Toronto’s Growing Social-spatial Divide

An Update on the 'Three Cities in Toronto' Trend, 1970-2012

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City Planning Department, City of Toronto, 20 November 2015
The research
Initiated in 2005 with focus on Toronto
In 2012 extended to other metro areas
Funded by the Social Sciences & Humanities Research Council of Canada

Two key national income trends — the growing gap between the rich and the poor and the progressively smaller middle-income group — have major social implications at the neighbourhood level that we are only beginning to identify, understand, and explain.
Cities have always been divided
Rich & poor & in-between areas
So ...
What is new or different?
Today: A new socio-spatial order with stronger (more rigid) divisions, and greater inequality

“Those changes may be summarized as an increase in the strength of divisions in the city and the inequality among them.”

– Peter Marcuse & Ronald van Kempen, 2000, p.272
Socio-spatial change in metropolitan areas

What are the TRENDS, PROCESSES, CONSEQUENCES, POLICY INTERVENTIONS

NEIGHBOURHOOD CHANGE
Research Partnership

Trends | Processes | Consequences | Policy Interventions

www.neighbourhoodchange.ca
The 2010 report has a web version with many related resources.

http://3cities.neighbourhoodchange.ca
2010 REPORT: If Nothing Changes (last page)

IF NOTHING CHANGES: TORONTO IN 2025

PROJECTION OF THE “THREE CITIES” IN TORONTO TO THE YEAR 2025

Map 1 in this report shows trends in average individual income for Toronto’s neighbourhoods (census tracts) from 1970 to 2005. What happens to the spatial patterns of the “Three Cities” in Map 1 if we project these trends forward in time — say by 20 years, to 2025? Do more neighbourhoods within the City of Toronto show either a downward or upward trend in income relative to the Toronto CMA? Map 7 indicates clearly that this is what would happen under the assumptions outlined below.

City #3 = 60%

City #1 = 30%
1970 – 2012
Year Trend, Toronto, 1970-2005

Change in census tract average individual income compared to the Toronto CMA average, 2005 versus 1970

Comparing 2005 CT avg. incomes to 1970
40 Year Trend, Toronto, 1970-2010

Change in census tract average individual income compared to the Toronto CMA average, 2010 versus 1970

Comparing 2010 CT avg. incomes to 1970
Year Trend, Toronto, 1970-2012

Change in census tract average individual income compared to the Toronto CMA average, 2012 versus 1970

40% 32% 28%
Neighbourhood Income Change: City of Toronto, 2012 vs. 1970

Change in census tract average individual income compared to the Toronto CMA average, 2012 versus 1970

- Increase of 20% or More (146 CTs; 26% of the City)
- Increase or Decrease is Less than 20% (165 CTs; 32% of the City)
- Decrease of 20% or More (207 CTs; 40% of the City)

Individual income for persons 15 and over, from all sources, before-tax.

Change is in terms of percentage points. The 2012 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 (2012 minus 1970) is multiplied by 100 to produce the percentage point change for each census tract.

Census tract boundaries are held constant to Census 2001 (515 CTs).
Neighbourhood Income Change: City of Toronto
Three Cities, 1990 Versus 1970 Up to 2012

- City #1 income increased 20% or more
- City #2 income changed less than 20%
- City #3 income decreased 20% or more

<table>
<thead>
<tr>
<th>Year Comparison</th>
<th>City #1</th>
<th>City #2</th>
<th>City #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990 vs. 1970</td>
<td>13%</td>
<td>67%</td>
<td>19%</td>
</tr>
<tr>
<td>2000 vs. 1970</td>
<td>19%</td>
<td>44%</td>
<td>37%</td>
</tr>
<tr>
<td>2005 vs. 1970</td>
<td>19%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>2010 vs. 1970</td>
<td>25%</td>
<td>34%</td>
<td>40%</td>
</tr>
<tr>
<td>2012 vs. 1970</td>
<td>28%</td>
<td>32%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Based on census tract average individual income from all sources, before-tax. City #1 defined as census tracts which increased in average individual income relative to the metropolitan average by 20 percentage points or more. City #2 census tracts changed less than 20 percentage point increase or decrease. City #3 census tracts decreased by 20 percentage points or more. Census tract boundaries are held constant to census 2001 for all years. Taxfiler incomes used for 2010 and 2012.
Projection of the "Three Cities" in the City of Toronto to 2030
Based on the 1970 to 2012 Trends in Census Tract Individual Income, Assuming No Change in Trends

Projected Change in Census Tract Average Individual Income Versus the Toronto CMA Average, 1970–2030

