The University & The City

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Address to the Toronto Region Board of Trade

Thursday, May 29, 2014

Check against delivery.
Good afternoon – thank you for that kind introduction, Carol.

I am delighted to be here, and thrilled at the wonderful turnout. Thanks to the many U of T friends and alumni here today for such a gratifying response. There are some advantages to leading Canada’s largest university!

When we agreed on a date for this address, we had no idea how interesting the political landscape would look… With two election campaigns and federal by-elections now underway.

Readers of the Globe and Mail might well be wondering about my own aspirations…
Let me reassure you that I am not planning to run for office!

So why am I here today?

I am here, first and foremost, as a long-time and passionate Torontonian. I have built my career and raised a family here, and I care deeply about Toronto’s future.

I know many of the people in this room today, and I know that we are all committed citizens who care passionately about this remarkable region. And I would guess we all want the same things:

- A city that is economically dynamic and prosperous
- A city that is open; that welcomes diverse newcomers and provides them with opportunities to contribute their talents to our collective wellbeing
- Safe and livable neighbourhoods with great schools, parks and lively commercial life
• A vibrant cultural milieu that reflects the diverse composition of our population

• And a sustainable city, with well-planned and efficient public infrastructure to support our collective prosperity.

So we are all in this together.

We are indeed fortunate to live in one of the world’s truly great city-regions. Our economy is booming, we receive tens of thousands of new immigrants from abroad every year, our cultural life is thriving, and we regularly appear on the lists of the world’s most livable cities.

And yet, newcomers to our city face significant obstacles securing employment that matches their qualifications. Income polarization is growing and becoming entrenched. Decisions around badly needed investments in transportation infrastructure have been driven less by evidence and analysis, and more by retail politics. Our public education system, from kindergarten through university – probably our single most important piece of social infrastructure – is under major strain. Much of Southern Ontario is still struggling to regain its past economic vibrancy. And though the GTA economy is thriving, increasingly intense competition from abroad requires us all to be more innovative, productive and entrepreneurial.

So while we are blessed to be living and working in this great place, we cannot afford to be complacent. We are in real danger of failing to meet significant challenges, and of squandering important opportunities.

We need to pull together like never before.

This is the backdrop, the context, against which I would like to situate my observations – in the remainder of this talk – about the ‘University and the City’

I want to spend the next 20 minutes or so making the case that the partnership between universities and the Toronto region is crucially important – and often misunderstood.
I also want to present the case for why it makes sense to grow and deepen this partnership, for the mutual benefit of both the University and the city, and talk about some ways to achieve this.

One of the reasons I was so excited to take on the Presidency of U of T is that I have focused much of my academic career on studying the economies of urban regions, and the role that major institutions such as research universities play in their development.

Now, as President of Canada’s largest and (with apologies to other presidents in the room) most globally respected university, I have the opportunity to put some of those ideas into practice.

My starting point is that the relationship between universities and their host regions is fundamentally symbiotic. It is mutually enriching, along multiple dimensions.

A Symbiotic Relationship

“ A strong university helps build a strong city, and the reverse is also true: a strong city helps build a strong university. We need to leverage this relationship to our mutual advantage to advance our shared prosperity”
Simply put, a strong university helps build a strong city, and a strong city helps build a strong university. We need to leverage this relationship to mutual advantage if we are going to advance our shared prosperity.

Let me elaborate. While I will use the case I know best – for obvious reasons – U of T and Toronto are simply exemplars of a world-class, research-intensive university on the one hand and a major global city-region on the other. What goes for Toronto and a university like the one I have the privilege to lead also goes for other leading regions and universities around the globe: from Boston to Beijing, from San Francisco to São Paulo.

Let me begin by outlining three key messages.

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**Executive Summary**

1. **Universities impart dynamism and resilience** to the economies of urban regions, helping their host cities to reinvent themselves over time.

2. At the same time, universities are tremendously important stabilizing forces on urban economies, and on the local neighbourhoods they inhabit.

3. **Universities like the University of Toronto connect** their host regions to the world, and vice versa.

4. U of T gains as much from its association with Toronto as it contributes.
1. Universities impart *dynamism and resilience* to the economies of urban regions, helping their host cities to reinvent themselves over time.

2. At the same time, universities are tremendously important *stabilizing* forces on urban economies, and on the local neighbourhoods they inhabit.

