

The Inclusive and Sustainable City of the 21st Century

Challenges and Possibilities Facing Urban Policymakers and Institutions

DIVIDED CITIES

A LEGACY OF THE LATE
20TH CENTURY.

HOW MUCH OF THE 21ST?

Income Inequality
Income Polarization
Social-spatial Change

J. David Hulchanski, Professor & Dr. Chow Yei Ching Chair in Housing
Factor-Inwentash Faculty of Social Work, University of Toronto
RBC Conference, May 2017

The Research

2005 Initiated
with focus on
Toronto

2012 extended to
other metro areas

Funded by
Social Sciences &
Humanities
Research Council
of Canada



NEIGHBOURHOOD CHANGE RESEARCH PARTNERSHIP

Trends | Processes | Consequences | Policy Interventions

www.NeighbourhoodChange.ca

Halifax | Montréal | Toronto | Hamilton | Winnipeg | Calgary | Vancouver

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.



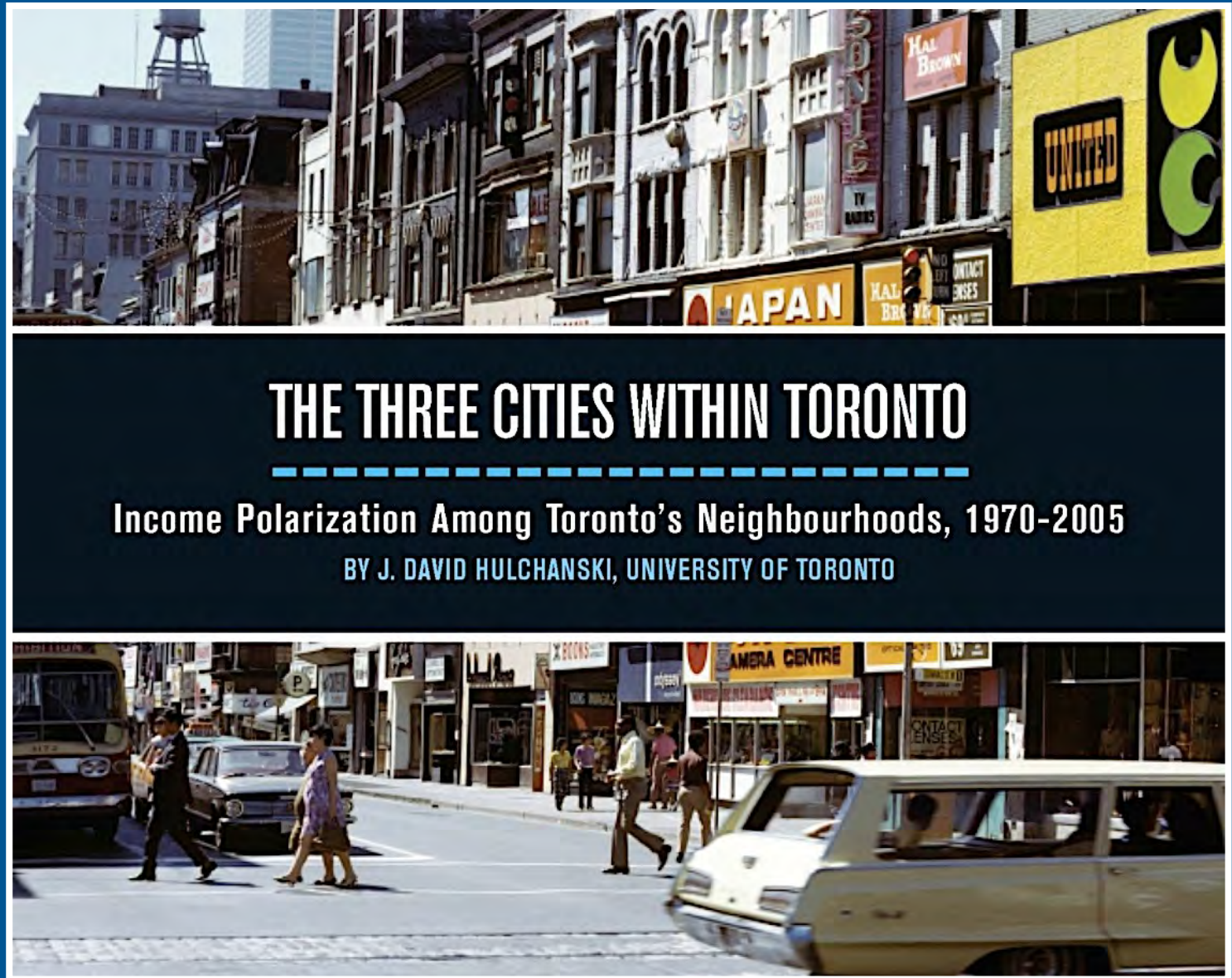
Social Sciences and Humanities
Research Council of Canada

Conseil de recherches en
sciences humaines du Canada

Canada

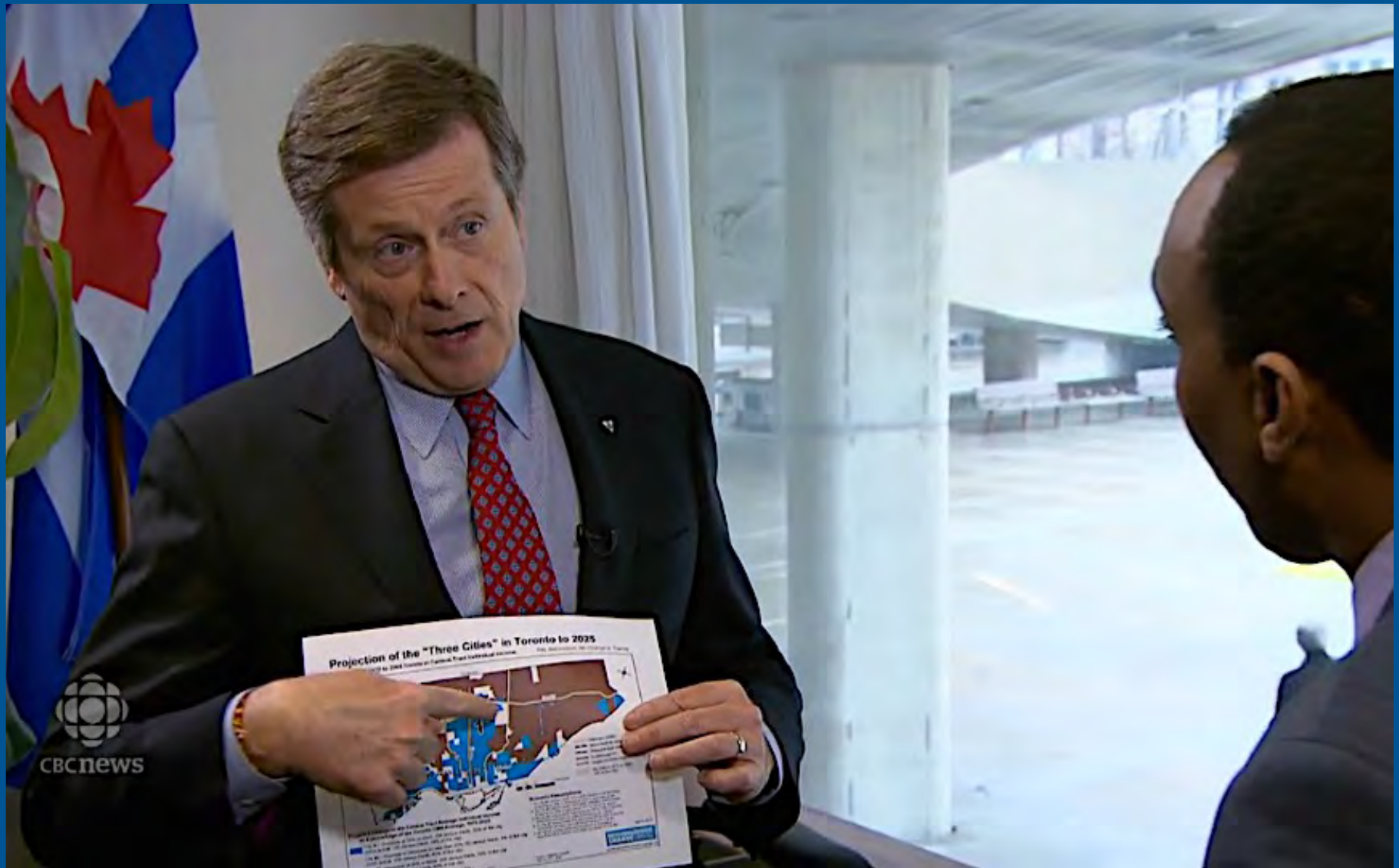
2010 REPORT

The 2010
report has
a web
version
with many
related
resources:



<http://3cities.neighbourhoodchange.ca>

CBC | Toronto





News • GTA

By David Rider, 28 November 2014

Star series looks at Toronto: The Divided City

Almost two decades after six municipalities were melded together as Toronto, the Star is exploring the remaining divisions and offering possible solutions.



The envy of North America for its vibrancy and vertical growth, Toronto is also a perpetual conflict of interests, criss-crossed by more dividing lines than the ice at the end of a Leafs game. (BRIAN HUGHES ILLUSTRATION)

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DIVIDED CITIES?

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



"Thus a new age of extremes is upon us ...

"The social worlds of the rich & the poor will diverge,

creating the potential for radical differences in thought, action, values, tastes, & feelings,

and for the construction of a new political geography that divorces the interests of the rich from the welfare of the poor."

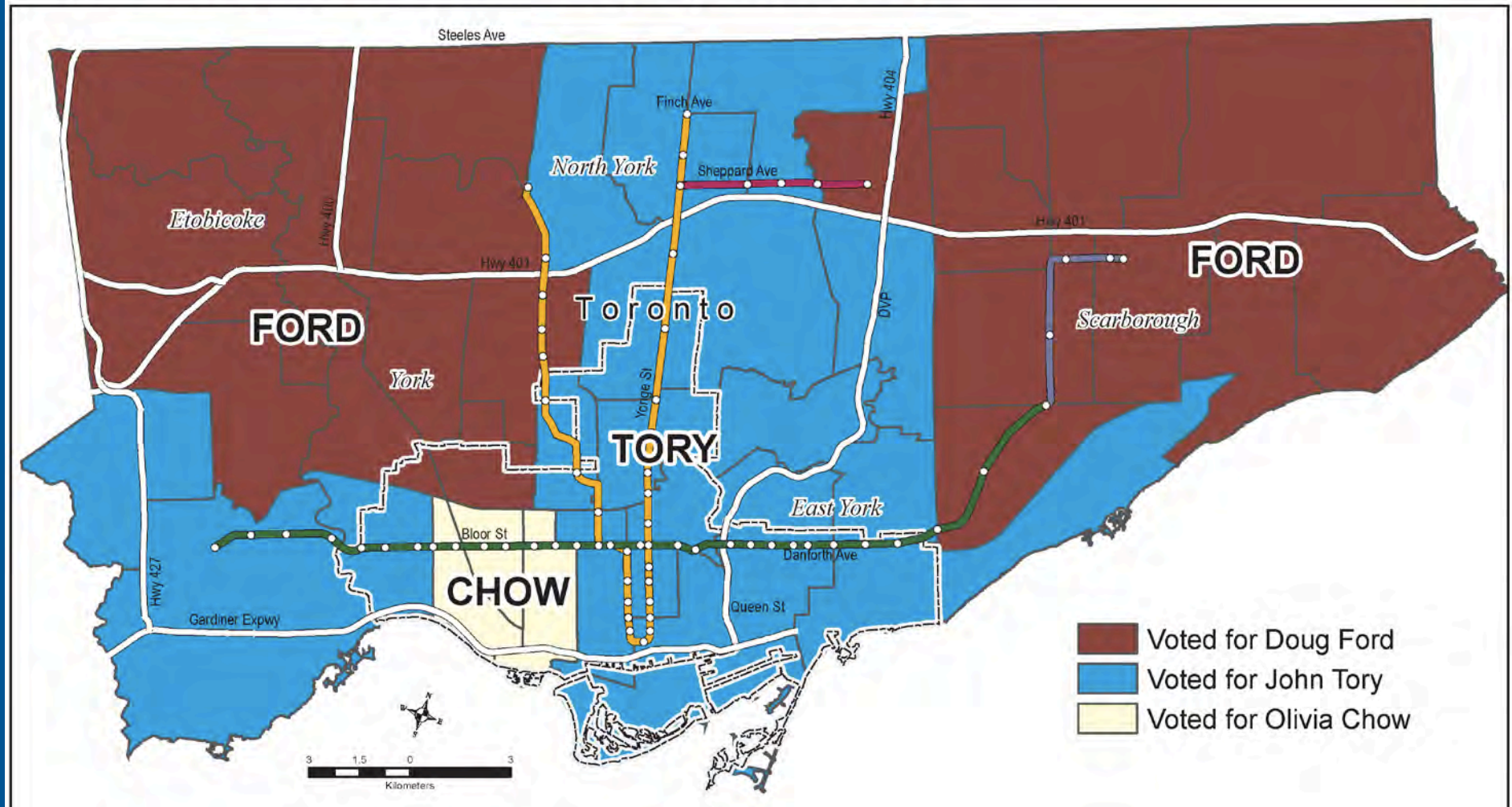
= Socio-spatial Polarization

. Douglas S. Massey (1996)

"The Age of Extremes: Concentrated affluence and poverty in the 21st century," *Demography*, p.403.

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City of Toronto Mayoral Vote by Ward, 2014



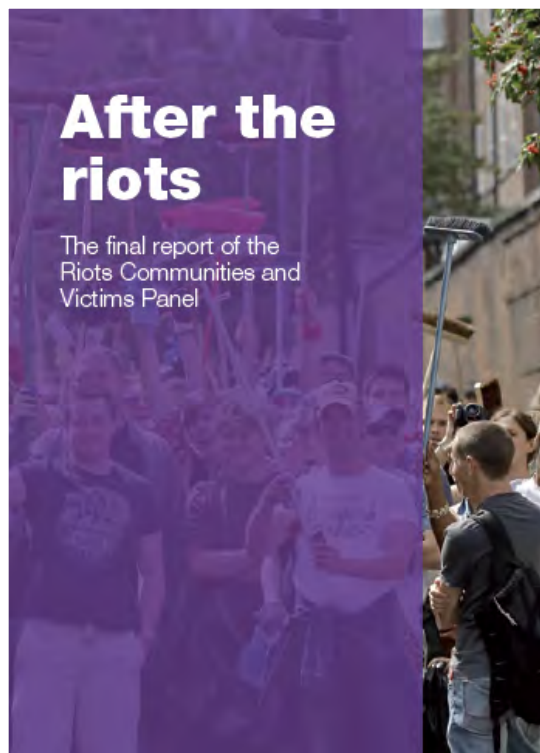
News > UK news > UK riots 2011

2011 riots inquiry recommendations ignored by government, says Lammy

MP for London flashpoint of 2011 riots says little has changed since unrest, with only 11 of 63 panel's proposals implemented

After the riots

The final report of the Riots Communities and Victims Panel



Riot police patrolling in Tottenham as riots erupted following the shooting of Mark Duggan. Little has changed, says Lammy. Photograph: Lewis Whyld/PA

The government has been accused of implementing just a few of the changes demanded by an inquiry it established to stop a repeat of the 2011 riots in England.

Forecast: Real estate mayhem


The weather isn't the only thing that's heating up. Toronto-area house hunters are wading into a spring buying season like no other, where soaring prices and bidding wars are the norm and uncertainty flourishes like weeds,

Toronto Star 15 Apr 2017 TESS KALINOWSKI REAL ESTATE REPORTER

Forecast: Real estate mayhem




GENERATION | squeeze



CODERED

**Building Housing
Common Ground**



CODERED

Our housing market is growing out of reach, and out of control.



