

Divisions and Disparities:

Socio-Spatial Income Polarization in Greater Vancouver, 1970-2005



By David F. Ley and Nicholas A. Lynch

Department of Geography, University of British Columbia

The problem of growing inequality in Canadian society is now widely acknowledged. In a July 2011 report the Conference Board of Canada noted that the top 20 percent of Canadians received almost 40 percent of after-tax national income in 2009, and that this share has risen from 36.5 percent in 1990. Exaggerated inequalities are even sharper at the very top and bottom of the income distribution. Like other major cities in Canada, the Vancouver metropolitan area is experiencing both growing inequality (a widening gap between the rich and poor) and growing polarisation (increasing numbers of the rich and poor and a weakening of the middle income). In the last several decades, these two trends have accelerated in Vancouver due to a number of processes including labour market restructuring and the revision of social and welfare policies. At the

neighbourhood level, both inequality and polarisation are unevenly distributed throughout the region. Indeed, in response to both global and local forces, Vancouver's neighbourhoods are becoming increasingly divided.

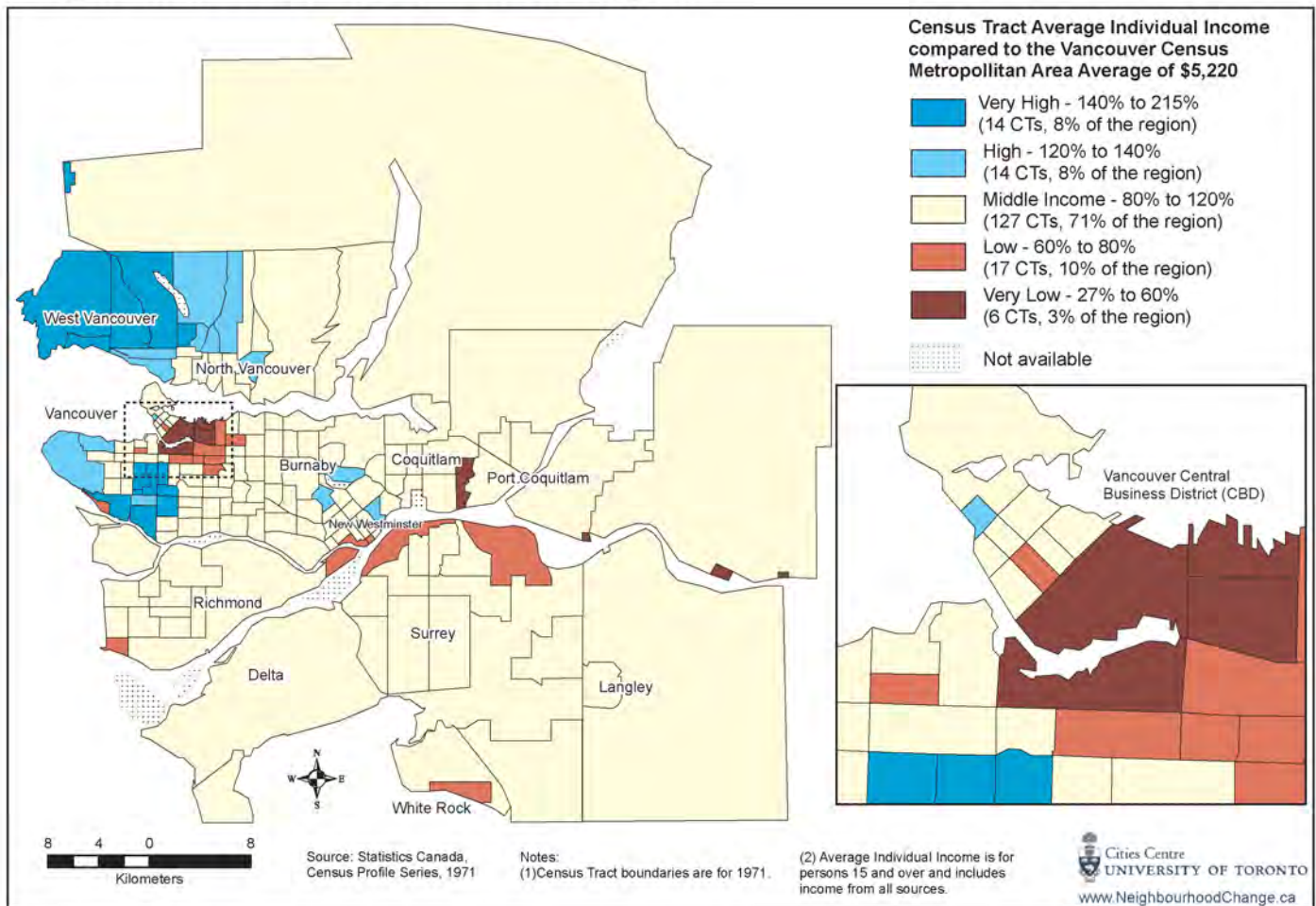
In this short research report we examine the growing inequality and polarisation in the Vancouver metropolitan area, and explore how these differences are inscribed spatially through the region's different municipalities and neighbourhoods. Using data from the Census of Canada across a 35-year period (1970-2005) we show how personal income distribution has changed, and highlight how the Vancouver CMA is dividing into three recognisable 'cities' based on increasingly divergent income trends.