3. Universities like the University of Toronto *connect* their host regions to the world, and vice versa.

A fourth key message – a bonus message if you like, for extra credit – will be woven throughout these remarks. That is: U of T gains as much from its association with Toronto as it contributes. Indeed, our fates are intimately intertwined!

**Dynamism and resilience**

Let me begin with my first key message: Universities are a vitally important source of dynamism and resilience…

As everyone knows, universities are research performers. This is especially true of the University of Toronto… and the scale is staggering:

In 2011-12, the University of Toronto and its affiliated hospitals carried out $1.2B in funded research. That is roughly equal to the *entire* operating budgets of nine of our sister universities in Ontario – *combined*.

While much of that $1.2B came from federal and provincial research councils, about a quarter-billion dollars arose from collaboration with industrial, institutional, and not-for-profit partners, including local businesses large and small, and community-based organizations.
Moreover, this kind of partner-based research frequently leads to new research insights, both fundamental and applied. So when local research partners work with the university, our faculty and students are both the providers of new ideas, and the beneficiaries.

In addition, much of the research conducted within an institution like U of T ultimately finds its way into the marketplace through a variety of channels, as measured by technology licensing agreements, patents, start-ups, and other markers of commercialization.
At the same time, you will all recognize that educating human capital – or *embodied knowledge* – represents the University’s single biggest contribution to Toronto, Ontario, and Canada: our most important form of ‘technology transfer’.

16,500 students graduated from the University of Toronto in 2012-13. Recent statistics tell us that 82% of them were employed within six months and 90% were employed within two years.
And the majority of these jobs were in the Toronto region.

These days, with youth unemployment so high, these figures are reassuring. Toronto is a terrific place to build a career in nearly any field, and employers in this region clearly benefit from the supply of well-educated graduates flowing from its universities and colleges.

As we all know, successive waves of immigrants moving to Toronto for economic opportunities and social-political stability have helped create the world’s most multicultural region – where half of those living here were born outside of Canada. These new Canadians bring talent, ideas, and drive to Toronto, transforming our city in profound ways.

Not surprisingly, the composition of the world’s most multicultural city is reflected in the enrolment of its universities and colleges. Today, well over half of U of T’s students self-identify as a ‘visible minority’. Nearly half of our students receive needs-based financial aid, and one in six is the first in their family to attend university.

Our collective investment in educating these students is more than justified by the large private and social returns generated by this investment. Today’s students are tomorrow’s leaders and knowledge workers: fully 68% of the Toronto region’s population between the ages of 25 and 65 has some kind of post-secondary education credential.

This is a huge advantage in today’s knowledge economy, and has provided the wherewithal for our city to reinvent itself continually over time.

Indeed, Toronto has reinvented itself continually over the course of its history. That’s Bay and Richmond, circa 1913. We’ve gone from trading post, textiles and tanning, to farm implements and food processing, and more recently to finance, pharma, film-making and artisanal foods.

Toronto is not unique, but its resilience over time is anything but universal. Where does such resilience come from?
One can certainly thank the resourcefulness and risk-taking culture of recent and past immigrants to this city. But there are other forces at work as well.

Consider that Bethlehem, Pennsylvania was once the second largest steel producer in the United States after Pittsburgh. But while Pittsburgh has flourished, Bethlehem has struggled following the near-collapse of the steel industry. Why?

The ability of places like Pittsburgh to reinvent themselves can be explained in large part by the local impact of the University of Pittsburgh, Carnegie Mellon University, Duquesne, and some 35 other universities and colleges in the Pittsburgh region.

City-regions like Boston, San Francisco, Raleigh and Austin have similarly benefited from the influence of MIT, Harvard, Stanford, UCSF, Berkeley, UNC-Chapel Hill, Duke, and the University of Texas at Austin.

Toronto too has benefited from the propulsive effect of its universities and colleges, whose graduates have been the backbone of an educated, diversified, and highly creative workforce for years. Moreover, faculty and students have actively created companies, jobs, and even entirely new industries. Indeed, this is the very essence of resilience and reinvention.

The University of Toronto, it turns out, is spectacularly good at this. From 2008-09 to 2010-11, U of T anchored the fastest growing entrepreneurial hub among all major North America institutions… And in the last three years, our academic community created more start-up companies than any other North American university.