TIME MONEY

WORKING AND STUDYING MORE TO HAVE LESS

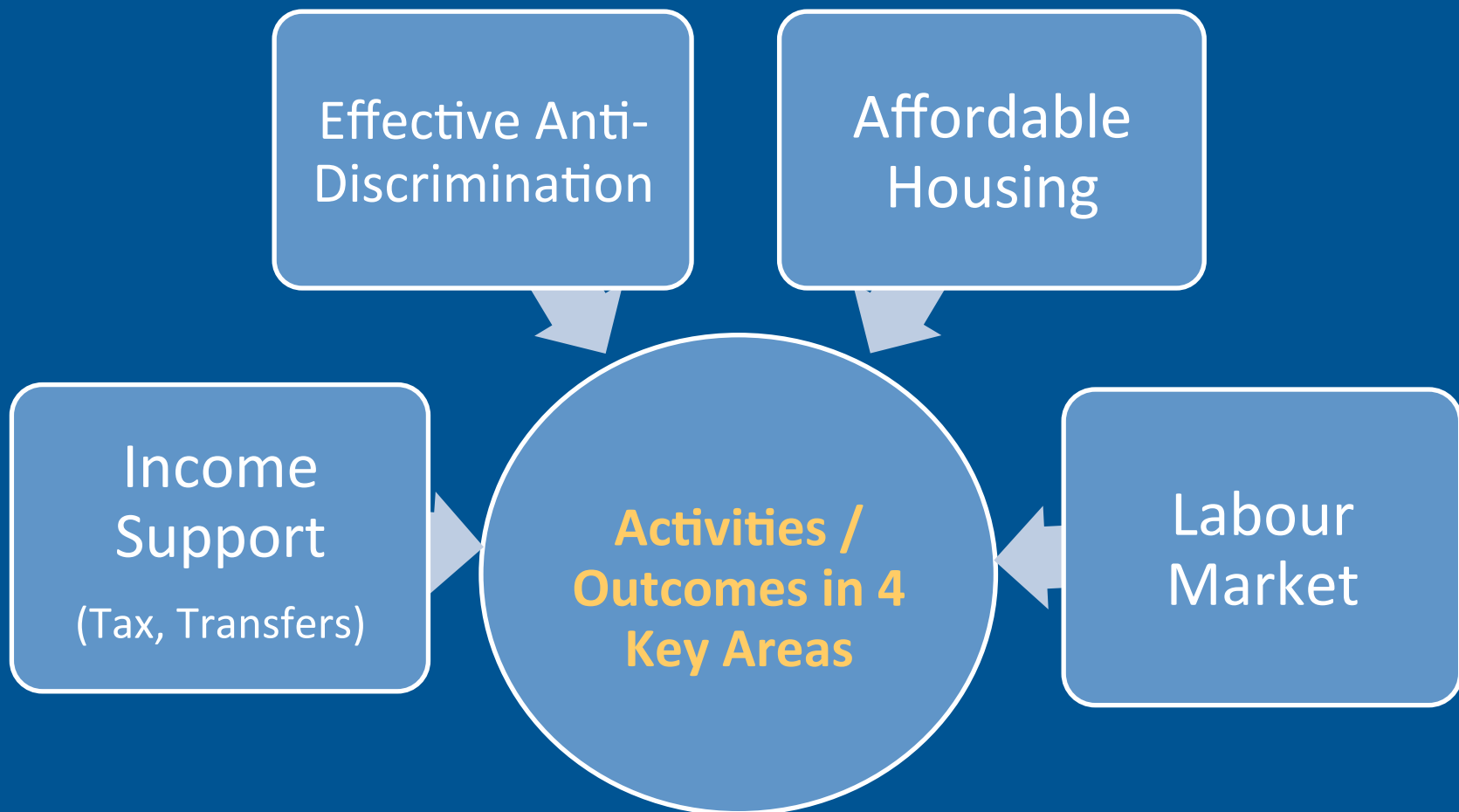
SQUEEZE BACK

sign up at gensqueeze.ca

Cause? Solution?

Government / Governance



Urban Studies
1-32, 2011

Why Have Poorer Neighbourhoods Stagnated Economically while the Richer Have Flourished?: Neighbourhood Income Inequality in Canadian Cities

Wen-Hao Chen, John Myles and Garnett Picot

[Paper first received, July 2010; in final form, November 2010]

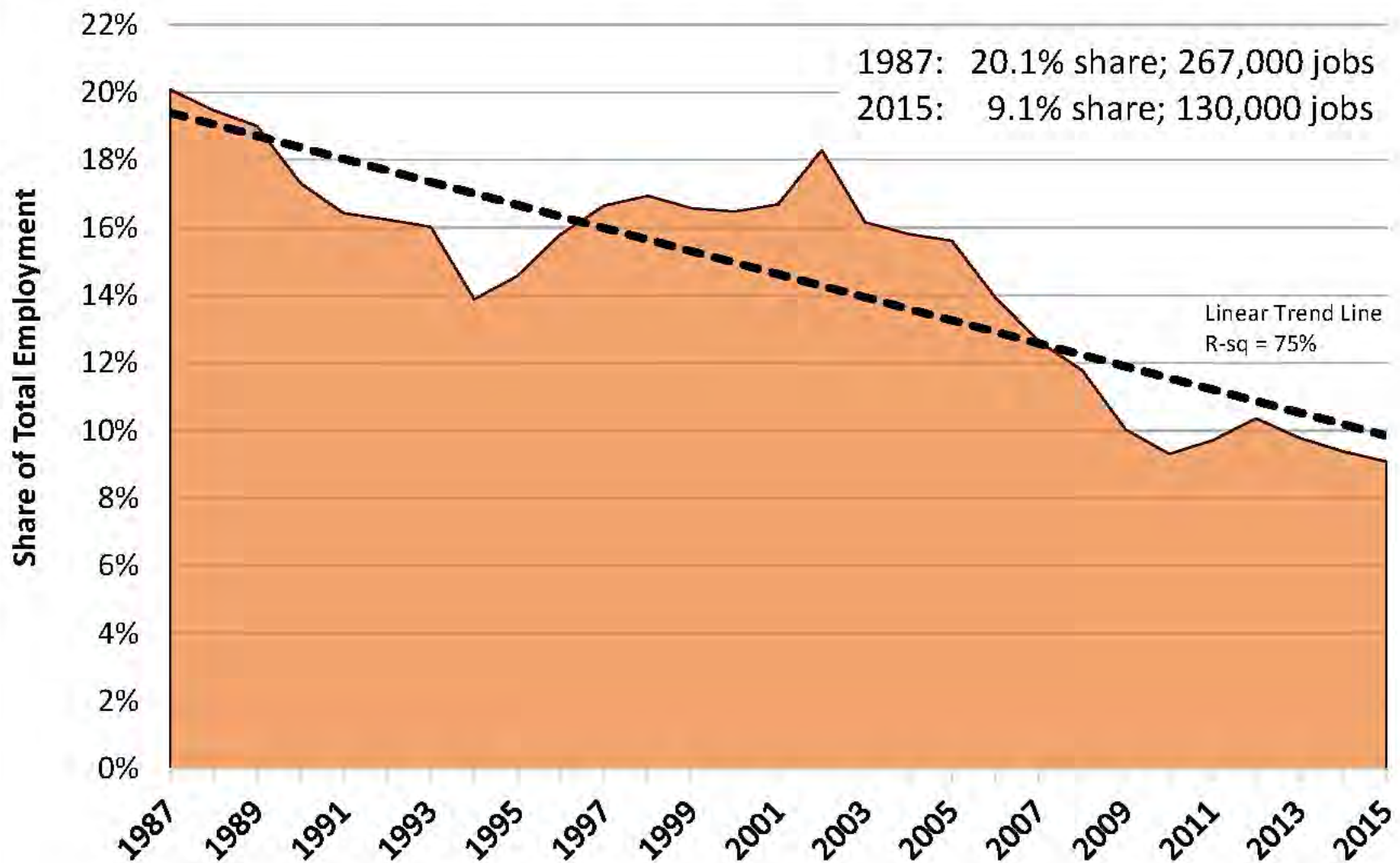
Abstract

Higher-income neighbourhoods in Canada's eight largest cities flourished economically during the past quarter-century, while lower-income communities stagnated. This paper identifies some of the underlying processes that led to this outcome. Increasing family income inequality drove much of the rise in neighbourhood inequality. Increased spatial economic segregation, the increasing tendency of 'like to live nearby like', also played a role. It is shown that these changes originated in the labour market. Changes in investment, pension income and government transfers played a very minor role. Yet it was not unemployment that differentiated the richer from poorer neighbourhoods. Rather, it was the type of job found, particularly the annual earnings generated. The end result has been little improvement in economic resources in poor neighbourhoods during a period of substantial economic growth, and a rise in neighbourhood income inequality.

"... it was not unemployment that differentiated the richer from poorer neighbourhoods.

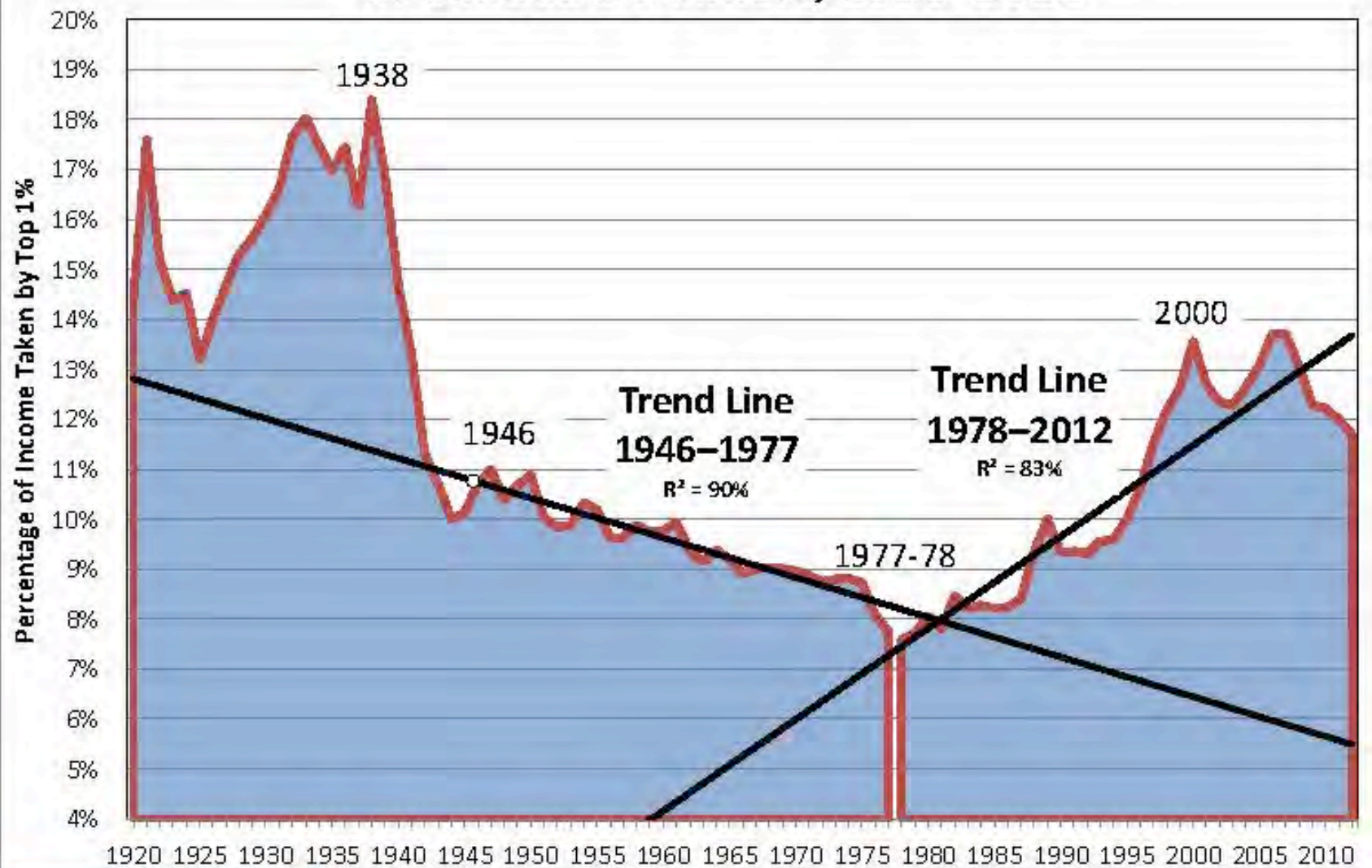
Rather, it was the type of job found, particularly the annual earnings generated."

Manufacturing Job Share in City of Toronto, 1987–2015



Statistics Canada Labour force survey estimates (LFS) by North American Industry Classification System (NAICS), annual.

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

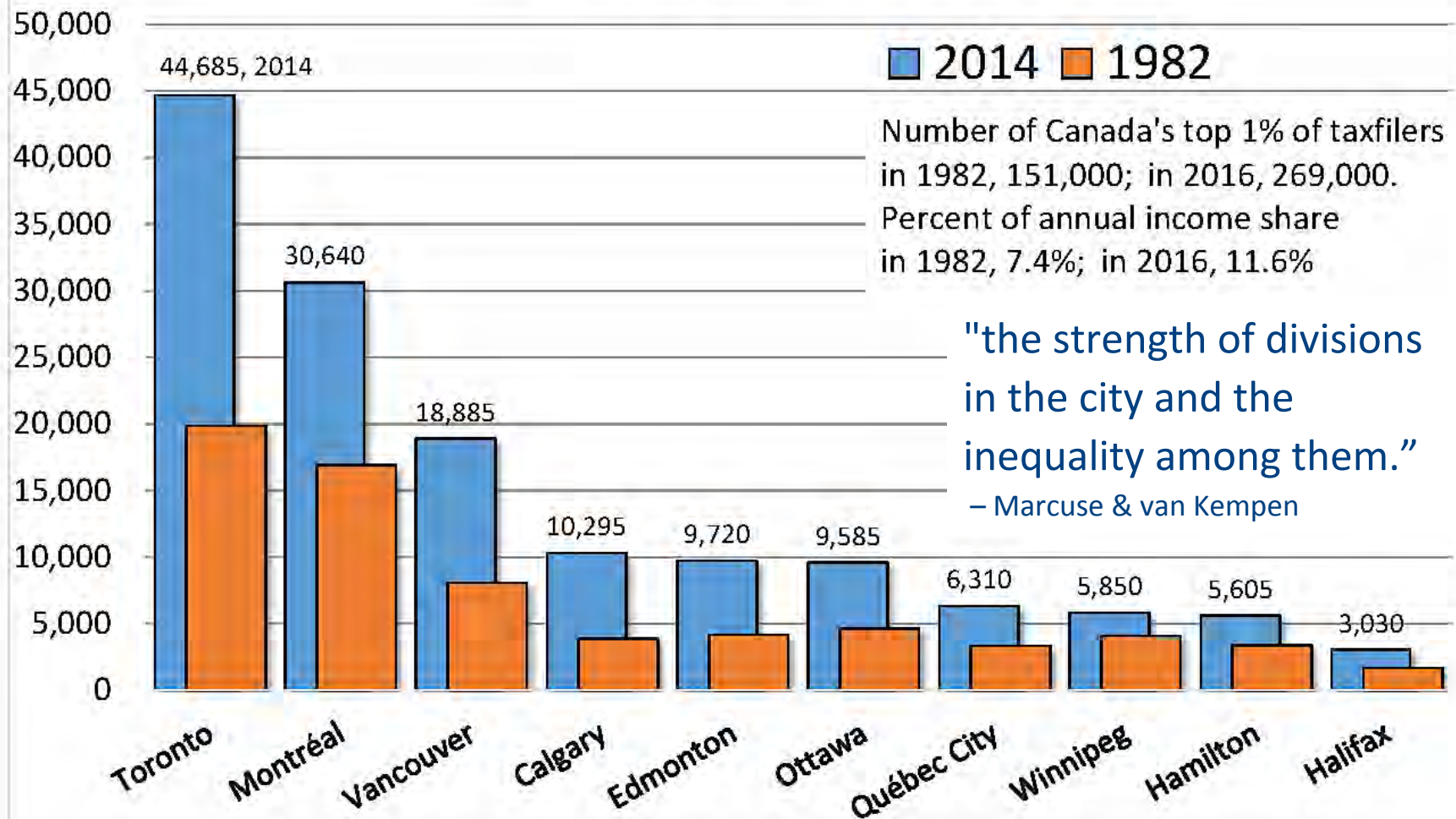


**NEIGHBOURHOOD
CHANGE** Research Partnership

Neighbourhood Change Research Partnership, University of Toronto
David Hulchanski and Richard Maaranen, April 2015
www.NeighbourhoodChange.ca

