



Remarks by:

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Good afternoon. It's a real pleasure to be part of this day, and to share with you my thoughts on civic leadership.

The process of city building is not simple. It's complex and multi-dimensional, and highly dependent on innovative thinkers. It requires citizens who care not only about what the city is today but what the city could be tomorrow. It requires individuals who are prepared to put short-term self-interest and political gamesmanship behind long-term vision and planning.

It needs regional leaders in all areas of the community -- business, labour, academia, social services, NGO's and politics – leaders who live here, work here and build their businesses here, and people who can actively participate in formulating a shared vision.

The Toronto region needs all of this – 1 in 6 Canadians live in the GTA and it is our country's most important region and our flagship in so many areas. But because of our scale, our complexity is greater and our social issues more prevalent.

The Toronto economy is large and diversified; its largest sector, banking, I am proud to say is respected globally, and the possibility of Toronto becoming a key global financial centre is entirely achievable.

The good news is that the Toronto economy remains structurally sound despite the challenges of the recent economic cycle but, more importantly, it holds huge potential.

Toronto is also the city in Canada that most immigrants choose to make home and is a model of diversity, inclusion and integration. While multiculturalism is currently being viewed by some as a failure, particularly in Europe, let me be clear – it has been an unparalleled success in our city. We have issues and challenges to work on – difficult questions that should be asked – many of which you have been addressing, but immigration, diversity and multiculturalism has brought vitality, culture and economic growth and RBC is a shining example of its benefits.

Virtually every culture in the world can be found in Toronto through its cultural events, neighbourhoods, and sports. From Chinatown to the Beach to Little Italy, Toronto has found a way to grow and thrive amicably amidst more differences than any other city in the world. Our population of visible minorities is fast approaching the 50% mark. By 2031, we won't need to use the term anymore and we should not push back but rather work on the challenges and embrace the opportunity.

We can achieve everything our potential promises, as long as we can collectively address our challenges and don't shy away from the politically challenging questions.

We know, for instance, that our results in integrating new immigrants into the labour market are imperfect. We have too many high priority neighbourhoods, too little cultural integration and too many people who don't have enough access to food, housing or health services.

In addition, we have let historically important buildings fall into disrepair, and we are paying a price for a lack of long-term vision in areas like transportation and the waterfront. Our roads are more congested every year and we must now address better, alternate modes of transportation if we are to continue our growth and manage our environment. We have challenges and that is why you are here – not to criticize but to help find solutions that will make our city better and more competitive.

It's these tough issues and big opportunities facing the Toronto region that make me very glad we have Civic Action. The projects that Civic Action is leading not only lay down clear paths to improving the GTA's social and economic future, but also paint a picture of how much more we can be through collective action.

We want to get this right. I say this from the perspective of the CEO of Canada's largest bank, certainly, but also from the perspective of a resident, a community member, a taxpayer and a participant in many of the cultural and charitable activities in Toronto.

And so while my interests and experiences extend right across the social, economic and political fabric of Toronto, this morning I'd like to address employment, diversity and community – because these are things that can be advanced through a multi-stakeholder approach – one that includes active engagement with business.

These are also the things Civic Action calls the “tough issues and big opportunities.”

Employment

First, the issue of employment. Toronto is the economic engine of Ontario and Canada, yet our unemployment rate is higher than the provincial rate and higher than the federal rate.

With the number of businesses concentrated in our region, with the influx of the best and the brightest from other countries, and with the largest and fastest growing self-employed population in the country, this is something we should be able to address.

While we have had to adjust to things like the global recession and a strong dollar, I believe Toronto's biggest challenge relates to our country's low rankings in research, development and innovation. These are things that transform an economy which is critical for a region like the GTA.

While it is easy to start a new business in Canada it is more difficult to grow them. Our relative difficulty commercializing our research and new ideas is a barrier to improving productivity, and thus our standard of living.

Canada's productivity has been lower than that of the U.S. for almost half a century, and it's costing our citizens in personal disposable income and our country in global competitiveness.