City #1 - Increase of 20% or more:
182 census tracts, 35% of the City
(2012 actual: 146 CTs, 28% of the City)

City #2 - Increase or Decrease is Less Than 20%:
47 census tracts, 9% of the City
(2012 actual: 165 CTs, 32% of the City)

City #3 - Decrease of 20% or More:
289 census tracts, 56% of the City
(2012 actual: 207 CTs, 40% of the City)

Scenario Assumptions
City #1: all census tracts that increased in income 5% or more 1970–2012 will have increased 20% or more by 2030.
City #2: all census tracts that increased or decreased less than 5% 1970–2012 will not increase or decrease beyond 5% by 2030.
City #3: all census tracts that decreased in income 5% or more 1970–2012 will have decreased 20% or more by 2030.

Census tract boundaries are held constant to Census 2001 (518 CTs).

Individual income from all sources, before-tax

Data Sources:
Statistics Canada, Census Profile Series 1971
Canada Revenue Agency, T1FF Taxfile data, 2012

July 2015
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.
Share of Annual Income Taken by Top 1% of Canada's Taxfilers, 1920–2012

Percentage of Income Taken by Top 1%


- 1938: 19%
- 1947: 11.7%
- 1975: 7.6%
- 2000: 11.7%
- 2012 Average: 11.7%
Share of Annual Income Taken by Top 1% of Canada's Taxfilers
Twenty Five Census Metropolitan Areas, 2010

National average for Canada: 12%
The 2010 threshold to be in the top 1%: $216,000
Total annual income includes capital gains

Median 25 CMAs: 9%
Gini Coefficient for Fifteen OECD Countries in Three Groups, early 2010s

The Gini coefficient takes values between 0 for a perfectly equal income distribution where every person has the same income, and 1 which refers to a situation of maximum inequality where all income goes to one person. OECD average = 0.30.
Similar trends outside City of Toronto
Changing Income Distribution in the City of Toronto, 1970-2012

The following set of maps, decade-by-decade, show the loss of middle income census tracts (the disappearing yellow on the maps)

**Middle Income Census Tracts:**
- from 58% (1970) to 30% (2012)

**Low Income Census Tracts:**
- from 26% (1970) to 49% (2012)

**High Income Census Tracts:**
- from 16% (1970) to 21% (2012)

**Income Categories**
- **Low income:** more than 20% below the Toronto average
- **Middle income:** within 20% of the Toronto average
- **High Income:** more than 20% above the Toronto average

**Notes**
- Census tract average individual income from all sources, before-tax.
- Income is measured relative to the Toronto metropolitan area average each year.
- Income 1970-2005 is from the Census. Income for 2010-2012 is Canada Revenue Agency taxfiler data.
- Data provided by the 2011 National Household Survey (NHS) has been proven to be untrustworthy. No NHS data is used here.
Average Individual Income, Metro Toronto, 1970

Census Tract Average Individual Income compared to the Toronto Census Metropolitan Area Average of $5,756

- Very High - 140% to 396% (30 CTs, 9% of the City)
- High - 120% to 140% (23 CTs, 7% of the City)
- Middle Income - 80% to 120% (197 CTs, 56% of the City)
- Low - 60% to 80% (83 CTs, 24% of the City)
- Very Low - 52% to 60% (7 CTs, 2% of the City)
- Not Available

Metro Toronto in 1971 was a regional municipality which included Scarborough, North York, Etobicoke, York, East York and City of Toronto. This is not to be confused with the Toronto Census Metropolitan Area (CMA) which is the larger region that also includes municipalities in the "905 region" adjacent to Metro Toronto.

Source: (1) Statistics Canada, Census Profile Series, 1971
(2) Statistics Canada, Census Road Network, 2011
Notes: (1) Census tract and municipal boundaries are for 1971.
(2) Average Individual Income is for persons 15 and over and includes income from all sources, before-tax.
Average Individual Income, Metro Toronto, 1980

Census Tract Average Individual Income compared to the Toronto Census Metropolitan Area Average of $14,384

Metro Toronto in 1981 was a regional municipality which included Scarborough, North York, Etobicoke, York, East York and City of Toronto. This is not to be confused with the Toronto Census Metropolitan Area (CMA) which is the larger region that also includes municipalities in the "005 region" adjacent to Metro Toronto.