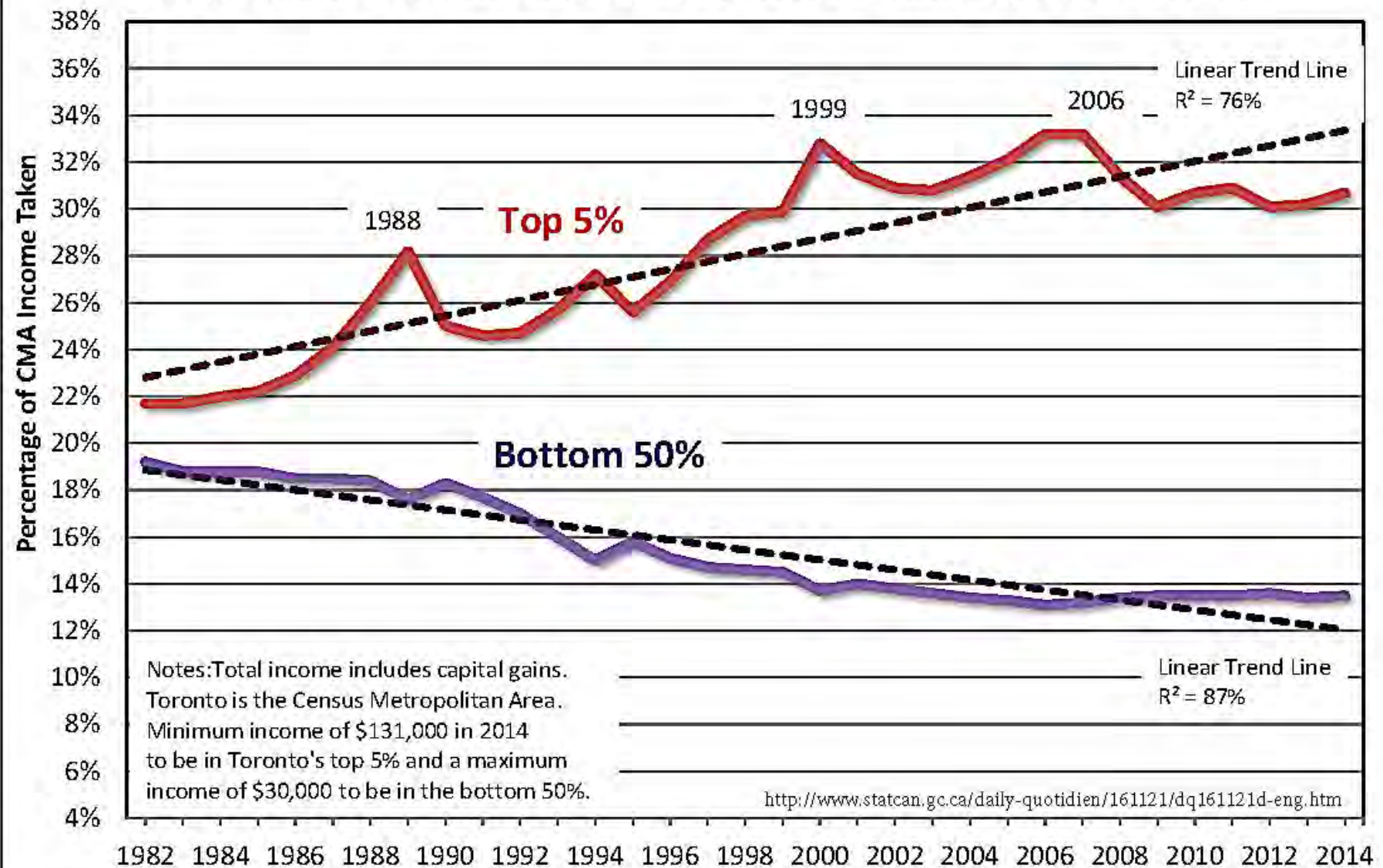
Total annual income excludes capital gains
Source: World Top Incomes Database
<http://topincomes.g-mond.parisschoolafoeconomics.eu/>

Taxfiler Population of Top 1 Percent of Earners Ten CMAs, 1982 and 2014



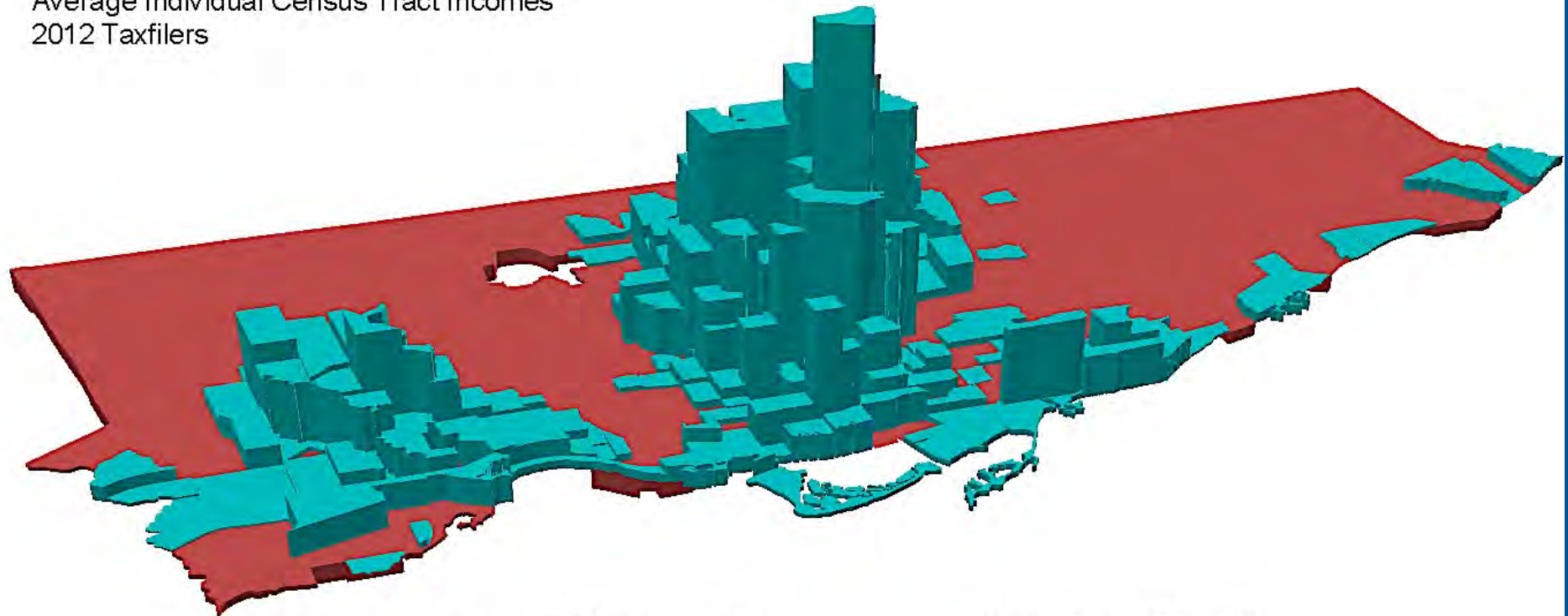
Total income includes capital gains. The top 1 percent is specific to each geography. Ottawa is the Ottawa-Gatineau census metropolitan area.

Share of Toronto CMA's Annual Income Taken by Top 5% & Bottom 50% of Toronto's Taxfilers, 1982–2014



Income of the Top & Bottom 50% of the City of Toronto's Neighbourhoods

Average Individual Census Tract Incomes
2012 Taxfilers



Income in Bottom 50%
68% of taxfilers take
53% of Toronto's total income
\$36,000 average income

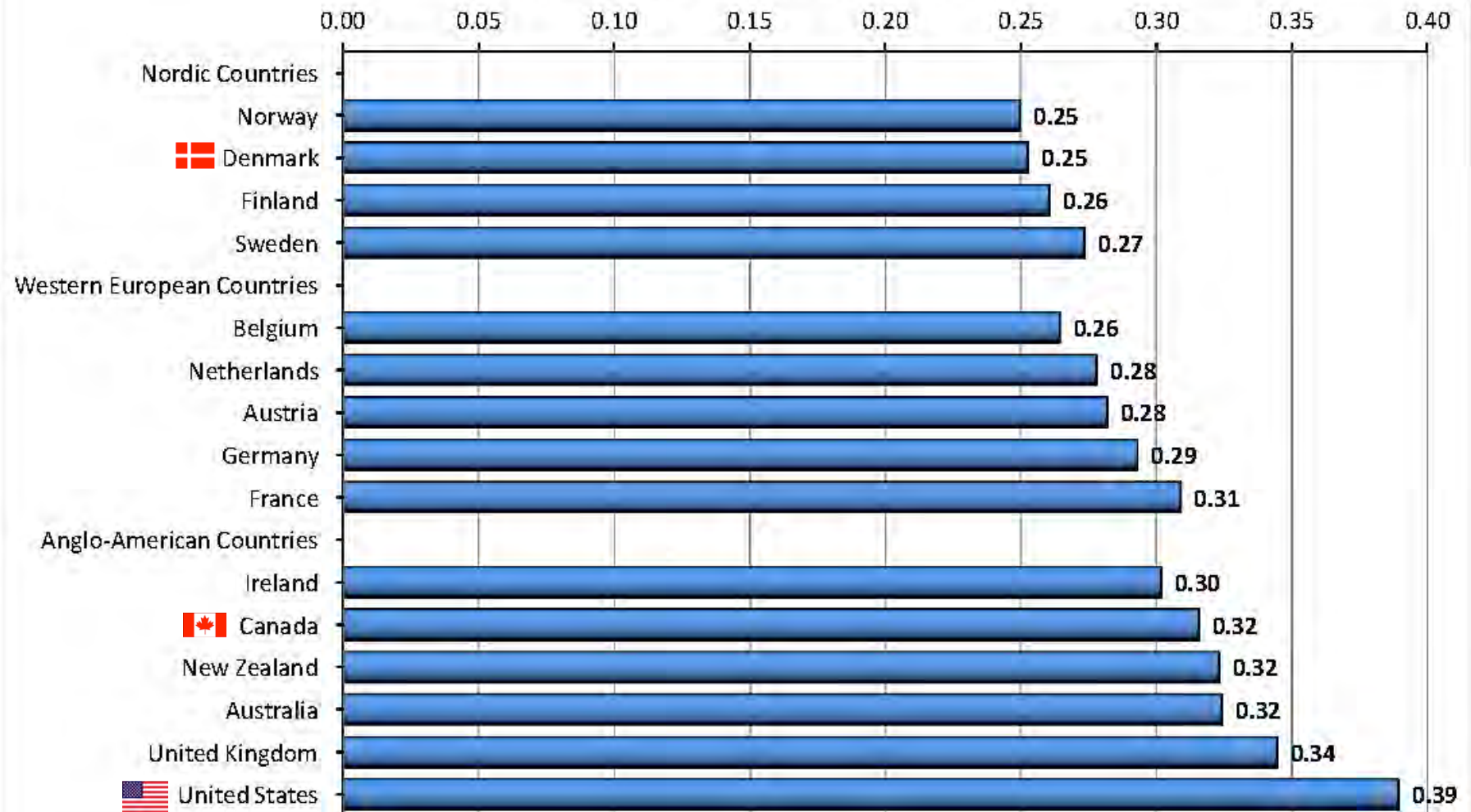
Income in Top 50%
32% of taxfilers take
47% of Toronto's total income
\$69,000 average income



www.NeighbourhoodChange.ca

Top and bottom 50% groups are in relation to Toronto Census Metropolitan Area median income.
The 2012 census tract taxfiler incomes include income from all sources, before-tax.

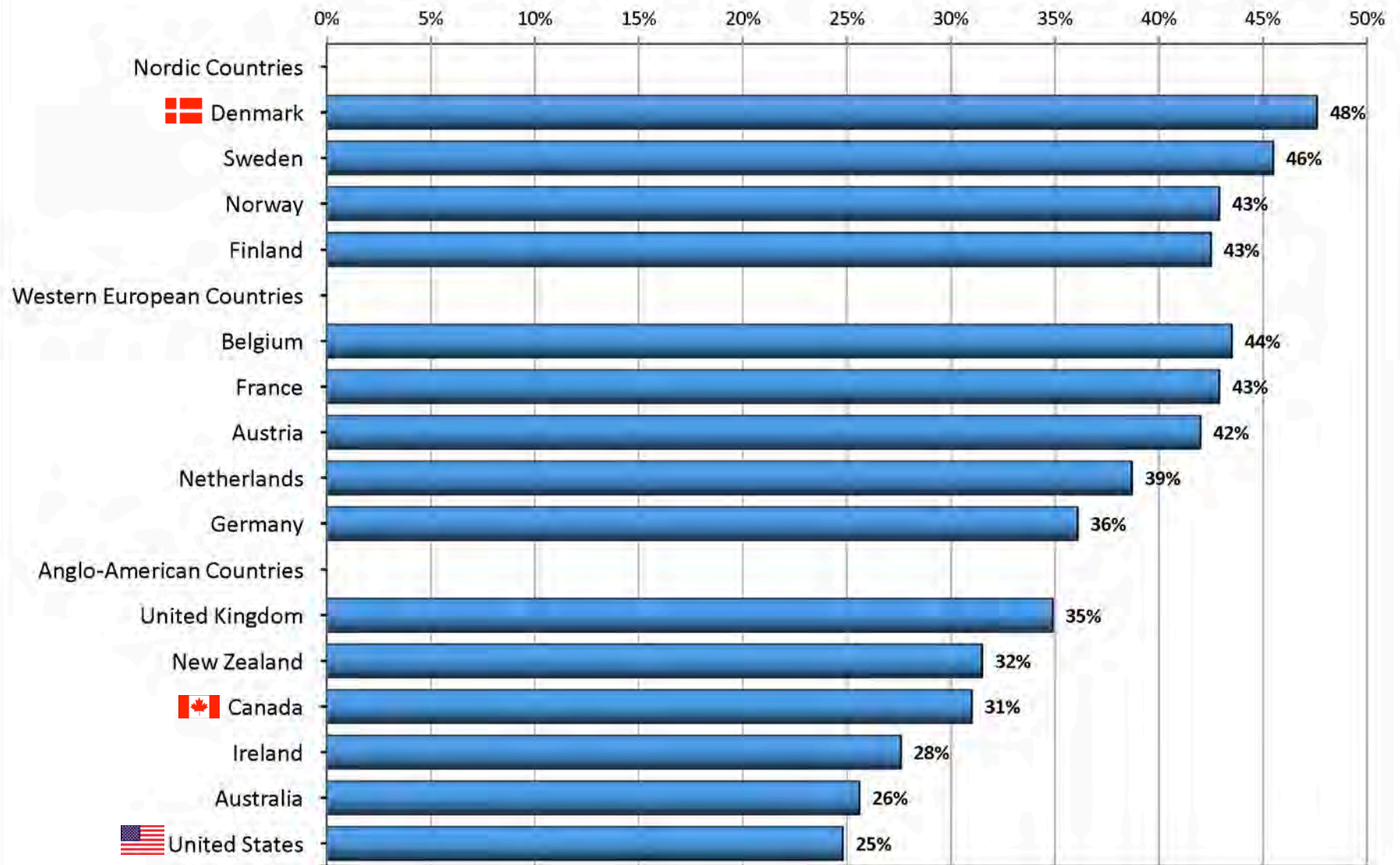
Gini Coefficient for Fifteen OECD Countries in Three Groups, early 2010s



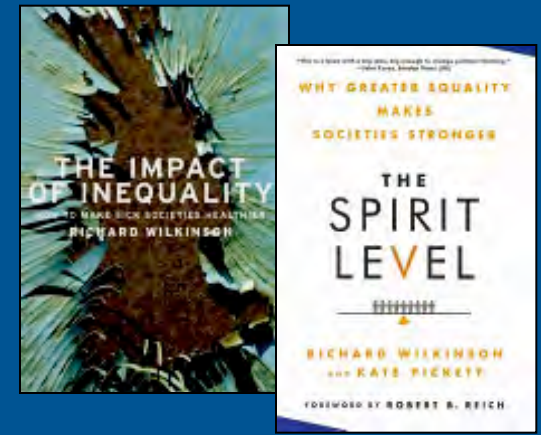
The Gini coefficient takes values between 0 for a perfectly equal income distribution where every person has the same income, and 1 which refers to a situation of maximum inequality where all income goes to one person. OECD average = 0.30.

Total Tax Revenues as a Percentage of GDP, 2010

Fifteen OECD Countries in Three Groups



Why worry about more rigid socio-spatial divisions and greater inequality?