Changes in Neighbourhood Incomes, 1970 and 2005:

We begin by examining the geography of personal incomes at each end of the period, in 1970 and again in 2005. Whereas in 1970 lower income tracts were compactly located in the City of Vancouver's inner east side, with a few suburban outliers along the Fraser River, by 2005 considerable outward dispersal

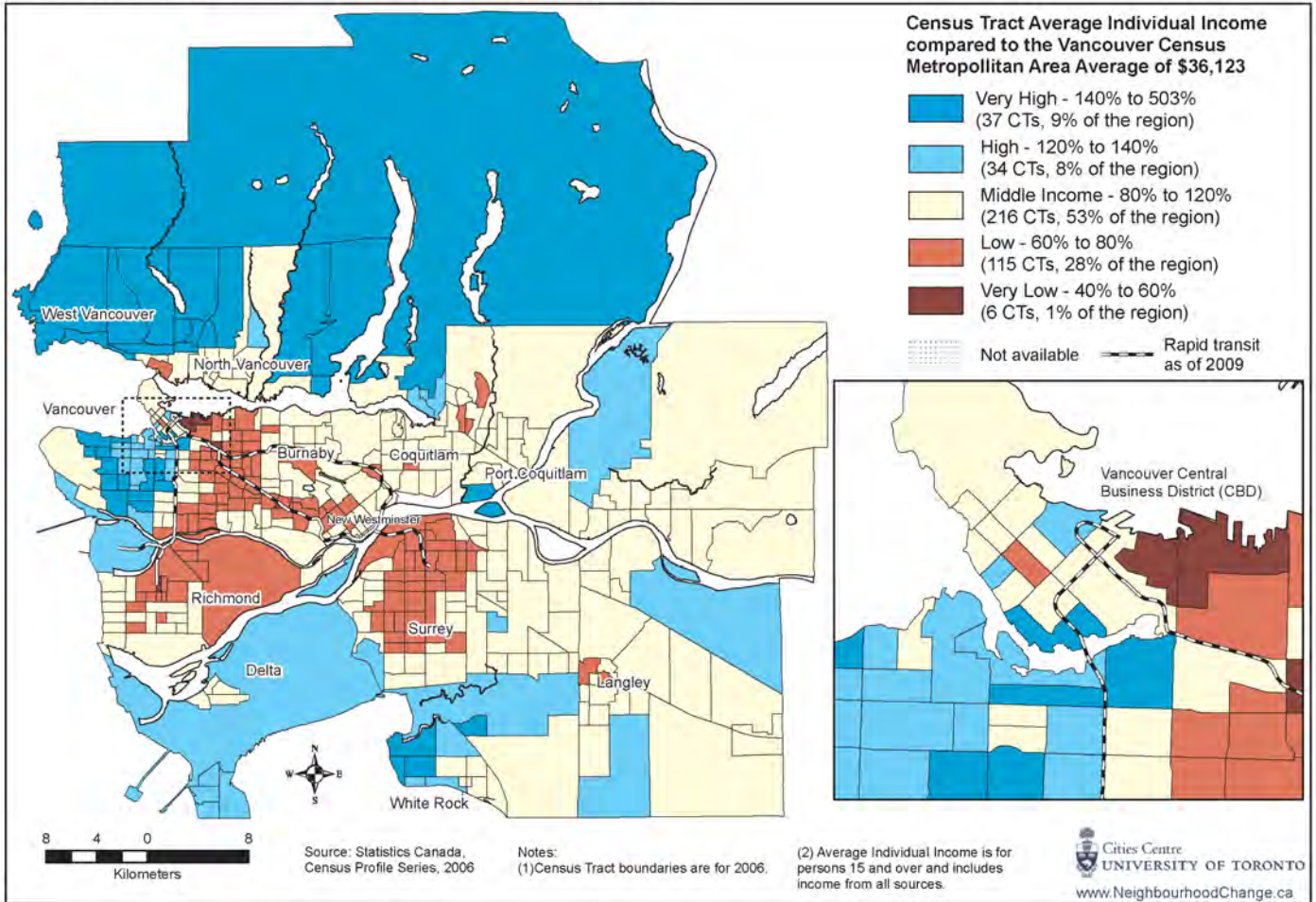
of low incomes had occurred east and southeast in the City and into south Burnaby along the Skytrain transit corridor, and beyond into north Surrey. The low incomes in south Vancouver continued into north Richmond. Higher income areas showed more stability, expanding somewhat around traditional elite neighbourhoods in west side Vancouver and the North Shore, particularly West Vancouver.

