

TORONTO LEADS AGAIN

AI Job Disruption, Worker Transition & Economic Security

A plan to prepare before displacement: protect income and opportunity, preserve the first rung of the career ladder, and help workers move into durable work as AI changes tasks, occupations and business models.

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The transition principle

The AI revolution should not happen to Torontonians. It should belong to Torontonians. Productivity gains are valuable when they expand human capability and prosperity; the transition plan exists so the cost of adaptation is not pushed onto workers and families after the fact.

**Jamie
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Toronto Talent Pipeline.

A strong city grows talent from education to work to entrepreneurship.



Toronto needs a complete talent pipeline: learning, paid experience, skills, work, advancement and entrepreneurship must remain connected as technology changes entry points.

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Why this matters

Artificial intelligence can raise productivity, create new products, expand access to expertise and make some work safer or more valuable. It can also remove tasks, compress entry-level hiring, change staffing models and cause job loss in particular firms or occupations. Those outcomes can occur at the same time. A serious city strategy therefore should not choose between optimism and preparation.

The strongest current Canadian evidence does not show a broad collapse in employment caused by generative AI. Statistics Canada found that employment generally grew across occupational exposure groups from late 2022 through 2025. At the same time, younger employees experienced weaker employment growth than core-age workers, young coding employment stagnated, and occupations with high exposure and low complementarity include office support, retail sales, software development and accounting. The absence of a proven economy-wide shock is a reason to monitor carefully - not a reason to wait until displacement is obvious.

Toronto is especially exposed to transition because it has large concentrations of professional, financial, technology, creative, administrative, education and service work. It is also unusually well positioned to respond because it has universities and colleges, employers, unions, libraries, newcomer networks, community organizations, skilled trades, a large municipal workforce and a deep technology ecosystem. The task is to connect those assets before people fall between them.

Intellectual Lifeboat + Opportunity Ladder

The Intellectual Lifeboat is the protection layer: access to tools, knowledge, navigation and human assistance during disruption. The Opportunity Ladder is the progression layer: paid experience, skills, work, advancement and ownership. Report 17 connects the two.

Executive Summary

AI Job Disruption, Worker Transition & Economic Security establishes a Toronto response to the labour-market transition created by fast-moving AI and automation. It does not predict a fixed number of jobs lost. It establishes

the systems Toronto should have in place if task substitution, slower entry-level hiring, layoffs, wage pressure or sector restructuring accelerate.

The City does not control Employment Insurance, most formal training funding, employment standards or the broader health and education systems. Since March 2025, employment services for Toronto residents receiving Ontario Works have been delivered through Employment Ontario. Toronto should therefore concentrate on the municipal functions it can perform well: local labour-market intelligence, navigation, employer and labour convening, paid civic pathways, procurement, municipal workforce governance, economic development, libraries/community access, and negotiations with Ontario and Canada.

The report also treats AI disruption and trade disruption as potentially compounding shocks. An advanced manufacturer can face tariffs, supply-chain changes and automation at the same time. A professional-services firm can lose export work while adopting AI that changes junior staffing. Report 15 remains the trade-shock strategy; this report is the worker-transition strategy across the whole economy.

Major commitments

- Publish a Toronto AI Work Transition Dashboard that tracks occupations, entry-level hiring, hours, wages, layoffs, job postings, AI adoption and training demand without pretending exposure automatically equals job loss.
- Create an AI Worker Transition Compact connecting employers, labour, colleges, universities, Employment Ontario, libraries and community organizations around early notice, skills mapping, paid training and placement.
- Add an AI-transition lane to the Toronto Trade & Tariff Response desk so workers and employers facing compound shocks reach provincial and federal supports quickly.
- Require designated City AI and automation projects to assess workforce effects before scale, with training, redeployment and labour engagement where appropriate.
- Protect the first rung of the career ladder through paid civic missions, apprenticeships, co-ops, internships, entry-level procurement pathways and employer partnerships.
- Build practical AI capability for workers and small businesses around real jobs and workflows - not generic technology demonstrations.
- Maintain the Financial & Delivery Plan rule of \$0 automatic AI/robotics savings until service and budget changes are independently realized.

