

GTA

Growing Divide

Part 1 in a series exploring how Peel became the poster child for a shrinking middle class

First of three parts



AARON HARRIS FOR THE TORONTO STAR

Erin Keay-Smith blames the rise of low-income neighbourhoods on a lack of well-paying jobs in Peel Region.

STAR EXCLUSIVE

Peel faces big-city woes

RACHEL MENDLESON
STAFF REPORTER

Thirty years ago, the Region of Peel, that sprawling expanse stretching from Mississauga to Caledon, was the definition of middle-class suburbia, an escape from the bustle and grit of Toronto.

The communities that sit in the western shadow of the city have since undergone a dramatic transformation, as an influx of immigrants fuelled a population explosion and made Peel one of the most diverse regions in Canada.

Yet as the region has grown, the economic status of many of its residents has significantly deteriorated, according to new research from the University of Toronto.

Four decades of income-tax data demonstrate that Peel has become a poster child for Canada's shrinking middle class —

a suburb with socio-economic disparities on par with many major cities.

In 1980, 86 per cent of Peel's neighbourhoods were middle-income, which means that most individuals earned close to the average Toronto-area annual income that year of \$14,384, the data show.

But by 2010, when the average Greater Toronto income was \$44,271 annually, only 50 per cent of Peel neighbourhoods fell into the middle-income category.

POVERTY continued on GT3

The income data in this series was compiled as part of the Neighbourhood Change Research Partnership. Due to the elimination of the long-form census, the researchers relied on individual tax filer data. Neighbourhoods were defined using census tracts. Based at the University of Toronto's Factor-Inwentash Faculty of Social Work, the research partnership is a seven-year project funded through the Social Sciences and Humanities Research Council of Canada.

Income inequality

A comparison of income-tax data from 1980 to 2010 reveals a shrinking middle class in Peel Region, and the growth of distinct high-income and low-income neighbourhoods.

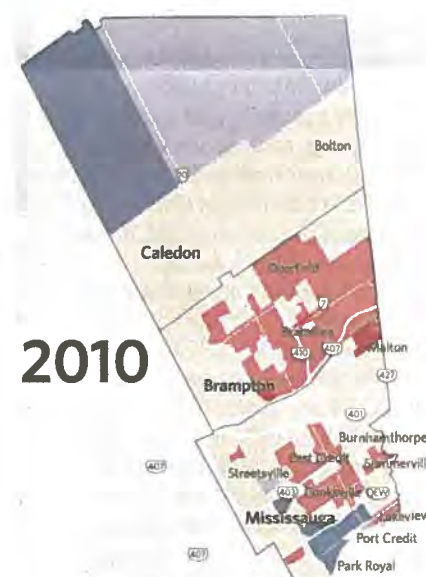
AVERAGE INDIVIDUAL INCOME*
In 1980, average income in Toronto CMA was \$14,384

- Very High — \$20,000 or more
- High — \$17,000 to \$20,000
- Middle Income — \$11,000 to \$17,000
- Low — \$11,000 or less



AVERAGE INDIVIDUAL INCOME*
In 2010, average income in Toronto CMA was \$44,271

- Very High — \$62,000 or more
- High — \$53,000 to \$62,000
- Middle Income — \$35,000 to \$53,000
- Low — \$26,000 to \$35,000
- Very Low — \$26,000 or less



NOTE: *before tax
SOURCE: Neighbourhood Change Research Partnership, University of Toronto
TORONTO STAR GRAPHIC

>> GREATER TORONTO

Peel's story 'the tale of two cities'

POVERTY from GT1

Meanwhile, pools of poverty have become rivers. In 1980, Peel had just two low-income neighbourhoods. Three decades later, 45 per cent of neighbourhoods were considered low-income or very low-income, nearly the same proportion as in the city of Toronto.

While Peel's population has nearly tripled to almost 1.3 million, it has become increasingly polarized, with lower-income neighbourhoods clustered in Brampton and areas of Mississauga — by far the biggest growth centres. The few high- and very-high-income tracts, meanwhile, are grouped in the town of Caledon and on the south end of Mississauga, with a narrow band of middle-income neighbourhoods in-between.

"We have this image of suburbs as middle-income, but Brampton and Mississauga a long time ago stopped being a suburb. They are diverse municipalities on their own," said David Hulchanski, the University of Toronto professor at the helm of the Neighbourhood Change Research Partnership, a long-term project exploring income patterns across Canada.