Very High - 140% to 403% (38 CTs, 9% of the City)
High - 120% to 140% (28 CTs, 7% of the City)
Middle Income - 80% to 120% (236 CTs, 56% of the City)
Low - 60% to 80% (116 CTs, 27% of the City)
Very Low - 42% to 60% (5 CTs, 1% of the City)
Not Available

Source: (1) Statistics Canada, Census Profile Series, 1981
(2) Statistics Canada, Census Road Network, 2011
Notes: (1) Census tract and municipal boundaries are for 1981.
(2) Average Individual Income is for persons 15 and over and includes income from all sources, before-tax.
Average Individual Income, City of Toronto, 2000

Census Tract Average Individual Income compared to the Toronto Census Metropolitan Area Average of $35,618

- Very High - 140% to 701% (72 CTs, 14% of the City)
- High - 120% to 140% (23 CTs, 4% of the City)
- Middle Income - 80% to 120% (107 CTs, 32% of the City)
- Low - 60% to 80% (212 CTs, 41% of the City)
- Very Low - 38% to 60% (48 CTs, 9% of the City)
- Not Available

Source: (1) Statistics Canada, Census Profile Series, 2001
(2) Statistics Canada, Census Road Network, 2011

Notes:
(1) Census tract boundaries are for 2001.
(2) Average individual income is for persons 15 and over and includes income from all sources, before-tax.

North York
Former Municipality (1998)
Former City of Toronto (1996)
City of Toronto
Priority Neighbourhoods (2005)
Bloor-Danforth subway (2011)
Sheppard East subway (2011)
Scarborough RT (2011)
Yonge-University-Spadina subway (2011)
Highways (2011)
Average Individual Income, City of Toronto, 2010

Census Tract Average Individual Income compared to the Toronto Census Metropolitan Area Average of $44,271

- Very High - 140% to 627% (85 CTs, 16% of the City)
- High - 120% to 140% (31 CTs, 6% of the City)
- Middle Income - 80% to 120% (151 CTs, 29% of the City)
- Low - 60% to 80% (188 CTs, 36% of the City)
- Very Low - 34% to 60% (72 CTs, 14% of the City)
- Not Available

Notes:
(1) Census tract boundaries are for 2006.
(2) Average Individual Income is for persons 15 and over and includes income from all sources, before-tax. Income for 2010 based on all tax filers for census tracts 2006 boundaries.

Source: (1) Statistics Canada, Census boundary files, 2006
(2) Statistics Canada, Census Road Network, 2011
(3) Canada Revenue Agency, Taxfile Data, 2016

November 2012
Neighbourhood Income & Population,
City of Toronto, 1970-2010

Income Definition Notes:
Individual income is for persons 15 and over, from all sources, before-tax. Census tract boundaries correspond to those that existed in each census year. Income for 2010 is based on all taxfilers for 2006 CT boundaries.
Neighbourhood Income & Population, Toronto's "905 Region", 1970-2010

Census Tract Average Income compared to the CMA Average
- High Income (More than 20% Above)
- Middle Income (Within 20%)
- Low Income (More than 20% Below)

Toronto’s "905 Region" is defined as the census tracts outside the City of Toronto and within the Toronto census metropolitan area. This area consists of Peel region, York region and large parts of Durham and Halton regions which together are commonly referred to as "outer suburbs" of Toronto.

Income Definition Notes:
Individual income is for persons 15 and over, from all sources, before-tax. Census tract boundaries correspond to those that existed in each census year. Income for 2010 is based on all taxfilers for 2006 CT boundaries.
**Income Inequality Between Census Tracts: Gini Coefficient**

**Toronto Census Metropolitan Area, 1970-2012**

- **City of Toronto:**
  - From 0.14 (1970) to 0.28 (2012), 96% relative increase

- **Toronto Census Metropolitan Area:**
  - From 0.13 (1970) to 0.22 (2012), 61% relative increase

- **Outer Suburbs ("905 Region"):**
  - From 0.09 (1970) to 0.15 (2012), 74% relative increase

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**Notes**
- Calculated from census tract average individual income from all sources, before tax. Income 1970-2005 is from the Census. Income for 2010-2012 is Canada Revenue Agency taxfiler data.
- Data provided by the 2011 National Household Survey (NHS) has been proven to be untrustworthy. No NHS data is used here.

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A Gini coefficient value of 0.0 represents perfect equality. All census tracts would have the exact same proportion of income relative to their share of the population. A Gini coefficient value of 1.0 represents perfect inequality. All of the income would be taken by one single census tract while others take none.
Income Inequality Between Census Tracts: Gini Coefficient
Four Census Metropolitan Areas, 1970-2012

A Gini coefficient value of 0.0 represents perfect equality. All census tracts would have the exact same proportion of income relative to their share of the population. A Gini coefficient value of 1.0 represents perfect inequality. All of the income would be taken by one single census tract while others take none.

