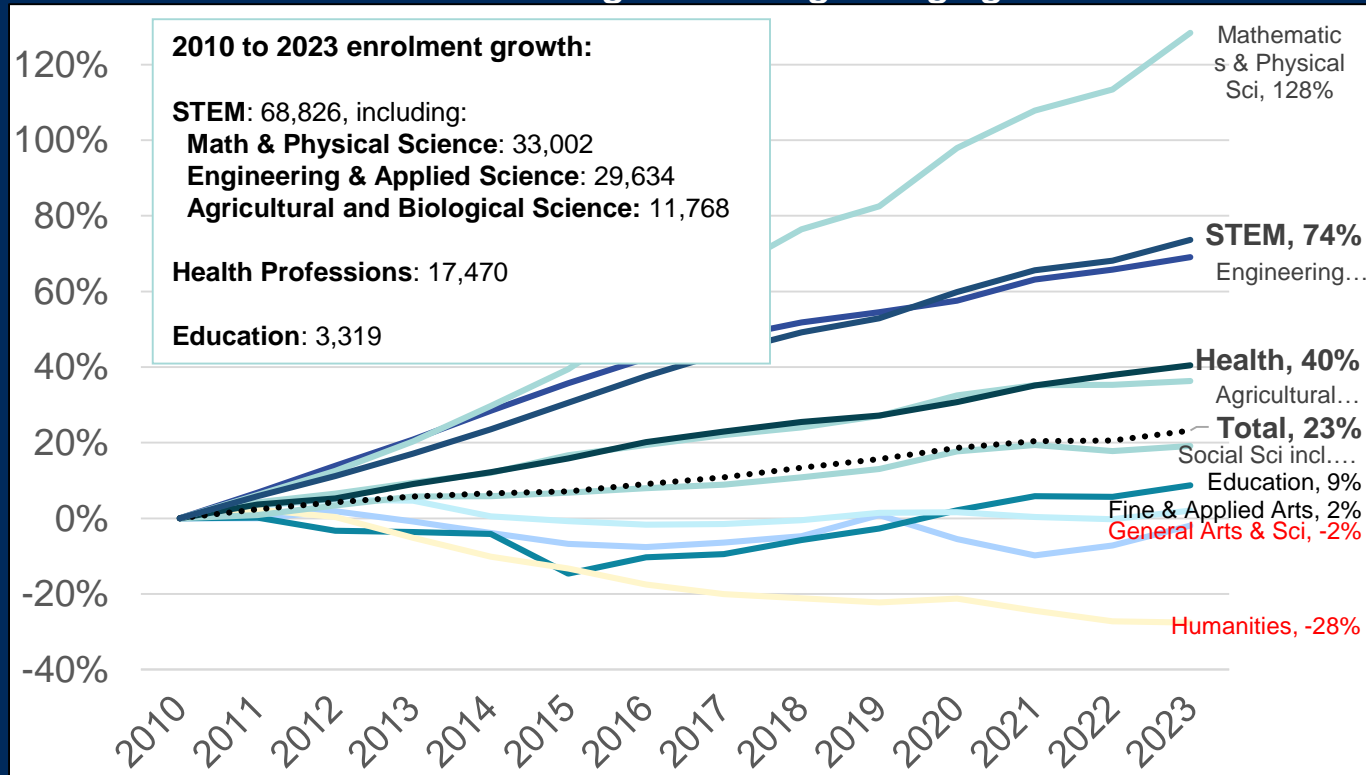
Site Selection Factors	2023	2022
Ranking		
1. Labor costs	92.5	89.1 (1)**
2. Availability of skilled labor	87.2	85.8 (3)
3. Environmental regulations	81.5	79.0 (9)
4. Tax exemptions	79.5	73.0 (13T)
5. ICT/broadband	79.0	80.7 (6)
6. Right-to-work state	78.4	66.7 (18)
7T. Quality-of-life	78.3	87.1 (2)
7T. Energy costs	78.3	79.4 (8)
9T. Corporate tax rate	76.9	79.7 (7)
9T. Highway accessibility	76.9	77.8 (11)

Labor costs and the availability of skilled labor are the top two priorities when corporate executives are considering future plans for their business.

Source: Area Development. 38th Annual Corporate Survey

# Labour Force Skills Policy

## Ontario Universities Transforming to Meeting Changing Labour Market Needs



Source: Council of Ontario Universities.

Highly education workforce

Skilled trades ✓

Higher Education ✕

- Tuition freeze
- Funding limits
- International student cap

Talent attraction / Immigration ?

# Future of Work

Stokes Economics: Occupational Projection, Highest Quintile	Employment Change, 2022 to 2033	
Sales and service support	99,463	16.2%
Professionals in natural and applied sciences	79,857	15.7%
Professionals in health	66,291	24.1%
Technical trades and transportation officers and controllers	65,754	13.4%
Sales, customer and personal services	61,370	13.0%
Professionals in law, education, social, community and government services	59,420	11.1%
Professionals in finance and business	51,090	13.4%
Administrative and financial support	49,190	14.2%
Administrative and Transportation logistics	44,593	14.9%

Largest increases in employment:

- Professionals
- Services
- Management
- Health

Rising need for post secondary education

Source: Stokes Economics, Ontario Occupation Projection, August 2024

# Potential Service Delivery Pressures

## Some Current Pressures

- Public health
- Child care
- People living in poverty
- Housing
- Infrastructure

## Potential responses

- Specific staffing needs and strategies
- Availability of resources
- Ability to redeploy resources

# Some Current Realities to Consider

Heightened distrust in institutions

- Leadership challenge
- Retention and recruitment challenge

Staff stress and burnout

State of the younger population

- Relatively unhappy
- Work life balance
- Work from home expectations

Preserve and build credibility

Staff engagement

Mental health supports

Flexible work arrangements

Coop and internship opportunities

Market what you have to offer!

# Conclusion

World will continue to change

The economy and jobs will be affected

Best serve our citizens by getting ready as ready as possible for the future

Please make the future of work a priority!