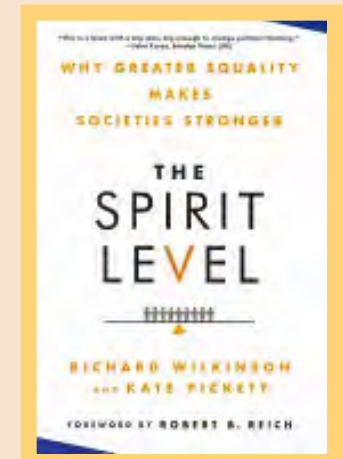
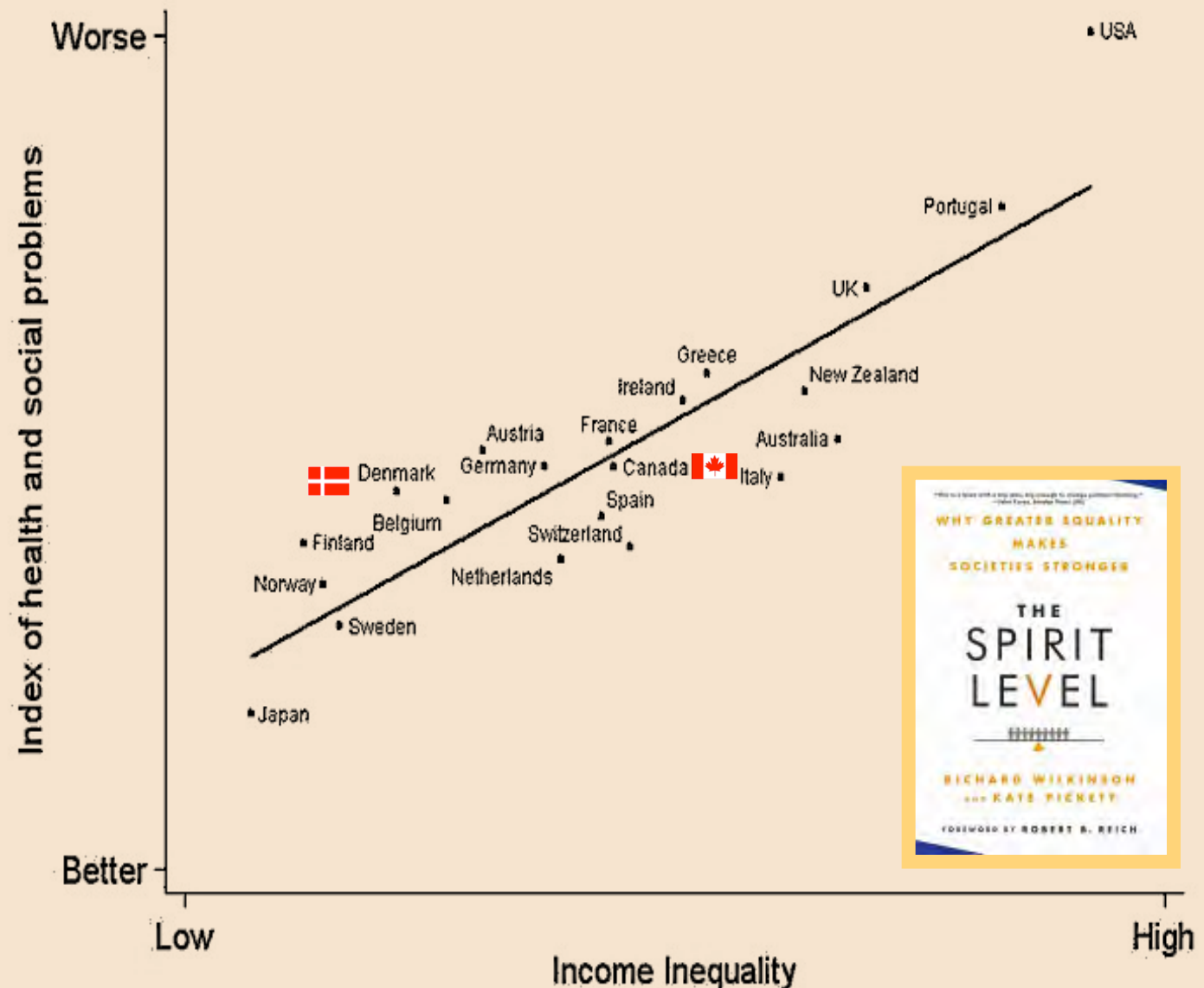
“Inequality promotes strategies that are more self-interested, less affiliative, often highly antisocial, more stressful, and likely to give rise to higher levels of violence, poorer community relations, and worse health.”

– Richard Wilkinson, *The Impact of Inequality*, 2005:22

Why does Income Inequality Matter?

Index of:

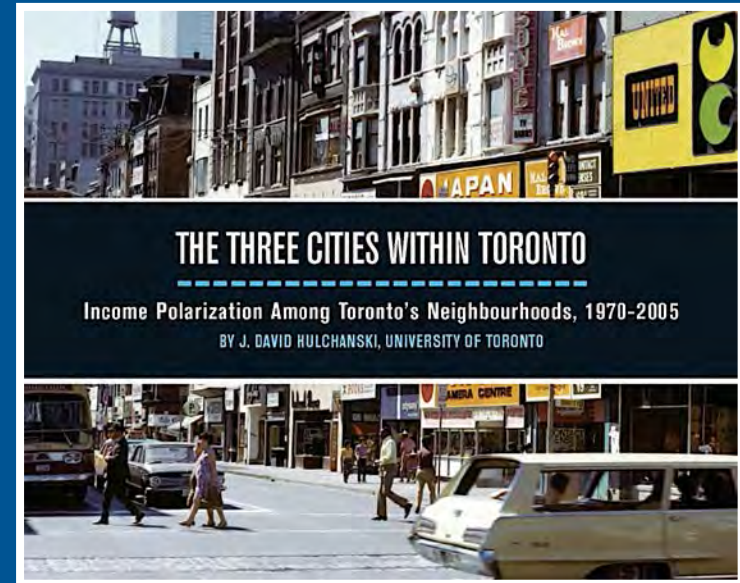
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility



The Opportunity Equation

Building opportunity in the face of growing income inequality





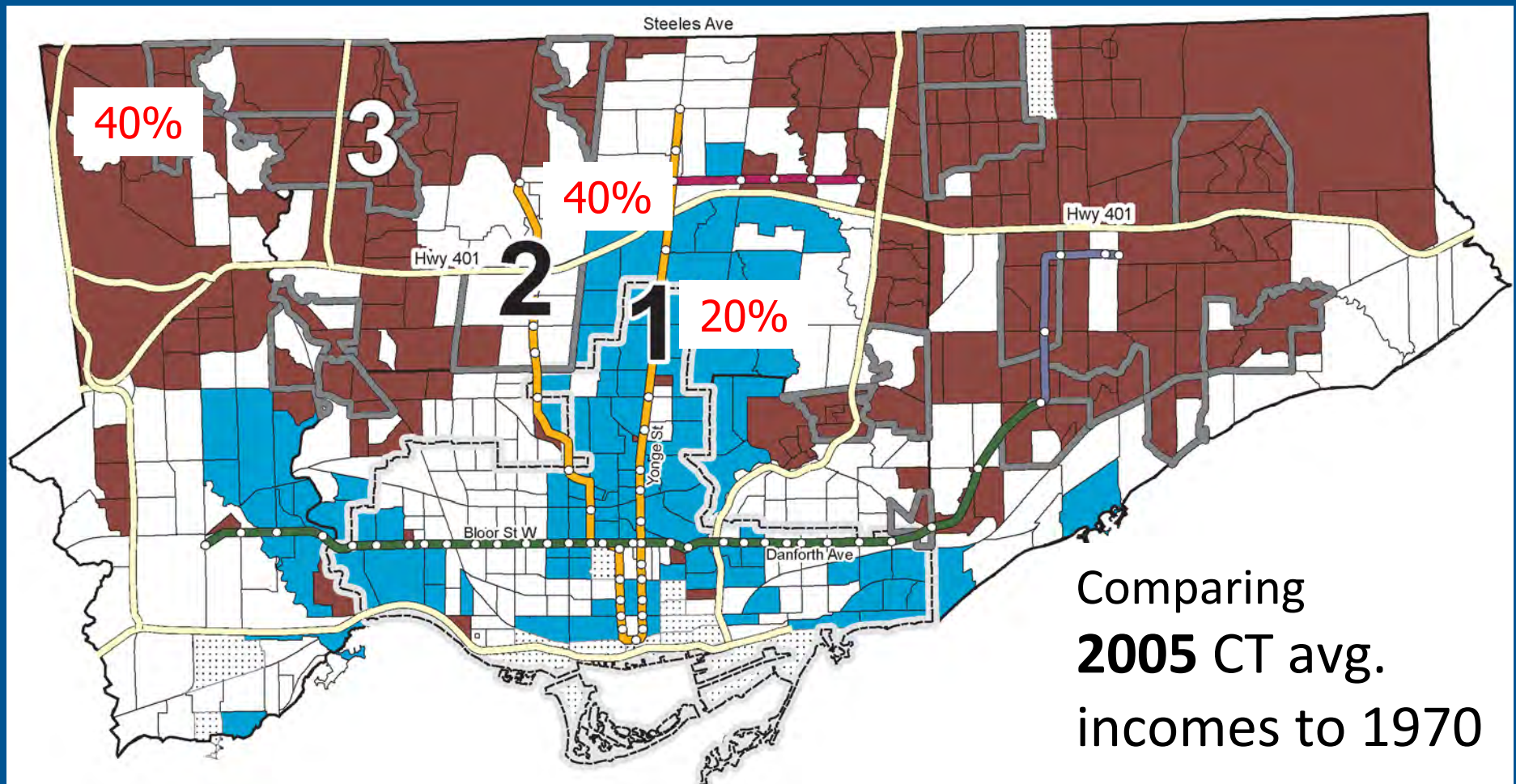
1970-2012

TORONTO:

A DIVIDED CITY

35 Year Trend Toronto, 1970-2005

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



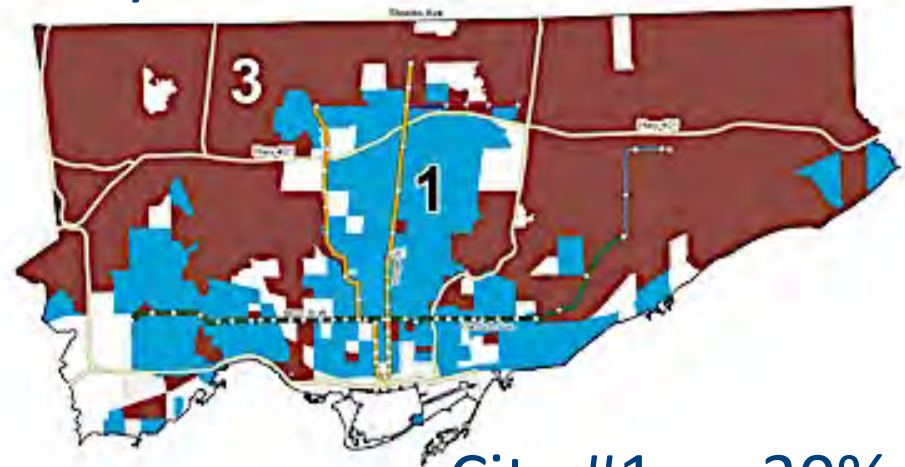
2010 Report: If nothing changes ...

IF NOTHING CHANGES: TORONTO IN 2025

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

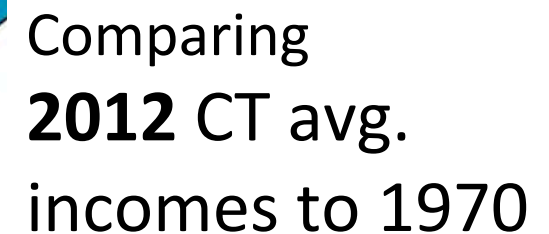
Map 1 in this report shows trends in average individual income for Toronto’s neighbourhoods (census tracts) from 1970 to 2005. What happens to the spatial patterns of the “Three Cities” in Map 1 if we project these trends forward in time — say by 20 years, to 2025? Do more neighbourhoods within the City 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%



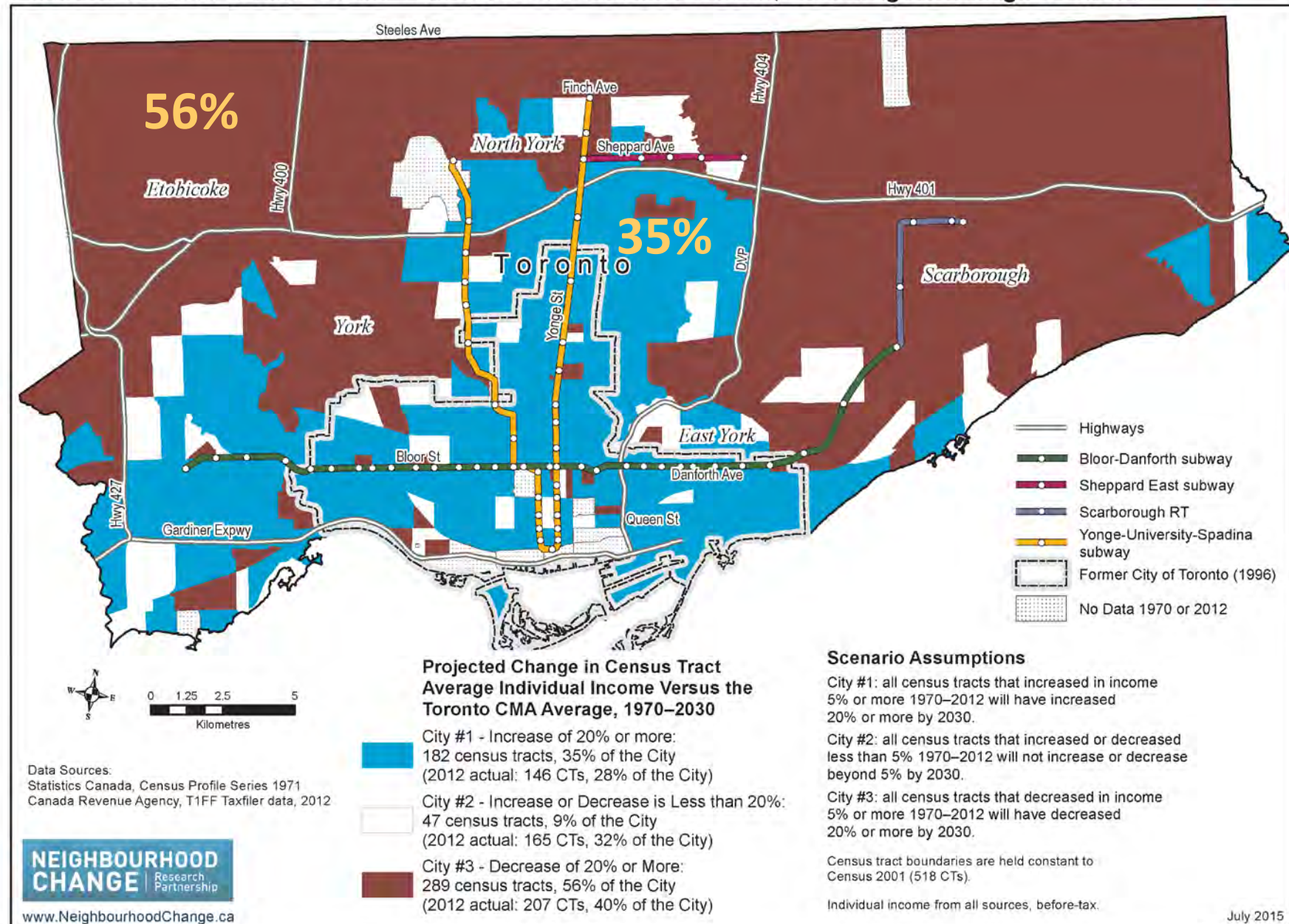
City #1 = 30%

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

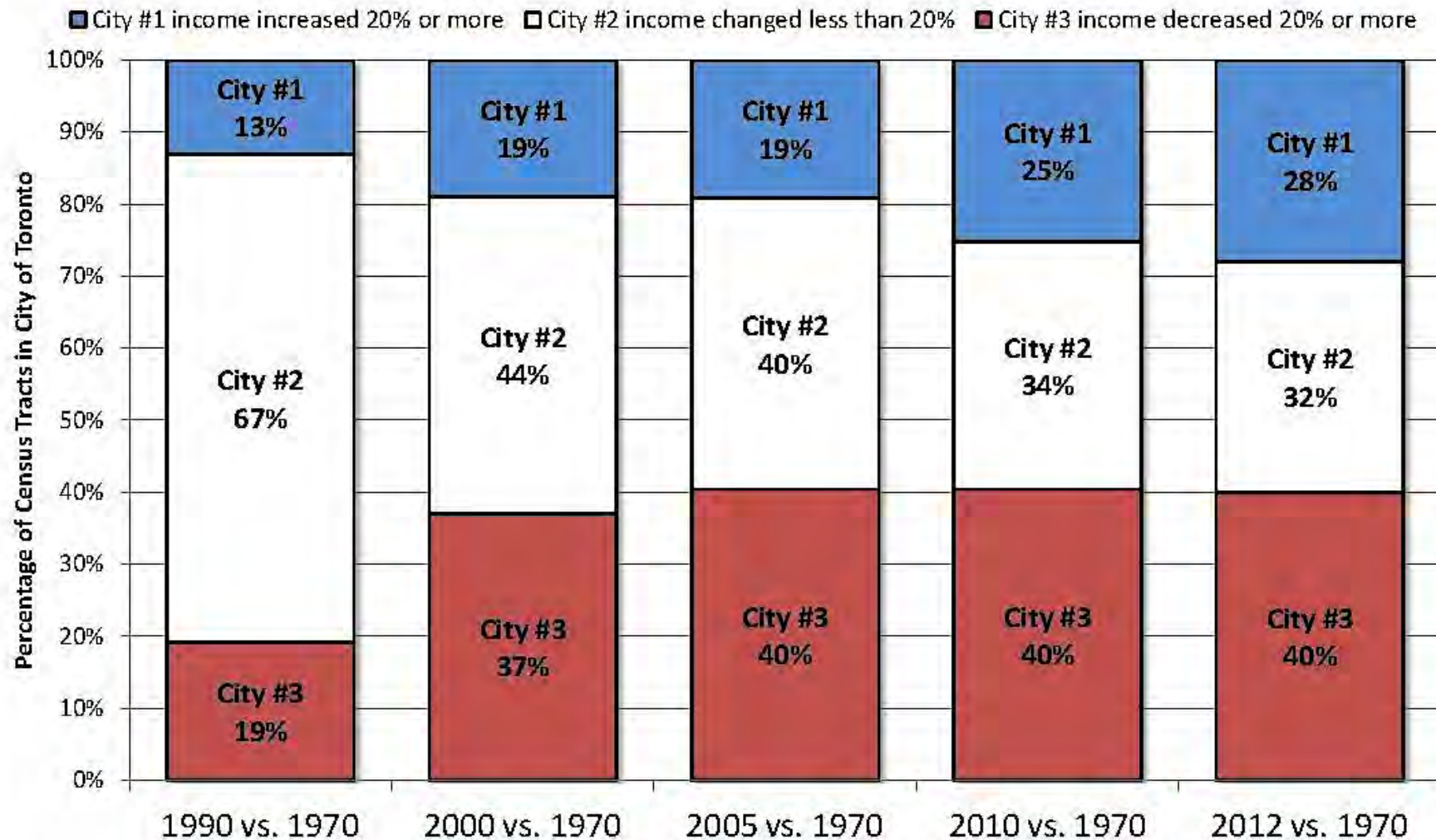


Projection of the "Three Cities" in the City of Toronto to 2030

Based on the 1970 to 2012 Trends in Census Tract Individual Income, Assuming No Change in Trends

