
For Information

REPORT TITLE: **Economic Impact of the Global Pandemic on Peel's Economy**

FROM: Stephen Van Ofwegen, Commissioner of Finance and Chief Financial Officer

OBJECTIVE

To update Regional Council on the economic impacts of the COVID-19 pandemic, anticipated demand in Regional services, advocacy efforts, financial implications and ongoing risks.

REPORT HIGHLIGHTS

- The COVID-19 pandemic triggered a global, national and provincial recession. The economic impacts have been significant in Peel.
 - Low income earners, visible minorities, women, youth and part-time workers are unequally impacted by the COVID-19 pandemic (due to job loss or decreased hours).
 - Contracting COVID-19 may be associated with the social determinants of health. This speaks to larger systemic issues that existed prior to this pandemic but are now amplified due to COVID-19; the interplay of multiple factors that impact the health of Peel residents.
 - Due to elevated unemployment rates, business closures, and increasing affordability challenges, an increase in the demand for Regional Services is anticipated.
 - The Region of Peel (Region) provides a range of supports for low income residents and the proposed 2021 Regional Budget includes investments to address the anticipated increase in demand.
 - The Region continues to face a number of risks including business closures and continued shift in property tax burden to the residential sector.
 - Federal and provincial debt may inhibit the ability to fund some municipal programs in the long-term.
 - Due to Regional advocacy efforts to secure funding, there is no significant impact on the Region's 2021 net tax levy budget resulting from the COVID-19 pandemic.
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DISCUSSION

1. Background

The COVID-19 pandemic has impacted public health and the economic landscape at a global, national, provincial, regional and local municipal level. This pandemic has required a whole-of-government and whole of society response.

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During this unprecedented global crisis, the federal government and the Ontario provincial government instituted measures to stop community transmission, preserve health system capacity and protect vulnerable populations or those who care for them. Peel's Medical Officer of Health also issued directives, in addition to the provincial measures, to protect Peel residents and prevent the spread of COVID-19 in the Region of Peel.

The COVID-19 pandemic triggered a global, national and provincial recession. The economic impacts have been significant in Peel. Please see Appendix I – Peel's Economic Bulletin for the visualization of the impacts.

2. Unequal Impact of the Pandemic on Some Peel Residents & Businesses

COVID-19 response measures during the first and now the second wave of the pandemic have significantly impacted small businesses. Industries such as restaurants, accommodation, arts, and entertainment were hard hit. Low income earners, visible minorities, women, youth and part-time workers make up a disproportionate percentage of those employed in these sectors and as a result are unequally impacted by the COVID-19 pandemic.

In Peel, 99 per cent of businesses are small business. Over 60 per cent of Peel residents work in Peel. In June 2020, 137,800 Peel residents lost their jobs and the unemployment rate more than doubled to 16.3 per cent in July 2020. The youth unemployment rate also doubled to a record high of 38.6 per cent in July 2020. These increases represent the highest unemployment rates recorded since Peel-specific data became available in 2006.

There is also evidence that contracting COVID-19 may be associated with the social determinants of health. The social determinants of health refer to social and economic factors such as income, education, race, ethnicity, gender, employment and working conditions that influence health outcomes. Visible minorities make up 63 per cent of Peel's population and disproportionately account for 85 per cent of Peel's COVID-19 cases. This speaks to larger systemic issues that existed prior to this pandemic but are now amplified due to COVID-19; the interplay of multiple factors that impact the health of Peel residents.

The pandemic may also be deepening further challenges such as housing affordability and food insecurity. The average price of a home sold in the residential resale market increased by 16.9 per cent in November 2020 compared to 2019 figures. Although 2020 data is not yet available for the rental vacancy rate, the decreasing trend over the last 10 years reveals higher rents in Peel and increasing affordability risks. With higher food prices since the pandemic and the surge in food bank demand, food insecurity may become more prevalent for many already vulnerable Peel residents.

3. Anticipated Increase in the Demand for Regional Services

Higher unemployment rates have been associated with a greater demand for Regional services such as Ontario Works (OW). During the 2008-09 recession, Peel's monthly average OW caseloads increased by 38.5 per cent.

The federal and provincial government have provided supports for businesses and residents facing hardships due to COVID-19. Please see Appendix II for a full listing of

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all supports and programs. With these programs in place, Peel's OW caseloads continued to decline throughout 2020 and by November 2020, average monthly caseloads were 10.8 per cent lower than they were in November 2019. However, with elevated unemployment rates, business closures, increasing affordability challenges and ongoing changes to federal and provincial government support programs (or when these supports end), higher demand for income and housing supports is expected in 2021.

The Region and local municipalities also supported residents and local businesses through the deferral of property tax collections, and for water and wastewater, through a three-month deferral of the utility rate increase and a suspension of late payment charges for three months. The Region also provides a range of supports for low income residents, see Appendix III.

4. Advocacy Efforts Support Peel Outcomes

Early in the pandemic, Regional staff identified short, medium and long-term advocacy positions to support economic and fiscal recovery. These advocacy positions were shared with Regional Council at the June 11th Council meeting, as part of the Update and Management of the Financial Impact of COVID-19.

Securing federal and provincial funding for incremental costs and loss of revenue associated with the COVID-19 pandemic was critical to Regional advocacy efforts. The Region leveraged \$44.5 million in federal/provincial Safe Restart funding to cover 2020 COVID-related operating costs and lost revenues. As a result, there is no significant short-term impact on Regional revenues resulting from the COVID-19 pandemic. Regional staff also advocated for federal and provincial infrastructure funding to stimulate economic recovery. The Region has been allotted \$18.7 million under the COVID-19 Infrastructure Resiliency Stream and has submitted projects for funding through this stream.

The Region also supports the advocacy efforts of the City of Mississauga asking for the province to include cargo in the Payment in Lieu of Taxes (PILT) formula and eliminate the legislated 5 per cent cap on the GTAA PILT. Growth in PILT revenues is linked to passenger travel, which slowed significantly during the pandemic. Passenger activity at Pearson International Airport fell by 69.5 per cent during the first nine months of 2020.

If current legislation remains in place, PILT revenues will be depressed for years to come. Mississauga's ask would restore PILT revenues alongside the post-pandemic recovery of the travel industry. If the formula is left unchanged, the Region will see lower PILT revenues of \$6 million to \$8 million in 2022. The revenue loss will extend into the next decade or two if the current legislation remains in place.

5. Financial Implications in the Proposed 2021 Regional Budget

With the anticipated increase in the OW caseload, the proposed 2021 Regional Budget has included resources to respond to a higher average monthly caseload. There is no financial impact to the Regional budget as the Province is now responsible for 100 per cent of the subsidy costs. Peel does cost share 50 per cent of the administrative costs but no additional staff were requested in the budget.

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The proposed 2021 Regional Budget also includes resources to implement the Region's \$1Billion Housing Master Plan (which existed prior to the pandemic) to operationalize the newly acquired shelter and to undertake a pilot program using financial incentives to develop additional affordable housing.

Many childcare providers in Peel continue to experience significant financial pressures as a result of the pandemic. Without financial support, some providers will close their doors in 2021 leaving Peel with a potential significant child-care shortage and leaving families without access to childcare in a time when childcare is essential to economic recovery. Staff will be providing additional information during the 2021 Budget presentation on potential support for the sector.

6. Ongoing Risks Facing Peel

The temporary halt in immigration slowed Peel's population growth to 0.5 per cent in the first half of 2020, compared with an average quarterly growth of 1.4 per cent in the preceding three-year period. While a temporary halt to immigration has limited impact, an extended period of this halt would negatively impact residential growth in Peel.

Prior to the pandemic, declining non-residential land consumption resulted in lost Regional development charge revenue of approximately \$871M from 2002 and 2019. The pandemic has triggered an acceleration of the pre-pandemic trend towards remote work and online shopping. This trend may further limit office and commercial developments and worsen shifts in the Region's property tax revenues away from the non-residential sector.