Average Individual Income 1970 Neighbourhoods in the Vancouver Region



In 1970, the majority of tracts (71% of them) were “middle income”, with an average individual income within 20% of the CMA average of \$5220. Only 16% of tracts were above the mean, clustered primarily in West Vancouver and Vancouver's west side neighbourhoods, and in contrast 13% of tracts fell more than 20% below the mean, dominated by a centralised cluster of tracts coinciding with Vancouver's deprived Downtown Eastside district.

Average Individual Income 2005 Neighbourhoods in the Vancouver Region



But the middle-income city of the 1970s has gravitated toward a polarised city by the 2000s. By 2005 the share of the middle-income neighbourhoods had fallen to 53% of the region's census tracts. A substantial increase has occurred in the prevalence of the two poles, above and below middle-income status. The share of low- and very low-income neighbourhoods increased from 13% to 23% and the proportion of high- and very-high income neighbourhoods increased from 16% to 24% respectively.

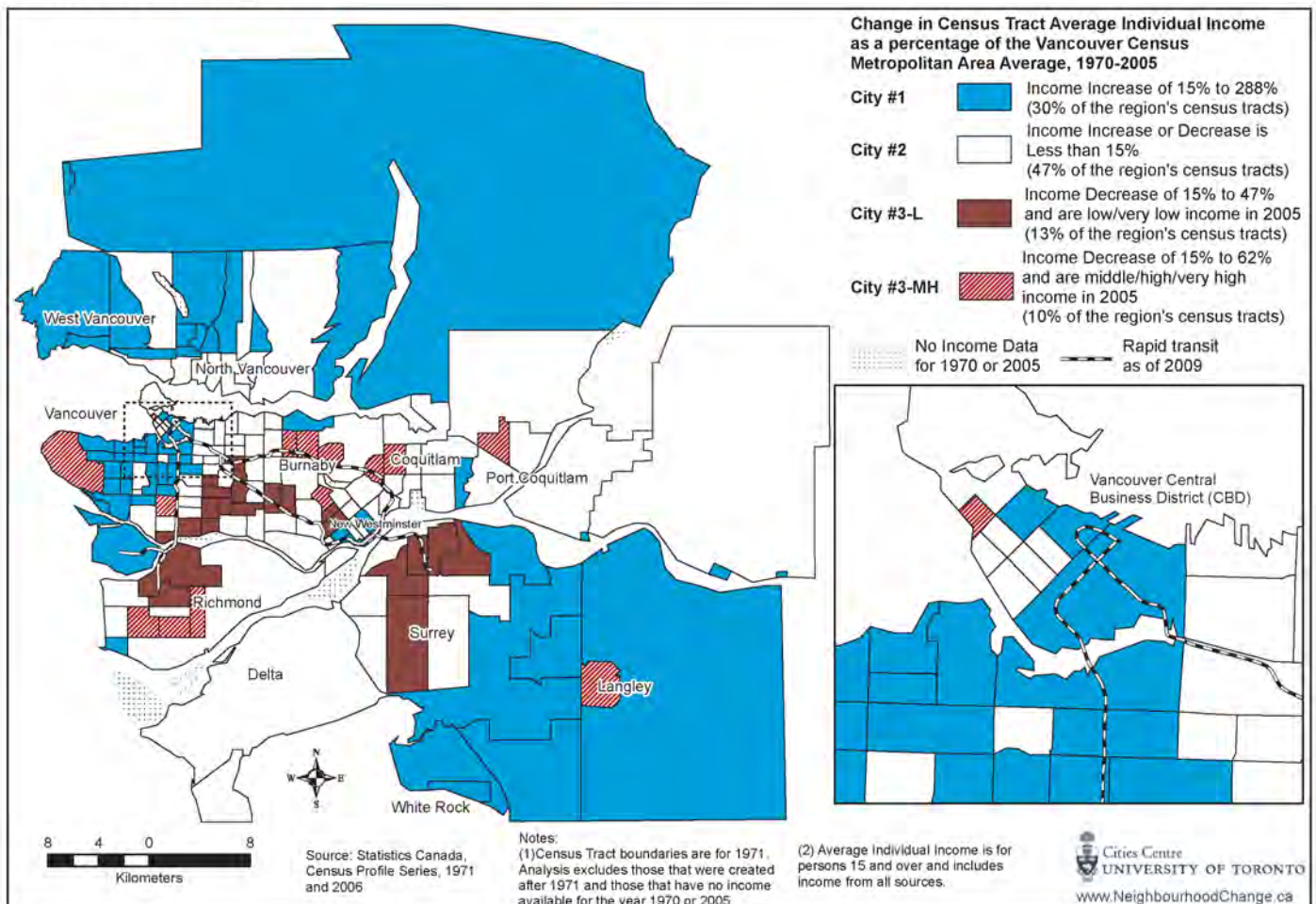
Changing Geographies of Income, 1970-2005:

We then divided Greater Vancouver's neighbourhoods into three groups, City #1, #2 and #3, according to how the change in average individual incomes in census tracts from 1970-2005 departed from the changing metropolitan income.

In City #1, incomes were running over 15% ahead of the metropolitan trend, in City #3 they fell more than 15% behind, while in City #2 increases were within 15% of the metropolitan mean. Equal numbers of people, about 27%, lived in the gaining and losing tracts in 2006, while 46% lived in City #2. This spread in the income profiles of tracts is an indication of

inequality in the metropolitan area. City #1 tracts coincide with the established high-income areas of the North Shore and west side Vancouver (with the addition of newly gentrified neighbourhoods toward downtown) and also south Surrey and Langley where rural land in 1970 has urbanized in middle class suburbs since. The spatial pattern of City #3 shows considerable dispersal of these neighbourhoods that are falling behind income trends, in older suburban areas in southeast Vancouver, Burnaby, north Richmond and north Surrey.

Change in Census Tract Average Individual Income, 1970-2005 Vancouver Region

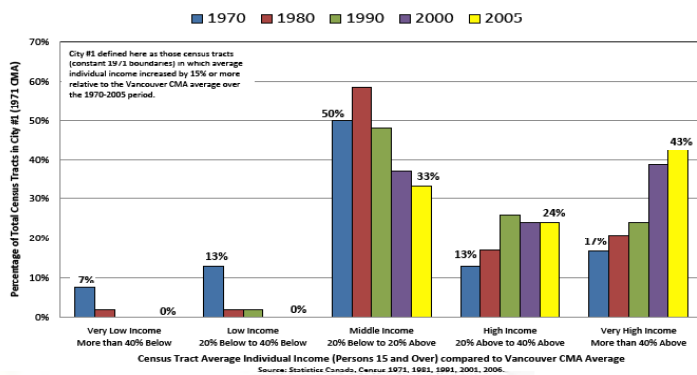


Vancouver's Three Cities and the Shrinking Middle-Income:

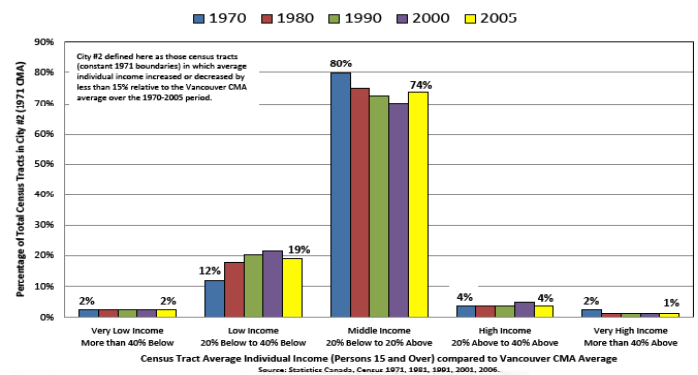
Examining these patterns of inequality and polarisation not by municipality but by the three Cities (#1, #2, #3) sharpens the lens of income change. City #1, where income gains have run at least 15% ahead of the metropolitan average, has moved unequivocally from middle-income to high- and very high-income status. In 1970, 70% of its tracts were of middle- or low-income status; by 2005 this figure had collapsed to 33%, and the largest of the five income classes, comprising 43% of tracts, was very

high-income, at least 40% above the metropolitan average. This represents a dramatic transition. We see the other side of the coin in City #3, where an overwhelmingly middle-income status in 1970 (83% middle income tracts) has steadily slipped into lower income territory by 2005 (58% of tracts).

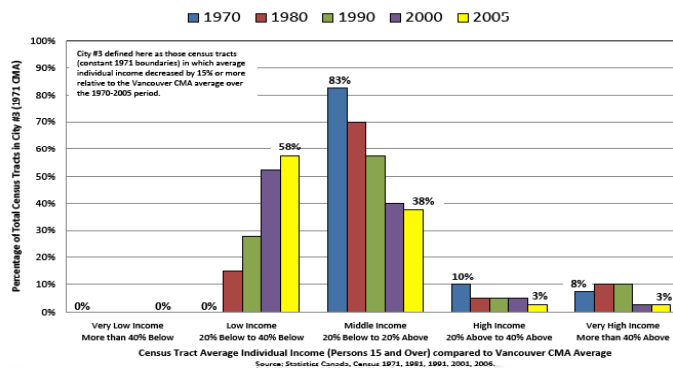
Change in Neighbourhood Income Distribution in City #1 of the Vancouver CMA, 1970 to 2005
Constant 1971 Census Tract Boundaries



Change in Neighbourhood Income Distribution in City #2 of the Vancouver CMA, 1970 to 2005
Constant 1971 Census Tract Boundaries



Change in Neighbourhood Income Distribution in City #3 of the Vancouver CMA, 1970 to 2005
Constant 1971 Census Tract Boundaries