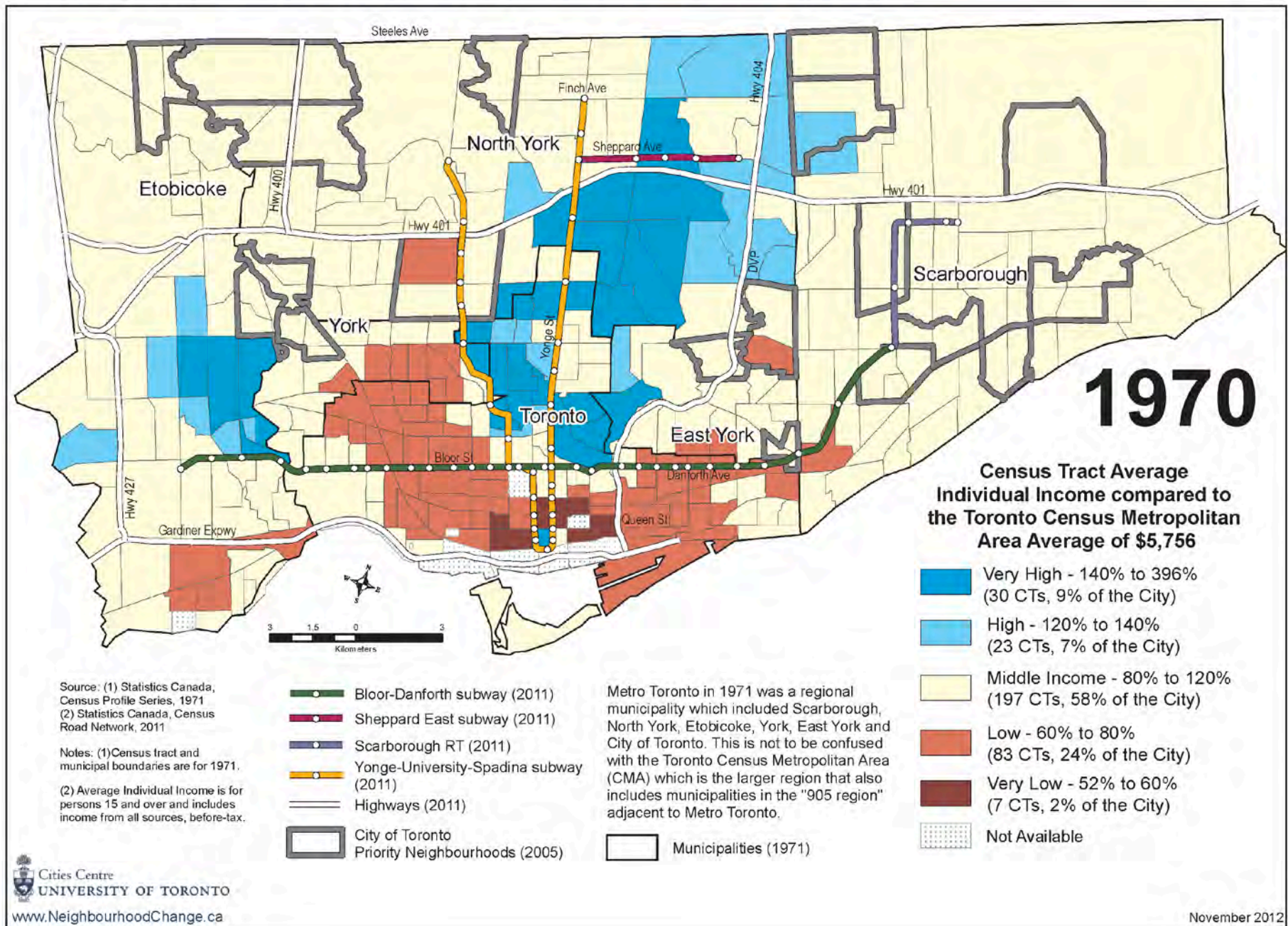


Neighbourhood Income Change: City of Toronto Three Cities, 1990 Versus 1970 Up to 2012

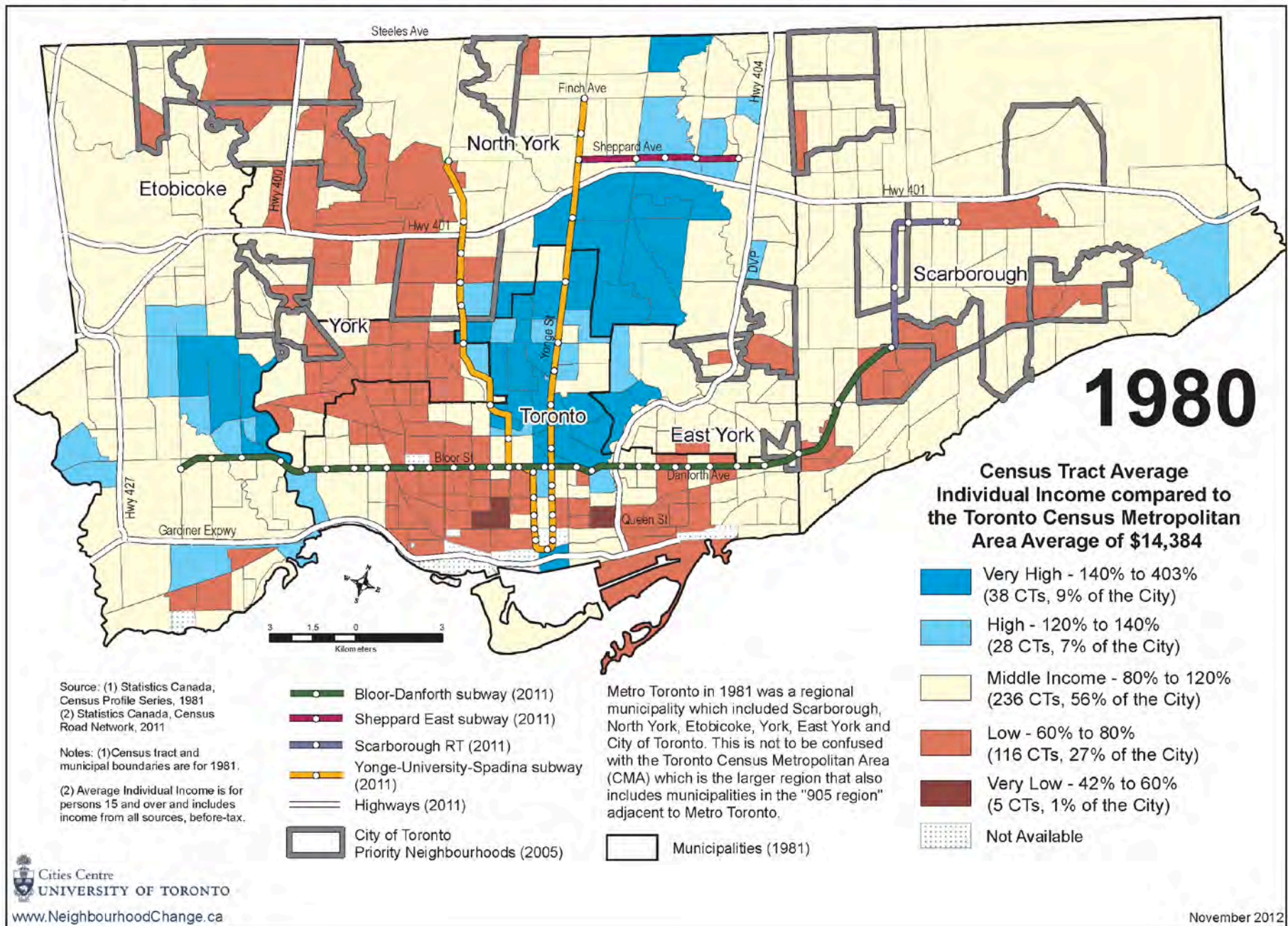


Based on census tract average individual income from all sources, before-tax. City #1 defined as census tracts which increased in average individual income relative to the metropolitan average by 20 percentage points or more. City #2 census tracts changed less than 20 percentage point increase or decrease. 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.

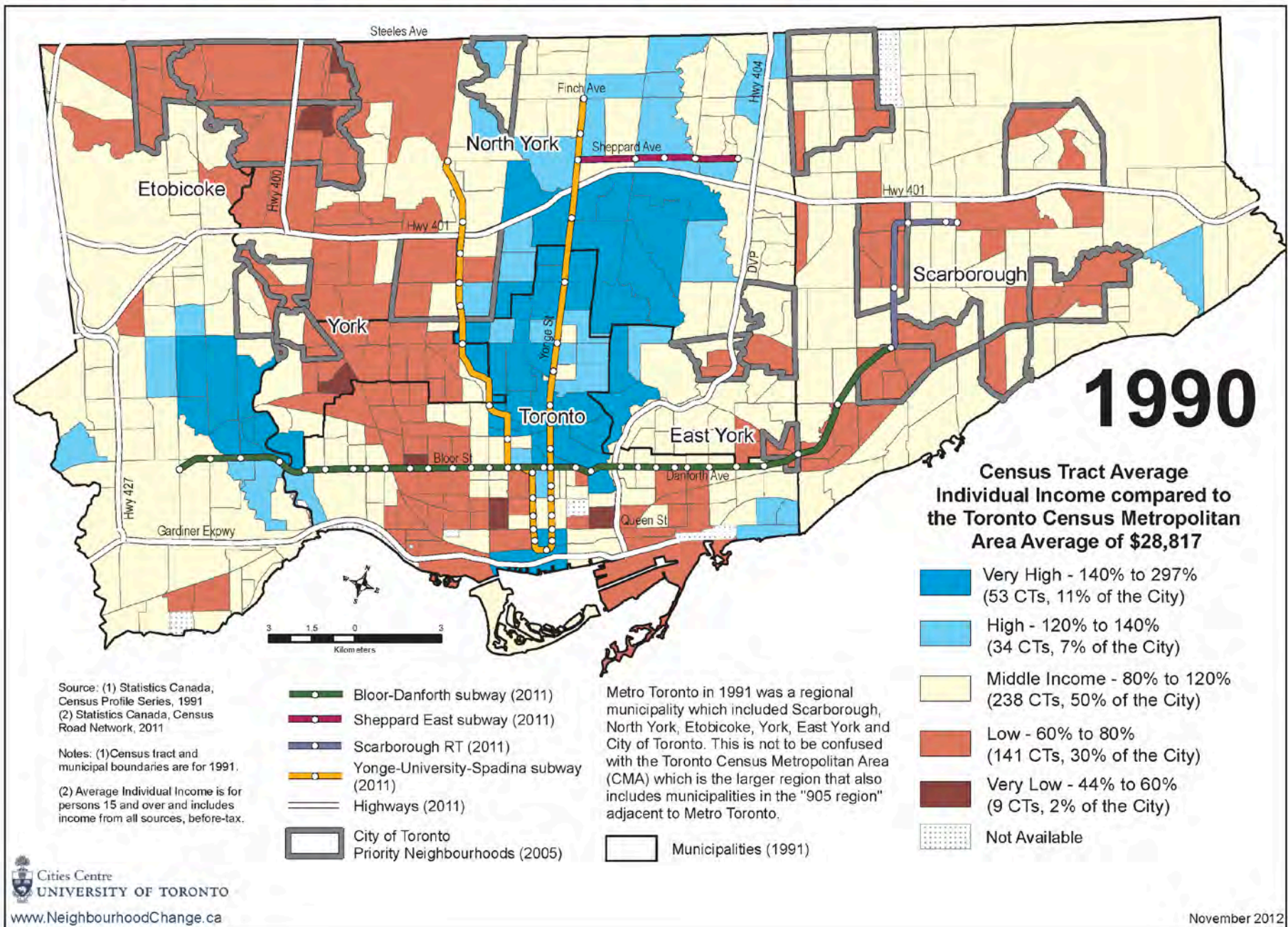
Average Individual Income, Metro Toronto, 1970



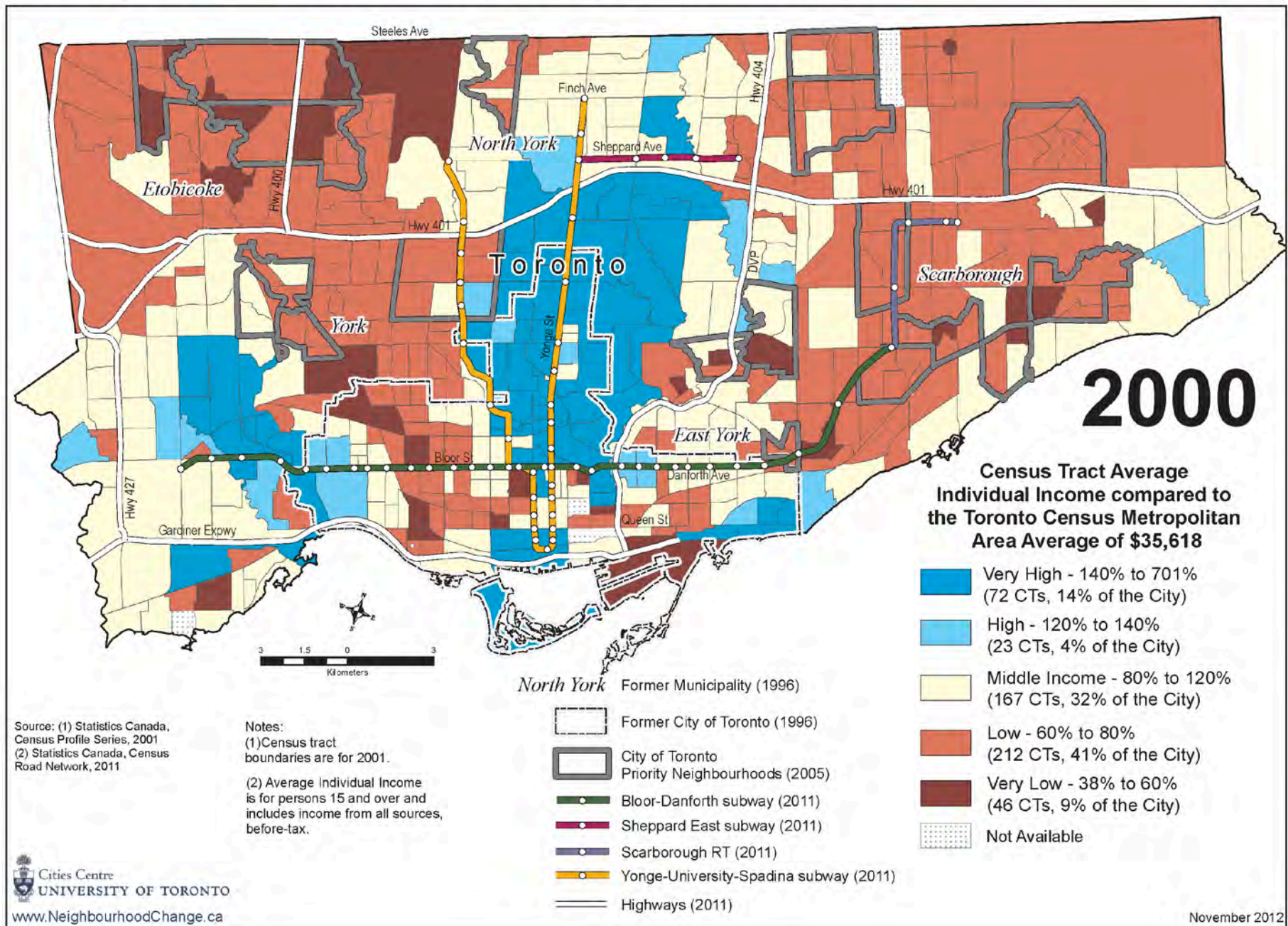
Average Individual Income, Metro Toronto, 1980