To date, growth-related revenues have not been impacted by the pandemic, but they continue to lag provincially forecasted levels. The Region has adopted a Capital Expenditure Deferral Strategy to better manage the timing of growth-related revenues and capital expenditures, while meeting service levels to support the Region's financial health.

The onset of the pandemic and associated measures to combat the spread will elevate some additional risks. Small businesses will suffer closures and increased bankruptcies. The expected increase in Peel's business bankruptcies will be better understood in the first half of 2021 when these bankruptcy data becomes available.

The lower interest rate environment has an impact on the Region's earnings rate. Earnings on Peel's capital reserves provides additional funding to maintain a state of good repair for Peel's significant infrastructure. The lower cost of borrowing will also result in lower interest payments on any new debt. As outlined in the 2020 DC Background Study, significant borrowing is anticipated to sustain Peel's growth infrastructure investments over the next four years.

Federal and provincial debt has increased substantially during this pandemic to over \$385B. This may inhibit the federal and provincial governments ability to fund municipal programs in the long-term. Inflation may also rise in the long-term and result in Canadians being unable to afford the same amount of goods and services that they can afford today.

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Over the medium to long term, the Region will continue to advocate for a review of provincial/municipal funding, efforts to build a deeper understanding of the needs of municipalities and for diversified revenue tools to support community outcomes and municipal financial sustainability.

CONCLUSION

Small businesses in Peel, lower income earners, visible minorities, women, youth and part-time workers are unequally impacted by the COVID-19 pandemic. Larger systemic issues are amplified due to COVID-19 and there are a number of risks facing Peel in the short, medium and long term. Regional staff will continue to advocate, leverage strategies and make investments to support the betterment of Peel community outcomes.

APPENDICES

Appendix I - Peel's Economic Bulletin

Appendix II - Supports provided by the Federal and Provincial Governments to Individuals and Businesses

Appendix III - Low-income Assistance Programs Provided by the Region of Peel

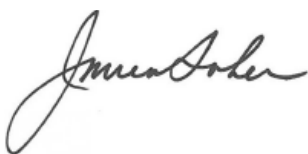
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Reviewed and/or approved in workflow by:

Department Commissioner and Division Director.

Final approval is by the Chief Administrative Officer.



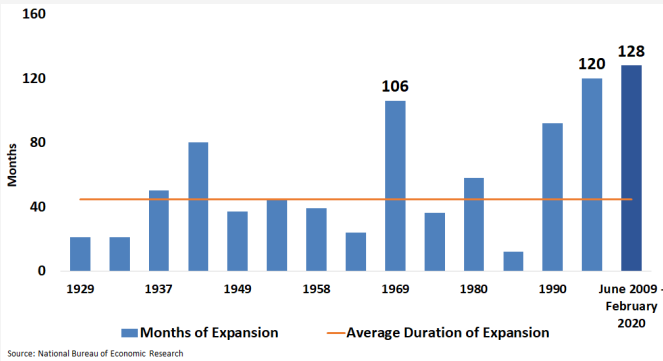
J. Baker, Chief Administrative Officer

Peel's Economic Bulletin - 2020

COVID-19 Pandemic Triggers Global Recession

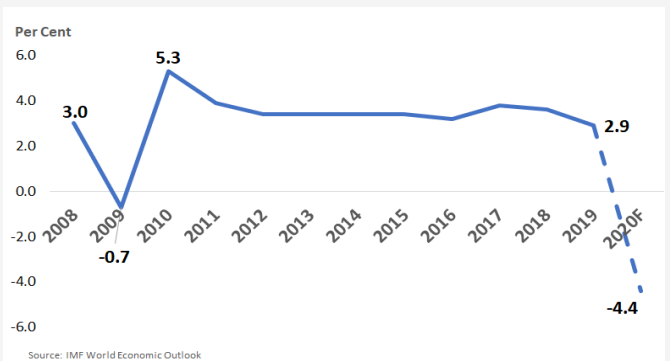
The Longest Economic Expansion on Record Ends

Historical Duration of Business Cycle



After 128 months, the longest expansion phase of business cycle since 1929 ended

Annual Changes in Global Output (%)

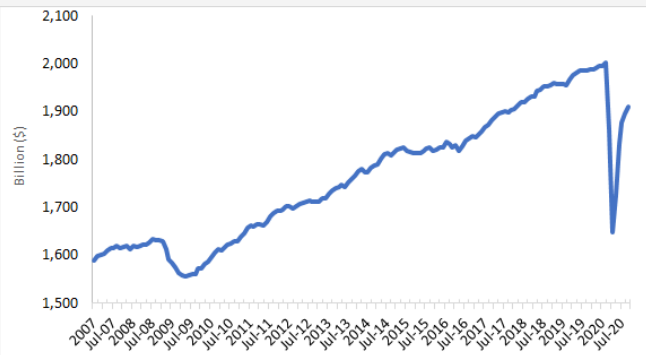


First global recession in a decade and the steepest decline in output since the Great Depression

IMPLICATION: Global recession elevates trade related risks for trade dependent Canadian Regions like Peel.

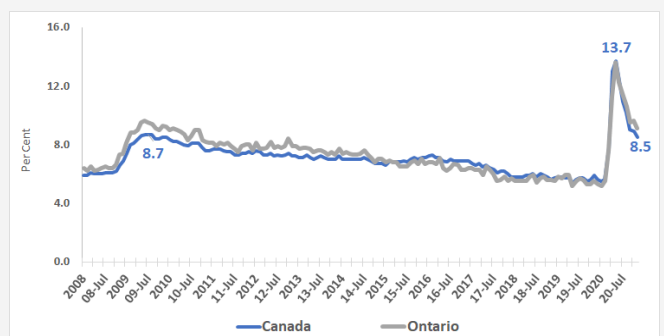
First Canadian Economic Recession in a Decade

Monthly Canadian Gross Domestic Product (GDP)



A steeper drop in Canadian GDP in 2020 than in The Great Recession of 2008-2009. Recovery to pre pandemic level not expected until 2022.

Monthly unemployment rates: 2008 - 2020



5.5 Million Canadian workers impacted by the COVID induced recession. Low income workers, visible minorities, women, youth and part-time workers were disproportionately affected.

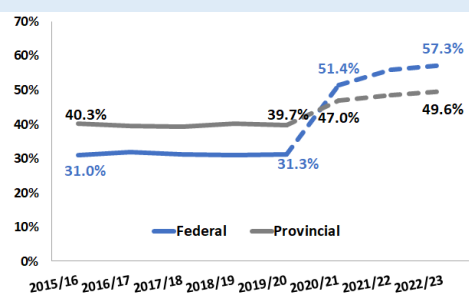
IMPLICATION: Macroeconomic environment is less supportive of local growth.