Notes
Calculated from census tract average individual income from all sources, before-tax. Income 1970-2005 is from the Census. Income for 2010-2012 is Canada Revenue Agency T1FF taxfiler data.

Data provided by the 2011 National Household Survey (NHS) has been proven to be untrustworthy. No NHS data is used here.
Why worry about more rigid socio-spatial divisions and greater inequality?

“Inequality promotes strategies that are more self-interested, less affiliative, often highly antisocial, more stressful, and likely to give rise to higher levels of violence, poorer community relations, and worse health.”

Why does Income Inequality Matter?

Index of:
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility
Toronto’s Segregated Ethno-Cultural Population, 2006

City #1
- White: 82%
- Chinese: 7%
- South Asian: 2%
- Black: 2%
- Other: 7%

City #2
- White: 65%
- South Asian: 14%
- Chinese: 9%
- Black: 6%
- Other: 7%

City #3
- White: 34%
- Other: 19%
- South Asian: 20%
- Chinese: 15%
- Black: 12%
What can be done?

Policy options

- Economic INEQUALITY
- Socio-spatial POLARIZATION / EXCLUSION
- Spatial SEGREGATION & DISADVANTAGE
For some,
Why policy options?
What is the problem?

“There is no problem.”
What can be done?

**Federal & Provincial Policy Action**

- Effective Anti-Discrimination Strategy
- Affordable Housing Strategy
- Income Support Strategy
- Labour Market Strategy
- ESSENTIAL Government Policy Actions

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1,200 rental high-rise buildings in Toronto
Built from 1950s to early 1980s
Most are in clusters of 5 or more
280,000 apartments
Half of Toronto’s rental housing
Few community services
Aging buildings
Often overcrowded
Energy inefficient

SOLUTION
Tower Neighbourhood Renewal
www.towerrenewal.ca
era.on.ca/blogs/towerrenewal
www.cugr.ca
“There is ... no justification for the level or condition of poverty that coexists with this wealth.”

“Poverty does not directly cause violence ... If not ameliorated it can nonetheless play a central role in generating

• alienation,
• a lack of hope or opportunity,
• low self-esteem,
• a sense of having no future, and
• other immediate risk factors”

1. The level of poverty
2. The concentration of poverty
3. The circumstances of poverty
If City #3 was a separate Census Metropolitan Area (CMA), it would be Canada’s 4th largest. It lacks the rapid transit and many services of a CMA.
What happened to Transit City?

Truncated Transit City is ‘wrong,’ Miller says

Mayor refuses to accept province’s plans as Metrolinx prepares to release proposal on which projects will go ahead

Mr. Miller contends everything after 2015 may as well be unfunded because the promised money isn’t there yet, and that the province is effectively denying transit to inner suburbs that need it most. Metrolinx president Rob Prichard argued that’s not the case, and that Metrolinx is investing too

18 May 2010
SOCIAL INJUSTICE NOW “NORMAL”

Five new tenets of injustice

1. Elitism is efficient
2. Exclusion is necessary
3. Prejudice is natural
4. Greed is good
5. Despair is inevitable

Daniel Dorling
University of Sheffield
Total Tax Revenues as a Percentage of GDP, 2010
Fifteen OECD Countries in Three Groups

Nordic Countries
- Denmark: 48%
- Sweden: 46%
- Norway: 43%
- Finland: 43%

Western European Countries
- Belgium: 44%
- France: 43%
- Austria: 42%
- Netherlands: 39%
- Germany: 36%

Anglo-American Countries
- United Kingdom: 35%
- New Zealand: 32%
- Canada: 31%
- Ireland: 28%
- Australia: 26%
- United States: 25%
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 598 sq. km.; Toronto 688 sq. km.

Change in census tract average individual income compared to the metropolitan area average, 2010 versus 1970

- **City #1**: Increase of 20% or More
  - Chicago 21% of CTs; Toronto 25% of CTs

- **City #2**: Less than a 20% Increase or Decrease
  - Chicago 26% of CTs; Toronto 34% of CTs

- **City #3**: Decrease of 20% or More
  - Chicago 53% of CTs; Toronto 40% of CTs

Data Sources:

- United States Census 1970
- American Community Survey 2005-2012
- Statistics Canada, Census 1971
- Canada Revenue Agency Taxfiler data 2010
- Natalie P. Voorhees Center for Neighbourhood and Community Improvement
- University of Illinois at Chicago

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For further information

www.NeighbourhoodChange.ca

Larry Bourne, David Ley, Richard Maaranen, Robert Murdie, Damaris Rose, Alan Walks
Partnership Grant, 2012-2019
Public Outreach Grant, 2010-11
Community University Research Alliance, 2005-2010

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