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*For Immediate Release*

## **Toronto is the Lowest Risk City in the World for Employers, Says Aon Consulting**

*People Risk Index helps organizations assess risks when hiring, employing and moving staff*

**CHICAGO, Sept. 27, 2010** – A first-of-its kind global study found Toronto to be the city with the lowest risk in the world to recruit, employ and relocate employees, according to Aon Consulting, the global benefits and human capital consulting business of Aon Corporation (NYSE: AON).

Aon Consulting's People Risk Index measured the risks that organizations face with recruitment, employment and relocation in 90 cities worldwide<sup>1</sup> by analyzing demographics, education, employment practices and government regulations (See page 6 for global rankings; See page 4 for US highlights). According to the Index, the five lowest risk cities for employers are Toronto, New York, Singapore, London and Montreal. On the opposite end of the ratings, locations such as Dhaka, Bangladesh; Phnom Penh, Cambodia; Lagos, Nigeria; Karachi, Pakistan; and Tehran, Iran, represent the least desirable of the 90 cities for employers. (See Table 1, page 5 for 10 lowest and highest risk cities).

"The new risk ratings come at an opportune time as assessing employment risk takes on heightened importance as of late, from controversy over Arizona's strict new anti-illegal immigration law to recent strikes in China," said Rick Payne, chief research officer of Aon Consulting's Global Research Center, based in Singapore. "As companies face these and other employment risks as well as take a close look at new investment opportunities in emerging markets, the ratings can help companies systematically and consistently assess the relative risks they face when hiring, employing and moving staff."

### **Sibling Rivalry in the Five Lowest Risk Cities**

Montreal and Toronto are among the five lowest risk cities primarily due to Canada's low level of corruption; strict enforcement of equal opportunity laws; health and retirement benefits; and high quality and broad availability of training facilities. The main difference between the two is due to

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<sup>1</sup> The 90 cities were selected based on population size, rate of population growth, level of business investment and geographic spread among the cities covered.



Toronto's larger population as well as quality and broader availability of training resources, according to Aon.

The results also found New York and London's favorable ratings to be attributable to world-class educational institutions and training facilities, and a large pool of qualified and experienced talent.

Singapore is the only city outside Europe and North America among the 10 lowest risk cities. Contributing to this rating is Singapore's strict laws on discrimination and occupational health and safety, flexibility on personnel costs, lack of corruption and willingness to work with the private sector on human resources related issues.

"A significant factor influencing the People Risk Index is government support," Payne said. "Cities with low risk typically have a government that is transparent, non-confrontational, and deal with employment issues fairly. Employers in these cities are less likely to be surprised by changes in government policies on employment, health care, and retirement. Therefore, they have fewer issues finding and retaining educated and experienced talent. These employers also have more flexibility to restructure their operations without fear of incurring significant unanticipated costs."

Still, analysis of these low risk cities shows room for improvement. For example, Toronto is not No. 1 in any category, even though it ranked No. 1 overall. In fact, it is 14 in demographics and 12 in employment practices. New York, on the other hand, ranked No. 1 in education and 2 in talent development. And Singapore is No. 1 in government support but is ranked 41 in education. (See Table 2, page 5 for rankings by areas of risk)

"As the report indicates, even the lowest risk cities are not perfect," Payne said. "For instance, the talent pool in Toronto and Montreal is small compared to New York or Los Angeles, which increases the risk of recruiting for certain types of jobs such as highly specialized financial jobs and design/visual arts jobs. Additionally, in Singapore the inflow of foreign talent helps to increase its talent pool despite its small population, low birth rate and aging workforce."

### **Trends from the Highest Risk Cities**

A common contributing factor of the five cities with the highest risk is an urbanization rate faster than its city can manage. Dhaka, for example, has an estimated 12 million people living in a city originally designed for a population of 1 million. Ratings for education factors such as low literacy, limited spending on education, and low enrollment in secondary and tertiary education also are significant reasons for the high scores among the 10 highest risk cities, according to the People Risk Index.

"The education system of an overcrowding city faces great challenges to cope with the fast growing urban population," Payne said. "In general, the lack of basic human capital infrastructure such as



education systems and training resources, coupled with poor government support and a culture of bias and favoritism, contribute to the high people risk that we observe in these cities.”

To obtain a copy of the 2010 People Risk Index Ratings, please visit <http://www.aon.com/peoplerisk>

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#### **About Aon Consulting’s People Risk Index**

The results are based on in-depth research conducted over a six-month period by the Aon Consulting Global Research Center. Data from more than 100 statistical sources provide the quantitative basis for the ratings, which were augmented by the assessment of Aon Consulting’s local and regional human resources experts from around the world.

The 90 cities were selected based on population size, rate of population growth, level of business investment and geographic spread among the cities covered.