"They have all the trends, sadly, of big cities in terms of the polarization that's happening," said Hulchanski, whose pioneering 2010 report, *The Three Cities Within Toronto*, highlighted deepening income inequality in Canada's largest city.

"We should care because we know from looking at other countries, the more unequal a society is, the greater the social divisions. It creates an us-and-them society," he said. "Some of that will be ethnocultural or racial. But some of that will be income-related."

THE STUNNING TRANSFORMATION of Peel is, in many ways, a testament to the reach of the broad economic trends that have gnawed away at Canada's once robust middle-income group.

When Erin Keay-Smith, 48, was growing up in Brampton, there were an abundance of well-paid jobs at nearby auto assembly plants and other major factories, which then included the now-shuttered Northern Telecom (Nortel) and Kodak.

"There were all kinds of high school dropouts, because you could go over there and make \$25 an hour," she said.

Her subdivision, one of the first to be built on former farmland in what was then Bramalea, was occupied primarily by young families. A single income was enough to buy one of the tidy, three-bedroom bungalows on her street.

Today, however, Keay-Smith, who bought her childhood home from her parents in 2005, says her neighbourhood has become "transient," with renters living in many of the homes, which now cost upwards of \$300,000.

After being unemployed for several months, she recently found part-time, seasonal work in a garden centre, making minimum wage.



Rajinder Saini, the host of a popular Punjabi radio show in Brampton, says many immigrants have to settle for jobs outside their profession.

AARON HARRIS FOR THE TORONTO STAR

"The more unequal a society is, the greater the social divisions. It creates an us-and-them society."

DAVID HULCHANSKI
U OF T PROFESSOR

"Brampton holds little to no opportunity for me," said Keay-Smith, who was not surprised to hear that her neighbourhood has slipped into the low-income category.

The outsized cost of housing, rise of precarious employment and erosion of manufacturing jobs — 160,000 of which have been lost in the GTA in the last decade — are not unique to Peel.

But in many cases, the impact of these forces is compounded for recent immigrants who, despite the region's large multicultural population, still face linguistic and cultural barriers to employment.

"Unfortunately, most of them settle in low kind of jobs," said Rajinder Saini, who hosts a popular Punjabi radio show in Brampton and runs Parvasi Media Group.

"All the professionals that are coming here, they don't find jobs in their professions," said Saini, 47, who gave up on his career as a civil engineer after arriving in Canada in 2000. "Ultimately, they don't have a choice. They think, 'We are done with that, and now we have to take care of our kids — the future of our kids.'"

From 2001 to 2006 (the most recent census data available), immigrants accounted for 80 per cent of the population growth in Peel, which welcomes 34,000 residents each year.

One-third of new immigrants in the region live in poverty, according to the Peel Newcomer Strategy Group.

AS SOHAIL SAEED, Brampton's direc-

tor of economic development, sees it, the city "has come a long way to address the needs of a growing population," which ballooned by 20 per cent between 2006 and 2011.

"The process to bring in large companies takes time, and that's where the gap comes in," said Saeed, who counts Air Canada and Canon among the firms that recently announced plans to expand in Brampton.

The rapidly changing demographics have also left a gap in the region's ability to deliver social services.

Community workers and advocates say provincial funding has not kept pace with escalating demand, leaving Peel's booming municipalities ill-equipped to function like the dynamic cities they have become.

Peel District School Board, too, has complained for years about the gap in per pupil provincial funding it receives relative to other boards.

"We're still being treated like suburbs," said Darryl Wolk, a strategist for the Fair Share for Peel Task Force, which estimates the provincial funding shortfall for social services at \$350 million per year.

"We have our own urban issues that need to be addressed independently, and simply sending our problems, such as homelessness or addictions, to Toronto is simply not acceptable and it's not feasible," he said.

New Canadians often report feeling welcomed upon their arrival in Peel, which is one of the most ethnically di-

verse regions in the country.

But the recent pushback against the legalization of basement suites in Brampton and increasing density in downtown Mississauga — both driven, in part by Peel's affordable-housing crisis — hint at growing pains that may be associated with deepening divisions.

Shelley White, CEO of United Way, Peel Region, describes the region as "the tale of two cities."

"We've got families that are really high-income and families that are . . . living in poverty," she said.

"It's not because they're not working. They're actually working two to three jobs at minimum wage, just to make ends meet."

As Hulchanski points out, municipalities have a limited ability to address the root causes of growing income inequality — a complex trend that stems in part from policies determined by higher levels of government, such as taxation and social housing.