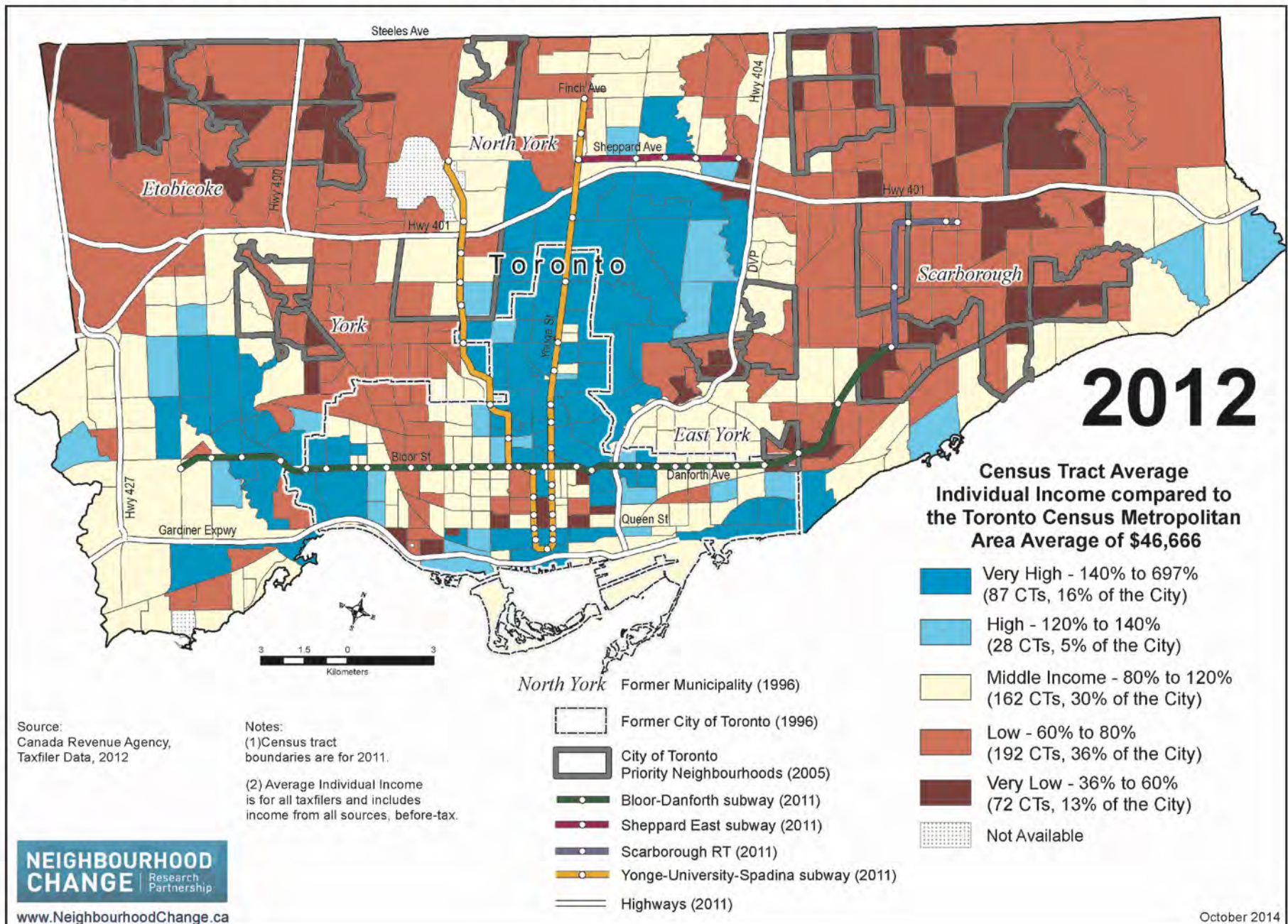
Average Individual Income, Metro Toronto, 1990



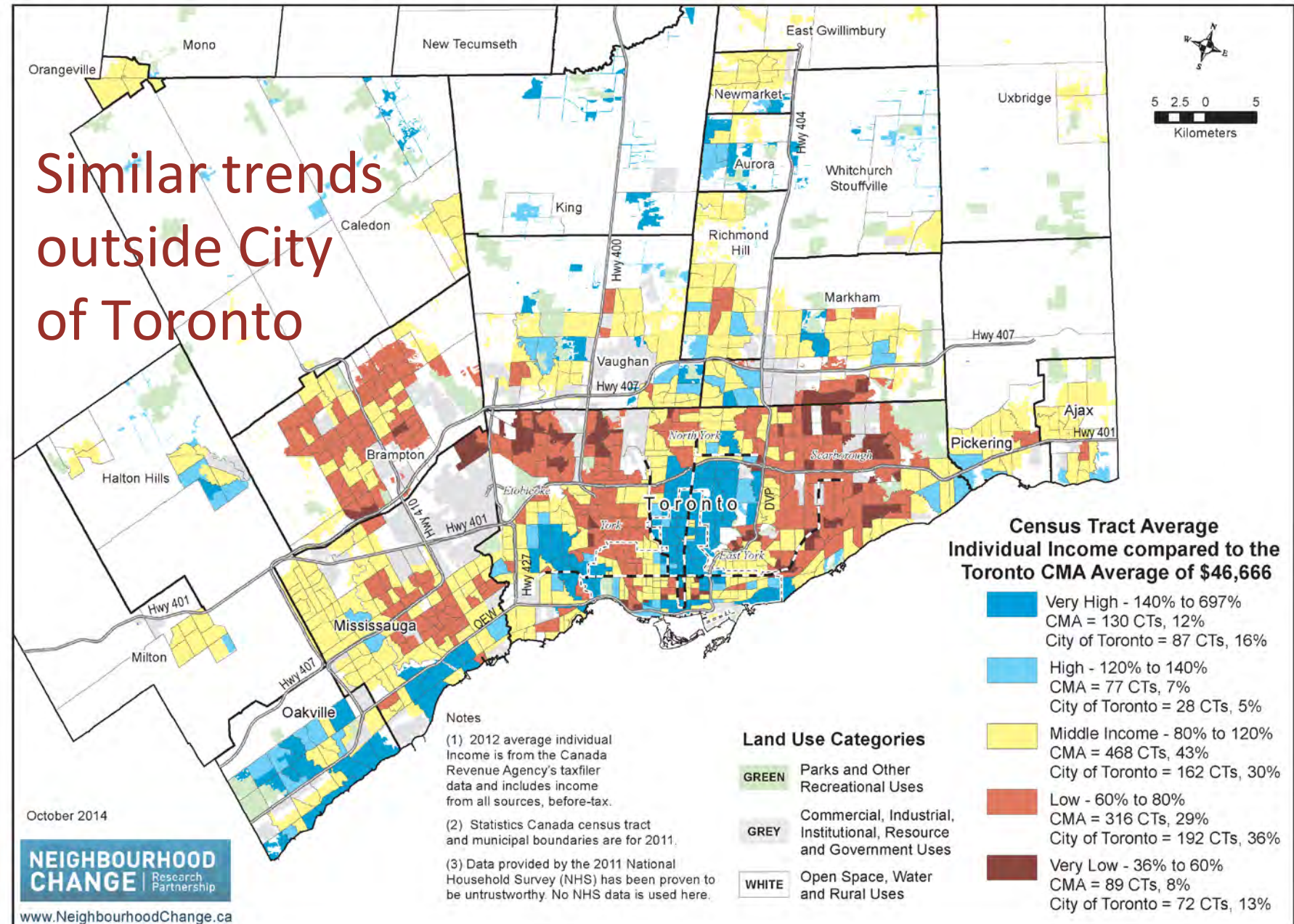
Average Individual Income, City of Toronto, 2000



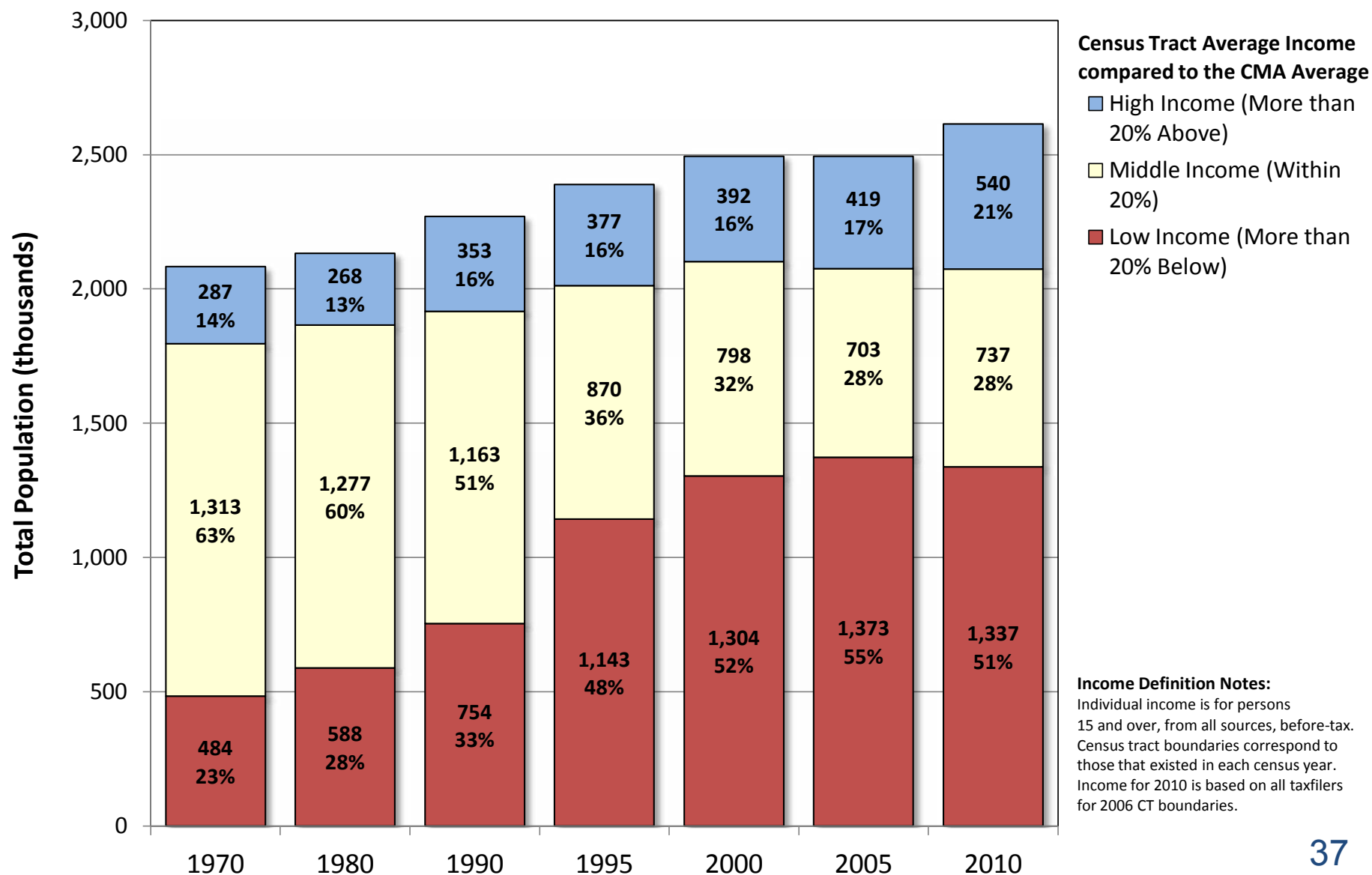
Average Individual Income, City of Toronto, 2012



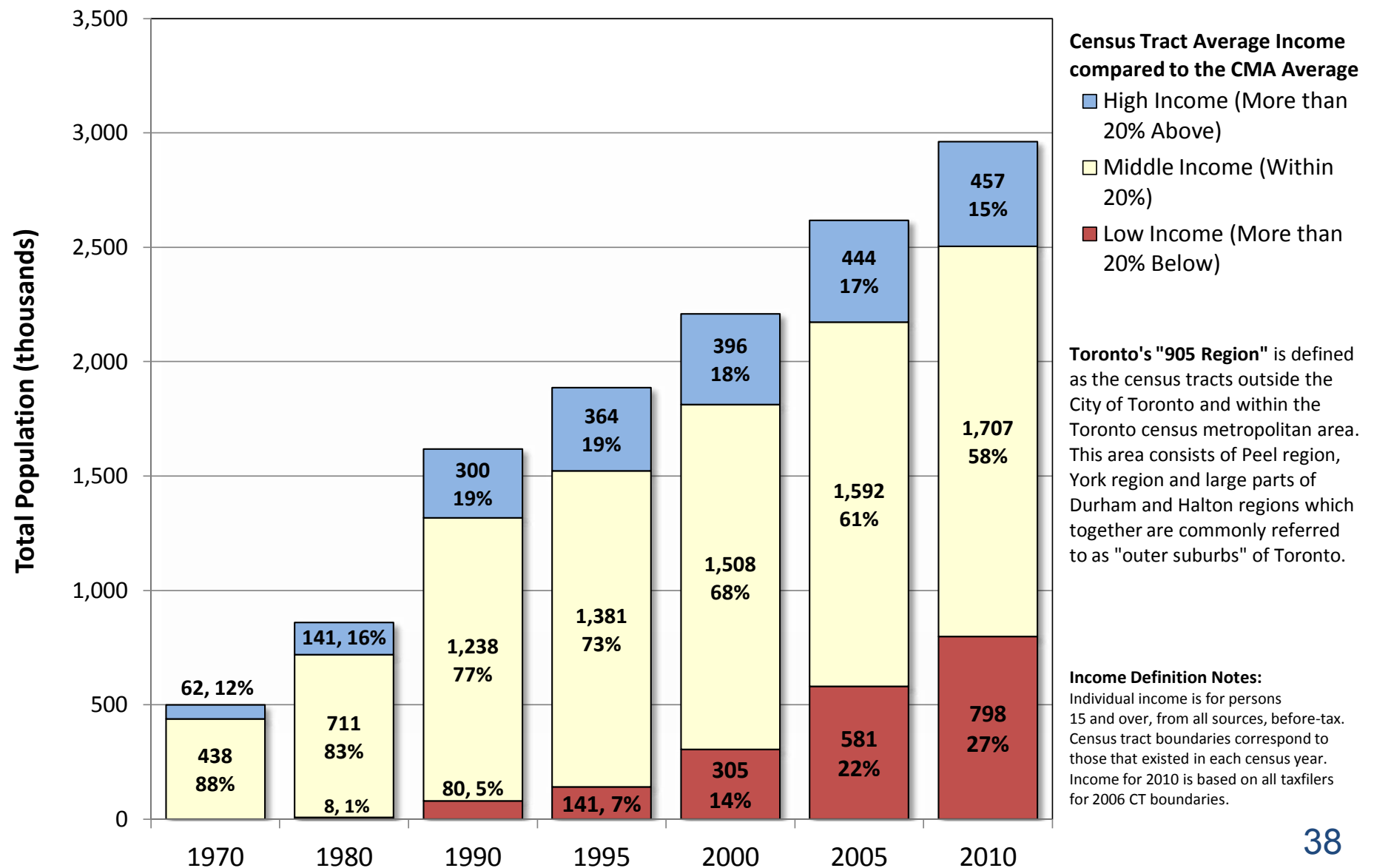
Average Individual Income, Toronto Census Metropolitan Area, 2012