Certainly, much of this success is due to the remarkable students, faculty, and staff on our three campuses. But we must also give credit to the very special region in which we are situated.

The truth is that you cannot plunk a university just anywhere and expect it to trigger the formation of a local innovation cluster.

The Toronto region’s success as an emerging innovation and entrepreneurship powerhouse rests equally on its tremendous multi-sectoral, convergent strength. This unusually diverse economic base provides a powerful spark for innovation and entrepreneurship, drawing on a rich environment of specialized suppliers and services.

New ventures of all sorts depend heavily upon local strengths in marketing, design, advertising, IT services, product development and testing, IP lawyers, management, packaging, logistics … and more.

Toronto is Canada’s leader in all of these areas.
The recent explosion of entrepreneurial activity at U of T has been fostered by initiatives like the Engineering Hatchery…

…the Rotman School’s Creative Destruction Lab…
… the Impact Centre in the Faculty of Arts & Science, and the Institute for Management & Innovation at our Mississauga campus.

We are now at the core of an evolving ecosystem of entrepreneurship and innovation-nurturing institutions, including our partner research hospitals, the MaRS Discovery District, Ryerson’s DMZ, and other players.

So, to summarize my first point, universities drive the dynamism and resilience of urban regions, but they rely on a symbiotic relationship with the city-region in order to make this work.

**Stability**

At the same time, universities are tremendously important *stabilizing* forces within urban economies, and within their local neighbourhoods. This is my second takeaway message. Let me describe U of T’s stabilizing presence within the Toronto region.

First and most obviously, our sheer size generates substantial economic impact within the region. We host more than 80,000 students on three campuses – more than any other university in Canada or the United States.

U of T is also a major employer in the city, with 16,000 employees. In fact, U of T directly employs more people on its three campuses than Chrysler and GM employ in all of Canada – combined. I wonder how many local policy makers realize this. And we offer very good jobs. Indeed, we win ‘Top Employer’ honours within the region year after year.
When you add up all the salaries and benefits paid to our faculty and staff (and the purchasing power they represent), as well as the expenditures of the University and our students, the U of T community contributes an economic stimulus of $12B annually to the province of Ontario, with most of that stimulus within the GTA – that’s about 20% more than the City’s entire annual operating budget.

At the neighbourhood level, the University has a deep and extensive root system. It can be thought of as an ‘anchor tenant’ to use a real estate analogy that helps stabilize communities. Not only does its presence generate substantial economic activity for nearby businesses of every description, but it also keeps local property markets buoyant. And it’s here for the long run – 187 years and counting – and it’s not going anywhere anytime soon!

Moreover, our many students learn by working with community partners in neighbourhoods across the region.

- Our dentistry students served 78,000 patient-visits in their clinics last year as part of their training – half of these patients were children or seniors and 87% were without insurance.

- A group called IMAGINE – led by students in medicine, nursing, pharmacy, social work and other professions provides free health care in downtown Toronto, for those experiencing homelessness or mental health issues, and new immigrants not covered by OHIP.
• Our students also work with community partners at the East Scarborough Storefront, serving the social needs of residents in Kingston-Galloway and Orton Park.

As often as our students and faculty go into the community, the community comes onto our campuses:

• Members of the general community comprise 40% of the enrolment for fitness, creative clubs, and classes at Hart House.

• Every summer and March break, thousands of kids descend upon U of T: in 2012, the Junior Blues and Camp U of T had more than 8,500 participants between the ages of 4 and 17 – with another 1,500 on the waiting list!

• And our Munk School of Global Affairs welcomes an astounding 33,000 visitors annually to its seminars, conferences, lectures and other public events.

I mention these examples because they are absolutely typical and, like most root systems, nearly invisible. They are also important sources of community stability.
Of course, town and gown challenges inevitably arise, and we’ve had our share. But too often these are allowed to overshadow decades of wonderful partnerships that go largely unnoticed.

**Gateway**

Speaking of wonderful partnerships brings me to my final takeaway message. Universities like ours connect their host regions to the world, and vice versa. They are invaluable gateways to global knowledge and global networks.

Consider this: Canada produces at most 5% of the world's knowledge. Quite obviously, our present and future prosperity depend on our ability to access and use knowledge produced in other leading centres of research and innovation around the world. Indeed, a large portion of the knowledge produced in Canada is actually created at U of T, in collaboration with the world.

