

Caledon economy forecasted to fare better than other areas

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Closures of non-essential services were implemented more than six weeks ago by the Ontario government in an attempt to slow down the spread of COVID-19.

With hundreds, if not thousands of businesses across the province struggling to keep their heads above ground, many have had to reduce hours, temporarily close and lay off employees.

Nearly two million Canadians lost their job last month, according to Statistics Canada. The national employment rate has fallen 13 per cent from the months of February to April, with an overall rate of only 52.1 per cent of Canadians still employed during the pandemic in April.

Ontario is one of the provinces that has been hit the hardest with job losses. Roughly 689,000 Ontarians have become unemployed due to the impacts of COVID-19.

Cory Renner, a senior economist from The Conference Board of Canada, spoke with the Citizen this week about how small towns such as Caledon will bounce back from the pandemic.

‘A lot of things have closed down. A big city tends to diversify. When you get into the smaller towns, it really depends on what actually is in the town,’ said Renner. ‘The things that are typically getting hit in the short-term are things like construction. Manufacturing will get shut down, and the retail sector will all shut down.’

Certain industries are likely to get hit harder than others, but it doesn't necessarily mean they won't bounce back as quick as others. Industries, as Renner pointed out, such as construction will see slow months, and not a lot of work, but then will likely bounce back in demand. Houses will still need to be built, roads will need to be constructed. Work always needs to get done.

The Ontario government is slowly lifting the strict restrictions it implemented back in March, with several industries such as garden centres, hardware and safety supply stores, now being granted the authority to gradually re-open their doors.

‘We need to really look into how the restrictions will evolve over time and that's going to determine what happens in the next six months,’ said Renner. ‘What we're going to see is the slow gradual increase of activity. Things like retail will slowly recover, and one of the positive things for retail, is the amount of money maintaining the economy, because of the federal programs, has been quite good.’

He added, ‘But, in three to six months, I think we're going to see some retail come back, but not all.’

Businesses that have been allowed to continue their operations, have had to do so under reduced hours, which has, for the most part, led to reduced hours for those still employed. According to Statistics Canada, approximately 12 million Canadians worked half the number of hours as usual in April.

‘For our baseline forecast, to put into perspective, we don't expect Ontario's economy to be in the same spot as it was last year, until about the third or fourth month of 2021. The work is going to be smaller for a while,’ said Renner. ‘But, we're probably past the worst part for the economy at this point. So, it's looking up from here.’

Something of a positive for the local community, Renner is forecasting bright skies for Caledon in the weeks and months ahead.

‘Caledon should fare better than a lot of other local economies,’ explained Renner. ‘There's a lot of people in Caledon that work in

the GTA, and a lot of companies that try the 'work from home' policy lately, have been suggesting that it's working out quite well. So, that's going to boost population growth in cities close to Toronto, but not in Toronto. A lot of companies go to permanent 'work from home' policies, and a place like Caledon will attract many people who don't want to live downtown because of the cost of living but want to be close to Toronto. It's an element that Caledon might come out quite well on.?

For more information about economy factors through COVID-19, please visit conferenceboard.ca.