Lower Interest Rates to Contain Debt Servicing Costs of Higher Public Debt



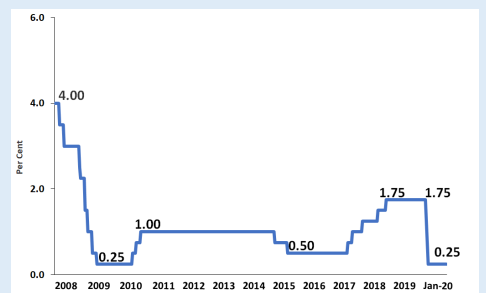
Over **\$385B** in direct federal and provincial support to affected individuals and businesses

Government Debt-to-GDP Ratio



Increased spending results in rising government debt

Bank of Canada overnight interest rates



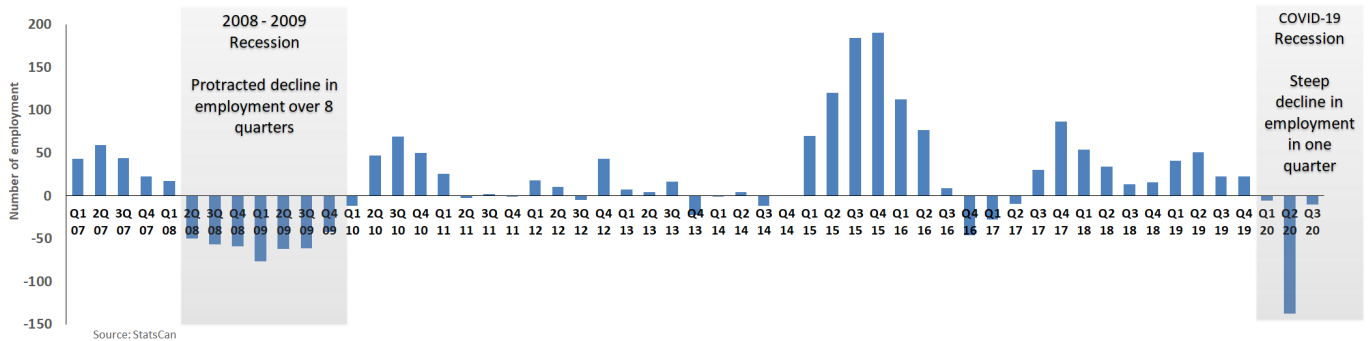
A return to historically low interest rates in 2020

IMPLICATION: Higher government spending supported individuals and businesses during the pandemic. Federal and provincial debt have increased in response. Lower interest rates will make the higher government debt more manageable over the medium term. Over the long-term, higher debt cost may limit funding for municipal programs.

Peel's Economy Impacted by the Global Pandemic

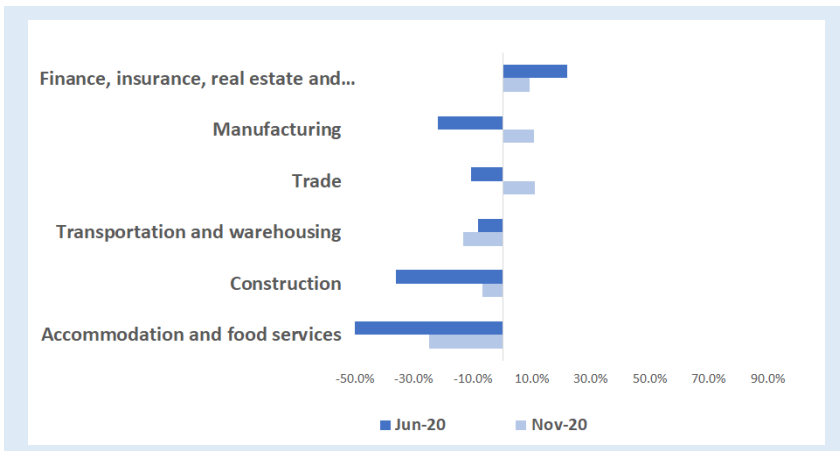
Significant and Unequal Labour Market Impact Due to COVID-19

Changes in quarterly average employment in Peel fell in response to COVID-19



Industries such as restaurants, Accommodation, Arts and Entertainment were Hit Hard

COVID induced changes in employment in selected sectors



Part time employment was more impacted by COVID-19

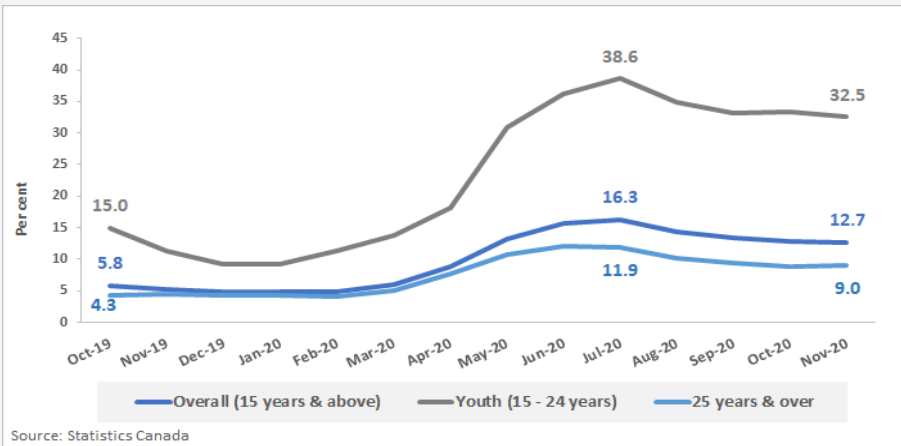
Part-Time: **↓ 40.7%** June 2020

Full-Time: **↓ 10.4%** June 2020

Some sub-sectors were impacted more by COVID-19 restrictions than others

COVID-Induced Recession Pushed Peel's Unemployment Rates to Record Highs in 2020

Monthly unemployment rate in Peel by age cohort (3-month moving average)



More than one-third of Peel's youth in the labour market were unemployed in July 2020.

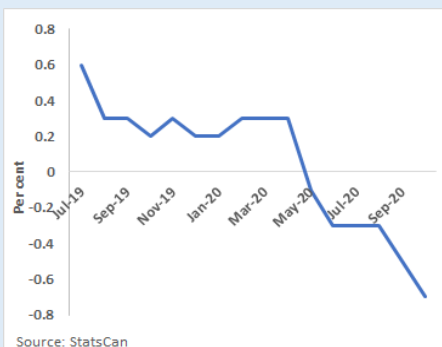
IMPLICATION: Labour market improvements will accelerate as the economy recovers, but Peel's unemployment rates are expected to remain elevated over the medium term and contribute to higher demand for some Regional services.

The Pandemic May be Deepening Affordability Challenges

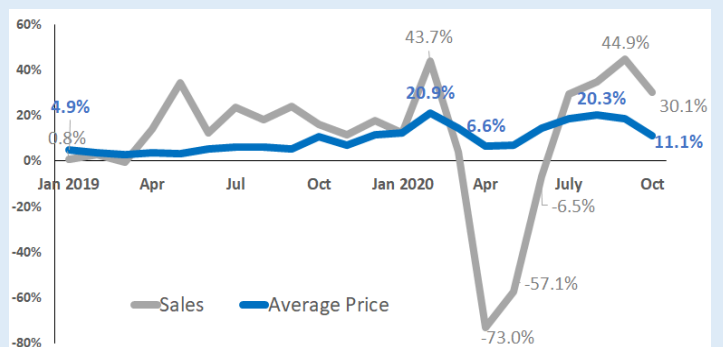


The average price of a residential resale home in Peel increased. November 2019 - November 2020: up **16.9%**

Monthly changes in Canadian Mortgage Interest Cost Index

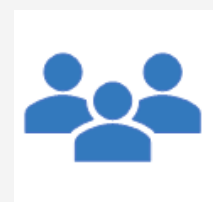
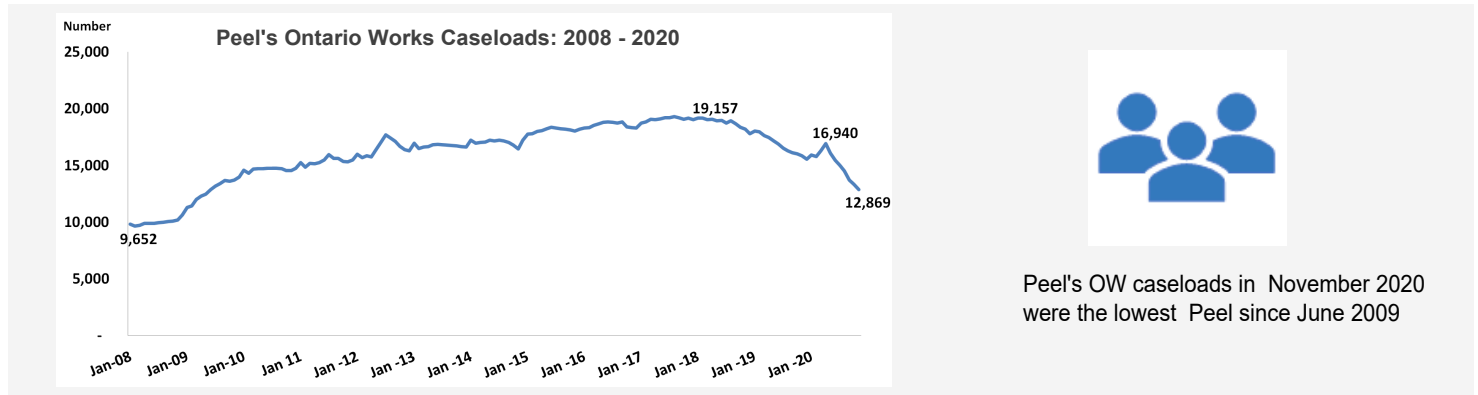


Year-Over-Year change in sales and average price of a residential resale units in Peel



IMPLICATION: Historically low interest rate reduced the carrying cost of a mortgage and increase the demand for housing purchase. Residential resale housing prices increased in 2020. Higher home and food prices during the pandemic may have increased housing unaffordability and food insecurity risks.