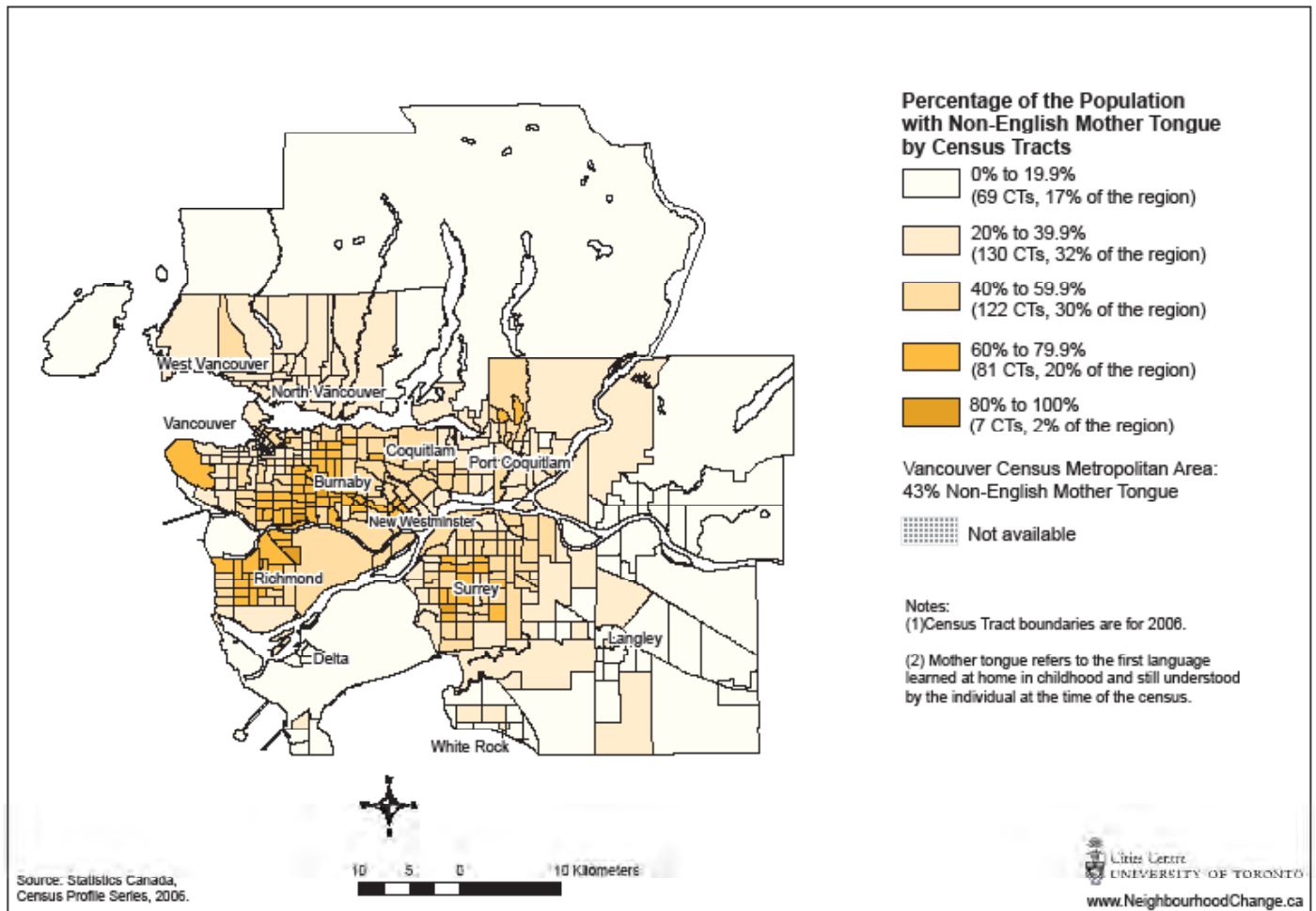


Who Lives in Vancouver's Three Cities?

In a final consideration of the data, we have examined some of the characteristics of the population living in the three cities (Table 1). Not surprisingly, City #1 alone showed personal incomes that grew faster than the metropolitan average, 29% overall above the mean increase. At the other extreme incomes in City #3 lagged behind the mean by 23%. So the rich have got richer and the poor have fallen further behind. A major distinction is place of birth. In City #1 there has been no change in the proportion of Canadian-born that remained at 72% in 1971 and 2006. In contrast City #3 was 76% Canadian-born in 1971 but only 49% in 2006. It also has the highest share of recent immigrants and of people

who are classified as a visible minority (61% in 2006). The spatial distribution of City #3 also coincides with the map of districts where a majority of residents had a non-English mother tongue. This ethno-cultural distinction was much greater than other socio-economic differentials such as unemployment levels, educational achievement, or housing affordability. House price gains, however, in City #1 had run far ahead of increases in City #2 and City #3.

Population with Non-English Mother Tongue 2006 Neighbourhoods in the Vancouver Region





Conclusion: Vancouver's Three Cities

There has been significant transformation in the social geography of personal income in Greater Vancouver between 1971 and 2006. Lower income districts are now scattered through many suburbs while immigrants, recent and long-settled, are moving to these municipalities in large numbers. At the same time there are clear areas of stability in the map of urban neighbourhoods. Wealthy areas in particular have survived and in recent years expanded through steady accretion at their borders, while the deepening of wealth in these existing elite areas has occurred with the very high salaries awarded top executives and professionals in the globalising economy of the post-industrial city.

In this turbulent environment we have identified ample evidence of a new geography of rising income inequality and polarisation in metropolitan Vancouver from 1971 to the last complete census in 2006. The Skytrain transit corridor from southeast Vancouver through to north Surrey seems to be an important corridor for low-income dispersal, and a second path might be discerned along the southern section of the Canada Line into north Richmond (though this concentration pre-dated the opening of the line). Close to 20% of 1971 tracts left middle-income status, falling almost equally into the higher and lower income ends of the spectrum, while in the City of Vancouver, a third of tracts left middle-income status. The middle-income City of Vancouver of the 1970s has become the polarised city of the 2000s.