Aon Consulting People Risk Index assigned ratings relative to risk for 25 qualitative and quantitative factors across five broad areas: Demographics; Education; Government Support; Talent Development; and Employment Practices. Each of the 25 factors has a scale from 1 (minimal risk) to 10 (extreme risk). Thus, the overall ratings are from 25 to 250, where 25 is minimal or no risk and 250 is extreme risk.

#### **About Aon Consulting**

[Aon Consulting](http://www.aon.com/human-capital-consulting) is among the top global human capital consulting firms, with more than 6,300 professionals in 229 offices worldwide. The firm works with organizations to improve business performance and shape the workplace of the future through [employee benefits](#), [talent management](#) and [rewards strategies and solutions](#). Aon Consulting was named the [best employee benefit consulting firm](#) by the readers of [Business Insurance](#) magazine in 2006, 2007, 2008 and 2009. For more information on Aon Consulting, please visit <http://www.aon.com/human-capital-consulting>.

#### **About Aon**

[Aon](#) Corporation (NYSE: AON) is the leading global provider of [risk management](#) services, [insurance](#) and [reinsurance](#) brokerage, and [human capital](#) consulting. Through its more than 36,000 colleagues worldwide, [Aon](#) delivers distinctive client value via [innovative](#) and effective [risk](#) management and [workforce](#) productivity solutions. Aon’s industry-leading global resources and technical expertise are delivered locally through more than 500 offices in more than 120 countries. Named the world’s best [broker](#) by [Euromoney](#) magazine’s 2008, 2009 and 2010 Insurance Survey, Aon also ranked highest on [Business Insurance](#)’s listing of the world’s largest [insurance brokers](#) based on commercial retail, wholesale, reinsurance and personal lines brokerage revenues in 2008 and 2009. [A.M. Best](#) deemed Aon the number one insurance broker based on brokerage revenues in 2007, 2008 and 2009, and Aon was voted best insurance intermediary, best reinsurance intermediary and best [employee benefits](#) consulting firm in 2007, 2008 and 2009 by the readers of Business Insurance. Visit <http://www.aon.com> for more information on Aon and <http://www.aon.com/unitedin2010> to learn about Aon’s global partnership and shirt sponsorship with Manchester United.



## Australian People Risk Index Highlights

### **Australian cities rate low, but not the lowest, for employment risk**

Melbourne ranked 15th lowest risk among 90 cities worldwide for recruitment and employment risks according to a study just released by the Aon Consulting Global Research Center. Sydney came in one point higher and tied Hong Kong and San Francisco for the 16th lowest place in the ratings. Toronto secured the top spot in the survey as the city with the lowest risks related to recruitment and employment while Dhaka was ranked as the highest risk for employers among the 90 cities assessed.

The Aon Consulting People Risk™ Ratings enables companies to systematically and consistently assess the relative risks they face when hiring, employing and redeploying staff. With this information, Aon consultants help companies make important decisions in selecting locations for investment and match their business and operational requirements to the people risk profile in the locations in which they operate.

### **Education and Government Support a real plus for Australia**

The Index cited low corruption, strict adherence to strong equal opportunity, occupational health and safety standards and the relative ease of government relations as factors that help reduce employment risk in Australia. High education standards and high levels of secondary and tertiary school enrolments reduces the risk for employers recruiting qualified staff in Australia according to the Aon Consulting People Risk Index.

While Australia scored well in education and government support, neither Melbourne nor Sydney made it into the overall list of the 10 lowest risk cities worldwide. The relatively small size of Australian cities, an aging population and relatively high staff turnover rates when compared to North American cities increases recruitment risks. The limited number of multilingual professionals and managers in Australia was also a reason for Australia's higher risk score, especially when compared to cities in Asia and Europe.

**Table 1: Aon Consulting 2010  
People Risk Rating**

<b>Global Rank</b>	<b>City</b>	<b>Rating (25 – 250)</b>
1	Toronto	70
2	New York	73
3	London	74
3	Singapore	74
5	Montreal	77
6	Zurich	78
7	Copenhagen	79
7	Amsterdam	79
9	Stockholm	80
9	Los Angeles	80
11	Chicago	81
12	Tokyo	82
13	Vancouver	83
13	Boston	83
<b>15</b>	<b>Melbourne</b>	<b>84</b>
16	San Francisco	85
<b>16</b>	<b>Sydney</b>	<b>85</b>
16	Hong Kong	85
19	Philadelphia	87
20	Dublin	88
20	Taipei	88

### Sydney and Melbourne among five lowest risk cities in Asia Pacific

Overall, Singapore emerges as the lowest risk city in Asia Pacific with Tokyo, Melbourne, Sydney and Hong Kong completing the list of five lowest risk cities in the region. At the other end, Dhaka appears as the highest risk city, with Phnom Penh, Karachi, Hanoi and Colombo making up the five locations with the highest people risk.