Ontario Works Caseloads Continued to Trend Down Due to Increased Government Supports



Peel's OW caseloads in November 2020 were the lowest Peel since June 2009

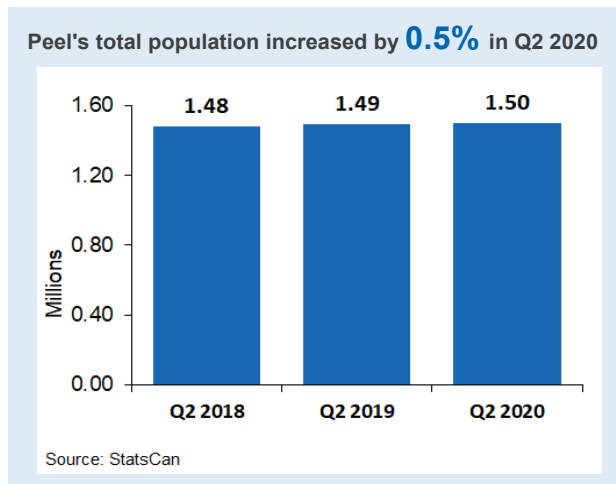
IMPLICATION: With elevated unemployment rates, business closures, increasing affordability challenges and ongoing changes to federal and provincial government support programs (or when these supports end), higher demand for income and housing supports is expected in 2021.

Temporary Halt in Immigration Slowed Population Growth in Peel

Immigration accounts for over **80%** of Peel's population growth.



51.5% of Peel's population are immigrants.



5,944 persons moved to Peel between the second quarters of 2019 and 2020

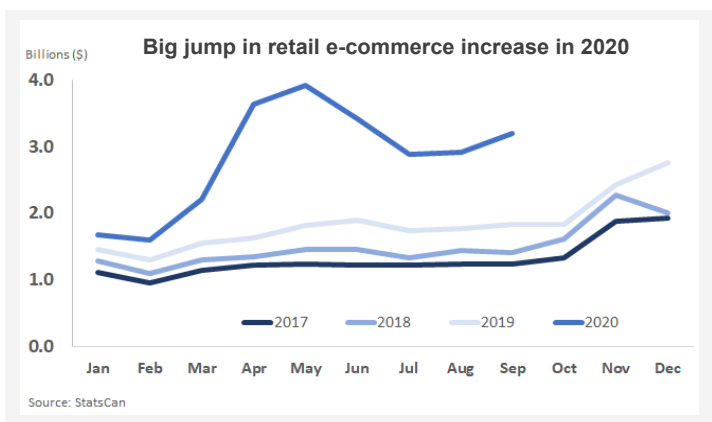
City/Town	Population
City of Brampton	4,244 to 664,900 persons
Town of Caledon	307 to 75,300 persons
City of Mississauga	1,393 to 757,600 persons

IMPLICATION: The halt in immigration slowed population growth in 2020 with limited impact. An extended halt in immigration would negatively impact residential growth in Peel.

COVID-19 Accelerated Remote Work and Online Shopping Trends



Retail e-commerce sales increased by **126.3%** in April 2020



"Some 84% of employers are set to rapidly digitalize working processes, including a significant expansion of remote working."



"Once the pandemic is over, 14.7% of businesses anticipate that all of their workforce will continue to primarily telework or work remotely."



"Pre-pandemic, nine in 10 organizations had less than 20 per cent of their workforce working remotely. COVID-19 has flipped this on its head. Now, nearly two thirds of organizations have at least 60 per cent of their workforce working remotely."

IMPLICATION: Acceleration in remote work and online shopping may further limit office and commercial developments and worsen the shifts in the Region's property tax revenues away from the non-residential sector.

Advocacy Efforts Support Peel's Outcomes

Short-term Advocacy: Secure federal and provincial funding for incremental costs and loss of revenue associated with the COVID-19 pandemic.

Medium-term Advocacy: Over the medium to long term, the Region will continue to advocate for a review of provincial/municipal funding.

Long-term Advocacy: Increased efforts to build a deeper understanding of the needs of municipalities and for a range of progressive and diversified revenue tools to support community outcomes and municipal financial sustainability.



The Region supports advocacy efforts for cargo to be included in the PILT formula and the elimination of the legislated 5% cap on GTAA PILT

Appendix II Economic Impact of the Global Pandemic on Peel's Economy

Summary of Federal and Provincial Financial Supports for Peel Residents and Businesses

The following provides a listing federal and provincial support programs which are available to individuals and businesses across Ontario, including residents and businesses in Peel. Some supports are offered through pre-existing programs.

Program Name	Brief Description
FEDERAL SUPPORTS FOR PEEL RESIDENTS	
Employment Insurance (E.I.)	<p>Significant changes have been made to the E.I. program, as a result of COVID-19:</p> <ul style="list-style-type: none"> • As of September 27, 2020, the minimum benefit rate is \$500 per week before taxes in most cases. • To enable more Canadians to qualify for getting EI, the eligibility criteria was changed. • Lower hours required to qualify for EI regular benefits. • Claimants will receive a one-time credit of insurable hours
Canada Recovery Benefit (CRB)	\$500 per week for up to 26 weeks within a one-year period, for employed and self-employed workers who have stopped working or had their income reduced by at least 50% due to COVID-19, and who are not eligible for Employment Insurance (EI).
Canada Recovery Sickness Benefit	<p>\$500 per week for employed and self-employed workers up to a maximum of two weeks within a one-year period, for workers who:</p> <ul style="list-style-type: none"> • Are unable to work for at least 50% of the week because they contracted COVID-19 • Are self-isolated for reasons related to COVID-19 • Have underlying conditions, are undergoing treatments or have contracted other sicknesses that, in the opinion of a medical practitioner, nurse practitioner, person in authority, government or public health authority, would make them more susceptible to COVID-19.
Canada Recovery Caregiving Benefit	<p>\$500 per week for up to 26 weeks within a one-year period, per household for workers:</p> <ul style="list-style-type: none"> • Unable to work for at least 50% of the week because they must care for a child under the age of 12 or family member because schools, day-cares or care facilities are closed due to COVID-19. • Because the child or family member is sick and/or required to quarantine or is at high risk of serious health implications because of COVID-19.
Special One-time, Tax-free, Non-reportable Payment (for persons with disabilities)	A one-time, tax-free, non-reportable payment of up to \$600 to help Canadians with disabilities.
Changes to the Canada Student Loans Program	Allowing more students to qualify for support and be eligible for greater amounts.
Temporarily extending the Guaranteed Income Supplement and Allowance payments	Ensuring that the most vulnerable seniors continue to receive their benefits when they need them the most.
Reduced minimum withdrawals for Registered	Reduced by 25 % for 2020.