Toronto today: what the evidence does and does not say

Canadian evidence in 2026 points to rapid adoption and uneven exposure, but it does not support a claim that mass AI unemployment has already arrived. That distinction matters. The campaign should prepare for disruption without manufacturing panic.

Indicator	Public evidence	Status / implication
Employment by AI exposure	Statistics Canada found employment generally grew across AI-exposure/complementarity groups from Nov. 2022 to Dec. 2025.	Official national evidence; no clear persistent aggregate AI-driven employment decline detected yet.
Younger workers	Employment growth for workers aged 15-29 was weaker than for workers aged 30-49; coding professionals under 30 stagnated.	Early warning for entry-level pathways; causation is not established.
Occupational exposure	In March 2026, 29.6% of Canadian workers were in high-exposure/low-complementarity occupations, 31.2% in high-exposure/high-complementarity, and 39.3% in low-exposure occupations.	National exposure classification; Toronto needs a local occupational baseline.

Indicator	Public evidence	Status / implication
AI use at work	In March 2026, 45.9% of workers in high-exposure/low-complementarity occupations and 53.8% in high-exposure/high-complementarity occupations reported using generative AI at work.	Adoption is already material even before aggregate displacement is clear.
Worker-driven adoption	Statistics Canada found generative-AI workplace use rose from 17% in Sep. 2024 to 30% in Jul. 2025 in its survey period.	Change can happen inside jobs before formal employer restructuring.
Employment-service authority	Employment services for Toronto Ontario Works recipients moved to Employment Ontario in March 2025.	Toronto should navigate and convene rather than duplicate the provincial employment-service system.
Tariffs + AI	Federal 2026 Workforce Alliance material explicitly identifies tariffs, supply-chain disruption and AI as simultaneous workforce pressures.	Supports coordinated treatment of compound shocks in Reports 15 and 17.

The planning conclusion is deliberately modest: Toronto should build a transition system before it needs an emergency system. The dashboard should distinguish task exposure from actual outcomes and should be updated as evidence improves.

Vision and guiding principles

The goal is not to freeze the labour market. It is to make technological progress compatible with economic security, mobility and human dignity. Toronto should be a city where people can learn new tools, move between sectors, keep a meaningful first rung into work and benefit from productivity rather than discovering after a layoff that the transition system was never built.

- People before displacement statistics: intervene when credible indicators weaken, not only after unemployment rises.
- Augmentation where it creates value: use AI to make people more capable before treating headcount reduction as the objective.
- Paid transition where possible: training is stronger when connected to income, work experience and a real employer demand signal.
- Protect the first rung: entry-level work, apprenticeships, co-ops and junior roles are part of how expertise is created.
- Human presence where it matters: care, trust, safety, democratic legitimacy and accountable professional judgement cannot be reduced to a cost-saving target.
- No false certainty: exposure is not destiny; publish what is observed and revise the response as the labour market changes.
- One transition system for overlapping shocks: tariffs, recession, sector restructuring and AI may affect the same people at the same time.



Physical and digital AI can change tasks inside existing occupations. The transition strategy should focus on skills, safety and better work - not a simplistic human-versus-machine story.

Strategic priorities

1. Build an AI Work Transition Dashboard

Toronto should establish a local early-warning view of labour-market change using Statistics Canada, job-posting, employer, union, college/university and City data where legally and methodologically appropriate. It should track actual outcomes - hiring, hours, wages, vacancies, layoffs, entry-level positions and hard-to-fill roles - alongside AI adoption. The dashboard must not label a worker as "replaceable" or convert an exposure score into an employment forecast.

- Publish sector and occupational trends at an aggregate level with privacy protections.
- Create a specific entry-level lens for youth and early-career roles.
- Use triggers for deeper review when hiring, hours or layoffs deteriorate in a concentrated occupation or sector.
- Report uncertainty and competing explanations, including trade shocks, macroeconomic conditions and demographic change.

2. Create the AI Worker Transition Compact

The City should convene a standing transition compact with major employers, labour organizations, colleges, universities, Employment Ontario providers, libraries, workforce intermediaries and community organizations. The Compact would not replace provincial training or federal income support. It would make local transitions faster and more coordinated.