But he hopes his findings provide ammunition for local politicians in Peel, which is not yet as polarized in Toronto, to push to preserve the shrinking middle.

"There are so many individual things that can be done in fast-growing places," he said.

"(Local politicians and civil servants) are at the front lines of understanding and documenting these trends in their municipality. They should do better at making these things known."

Parts 2 and 3 of the Peel Region series will appear Monday and Tuesday.

A PICTURE OF INEQUALITY

Income disparity grows in Peel Region, **GT4**



GTA

>> GREATER TORONTO

Immigrants still struggling in Peel

Jobs are main issue in region where one-third of newcomers are living on low incomes

Second in a three-part series on the growth of income disparity in Peel Region.

RACHEL MENDLESON
STAFF REPORTER

For all its complexities, Balvir Khaira's settlement story — the hope, the struggle, the compromise — reflects the common experience of many immigrants that have poured into Peel region in recent years.

An electrical engineer by trade, Khaira couldn't find work in his field when he arrived in Mississauga in 1999. So he and his wife got factory jobs that paid less than \$10 an hour, and shared a two-bedroom basement apartment with their three kids.

"Canada is such a nice, beautiful country," said Khaira. "Everything is good, but the one thing is the job problem."

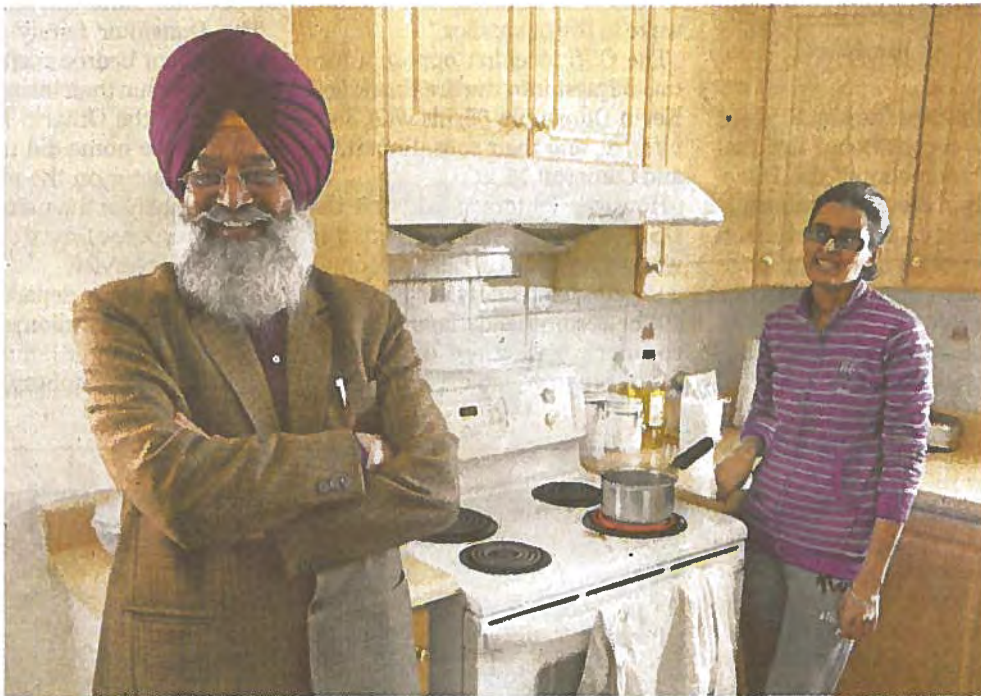
It's a familiar refrain in Peel's bustling newcomer hubs — so familiar, in fact, that it may be one of the most significant factors in the stunning erosion of incomes in a region that was once the picture of middle-class suburbia.

As the Star has reported, pioneering new data from the University of Toronto reveals the proportion of middle-income neighbourhoods in Mississauga, Brampton and Caledon has declined dramatically in recent decades. (In middle-income neighbourhoods, the average individual income is 20 per cent above or below the Toronto-area average, just over \$44,000 annually in 2010.)

Poverty, meanwhile, has spread throughout Peel's once placid cul-de-sacs. In 1980, there were just two low-income neighbourhoods in the region. Thirty years later, 45 per cent of neighbourhoods were defined as low-income or very low-income.

Researchers with the Neighbourhood Change Research Partnership, a long-term project looking at income patterns in cities across Canada, continue to probe what is behind these trends. But they suspect an influx of newcomers has played a role.