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Retirement Income Funds	
FEDERAL SUPPORTS FOR PEEL BUSINESSES	
Canada Emergency Wage Subsidy (CEWS)	Covering up to 75% of an employee's wages for qualifying eligible employers, until March 13, 2021.
Work-sharing Program	Income support to employees eligible for Employment Insurance who agree to reduce their normal working hours because of developments beyond the control of their employers.
Canada Emergency Rent Subsidy (CERS)	Direct and easy-to-access rent and mortgage subsidy of up to 65% of eligible expenses to qualifying businesses, charities and non-profits. Qualifying organizations that have been significantly restricted by a mandatory public health order issued by a qualifying public health authority can receive an additional 25% of rent support through added Lockdown Support.
Supporting Black-led business organizations through the National Ecosystem Fund	\$53 million to develop and implement the National Ecosystem Fund to support Black-led business organizations across the country.
Black Entrepreneurship Loan Fund	Supporting Black business owners and entrepreneurs through the Black Entrepreneurship Loan Fund that will provide loans of between \$25,000 and \$250,000.
Young entrepreneurs	\$20.1 million in support for Futurpreneur Canada to continue supporting young entrepreneurs across Canada who are facing challenges due to COVID-19.
Additional Sectoral Supports	For: Agriculture and Agri-food; Aquaculture and fisheries; Culture, Heritage and Sport; Air Transportation, Tourism; Energy; Academic Research; Infrastructure; Mining; and Construction.
Canada Emergency Business Account (CEBA)	Interest-free, partially forgivable loans of up to \$60,000, to small businesses and not-for-profits, that have experienced a reduction in revenues due to COVID-19 but face ongoing non-deferrable costs, such as rent, utilities, insurance, taxes and wages.
Loan Guarantee for Small and Medium Sized Enterprises	Export Development Canada (EDC) is working with financial institutions to guarantee 80% of new operating credit and cash flow term loans of up to \$6.25 million to small and medium-sized enterprises (SMEs).
Co-lending Program for Small and Medium-sized Enterprises	Business Development Canada (BDC) is working with financial institutions to co-lend term loans of up to \$6.25 million to SMEs for their operational cash flow requirements.
Canada United Small Business Relief Fund	Relief grants of up to \$5,000 to small businesses for specific efforts: purchasing PPE, renovating physical spaces, or developing your website or e-commerce capabilities.
Mid-market Financing Program	Business Development Canada's (BDC) will provide commercial loans ranging between \$12.5 million and \$60 million to medium-sized businesses whose credit needs exceed what is already available through the Business Credit Availability Program and other measures. BDC

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	anticipates that qualifying companies will have annual revenues in excess of approximately \$100 million.
Midmarket Guarantee and Financing Program	Bring liquidity to companies who tend to have revenues of between \$50 million to \$300 million, to sustain operations during this uncertain period. EDC will continue to work with Canadian financial institutions to guarantee 75 % of new operating credit and cash-flow loans – ranging in size from \$16.75 million to a maximum of \$80 million. More details will be made available soon.
Larger Employer Emergency Funding Facility	Bridge financing to Canada's largest employers, whose needs during the pandemic are not being met through conventional financing, in order to keep their operations going.
PROVINCIAL SUPPORTS FOR PEEL RESIDENTS	
Ontario Works (OW)	While Peel delivers OW to its residents, the program is funded by the province.
Ontario Disability Support Program (ODSP)	While Peel delivers ODSP to its residents, the program is funded by the province.
Emergency Assistance	If you are in an emergency situation and you live in Ontario, you might be eligible for emergency assistance. If you are eligible, the amount you get will depend on your specific situation.
Changes to Renting During COVID-19	Landlords are encouraged to work with tenants to establish fair arrangements to keep tenants in their homes, including deferring rent or other payment arrangements.
Low-income Energy Assistance Program (LEAP)	Low-income customers can get direct support to pay bills and ensure electricity and natural gas services are not disconnected during the COVID-19/covid 19 outbreak.
PROVINCIAL SUPPORTS FOR PEEL BUSINESSES	
Ontario Small Business Support Grant	A minimum of \$10,000 and up to \$20,000 to eligible small business owners to help navigate through the negative impact of the pandemic.
Rebates for PPE, Property Taxes and Energy Bills	Businesses that are, or were, required to shut down or significantly restrict services due to provincial public health measures can apply for rebates to help with fixed costs, such as PPE, property tax and energy bills.
COVID-19 Emergency Assistance Program for Small Businesses	\$8 million to support small businesses and charitable organizations who are struggling to pay their energy bills as a result of COVID-19.
Pausing Commercial Evictions	We are temporarily stopping or reversing evictions of commercial tenants and protecting them from being locked out or having their assets seized during COVID-19. This applies to businesses that are eligible for federal/provincial rent assistance, for evictions from May 1, 2020.
Pension Contribution Deferral and Extension	If you're an employer who sponsors certain defined benefit pension plans, you can defer pension contributions due between October 1, 2020 and March 31, 2021.

**Appendix III
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Summary of Low Income Assistance Programs Offered by Region of Peel	
Program Name	Brief Description
DISCRETIONARY PROGRAMS	
Housing Stability	Provides financial assistance to eligible residents who need help securing or maintaining affordable accommodation.
Discretionary Benefits to OW and ODSP Clients	Discretionary benefits are provided to eligible OW and ODSP recipients and eligibility is determined on a case by case basis. Some examples of discretionary benefits are: last month's rent, rental/utility arrears, moving cost, medical equipment, dental costs and others.
Ontario Seniors' Dental Care Program	Assists seniors who have no dental insurance and cannot afford the cost of dental care. This program provides basic dental care including cleanings, fillings, dentures, etc.
Downspout Disconnection Financial Assistance Program	The Region of Peel is offering a Financial Assistance Program to eligible Peel home owners to assist with the disconnection of downspouts from the sanitary sewer system within the disconnection program areas.
Affordable Transit Program	This program is a partnership between the Region of Peel, the City of Brampton, and the City of Mississauga to assist eligible residents (including seniors) in affordability of transit services. Discounts only apply for the City in which the eligible applicants live.
Adult Day Services	Service for individuals who are at risk of social isolation, or require assistance and/or supervision with day to day activities. A subsidized rate is provided to eligible low income seniors
Community Volunteer Income Tax Program (File Your Taxes for Free! Get Your Benefits Now! campaign)	Free income tax preparation services including: free tax preparation services offered by the Region of Peel and the Halton Peel Chartered Professional Accountants (CPA) Ontario Association.
Financial Help for Funeral Arrangements	This program pays for the cost of a basic funeral, burial, or cremation for a deceased Peel resident whose family is not on OW but is unable to afford it.
Healthy Smiles Ontario	Healthy Smiles Ontario is a government-funded dental program that provides free preventive, routine, and emergency dental services for children and youth 17 years old and under from low-income households.
Low cost birth control	This program provides low cost birth control options through Healthy Sexuality clinics (available to all clients regardless of income).
Healthy Start	Prenatal and early post-partum program for economically-disadvantaged women. This program is run in partnership with the Canadian Prenatal Nutrition Program (federally-funded) who provide funding for bus tickets, prenatal vitamins and food vouchers for attendance at the program.

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Teen Prenatal Supper Club	This program is run in partnership with Bridgeway(EarlyON). It provides subsidy to clients for bus tickets, food vouchers and prenatal vitamins.
MANDATORY PROGRAMS	
Property Tax Rebate Program	The Region of Peel participates with its local municipalities in providing eligible low-income seniors and low-income persons with disabilities with an annual property tax rebate. The cost of the rebate is shared between the Region, the local municipality and the school board in the same proportion that they share in the tax revenues. Increased annually by the blended tax impact, 2020 rebate is \$436 in the City of Mississauga, \$421 in the City of Brampton and \$502 in the Town of Caledon.
Peel Access to Housing (PATH)	Centralized waiting List for Subsidized Housing – Housing Services is the point of access for people who want to apply for subsidized housing or who are in need of affordable housing in the Region of Peel.
Child Care Subsidy	The Region of Peel provides financial assistance to assist eligible families with their child care costs for children up to 12 years of age in licensed child care programs.
Ontario Works	Assists individuals who are in financial need. The program offers two types of assistance: financial and emergency assistance. Financial assistance includes income support for the costs of basic needs, and employment assistance to assist clients to find, prepare for and keep a job. Emergency assistance is also available to people who are in a crisis or an emergency situation.
Long Term Care: Co-Payment Rate Reduction for Resident Accommodation	Reduction in the co-payment amount for accommodation in Long Term Care home up to the full amount of the basic accommodation (depending on income). This reduction is funded by MOHLTC (directly) and Peel (indirectly).