- Develop transferable-skills maps between affected occupations and hiring sectors.
- Create rapid referral pathways to Employment Ontario, Work-Sharing, EI and eligible training programs.
- Encourage paid training and work-integrated transitions where employer and senior-government programs allow.
- Publish a small set of common outcome measures: re-employment, wage recovery, time to placement and job retention.

3. Protect the first rung of the career ladder

The greatest long-term risk may not be a dramatic wave of layoffs. It may be a quiet reduction in junior roles that historically taught people how to become senior workers. Toronto should therefore treat entry-level opportunity as economic infrastructure.

- Expand Project Six and other paid civic missions that produce portfolios and references.
- Use City and partner procurement to create proportionate apprenticeship, co-op, internship and training opportunities where lawful and practical.
- Work with employers to identify which junior tasks AI is removing and what supervised work can replace those learning opportunities.

- Track whether graduates and newcomers can still enter occupations that increasingly use AI.

4. Make AI adoption a worker-capability strategy

For most workers, the useful question is not whether they become AI engineers. It is whether they can use AI safely and effectively in the occupation they already have or the occupation they are moving toward. The campaign's "Teach a person to teach a robot" idea therefore belongs inside workforce policy, not only technology policy.

Teach a person to teach a robot

Give a person a fish, and they eat for a day. Teach a person to fish, and they eat for a lifetime. Teach a person to teach a robot to fish - while caring for the environment - and that person, their family and their community can prosper for generations.

- Prioritize occupation-specific training tied to real workflows, standards and employer demand.
- Use libraries and community institutions as low-barrier access points for AI literacy and navigation.
- Support small businesses with adoption advice that includes workforce and job-quality planning, not only software selection.
- Recognize that skilled trades, care, construction, logistics and public-service occupations may combine digital tools with physical and interpersonal skills.

5. Govern automation inside the City workforce

Toronto should model the behaviour it asks of employers. Designated City AI or automation projects should identify affected tasks, service-quality risks, training needs, privacy and safety implications, and labour-relations requirements before scale. Staffing decisions remain subject to Council-approved budgets, collective agreements, law and normal management authority.

- Keep the Financial & Delivery Plan rule of no automatic AI/robotics savings.
- Use retraining and redeployment where appropriate before treating workforce reduction as a predetermined technology benefit.
- Engage affected employees and bargaining agents through lawful processes early enough to improve implementation.
- Publish whether the technology improved service quality, cost, safety and resident experience after deployment.

6. Prepare for compound tariff, trade and AI disruption

Trade shocks and AI transition should not be managed in separate silos when they affect the same employer or worker. Report 15 adds an AI-transition lane to the Trade & Tariff Response. Report 17 provides the broader worker-transition system for sectors that may be affected by AI even when tariffs are irrelevant.

- Add AI/job-transition screening to tariff-affected employer and worker navigation.
- Avoid retraining workers into occupations that are simultaneously weakening without a clear demand signal.
- Use federal and Ontario workforce programs where eligibility aligns with the actual disruption.
- Track construction, manufacturing, professional-services and technology transition separately because their risks and pathways differ.

7. Preserve human-value work and economic security

Some work is valuable partly because a responsible human is present: a crisis conversation, a safety sign-off, professional judgement, teaching, caregiving, democratic decision-making or communication of serious consequences. Technology may support those roles, but Toronto should resist procurement or service models that treat human presence as waste when it is part of the public value.

- Define human-accountability requirements in consequential City services.

- Use accessibility and equity review so digital transition does not exclude residents or workers with fewer resources.
- Measure job quality, wage progression and retention - not only training completions.
- Connect displaced workers to mental-health and family supports when economic disruption creates crisis or instability, without pathologizing unemployment.

The transition pathway: Detect -> Protect -> Retrain -> Place -> Advance

Stage	What happens	Toronto role	Key partners
Detect	Identify actual labour-market pressure before it becomes a crisis.	Dashboard, employer/labour intelligence, City workforce monitoring.	Statistics Canada, employers, labour, colleges/universities.
Protect	Stabilize income/hours and prevent avoidable separations where possible.	Navigation and convening; City employment practices for its own workforce.	Canada EI/Work-Sharing, Ontario, employers, labour.
Retrain	Translate existing skills into AI-complementary or growing work.	Connect residents to occupation-specific pathways and community access points.	Employment Ontario, colleges, universities, unions, employers.
Place	Move from training into paid work.	Project Six, procurement pathways, employer partnerships, referrals.	Employers, institutions, community organizations.
Advance	Support wage recovery, progression, entrepreneurship and ownership.	Economic development, supplier growth, small-business and export support.	Employers, BIAs, financial/trade institutions.
Learn	Publish outcomes and redesign weak programs.	Public scorecard and evidence review.	Council, partners, independent evaluators where appropriate.