A disturbing outcome is the racialisation of income change. City #1, where solid gains have occurred is disproportionately native-born and white, while

City #3, where relative income losses have occurred, is disproportionately foreign-born and comprises visible minorities. These distinctions of course are not complete, but it is worrying to observe how the neighbourhoods are moving apart, as City #1 has moved from 50% middle-income to 67% higher income status between 1970 and 2005, while City #3 has fallen from overwhelmingly middle-income in 1970 to predominantly low income in 2006.

Knowing what we do about the precarious state of immigrant employment and many immigrant businesses, we would anticipate disproportionate income losses by immigrants (and thus visible minorities) in Canada since 2006 and through the recession, while the native-born, more secure in good jobs and a diversified portfolio, have survived more successfully. Conference Board analysis showed that low-income rates rose by over 6% in Vancouver, 2007-2009. As a result we anticipate that income polarisation in urban neighbourhoods in Greater Vancouver has deteriorated further since 2005.

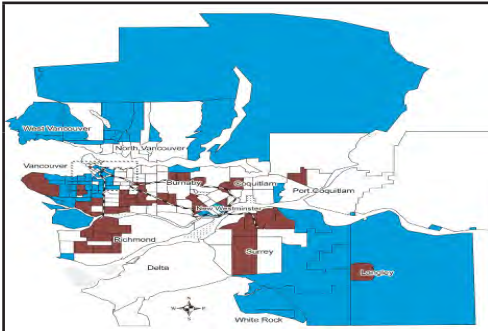


Table 1: Selected Characteristics of Vancouver's Three Cities, grouped on the basis of 35-year average individual income trends, 1970-2005, by census tract

	City #1 (Income increased 15% or more since 1970)	City #2 (Income increased or de- crease less than 15% or more since 1970)	City #3 (Income de- creased 15% or more since 1970)	CMA (area total)
Population in 1971 (thousands) and % of CMA	272/25%	529/49%	280/26%	1,082/100%
Population in 2006 (thousands) and % of CMA	557/27%	965/46%	568/27%	2,103/100%
2005 average individual income	\$48,100	\$33,300	\$28,600	\$36,100
Change 1970 to 2005, as a % of the CMA average	+29%	-3%	-23%	0%
2005 average household income	\$95,300	\$72,400	\$60,800	\$73,300
Change 1970 to 2005, as a % of the CMA average	+23%	+5%	-24%	0%
Immigrant population 1971/2006	28%/28%	27%/38%	24%/51%	27%/41%
Visible minority population, 1996/2006	17%/23%	32%/42%	44%/61%	21%/42%
Average property value of owner-occupied dwellings, 1971/2006 (in thousands of constant 2006 dollars)	\$169/\$642	\$152/\$477	\$146/\$455	\$155/\$521
Average property value as a % of CMA average, 1971/2006	109%/123%	98%/92%	94%/87%	100%/100%
Owner households spending 30% or more of income on housing, 1981/2006 (% of owners)	20%/25%	20%/27%	19%/30%	20%/27%
Renters, 1971/2006	40%/31%	44%/36%	36%/38%	41%/35%
Average monthly rent, 1971/2006 (constant 2006 dollars)	\$775/\$1,020	\$746/\$857	\$800/\$849	\$761/\$893
Average monthly rent as a % of CMA average, 1971/2006	102%/114%	98%/96%	105%/95%	100%/100%
Renter households spending 30% or more of income on housing 1981/2006 (% of renters)	38%/44%	38%/42%	37%/44%	37%/43%
Persons 20 years or over with a university degree, 1971/2001	11%/29%	5%/20%	6%/19%	7%/23%
Unemployment rate, 15 years and over, 1971/2006	9%/5%	10%/6%	10%/7%	10%/6%
Youth unemployment rate, 15-24 years, 2006	10%	11%	11%	11%

Next Steps: A comparative study of six large Canadian cities by a team that examines the causes and consequences of growing inequality and polarisation. The Vancouver researchers will include university and community partners.

About the Authors: David Ley is Canada Research Chair of Geography at UBC; Nicholas Lynch is a Ph.D. candidate in the Department of Geography at UBC.