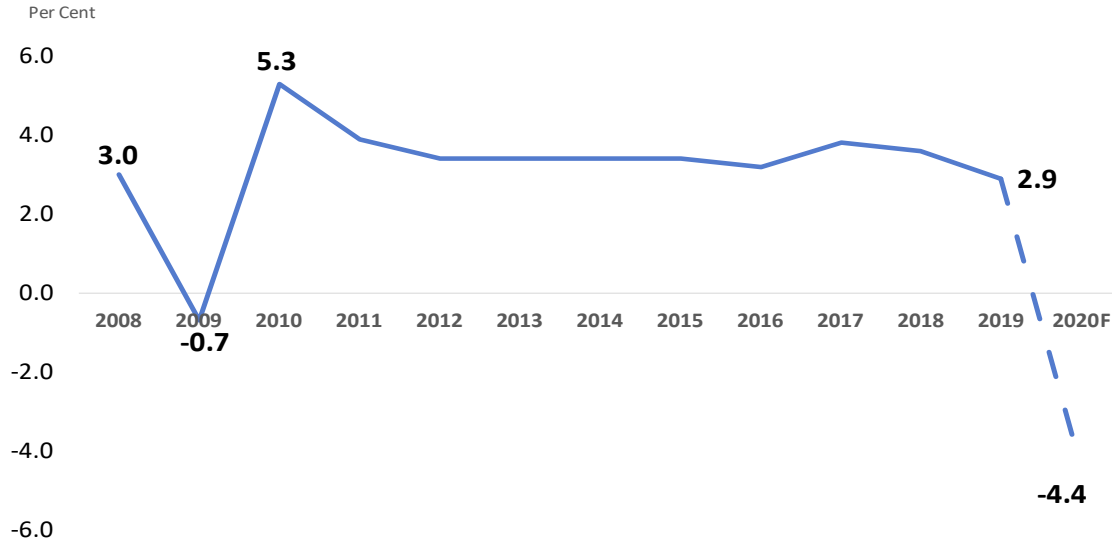
ECONOMIC IMPACT OF THE COVID-19 PANDEMIC ON PEEL

**Judith McWhinney,
Regional Economist**

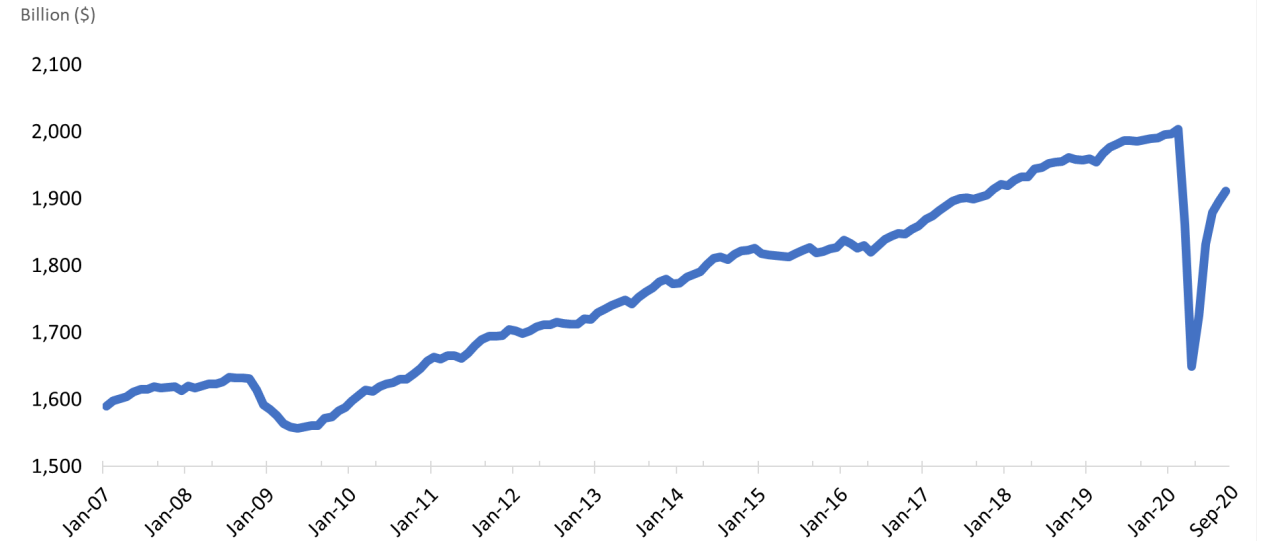
January 14, 2021

COVID-19 Pandemic Triggers a Global, National and Provincial Recession

Annual change in **global** output



Monthly **Canadian** Gross Domestic Product (GDP)

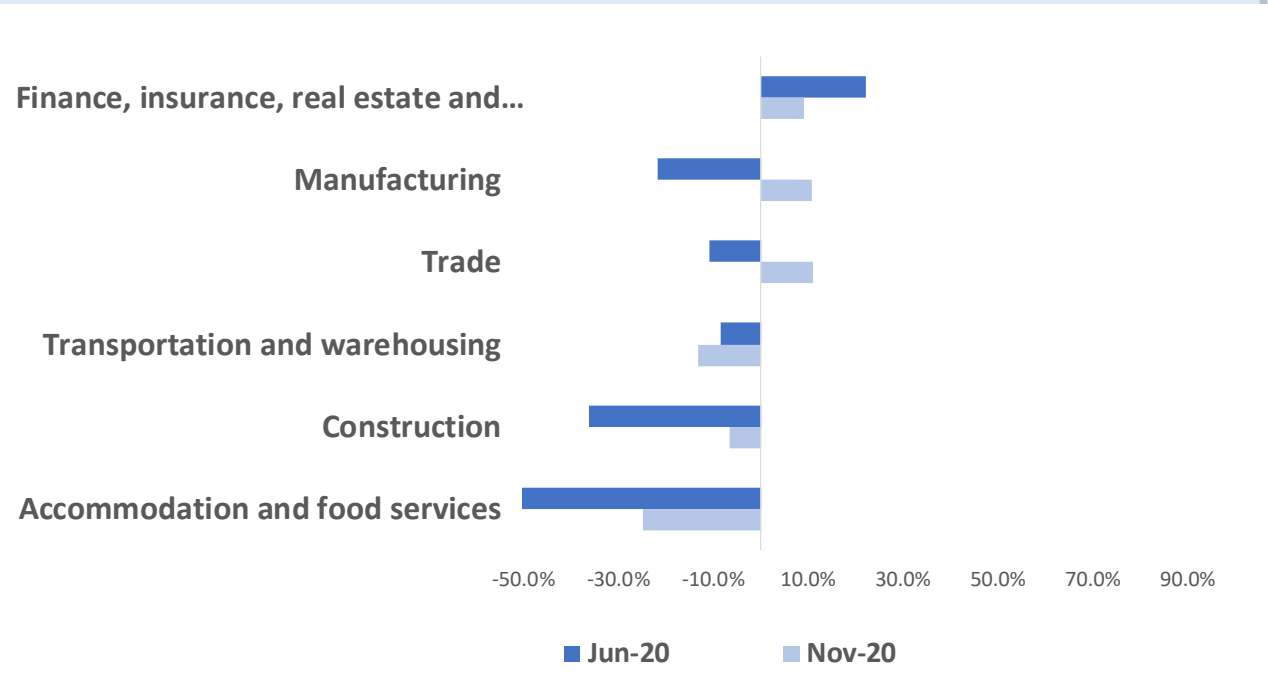


Implications & Outlook

- During this unprecedented global crisis, federal, provincial governments & Peel’s Medical Officer of Health put measures in place to combat the spread of COVID-19.
- The economic impacts of the COVID-19 pandemic have been significant in Peel.
- The Canadian economy is not expected to return to pre-pandemic levels until 2022.