First 100 Days

The opening 100 days establish the transition machinery rather than pretending a new labour market can be built in one quarter.

- Publish the first Toronto AI Work Transition baseline using existing public data and identify the largest local evidence gaps.
- Convene the AI Worker Transition Compact with employers, labour, post-secondary institutions, Employment Ontario and community partners.
- Add an AI/job-transition screening lane to the Trade & Tariff Response desk and publish a resident-facing navigation page.
- Require designated new City AI/automation proposals to include a workforce-impact section before procurement or scale decisions.
- Identify two to four paid transition pilots tied to real employer demand, with at least one focused on early-career opportunity.
- Publish a City workforce principle confirming that AI savings are not booked until service and budget changes are actually realized.

2027-2030 First-Term Action Plan

The first term should build a durable transition capacity without creating a parallel employment-service bureaucracy. Annual work plans would scale only the functions that show measurable value.

Phase	Action	Lead / authority	Resident result
Establish	Launch dashboard, Compact and navigation.	Economic Development / City Manager / partners.	Workers and employers know where to go before a crisis.
Pilot	Run occupation-specific paid transition and entry-level pathway pilots.	City + employers + institutions; partner funding where applicable.	Training connects to real work and demand.
Integrate	Link tariff, AI, youth, small-business and procurement transition lanes.	City divisions + Ontario/Canada partners.	Fewer dead ends when shocks overlap.
Govern	Apply workforce-impact rules to designated City automation.	City Manager / HR / labour / service owners.	Public-sector adoption models responsible transition.
Scale / stop	Expand pathways that improve placement, retention or wage outcomes; end weak approaches.	City + funding partners.	Public money follows results rather than program permanence.
Report	Publish annual AI Work Transition results and fiscal treatment.	Economic Development / City Manager / CFO.	Residents can see whether the transition plan is working.

Long-Term Direction

The long-range objective is a Toronto in which technological capability is widely shared and the labour market continues to produce meaningful ways for people to learn, contribute and advance. Future Councils will decide the scale and design of programs as the evidence changes. The enduring principle is that Toronto should invest in human adaptability as deliberately as it invests in physical infrastructure.

If AI ultimately creates more jobs than it removes, the transition infrastructure will still be useful because it improves skills, access and productivity. If disruption becomes deeper, Toronto will have a working local system ready to connect people to senior-government income supports, training, employers and new opportunities rather than inventing one during a crisis.

Jurisdiction and financial treatment

Function	Primary authority	Toronto role
Employment Insurance / Work-Sharing	Federal	Navigation, employer/worker connection and advocacy.
Employment services and most training programs	Ontario / Employment Ontario	Referral, convening, gap identification and local partnerships.
Employment standards / labour law	Ontario / federal by jurisdiction	Comply, advocate where appropriate; no municipal substitution.

Function	Primary authority	Toronto role
Municipal workforce	City / Council / management / collective agreements	Responsible AI adoption, workforce assessment, training and transparent fiscal treatment.
Economic development / procurement / libraries / civic placements	City within lawful authority	Direct municipal tools for transition, access and opportunity.
Post-secondary programs	Institutions / Province	Partnership, demand signals, work-integrated learning and applied projects.

First-term City actions in this report must fit inside the existing Jobs + Human Capability and related platform envelopes in Report 03 unless Council approves a revised budget. Report 17 does not create a new automatic spending entitlement, and it does not book savings from job elimination. Federal and provincial benefits, training funds and wage supports remain on the appropriate government balance sheet.