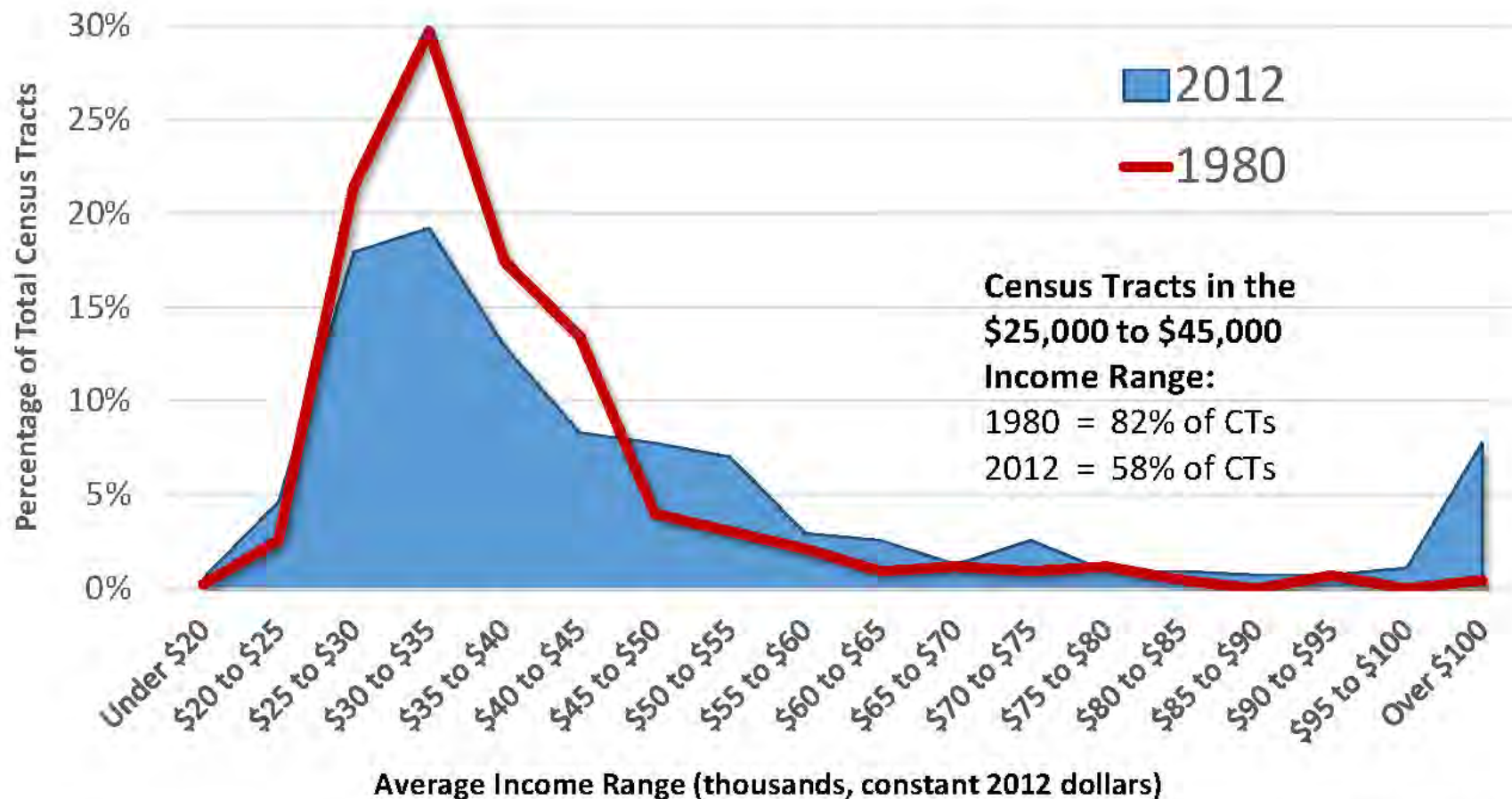
Neighbourhood Income & Population, City of Toronto, 1970-2010



Neighbourhood Income & Population, Toronto's "905 Region", 1970-2010



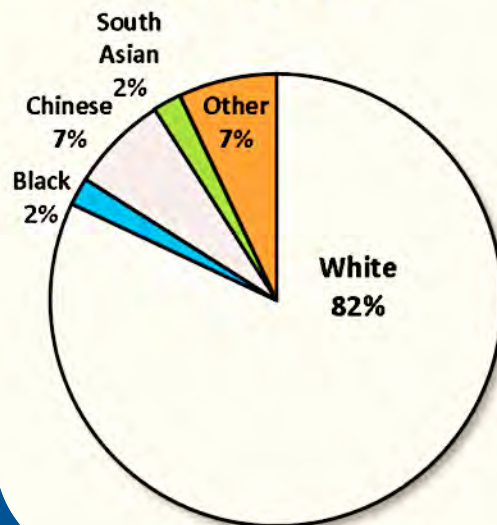
The Changing Shape of Neighbourhood Average Incomes City of Toronto, 1980 Versus 2012



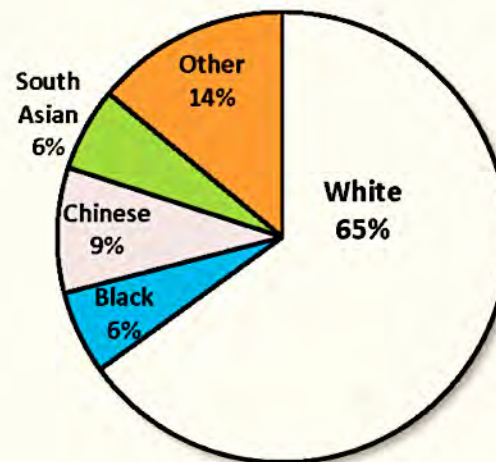
Census tract average individual income from all sources, before-tax. Income for 1980 from Census 1981. Income for 2012 is for all taxfilers. Total of 424 CTs in 1980 (1981 boundaries) and 541 in 2012 (2011 boundaries).

Toronto's Segregated Ethno-Cultural Population, 2006

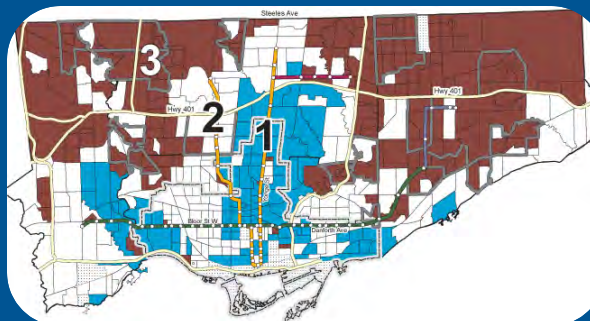
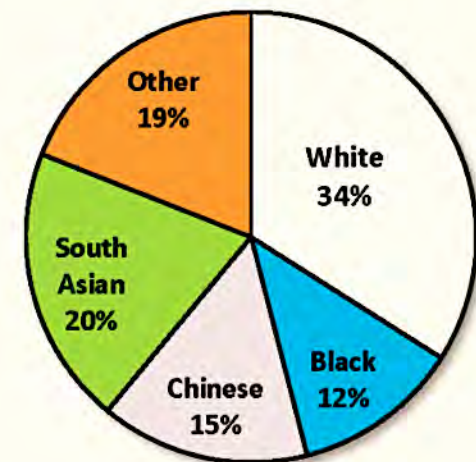
City #1



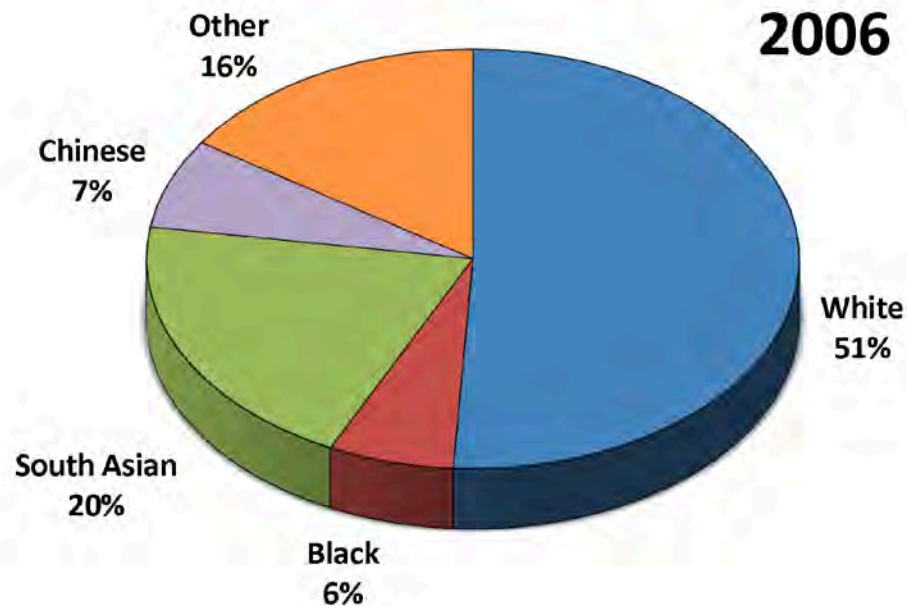
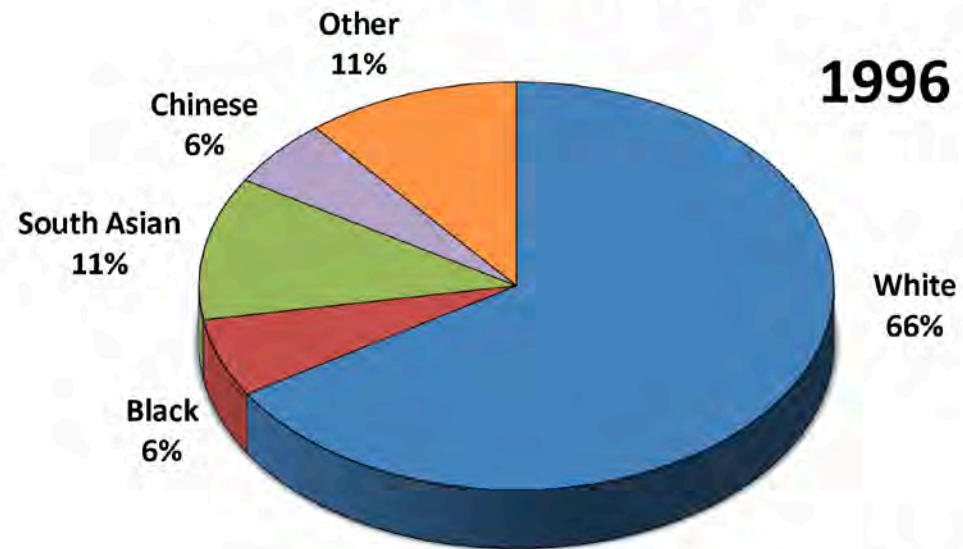
City #2



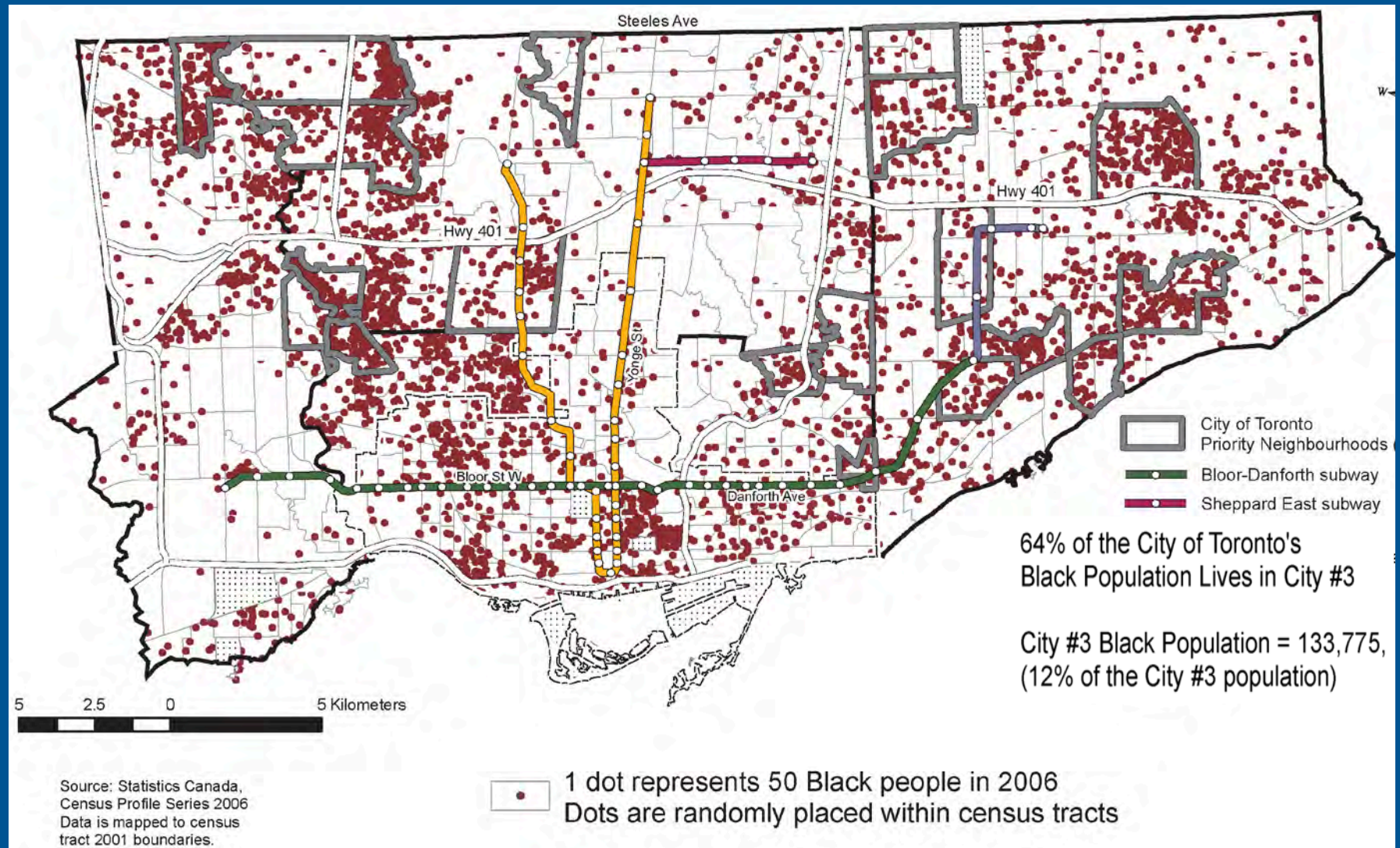
City #3



Population by Visible Minority Status City of Mississauga

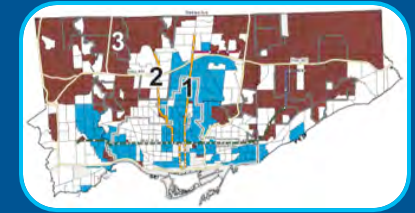


Toronto's Black Population, 2006



Segregation? Black population, neighbourhood concentrations

What can be done?