Australia's high income and level of economic development greatly contributes to its low risk; however, wealth alone is not sufficient to differentiate the levels of people risk, especially among Asia Pacific's high income cities. Singapore's government support and its ability to attract foreign talents that complement its own native workforce significantly reduces its recruitment risk. Low crime rates of high income Asian cities also help reduce their risk as compared to Australian cities. Flexibility in employers' ability to manage downsizing and personnel cost reduction is another factor that reduces risks for employers in Singapore and other high-income Asian cities as compared to their antipodean counterparts.

**Table2: Aon Consulting 2010 Asia Pacific People Risk Rating**

Global Rank	City	Rating (25 – 250)
3	Singapore	74
12	Tokyo	82
<b>15</b>	<b>Melbourne</b>	<b>84</b>
<b>16</b>	<b>Sydney</b>	<b>85</b>
16	Hong Kong	85
<b>60</b>	<b>Median</b>	<b>141</b>
79	Xi'an	161
83	Colombo	171
84	Hanoi	175
87	Karachi	180
89	Phnom Penh	189

**Table 3: People Risk Ranking by Area of Risk**

	Overall Ranking	Demographic	Government Support	Education	Talent Development	Employment Practices
<b>Toronto</b>	1	14	2	4	2	12
<b>New York</b>	2	2	12	1	2	23
<b>Singapore</b>	3	2	1	41	11	23
<b>London</b>	4	19	10	16	2	6
<b>Montreal</b>	5	23	2	7	16	12
<b>Melbourne</b>	15	24	14	11	16	19
<b>Sydney</b>	16	24	14	11	17	19
<b>Auckland</b>	37	33	12	10	25	16



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Country	City	Rank	Overall Rating (25 – 250)
Bangladesh	Dhaka	90	190
Cambodia	Phnom Penh	89	189
Nigeria	Lagos	88	182
Pakistan	Karachi	87	180
Iran	Tehran	86	178
Kenya	Nairobi	85	177
Viet Nam	Hanoi	84	175
Sri Lanka	Colombo	83	171
Egypt	Cairo	82	169
Peru	Lima	80	164
Russia	St. Petersburg	80	164
China	Xi'an	79	161
Russia	Moscow	78	157
China	Chengdu	77	154
India	Kolkata	75	153
China	Dalian	75	153
Colombia	Bogota	74	152
India	Bangalore	72	151
China	Wuhan	72	151
India	Chennai	71	150
Turkey	Istanbul	70	149
China	Tianjin	69	148
Mexico	Mexico City	68	147
Indonesia	Jakarta	67	144
Philippines	Manila	64	142
China	Guangzhou	64	142
Greece	Athens	64	142
Argentina	Buenos Aires	60	141
India	Delhi	60	141
Brazil	Rio de Janeiro	60	141
China	Shenzhen	60	141
India	Mumbai	59	138
South Africa	Johannesburg	58	137
Italy	Rome	56	136
Saudi Arabia	Riyadh	56	136
Brazil	Sao Paulo	54	135
Thailand	Bangkok	54	135
China	Shanghai	53	130
China	Beijing	52	129
Malaysia	Kuala Lumpur	51	128
Italy	Milan	49	126
Poland	Warsaw	49	126
Portugal	Lisbon	48	125
Chile	Santiago	47	119
Israel	Tel Aviv	46	118

Country	City	Rank	Overall Rating (25 – 250)
Czech Republic	Prague	45	117
Spain	Barcelona	44	106
South Korea	Seoul	43	105
Spain	Madrid	42	103
United Arab Emirates	Dubai	41	99
United States	Detroit	40	98
Germany	Frankfurt	38	97
Germany	Berlin	38	97
Belgium	Brussels	36	96
New Zealand	Auckland	36	96
Austria	Vienna	35	95
United Kingdom	Manchester	34	94
France	Paris	30	93
United States	Denver	30	93
United States	Phoenix	30	93
United States	Seattle	30	93
United States	Washington DC	28	92
United States	Minneapolis	28	92
United States	Miami	27	91
United States	Houston	25	90
Japan	Osaka	25	90
United States	San Diego	22	89
United States	Dallas	22	89
United States	Atlanta	22	89
Ireland	Dublin	20	88
Taiwan	Taipei	20	88
United States	Philadelphia	19	87
United States	San Francisco	16	85
Hong Kong	Hong Kong	16	85
Australia	Sydney	16	85
Australia	Melbourne	15	84
United States	Boston	13	83
Canada	Vancouver	13	83
Japan	Tokyo	12	82
United States	Chicago	11	81
United States	Los Angeles	10	80
Netherlands	Amsterdam	8	79
Denmark	Copenhagen	8	79
Sweden	Stockholm	6	78
Switzerland	Zurich	6	78
Canada	Montreal	5	77
United Kingdom	London	3	74
Singapore	Singapore	3	74
United States	New York	2	73
Canada	Toronto	1	70