Socio-spatial Inequality & Polarization Trends in Canadian Metropolitan Areas, 1970-2010

INITIAL CMA COMPARISONS & WHERE TO NEXT?

David Hulchanski & Richard Maaranen
16 October 2014 Draft for discussion

NCRP Comparative Analysis of CMA Trends

Very little CMA comparative analysis thus far

Our CMAs
- 6 CMAs with NCRP local research teams
- 2 others being analyzed: Hamilton, Chicago
- 1 with matching data but not analyzed: Ottawa

More CMAs?
- Europe?
- Australia: Sydney or Melbourne?

Why Compare CMAs?

To identify & explain
- similarities
- differences

In order to better understand
1) trends
2) processes
3) consequences
4) policy implications
1990s ‘Divided Cities’ Hypothesis: In some or most CMAs?

As cited in the opening paragraph of our SSHRC proposal, Marcuse & van Kempen (2000:272) warn that we can expect to see:

Structural spatial divisions: “strengthened structural spatial divisions among the quarters of the city, with increased inequality and sharper lines of division among them”

- Wealthy areas: “wealthy quarters, housing those directly benefiting from increased globalization, and the quarters of the professionals, managers, and technicians that serve them, growing in size”

Continued...

1990s ‘Divided Cities’ Hypothesis: Comparative Analysis of CMA Trends

From paragraph 3 of our proposal:

- Little is known about how these trends fit the Canadian context
- Systematic quantitative and qualitative research on inequalities in Canada’s major cities in comparison with selected cities in other countries is needed

Our focus

Neighbourhood socio-spatial inequality and polarization (Box 6) is a function of:
- macro-level factors (Box 1) +
- micro-level forces (Box 2) +
- neighbourhood factors (Box 4) +
- household preferences (Box 5) +
- local housing, labour market, etc. policy effects (Box 7) +
- place-specific (CMA) factors (Box 3).

Our comparative analysis of CMAs is designed to evaluate these CMA factors/forces.
Our Challenge

How do we move from our VERY rich empirical material

• to isolate the factors, and
• the priority of the factors, that have caused these patterns and trends?

The very similar ‘3 cities’ trend maps of CMAs, for example, suggests that similar processes are at work in the CMAs — or do they?

Place-specific factors produce different clustering of particular trends

• History: Each CMA has its specific historical evolution (some older, some younger)
• Economy: Each has its evolving economic base
• Geography: CMAs have diverse physical locations (mountains, rivers, lakefront, or not)
• Size and growth rates: Each has different rates of population, immigrant settlement, and economic growth.

These and other factors contribute to differences in the number of CTS and the clustering or dispersion of CTS within CMAs even when the general trends are similar

What can be done?

Federal & Provincial Policy Action

Effective Anti-Discrimination Strategy
Affordable Housing Strategy
Income Support Strategy
Labour Market Strategy

GINI Coefficient for Canada, 1976-2010

Adjusted Total & After-Tax Income, All Family Units

Each individual is represented by their household income adjusted for household size.
Why does Income Inequality Matter?

Examples of Recent NCRP Comparisons of CMAs

Change in number and % within CMAs

CENSUS TRACTS WITH HIGH, MIDDLE OR LOW INCOMES, 1970-2010
Census Tract Gini coefficient & Coefficient of Polarization for CMAs

**INCOME INEQUALITY & INCOME POLARIZATION, 1970-2010**
CMA Inequality & Polarization Trends

TRENDS

1. Greater inequality and polarization 1970 through 2005, regardless of the index being used.

2. The trajectories of inequality and polarization show some distinct patterns among metropolitan areas.

3. Inequality and polarization are occurring among all households, among all neighbourhoods, and among all municipalities.

--- Alan Walks, RP#227, 2013

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CMA Inequality & Polarization Trends

TRENDS: Suburbs / Central Cities

- It is in the suburbs that both inequality and polarization grew most rapidly since 1990
- Levels of inequality and polarization grew much more slowly in the central cities as a whole
- Some gentrifying neighbourhoods reveal above-average rates of change

--- Alan Walks, RP#227, 2013, p.90.
6 CMAs

THE TOP 1%: SHARE OF CMA INCOME

Share of Annual Income Taken by Top 1% of Canada’s Taxfilers
Twenty Five Census Metropolitan Areas, 2010

Note: The 2010 income threshold to be in the top 1% is $15,800. The share of total income taken by the top 1% in Canada was 12%.

Median 25 CMAs: 9%

Share of CMA Income Earned by Top 1% of Canada’s Taxfilers
Six Census Metropolitan Areas 1982-2010

Note: Based on total income before capital gains. The 2010 income threshold to be in the top 1% is $15,800.

Top 1% of Canada’s Income Earners as Share of CMA Taxfilers
Six Census Metropolitan Areas 1982-2010

Note: Based on total income before capital gains. The 2010 income threshold to be in the top 1% is $15,800.
Joint Analysis of 8 CMAs

NEIGHBOURHOOD TYPOLOGIES, 2006, & 1981-2006

Eight Canadian Metropolitan Areas: Who Lived Where in 2006?
Robert Murdie, Jennifer Logan, and Richard Maasranen

Research Paper 229

Cities Centre, University of Toronto
September 2013

(Formerly the Centre for Urban and Community Studies)

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www.neighbourhoodchange.ca

Neighbourhood Change Research Partnership
16 October 2014
DRAFT for discussion / review
contact: david.hulchanski@utoronto.ca
Eight Canadian Metropolitan Areas: A Typology of Neighbourhood Change by Census Tracts, 1981-2006

A Typology Based on a Combined Statistical Analysis of Census Tract Data

Robert Murdie
Richard Maaramen
Jennifer Logan

Research Paper 2/94

Neighbourhood Change Research Partnership
October 2014

Beyond Canada: CMA Comparisons

CHICAGO & TORONTO
Neighbourhood Income Change: Cities of Chicago & Toronto, 2010 vs. 1970

Income: Individual income for persons 15 and over, from all sources, before tax.
Change: Change is in terms of percentage points. The 2010 average individual income of the census tract is divided by the metropolitan area average for that year and the same is done for 1970. The difference (2010 minus 1970) is multiplied by 100 to produce the percentage point change for each census tract.

Census tract boundaries: Chicago census tract boundaries are held constant to Census 2010 (794 CTs); Toronto’s are for Census 2001 (515 CTs). Population: Chicago 2.7 million; Toronto 2.6 million (2010). Size: Chicago 588 sq. km.; Toronto 686 sq. km.

Neighbourhood Income Change: Cities of Chicago & Toronto, 2010 vs. 1970

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<thead>
<tr>
<th>City</th>
<th>Income Increased 20% or More</th>
<th>Income Change Less than 20%</th>
<th>Income Decreased 20% or More</th>
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<tr>
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### Income Inequality: Gini Coefficient Relative to 1970

**Chicago and Toronto Metropolitan Areas, 1970-2010**

**Note:** Based on census tract average individual income for persons 15 and over, from all sources, before tax. Census tract boundaries correspond to those that existed in each census year.

**Data Sources:**
- American Community Survey 2010
- Canada Census 1971-2001
- Canada Revenue Agency Taxfiler data 2010.

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**CMA Comparisons**

**WHAT ELSE? WHY? WHEN? BY WHOM? ADDITIONAL CMAs?**

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