

How Toronto Measures Up: Comparing the City to its North American Peers

In February 2009, Roger Martin and Richard Florida released *Ontario in the Creative Age*, a study of the changing composition of Ontario's economy that provided recommendations on how the province can remain prosperous and globally competitive.

As part of the Cities Centre's Toronto 2010 Election series, we've prepared *Toronto in the Creative Age*, a more modest research brief that aims to do something similar for the city of Toronto.

Analysis

The three Ts approach to understanding regional development finds that the presence of three factors—technology, talent, and tolerance—drives economic growth in contemporary cities. A city with substantial and balanced performance across all three measures is likely to experience sustained prosperity. The following figure summarizes Toronto's performance on the three Ts compared to 10 peer cities in the United States and Canada. Peers were chosen based on their population size, geographic location, and importance to the North American economic system.

Talent Ranking (overall)		Technology Ranking (overall)		Tolerance Ranking (overall)	
1	Boston, MA	1	Seattle, WA	1	Seattle, WA
2	New York, NY	2	Los Angeles, CA	2	Montréal, QC
3	Toronto, ON	3	Vancouver, BC	3	Vancouver, BC
4	Seattle, WA	4	Atlanta, GA	4	Boston, MA
5	Vancouver, BC	5	Boston, MA	5	Toronto, ON
6	Atlanta, GA	6	Detroit, MI	6	Los Angeles, CA
7	Los Angeles, CA	7	Montréal, QC	7	New York, NY
8	Montréal, QC	8	Dallas, TX	8	Atlanta, GA
9	Chicago, IL	9	Chicago, IL	9	Dallas, TX
10	Dallas, TX	10	New York, NY	10	Chicago, IL
11	Detroit, MI	11	Toronto, ON	11	Detroit, MI

Source: *Toronto's Performance on the Three Ts of Economic Development*, Martin Prosperity Institute.

Talent

Toronto places third in the overall talent ranking, led by its strength in creative class share. But a look at the detailed numbers shows that Toronto ranks only sixth on share of population over 25 years old possessing a bachelor's or graduate degree. So while there is evidence that the

region does a better job than competitors of attracting university graduates, its total stock of degree holders is just average.

Technology

Technology is an impetus for productivity improvements and a large industry unto itself, and technologically advanced cities are more likely to experience sustained economic growth.

Toronto ranks last in the technology ranking, largely due to its extremely low scores on patent-related measures. And while Toronto excels in industries and occupations that are not patent-intensive like food processing and media production, patenting is important in many high-growth, high-wage industries like high-tech and biotech. Toronto's poor performance in patent growth—the region filed 8.3% fewer patents in 2000 than in 2005—is particularly troubling, as it suggests Toronto is falling even further behind its peers on patenting.

Tolerance

A diverse population acts as a signal of the ability of a region to attract and retain the immigrants who expand its talent pool. It also leads to a broader range of skills, creative ideas and approaches to problem solving. Dispersing and integrating various ethnic groups somewhat across different neighbourhoods is a good way to encourage the flow of ideas between them. Not surprisingly, Toronto performs well on the overall tolerance ranking.

Of all the tolerance measures, Toronto's lowest ranking is on the Integration Index, which measures the evenness of the distribution of ethnic groups across a city. Its score of 0.43 suggests that ethnic groups in Toronto are integrating adequately compared to the broader set of peer cities. But it is worth noting that Vancouver and Montreal—Toronto's two Canadian immigrant gateway peers—were found to have more integrated neighbourhoods.

Further Analysis

One of the traits of the most socioeconomically successful cities is that they are always seeking to improve. For a brief economic history of Toronto, further analysis and some thoughts on the kinds of policies that could address Toronto's weaknesses on these measures—including unlocking the city's creative infrastructure and prioritizing early childhood development—see the full discussion paper.

The Martin Prosperity Institute at the University of Toronto's Rotman School of Management is the world's leading think-tank on the role of sub-national factors—location, place and city-regions—in global economic prosperity. Led by Director [Richard Florida](#), we take an integrated view of prosperity, looking beyond economic measures to include the importance of quality of place and the development of people's creative potential.