Fortunately Toronto has some truly great institutions focused on innovation, research and commercialization. MaRs, the Canadian Innovation Exchange and Toronto Region Research Alliance are three stellar examples here in the GTA that businesses can partner with to unlock new revenue opportunities, create higher quality jobs, and move Toronto forward as a strong economic force. I would also be remiss not to point out that governments, and the provincial government in particular through MRI, have provided great support and commitment to this challenge of economic transformation.

But it is critical that we keep our foot to the pedal in supporting initiatives that will help transform our economy. Our country's economic success still remains rooted in natural resources more than innovation and the knowledge economy and we must re-adjust this balance. Ontario and GTA, in particular, is critical to our ability to transform and compete. We have a wealth of talent and assets that companies and organizations can capitalize on but we must execute.

We must find ways that work for our city and capitalize on our strengths – initiatives like the Toronto Financial Services Alliance, a public private initiative whose mandate is to support and promote the competitiveness of Toronto as a financial centre. Given our tax advantage, people strength and regulatory environment, we should be attracting more international financial companies to our city – we have a great story.

Another example is MaRS (which I have the honour of Chairing) – again, a private public initiative that promotes and enhances entrepreneurship and commercialization. I am constantly amazed at the talent and activity that emanate from MaRS. It is achieving remarkable success in facilitating collaboration and in bringing together research, creativity and business opportunity.

There is no region more important to Canada's economic success than the GTA and we must continue to find ways to support our emerging entrepreneurs and I am glad to see that "Reinventing our Economic Base" is one of the summit's roundtable themes – I look forward to the output.

If we as business leaders make this our priority, job creation will follow naturally.

Diversity

The second arena where I feel business can unlock new successes and new value for Toronto is diversity and inclusion – and I should reinforce that this is not just about immigration.

Business growth, participation in the global economy and competitive success all need an increasingly educated work force. Toronto is already a destination of choice for skilled immigrants, scientists, professionals and entrepreneurs. Unfortunately, recent immigrants – even highly educated immigrants with high demand skills – are struggling to find jobs that capitalize on their skills.

Recently, the Globe and Mail reported that here in Canada, university-educated immigrants are finding it better to move to the U.S. than to stay in Canada, where they earn significantly less.

We in Canada pay immigrants about half what we pay Canadian-born employees, as compared to the U.S. where the gap is about 30 per cent less.

For a country that prides itself on its multiculturalism, fairness, and our open door policy, this is a surprise. For a country whose demographics promises worker shortages in the decades ahead, this doesn't make sense. Diversity is our competitive advantage.

We need that talent in Toronto. We should be seizing this strength that is right in front of us. I see first hand the talent that diversity in all its forms brings to businesses and cities, as a business leader and as co-chair of The Toronto Region Immigrant Employment Council. There is hard, tangible value in hiring the market you serve – in having the opportunity to better understand your markets.

It's not just about doing the right thing, it's about doing what makes good business sense.

We have to engage with our markets, and they are changing – regardless of whether your business operates with city limits, within Canada, or is expanding internationally. I think that all of us in leadership roles, be it business, government, academia etc., have the opportunity and the responsibility to capitalize on our country's exceptional diversity and the very real benefits of inclusion.

For my fellow business leaders in the Toronto region, this is an important means to succeed and contribute to Canada's future.

In 2005, RBC Economics found that if all new Canadians were fully employed, at their level of education and experience, earning equal pay to someone born in Canada, personal income would increase by \$13 billion a year. We are leaving economic growth – never mind fuller lives and stronger communities – on the table.

In the Toronto region alone, there are dozens of great organizations focused on connecting recent immigrants with growth minded businesses – TRIEC, ACCESS, Career Bridge and CPAC are just a few doing so much, so well and efficiently. They need your business card and your interest, and have the track record to show the returns from partnering with them – we can show that first hand at RBC.

At RBC, diversity has been an important investment opportunity for a long time. It's one of our five core values, and while we're not where we want to be, we are tracking against goals that are measurable and important to our businesses, for all the reasons I've talked about. We know this effort will pay off in the form of our continued leadership in financial services, serving an increasingly diverse marketplace.

Last year, we were particularly proud to have won the Global Catalyst Award for Diversity and I would encourage you to review the RBC Diversity Blueprint on our website.

Community

By now, you may be appreciating that I'm a big believer in business engaging in the tough issues and big opportunities that Toronto faces. And one of the most critical partners for business today is the communities in which they operate.