Unequal Impacts of the Pandemic on Some Residents & Businesses

COVID-19 induced changes in employment in selected sectors

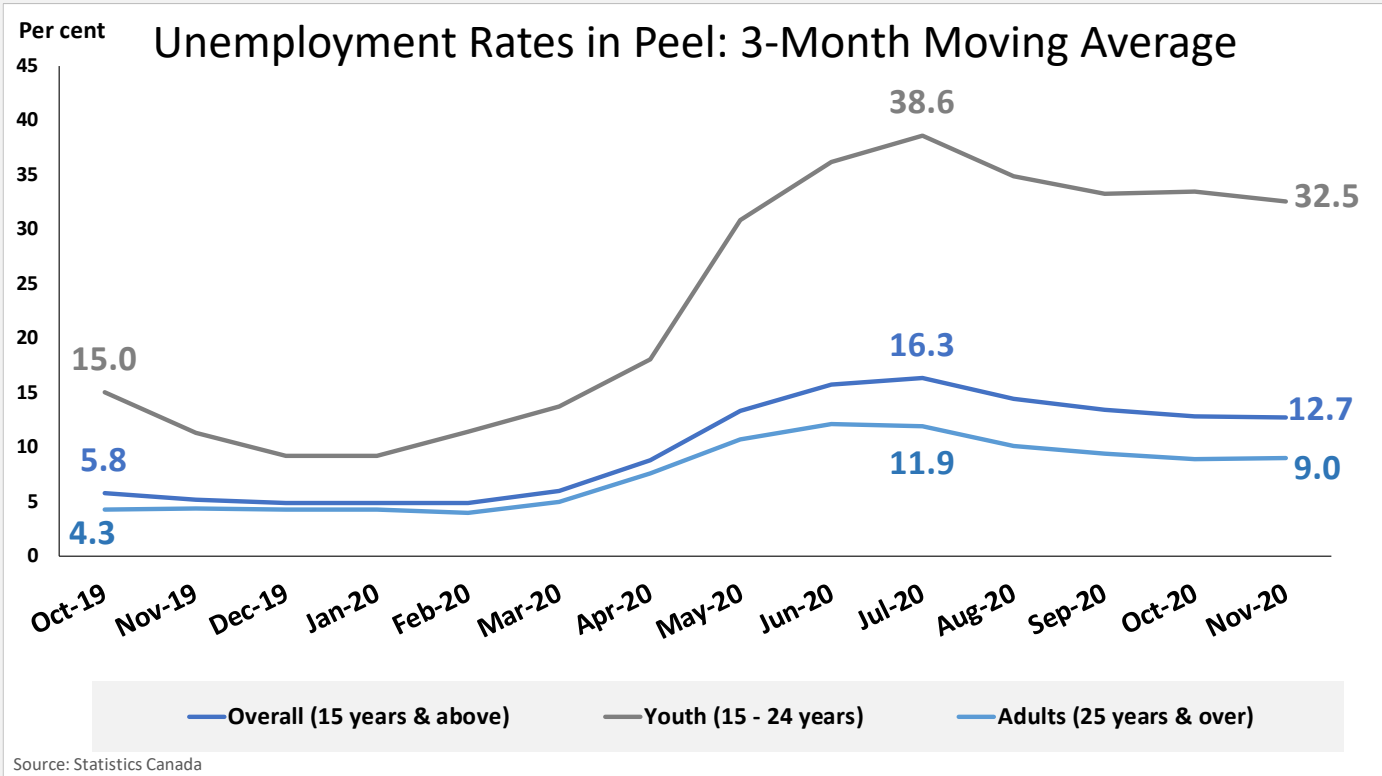


- Small businesses hard hit
- Significant negative impacts on some industries
- Loss of employment disproportionately affected some workers

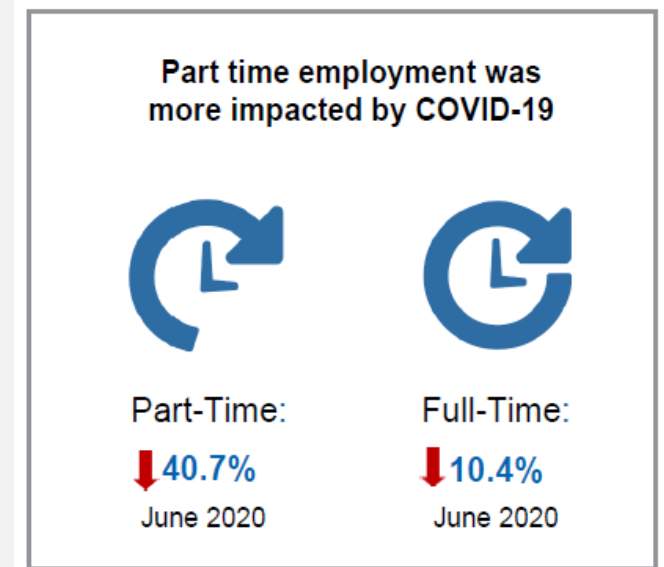
Implications & Outlook

- The interplay of multiple factors that impacted the health of Peel's residents prior to this pandemic are now amplified due to COVID-19.
- Measures to combat the second wave of the pandemic will likely extend COVID-19 impacts on affected sectors and vulnerable groups including low-income earners, visible minorities and youth.
- Business closures and bankruptcy expected to rise in upcoming months.

Unequal Negative Employment Impacts From COVID-19



Part-time Employment More Impacted



Employment Shock by Age: June 2020

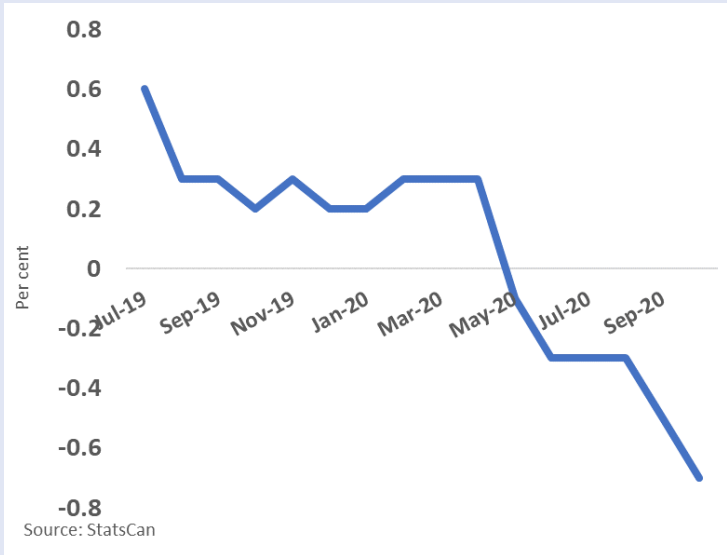
Adults (25 years and over): 9.1 per cent
 Youth (15 – 24 years): 37.0 per cent