Risks and mitigations

Risk	Specific mitigation
AI exposure scores are mistaken for forecasts of layoffs.	Publish actual local employment indicators alongside exposure measures and state uncertainty clearly.
Training becomes a program with no job at the end.	Require employer demand, paid experience or clear placement evidence before scaling training cohorts.
Entry-level opportunities shrink quietly.	Track junior hiring and paid placements separately; expand supervised civic/employer pathways when evidence weakens.
Productivity gains are captured only through layoffs.	For City adoption, require workforce-impact assessment and no automatic savings; for private employers, use Compact partnerships and training incentives available through senior programs.
Tariff and AI shocks hit the same workforce.	Use one navigation and exposure view, with separate sector pathways and fallback options.
Small businesses cannot afford transition support.	Use Economic Watering Well navigation, libraries/community access and existing provincial/federal programs rather than bespoke high-cost City grants by default.
Older, newcomer, disabled or lower-income workers face access barriers.	Use accessible, multilingual, human-assisted pathways and track who reaches and completes support.
Mental-health stress rises after job loss.	Connect economic-transition navigation to Report 16 resources and crisis/support pathways when residents need them.

Performance framework

Metric	Baseline	Target / direction	Horizon	Responsible body	Reporting
Toronto occupations/sectors with verified AI-	Establish in first 100 days	Maintain current public dashboard for	First term	Economic Development / City	Quarterly / annual

Metric	Baseline	Target / direction	Horizon	Responsible body	Reporting
transition baseline		designated sectors		Manager	
Workers referred successfully to eligible transition supports	Establish baseline	Increase successful, completed referrals	First term	Economic Development / partners	Quarterly
Paid placements / transition pathways linked to real demand	Existing program baselines	Increase, with completion and placement outcomes	First term	City + partners	Annual
Entry-level hiring / paid opportunity in monitored sectors	Establish baseline	Avoid sustained deterioration without response plan	First term	Economic Development / partners	Annual
Designated City automation projects with workforce assessment	Establish baseline	100% of designated projects	Ongoing	City Manager / HR / service owner	Per project
Automatic AI savings booked before realization	\$0 rule	\$0	Ongoing	CFO	Budget cycle
Transition participants in sustained employment	Establish cohort baseline	Improve placement and retention; disclose wage direction where measurable	First term	Delivery partners	6/12-month follow-up



Responsible AI adoption and worker transition belong in the same governance system: bounded pilots, human accountability, measurement and stop-or-scale rules.

Sources and Notes

The evidence base distinguishes current public data from campaign proposals. National labour-market evidence is used as a warning and planning input; Toronto-specific monitoring is required before assuming the same effects locally.

- **Statistics Canada - Canadian employment trends in the era of generative artificial intelligence: Early evidence (Jan. 28, 2026) - [Open source](#)**
- **Statistics Canada - Use of generative artificial intelligence tools among Canadian workers, March 2026 (July 30, 2026) - [Open source](#)**
- **Statistics Canada - Workplace artificial intelligence use: A profile of sociodemographic and job characteristics (June 17, 2026) - [Open source](#)**
- **Employment and Social Development Canada - Advanced Manufacturing Workforce Alliance (Aug. 17, 2026) - [Open source](#)**
- **Employment and Social Development Canada - Backgrounder on Workforce Alliances (2026) - [Open source](#)**
- **Employment and Social Development Canada - 2026-27 Departmental Plan - [Open source](#)**
- **Employment and Social Development Canada - Compendium of best practices for human-centred AI in the world of work - [Open source](#)**
- **Ontario - Canada-Ontario Workforce Tariff Response, 2025-2026 annual plan - [Open source](#)**
- **City of Toronto - Changes to Employment Services and Employment-Related Benefits provided through Ontario Works - [Open source](#)**
- **City of Toronto - 2026 Budget Notes: Toronto Employment and Social Services - [Open source](#)**

Conclusion

Toronto should welcome the productivity and creative possibility of AI without treating transition pain as someone else's problem. The strongest labour-market evidence does not justify panic, but it does justify preparation. The right time to build worker navigation, paid pathways, local monitoring and responsible automation rules is before the disruption becomes obvious.

The governing promise is straightforward: people should be able to use the new tools, move when work changes and retain a path to security and advancement. Teach people to use the machine, protect them while the economy adjusts, and make sure the gains from technological progress become part of a better life in Toronto.