In 2012 alone, authors with a U of T affiliation produced over 14,000 publications in scholarly journals and collaborated with over 8,000 institutions in hundreds of
municipalities around the world. These collaborations often lead to ideas that fuel local innovation, even as Toronto-led innovations flow into the global arena.

In my Installation Address last November, I proposed that U of T should leverage its urban location in the Toronto Region more fully and, at the same time, strengthen its partnerships with other universities around the world. I see these two goals as mutually reinforcing.

Let me elaborate: if we focus our energy on deepening our bonds with other great universities in other great city-regions around the world, we can learn much from our international counterparts about how they are working with their local partners to solve urban challenges and create opportunities. We can then import those lessons back to Toronto, for the wider benefit of the community here. In this way, our role as a portal to global knowledge networks brings important benefits to the Toronto region.

At the same time, we bring key knowledge resources to Toronto in embodied form: fully half the faculty we hire in a typical year come from outside Canada – including both non-Canadians and Canadians studying or working abroad.
And our student body is increasingly internationalized: 20 percent of this year’s incoming class is comprised of international students – double the proportion we had only 5 or 6 years ago. They come from over 900 different municipalities worldwide.

Of course, our ability to attract and retain great faculty, staff and students rests squarely on the very high quality of place offered by our host region.

Our cultural buzz and social harmony, our safe and vibrant neighbourhoods, our stable property markets, our public schools and libraries, and other aspects of urban life make us a magnet for talent from around the world. And in turn, the talent we attract and retain adds value and creates opportunity for the entire region, province and country.

**Conclusion**

Let me conclude with an observation.

In the knowledge-based economy, universities have come to be regarded as prized competitive assets for cities, regions, and nation-states.

We see striking evidence of this in the lengths to which municipalities in Ontario *without* a university campus will go in order to *attract* one [e.g. Barrie, Markham, Milton, Burlington…]. We see more evidence overseas, where jurisdictions from Singapore to Saudi Arabia have invested huge amounts of capital attempting to build world-class, research universities.

The leadership in these places recognizes the value that universities bring to their host regions. The benefits of regional dynamism and resilience, stability, and global connectedness are too important to ignore.

Of course, it takes a dynamic region as a symbiotic partner for a university to flourish.
I submit to you that we are fortunate to have both: a globally renowned research university  
and a world-class city-region right here in Toronto. As you may know, U of T is consistently ranked among the top 20 or 25 universities worldwide, and among the top 10 public universities.

If we are going to succeed in meeting the challenges and seizing the opportunities I enumerated at the outset of this talk, we would be wise to work together!

So let me extend an invitation to the civic leadership represented in this room: the University of Toronto stands ready, willing and able to work with you towards our common goals.

I invite you to help us find imaginative ways to deepen our relationships and work with one another.

As a university, we are committed to identifying, celebrating, and scaling up our most successful examples of community outreach and partnership. We are already partnering with other post-secondary institutions in the region, including Seneca, George Brown, and Centennial, and I have recently initiated a conversation with
the Presidents of York, Ryerson and OCAD to explore potential collaborations aimed at addressing the region’s most pressing challenges.

We are in advanced stages of planning with the University of Waterloo and Western to establish a joint entrepreneurship accelerator in the new MaRS tower.

We are working with City Hall on all three campuses to find new ways to inform debates, provide analysis, and bring our evidence and expertise to bear on the most important urban issues of the day. And we are *redefining* our relationships with our closest neighbours: local ratepayers associations, councilors, and nearby educational and cultural institutions. In this way, we are taking seriously our role as a city-builder, figuratively and literally.

But we have an obligation to do more, and it is *in our own best interest* to do more.

I recognize that in many ways I have been preaching to the converted this afternoon. The leadership represented here does a huge amount for our city; and many of you are already among the University’s closest friends, advisors, and partners. For this, let me extend my *sincere thanks*. Indeed, the leadership in this room represented by U of T alumni alone speaks volumes about the University’s contribution to the region.

I know we can make this region an even better place in which to live, study, work and prosper. I look forward to working together with you towards these goals. And I thank you for the opportunity to get started on them today.

Thank you for your kind attention. I hope I have left time for few questions.