Implications & Outlook

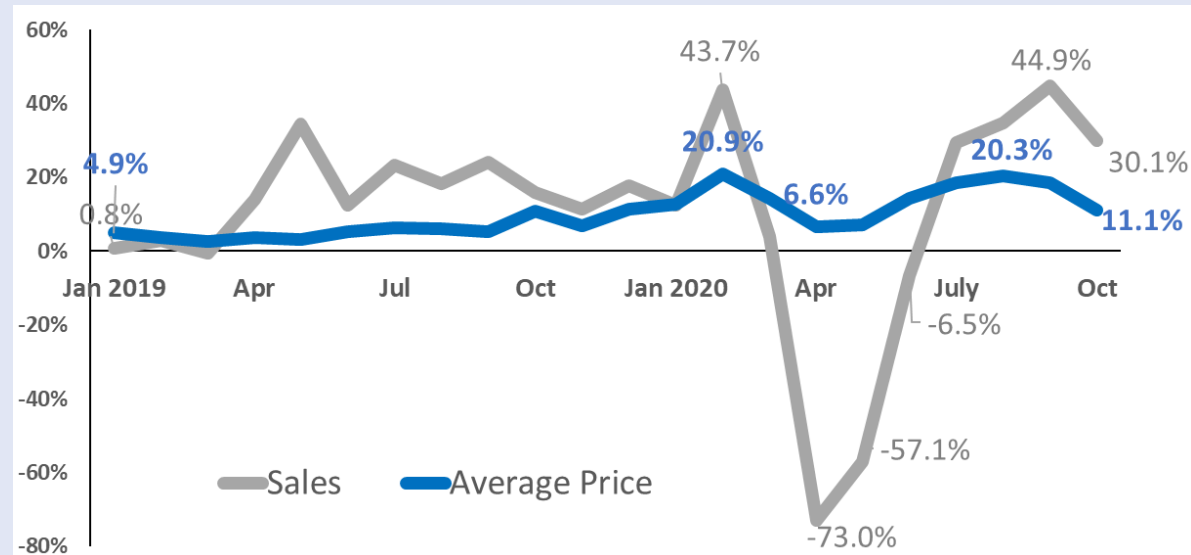
- Peel's unemployment rate doubled in July 2020 and is expected to remain elevated in 2021.
- Elevated unemployment rates, business closures, and changes to federal and provincial government support programs are expected to result in higher demand for some Regional programs in 2021.

Deepening Affordability Challenges

Monthly changes in Canadian Mortgage Interest Cost Index



Year-over-year change in sales and average price of a residential resale units in Peel



Average Price of a residential housing unit in Peel
Nov 19 – Nov 20:
16.9%

Implications & Outlook

- Historically low interest rates to continue to result in higher demand for housing and increasing prices
- Housing unaffordability and food insecurity risks likely continue to increase.
- The proposed 2021 budget includes investments to address the expected increase in demand for services.

Advocacy Efforts Support Peel Outcomes

Short – Term: Secure federal and provincial funding for incremental costs and loss of revenues associated with the COVID-19 pandemic.

Medium – Term Advocacy: Over the medium to long term, the Region will continue to advocate for a review of provincial/municipal funding.

Long – Term Advocacy: increased efforts to build a deeper understanding of the needs of municipalities and for a range of progressive and diversified tools to support community outcomes and municipal financial sustainability.

\$44.5 M
Federal/Provincial
Safe Restart

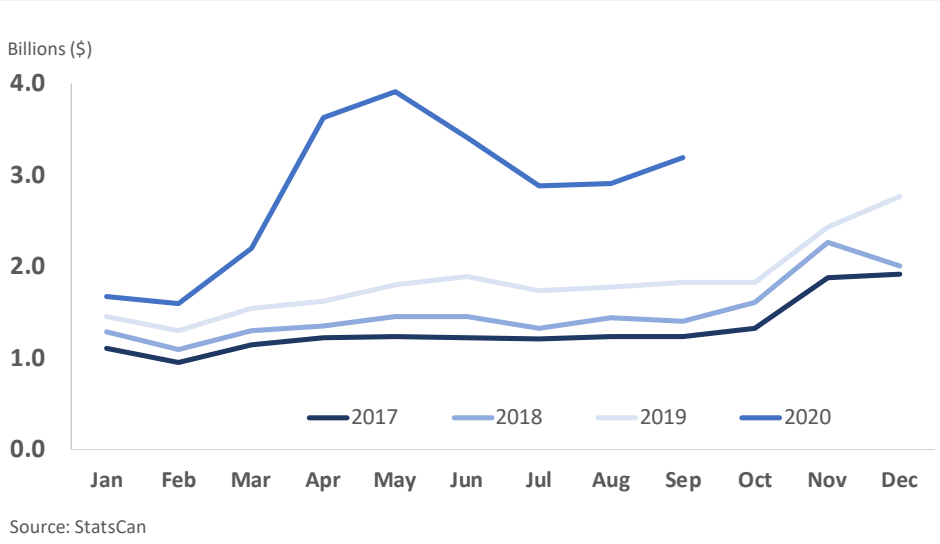
\$18.7 M
COVID-19
Infrastructure
Resiliency Stream

Implications & Outlook

- Advocacy efforts support Peel in receiving funding for incremental costs and loss of revenue associated with the COVID-19 pandemic; there is no significant short-term impact on Regional revenues from the pandemic.
- The Region supports the advocacy efforts of the City of Mississauga for the elimination of the legislated 5 per cent cap on the GTAA Payment in Lieu of Taxes (PILT).
- Regional revenue loss from PILT is estimated at \$6 million to \$8 million in 2022.

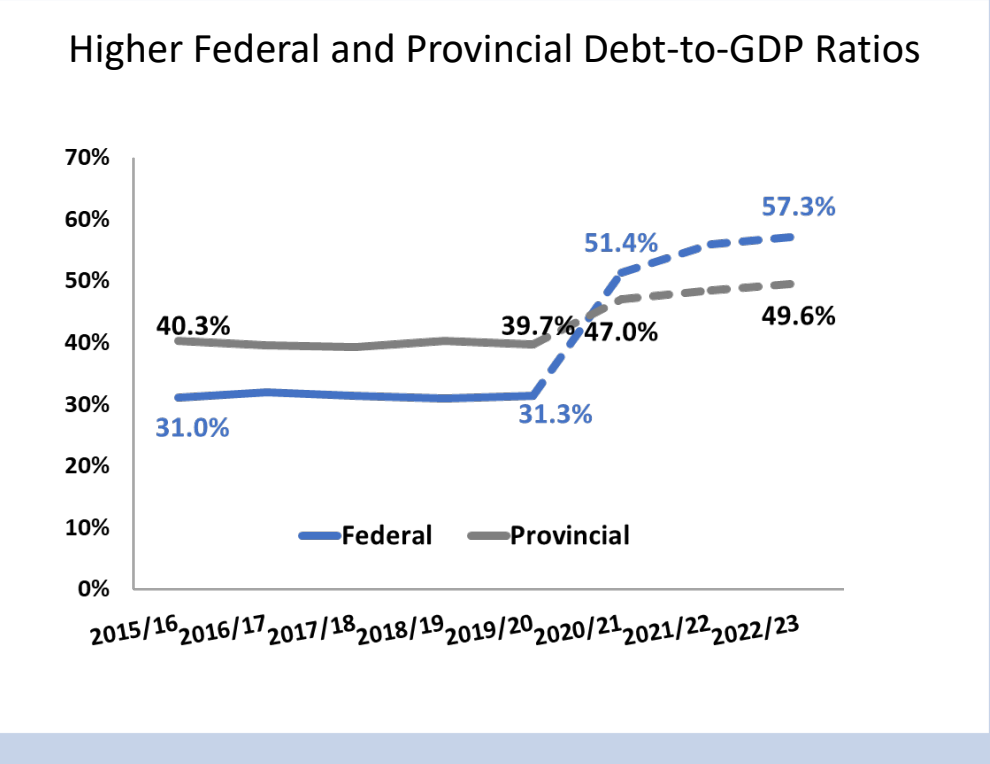
Ongoing Risks Facing Peel

Big jump in retail E-commerce increase in 2020



Retail e-commerce sales increased by **123.6%** in April 2020

Higher Federal and Provincial Debt-to-GDP Ratios



Implications & Outlook

- An extended halt in immigration would negatively impact residential growth in Peel.
- Accelerated trends may further limit office and commercial developments and worsen shifts in the Region’s property tax revenues away from the non-residential sector.

Thank You

Q & A