Community is the third arena where I feel business can unlock new successes and new value for Toronto. By actively contributing to the development of their communities... by being a visible participant in successes achieved and problems tackled, businesses end up adding to their own success.

Let me give you an example from my own experience. A while back, we were approached by a corporate client, Daniels Corporation, who together with the Toronto Community Housing Corporation, were planning the revitalization of Regent Park. We were asked to consider opening a branch there.

Now Regent Park has a long history of problems. The average income is about half of other Torontonians, its residents are largely immigrants, and social housing dominates the community. There is a disproportionately high number of youth 18 years and under, along with high unemployment.

For the last ten years, RBC has been active in this community, with partnerships with Pathways to Education, Kiwanis Boys and Girls Club, and most recently, our not-yet officially-announced donation to the Regent Park Arts and Culture Centre – yet to be built so stay tuned.

Throughout all of this time, the only financial services available to Regent Park residents were cheque cashing stores. We looked at the numbers and saw that a branch would not meet our minimum return goals. But a decision based solely on the numbers didn't sit well with us.

To say no was really a vote against the vision of revitalized community. Last year, we opened a branch on the corner of Dundas and Parliament, and, as it turns out, for all the right reasons. In addition, 50 per cent of employees were hired from the Regent Park community and according to our Regional President, Jennifer Tory, we are ahead of plan.

As one of the largest companies in Canada, RBC does write a lot of cheques for good causes and sponsors numerous activities.

This year RBC donated approximately \$7 million to charities in the GTA and the bank combined with our employees raised over \$9.6 million for the 2010 Toronto United Way Campaign. But when we create grassroots partnerships for the benefit of the community, it's about far more than the writing of a cheque or getting our brand attached to a program. It's about participating in the community and helping to make it better, and there are many, many opportunities for every size of business to do so.

Another "tough issue/big opportunity" that businesses can play an important role in is our youth, and again there are many outstanding organizations eager to partner to create better futures for our young people.

Thornccliffe Park is a good example. For those of you who don't know this neighbourhood, it's Toronto's number one destination for new immigrants from South Asia and it houses 30,000 people in 34 apartments. RBC has been partnering with the Thornccliffe Neighbourhood Office over the past three years to support their After School Program, which gives youth a safe environment to learn and build their self esteem.

From this partnership, we then launched our RBC Play Hockey Program in the neighbourhood last November – this has been a very well received initiative to encourage the game of hockey from the community level up.

Every business should and can make a difference in people's lives and in their neighbourhoods. A lot of great work has been accomplished but so much more still needs to get done. There are so many changes taking place in every part of the Toronto region; whether communities flourish or flounder is as much in the hands of the businesses that operate there as it is in the hands of governments and citizens.

And while everyone intuitively understands that a prosperous business sector is key to Toronto's employment levels and economic success, they are less attuned to the notion that business can also play a role in other aspects of Toronto's success, like diversity, inclusion and community.

Conclusion

We are not "Bowling Alone" as Robert Putnam titled his observations about the decline of social capital in the U.S. We are a team. And we can choose to work together as a team to make the Toronto region the very best it can be, or we can be a team whose failure to engage with each other ends up proving Mr. Putnam's point.

The process of city building in Toronto is our tough issue and great opportunity. We live here, work here, go to school here and build our businesses here.

Youth employment, high priority neighborhoods, poverty, the waterfront, funding for the arts, transportation needs and bottlenecks – these need our attention as business leaders. There is no provincial or federal department or agency that can replicate the partnerships forged within an engaged community. I encourage Civic Action and my fellow business leaders to continue to work together.

I would conclude by emphasising that while it is important that we consistently reflect, look to improve and act to make Toronto all that it can be, we must also appreciate what we have created. I travel a great amount and I can tell you that there are few cities in the world with the vitality, diversification, sophistication, culture and strength as our city.

I see our Toronto for what it can be: a truly first rate, globally important city, built on diverse, vibrant communities that are fully engaged in the social and economic fabric of our city. The objective of Civic Action is to find ways to solve our problems and improve our city and we have a remarkable base from which to move forward.

Thank you very much.