"Every decade, the incomes of recent im-



AARON HARRIS PHOTO FOR THE TORONTO STAR

Balvir Khaira, his wife and their three kids, including daughter Ravneet (right), bought their Mississauga home with his brother, his wife and their two kids. The families all live together.

migrants have declined relative to the native-born population," said Alan Walks, an associate professor at U of T, and head of the project's Toronto arm. "There is a clear decline there, so one of our hypotheses is that that's why you would see neighbourhood change in places like Peel."

CHANGE HAS COME rapidly, particularly in Mississauga and Brampton, due in part to rising house prices and gentrification in Toronto, factors that have pushed immigrants further afield from their historic landing points. Drawn largely from South Asia, newcomers now account for half the region's total population, which has tripled since 1980, to nearly 1.3 million.

Yet difficulty making use of international credentials and employer discrimination have eroded the earning power of newcomers, Walks said. Whereas 30 years ago, recent immigrants made about 80 per cent of what their native-born counterparts in the GTA earned, by 2005 that ratio had dropped to less than half.

In Peel, where one-third of recent immigrants live below Statistics Canada's low-income cut-off, the struggle is particularly pronounced in neighbourhoods that have become hubs for newcomers.

Perhaps the most striking example is Malton in Mississauga. The neighbourhood's proximity to the airport, industry and major highways has made it a popular destination, particularly among newcomers from India — including Khaira's family.

In the 2006 census, Malton had the greatest diversity in the region and the lowest socioeconomic status, with a poverty rate of more than 21 per cent, according to Srimanta Mohanty, CEO of the Social Planning Council of Peel.

By contrast, Bolton had a poverty rate of 4 per cent. The Caledon neighbourhood also had the lowest rate of visible minorities and immigrants in the region, Mohanty said.

"Within the neighbourhoods in Peel, we can see the disparities," he said.

Malton also stands out in the U of T data. It is one of the few communities where the

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economic status of a cluster of neighbourhoods has fallen from middle-income in 1980 to very low-income in 2010, which means the average individual income is \$26,000 or less.

The effects of poverty are often compounded by the fact that these pockets have sprung up in subdivisions that were planned for homeowners with cars.

"Much of the 905 was not really built to house tenants, especially tenants who might take public transit," Walks said. "The high-density areas in the 905... these places are more isolated."

DESPITE THE ECONOMIC challenges residents face, there is optimism in the region's newcomer hubs, which have become focal points for the Peel Newcomer Strategy Group, a regional initiative that is finding better ways to co-ordinate services.

While poverty in some of Peel's low-income neighbourhoods is generational, this is not the case in most newcomer enclaves, according to Ratna Omidvar, president of Maytree, a Toronto foundation that promotes equity.

"They are struggling, there is absolutely no doubt about that, but I also see signs of vibrancy," she said. "Today's struggling immigrant in Mississauga may well be in five years the successful entrepreneur."

For Khaira and his family, it has been a hard-fought climb. His wife bounced between factory jobs. He left his factory job to drive a taxi, often working double shifts, before starting a driving school.

They now share a home with Khaira's younger brother, his wife and two kids — a two-storey house the families bought together in a subdivision in Malton, just off Hwy. 407.

His brother, who was an engineer in India, and his brother's wife, who was a teacher, have both been working night shifts in a factory since they arrived in Canada three years ago.

"Most people come over here for the benefit of kids," Khaira said. "You find a job to survive, then you can think."

Changing face of Peel

Between 1996 and 2006, an influx of immigrants has put pressure on the region's social services, particularly in Mississauga and Brampton.

POPULATION BY VISIBLE MINORITY STATUS

White South Asian Other
Black Chinese

PEEL



Mississauga



Brampton



SOURCE: Neighbourhood Change Research Partnership, University of Toronto

TORONTO STAR GRAPHIC



COLIN MCCONNELL/TORONTO STAR

United Way volunteer Dale Storey stands outside a multimillion-dollar home in Mississauga, which is located next to low-income highrises.

Gaping holes appear in Peel's social services

A neglectful past and today's thin funding stretch aid to the poor

RACHEL MENDLESON
STAFF REPORTER

Final story of a three-part series on the growth of income disparity in Peel Region.

For Jozsef, 19, the red-brick bungalow on Dixie Rd. is a temporary refuge from a life spent on the run.

Persecuted in Hungary for their Roma heritage, Jozsef and his mother moved constantly, sometimes sleeping in train stations, before coming to Canada in 2011 as refugees, settling in Mississauga.

When his living arrangement fell apart last summer, Jozsef was forced out on his own with little education, money or English-speaking skills. His school recommended Our Place Peel, the region's only emergency youth shelter.

Jozsef, who asked that we use his nickname for fear of complicating ongoing immigration issues, said he feels fortunate to have found a "good place."

As the Star has reported, an immigration-fuelled population boom has utterly transformed Peel in recent decades, from a solidly middle-class suburb to a region of income extremes. Yet from homeless shelters to public transit, the breadth of services required by the region's growing ranks of low-income residents has not kept pace.

The Fair Share for Peel Task Force says the region was shortchanged for years on provincial funding for human services. Relative to other Ontario residents, residents of Mississauga, Brampton and Caledon are underfunded by \$350 million per year in per capita provincial funding, the task force estimates.

There are now gaping holes in the social safety net. At Our Place Peel, for instance, demand is now so high for the facility's 20 beds — which



BERNARD WEIL/TORONTO STAR

Our Place Peel is the region's only emergency youth homeless shelter.

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remain the only ones dedicated to youth in a region of nearly 1.3 million — that about 450 kids are turned away each year.

"Word on the street is: don't bother calling Our Place Peel, because they're full," said executive director Christy Upshall. "It's a crisis."

The lack of funding also stretches the people who deliver these services. "I'm constantly hearing from staff that they're exhausted," said Shelley White, CEO of United Way, Peel Region. "We've had staff that have left and gone to other organizations outside of Peel, where the workload is more manageable."

PEEL'S SOCIAL SERVICES problem is the legacy of a once placid bedroom community that sprawled from a diverse metropolis.

Toronto planners have historically been "very cognizant" of the need to provide services for low-income residents and affordable housing in accessible neighbourhoods, according to Alan Walks, an urban planning expert at the University of Toronto. This has not been the case in Peel, said Walks, who is heading the Toronto arm of a seven-year project studying changing income patterns in Canada's cities.

"Much of the '90s' was not really built to house tenants, especially

tenants who use public transit."

Planned or not, poverty has taken hold in Peel, as data compiled by his team show. In 1980, it had just two low-income neighbourhoods. By 2010, the proportion of low-income and very-low-income areas had risen to nearly 50 per cent, meaning they had an average individual income of less than \$35,000.

Many of these pockets of poverty are in the isolated cul-de-sacs of Brampton, where the population has grown to nearly 240,000 — up 20 per cent between 2006 and 2011. "People think that we're a wealthy suburban community... that we're sitting in deck chairs, drinking pina colodas," said Linda Jeffrey, Liberal MPP for Brampton-Springdale. "That's not true."

But even after this image was shattered, Peel and other regions were funnelling tax dollars into Toronto's social services. Until it was finally phased out this year, "GTA pooling" put in place under former premier Mike Harris in the mid-'90s, siphoned millions out of Peel.

"That hurt a growing community," said Jeffrey. "If you don't put the money (for social services) in at the front end, you pay for it later. It doesn't let us compete."

The dearth of parks, health serv-

ices and local jobs is a constant frustration for Brampton resident Paramjit Birdi, who lives in the newer Springdale neighbourhood.

His daughter's middle school is so overcrowded that this year her Grade 8 art class has, at various points, been conducted on the gym stage and the front foyer.

"This is a sleeping city, with housing, and housing, and housing everywhere," said Birdi, who left India in 2000. "We are paying (taxes) to the city. We're paying to the provincial government. We're paying to the federal government. We need our portion of services."

HOWEVER SLOWLY, THERE are signs the gap is narrowing. Over the past few years, the province has increased its funding to Peel in areas such as mental-health services and subsidized child care, which Jeffrey described as "significant gains." At the regional level, several human services were integrated in 2007 to save costs and make it easier for low-income residents to access affordable housing, social assistance and early learning and child care.

"Given the growth, had we just continued to build those divisions as we had in the past, we would have seen huge increases in the resources required to manage the programs," said Janet Menard, Peel's commissioner of human services. "We took the view that there was a better way."

Meanwhile, non-profits are working to bridge the divide on the ground and appeal to the generosity of more fortunate residents.

"I think people don't really think about (poverty) in Peel, unless you help them see it," said United Way volunteer Dale Storey, who lives on a leafy Mississauga street that sits between multimillion-dollar homes and low-income highrises.

"I've tried to convince the United Way that one of their tag lines should be, 'It's in your backyard,'" he said, "because it really is."