Policy options

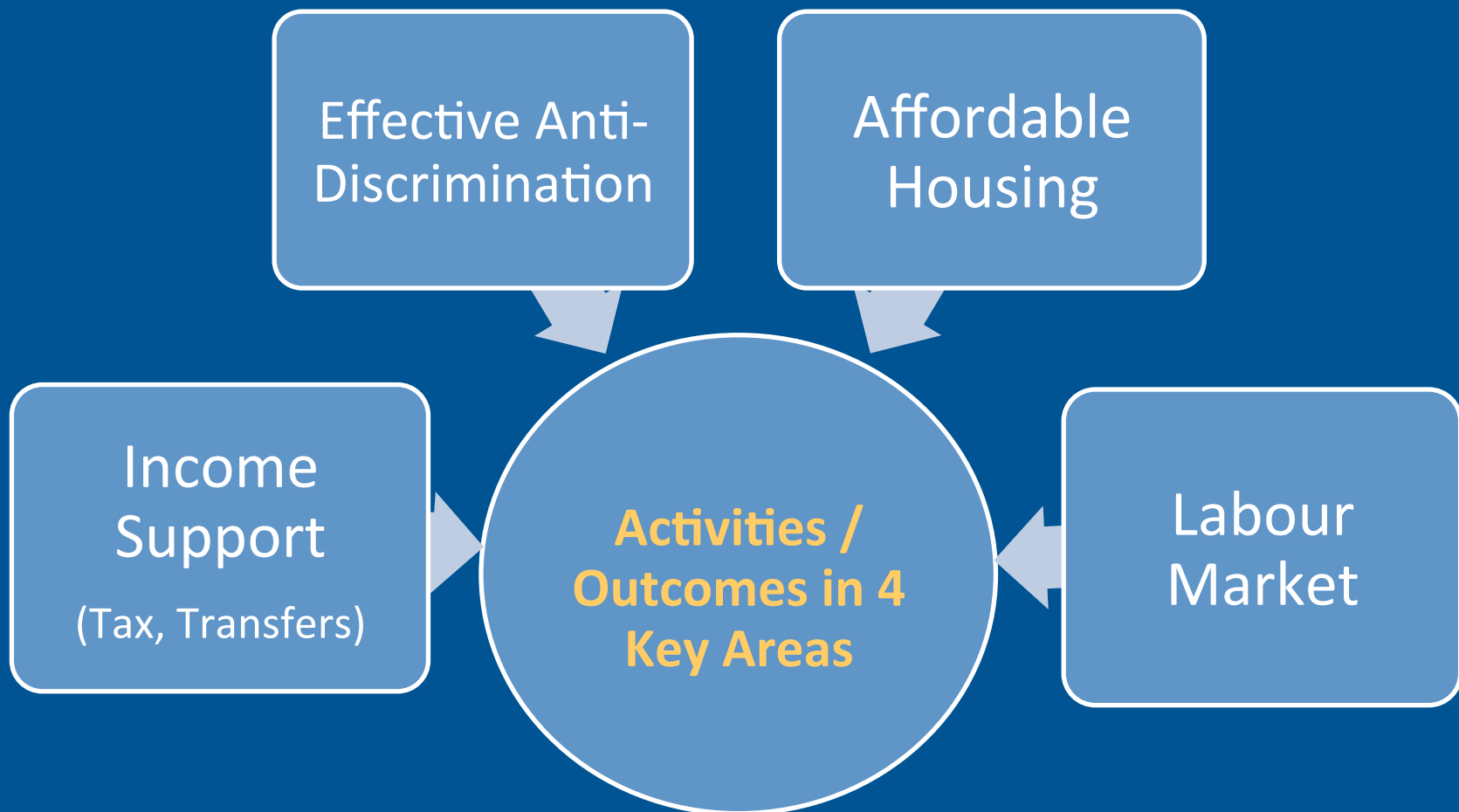
Economic INEQUALITY

Socio-spatial POLARIZATION / EXCLUSION

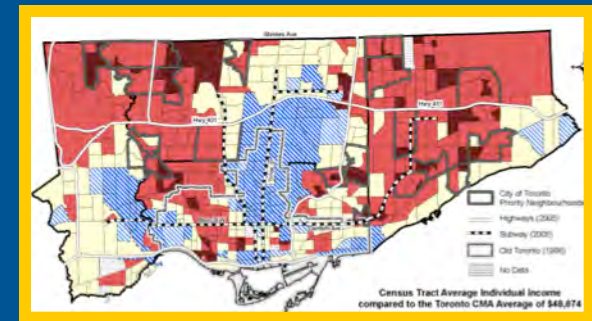
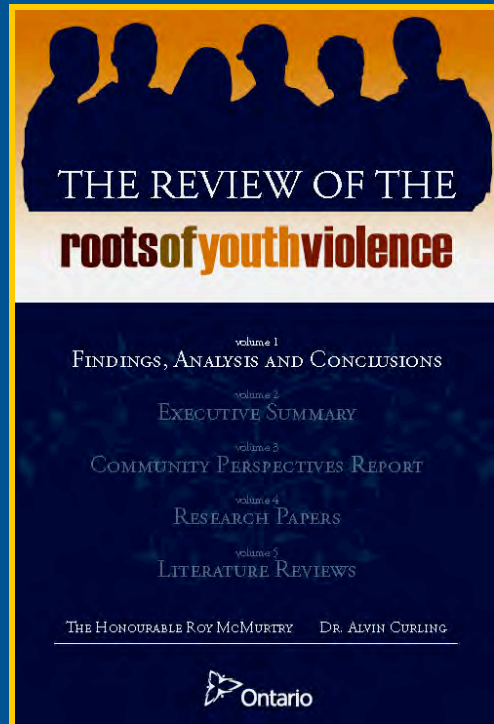
Spatial SEGREGATION & DISADVANTAGE

Cause? Solution?

Government / Governance



“There is ... no justification for the level or condition of **poverty** that coexists with this wealth.”

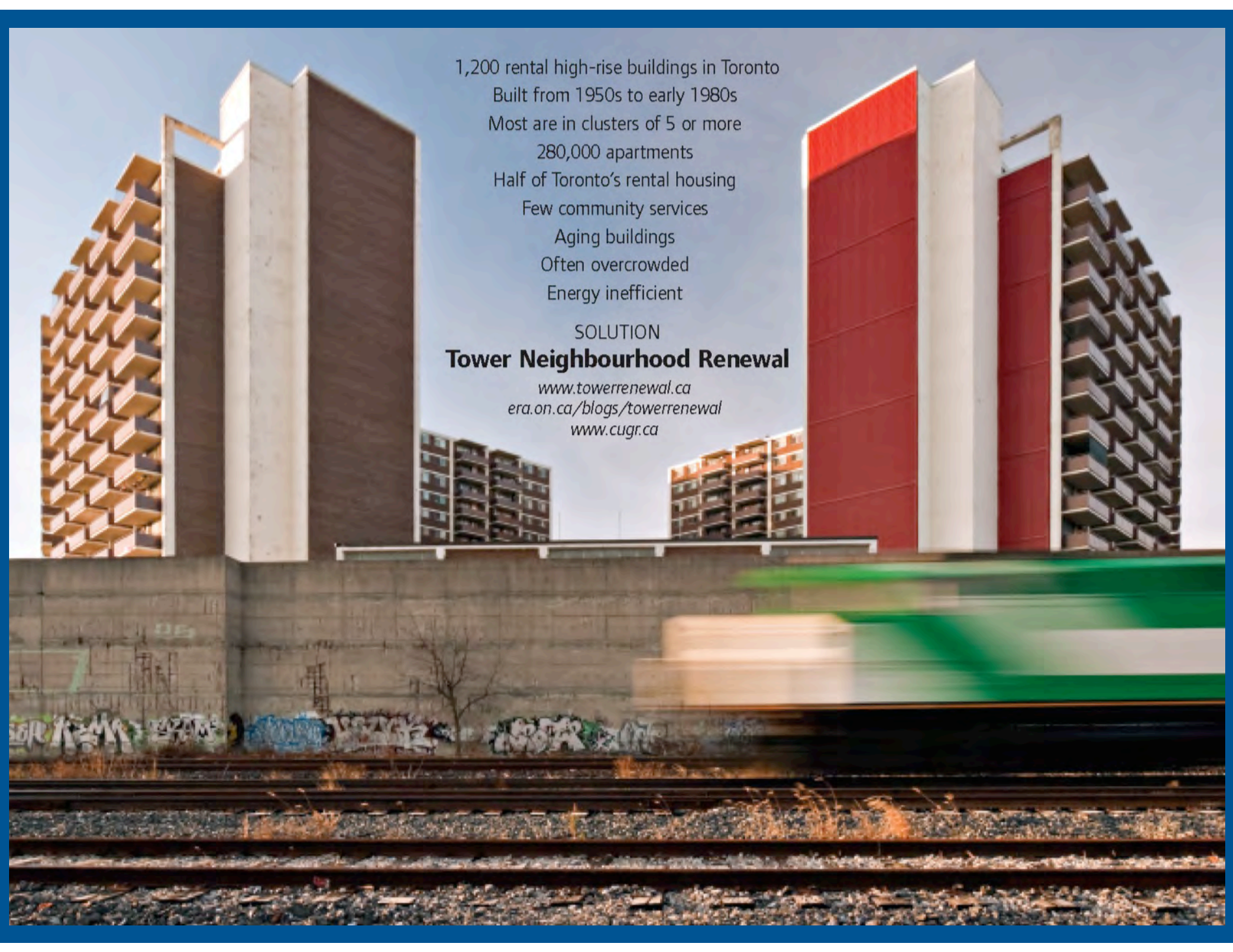


“Poverty does not directly cause violence ...

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



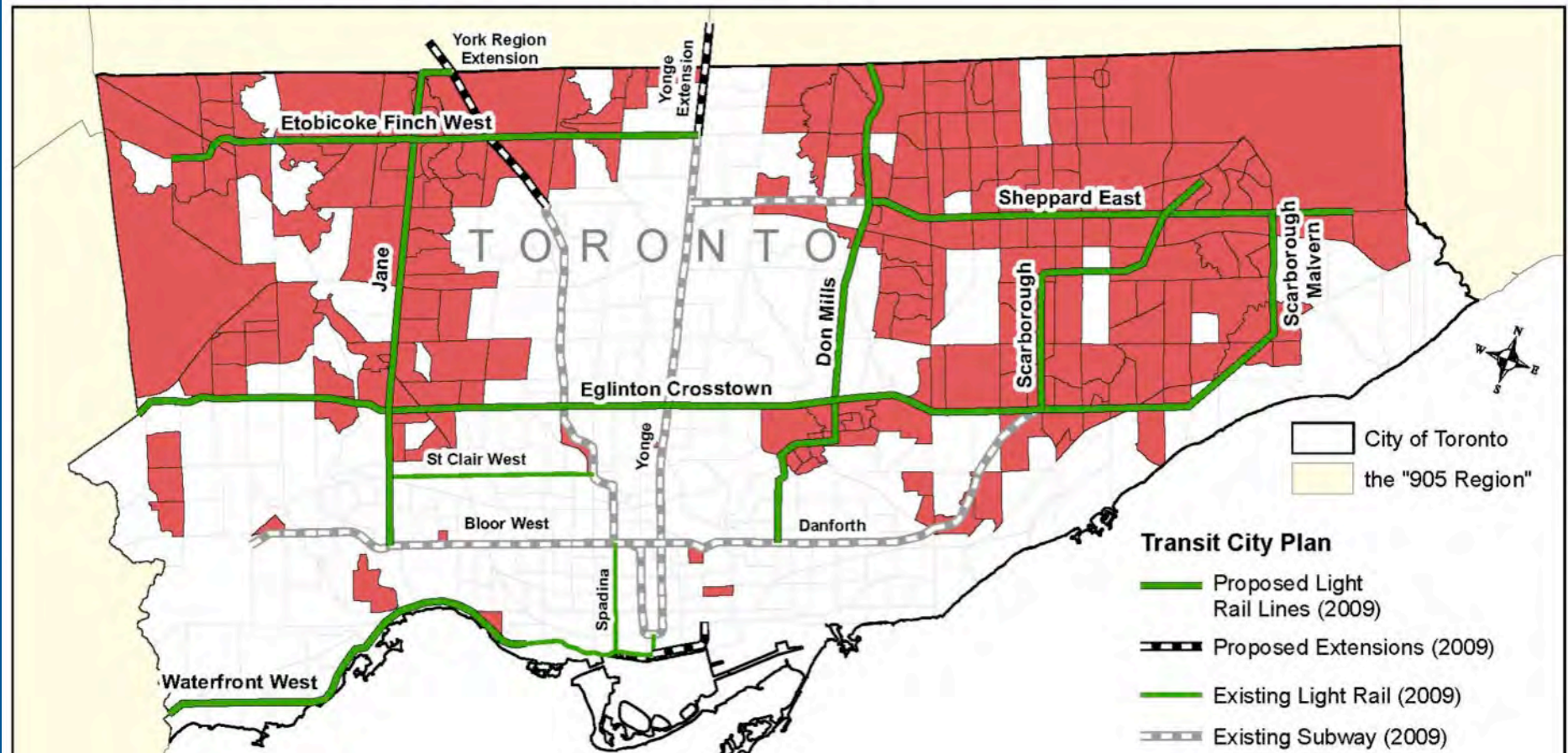
1,200 rental high-rise buildings in Toronto
Built from 1950s to early 1980s
Most are in clusters of 5 or more
280,000 apartments
Half of Toronto's rental housing
Few community services
Aging buildings
Often overcrowded
Energy inefficient

SOLUTION

Tower Neighbourhood Renewal

www.towerrenewal.ca
era.on.ca/blogs/towerrenewal
www.cugr.ca

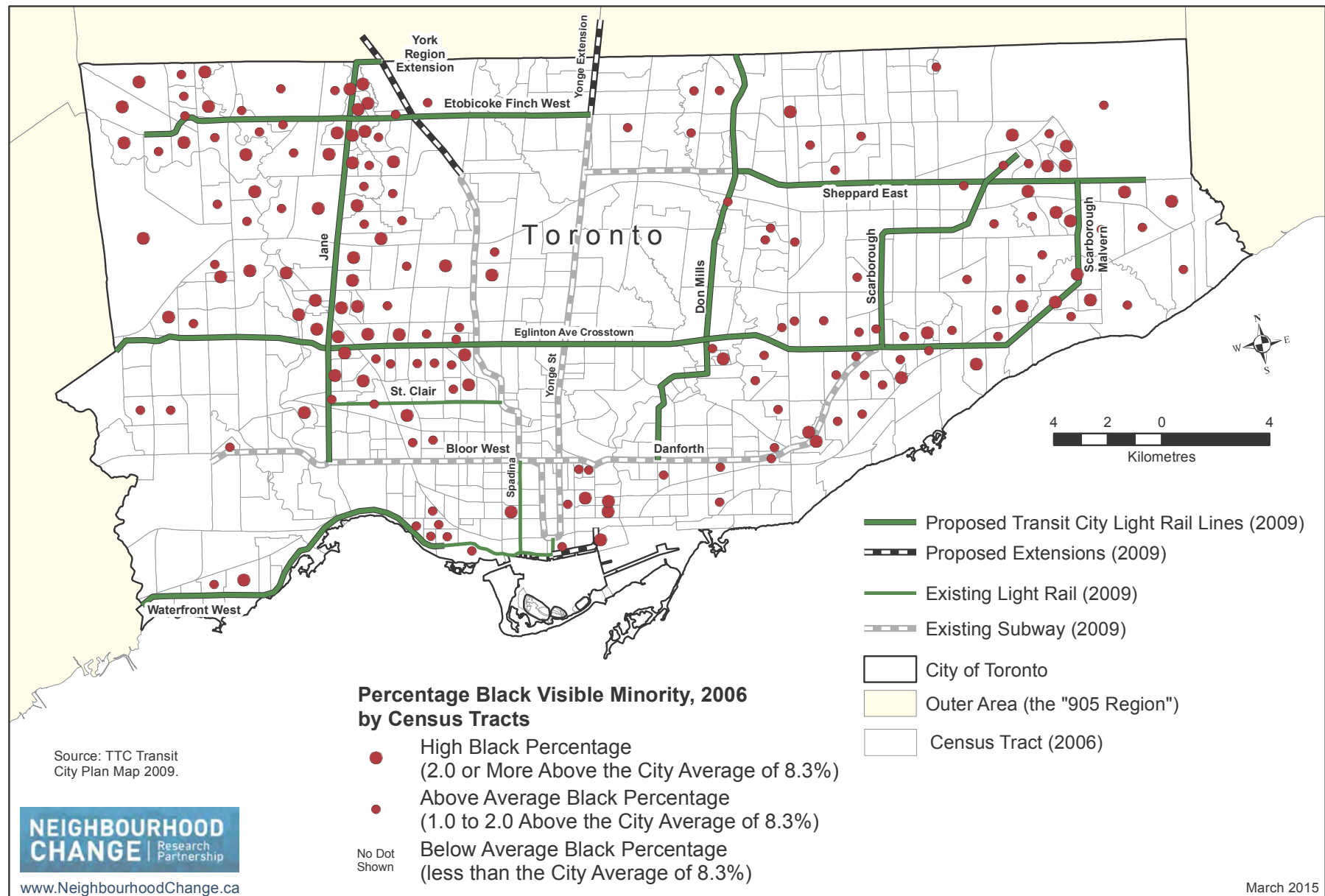
Toronto's "City #3," Neighbourhoods with Declining Incomes, 1970-2005, and the Proposed Transit City Plan 2009



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.

Toronto's Transit City Plan 2009 and Black Population 2006



What happened to Transit City?

THE GLOBE AND MAIL | TORONTO

[National](#)[Politics](#)[World](#)[Opinions](#)[Arts](#)[Tech](#)[Bus](#)[• Blogs](#) [• TV Listings](#) [• Puzzles](#) [• Horoscopes](#) [• Video](#) [• Columnists](#) [• Stock Watchlist](#) [• Deaths](#) [• St](#)

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

- \$4 Billion

18 May 2010

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

now to make it to make projects a real

Life Course Implications of Housing Assets

“who you are, where you are, and
when you achieve home ownership
are critical determinants of
future trajectories.”

– Ray Forrest, 2008

Policy Options for the Divided City

- **LABOUR MARKET**
 - **HOUSING**
 - **INCOME**
 - **ANTI-DISCRIMINATION**
-

The Inclusive and Sustainable City of the 21st Century

Challenges and Possibilities
Facing Urban Policymakers
and Institutions

1. Inclusionary Zoning
2. Rental Housing Rehabilitation
3. Eliminate vacancy decontrol
4. Maintain existing rental buildings with 6 or fewer units
5. “Tower Renewal” initiative



Policy Options continued

6. Second suite incentive program
7. Encourage rooming houses, SROs, supportive housing
8. Reduce parking requirements & related reg. reforms
9. Prov. share of land transfer tax to municipalities
10. Energy program for low-income households
11. Support small independent neighbourhood businesses
12. Active social / community development planning
13. _____
14. _____

Research Required on the Global City

- The analysis of power in and over cities
- how power is exercised by the drivers that possess power
- how the impacts of the exercise of power over cities can be better guided, and
- what the goals should be.

Peter Marcuse (2016)
"For the Repoliticization of Global City Research."
City & Community, 15(2), 116.

where is Chicagoland heading?

“Rahm Emanuel is building a Second City.
Two cities really...One white, one black.
One for the rich, one for the poor. One for
private schools, one for closed schools. A
new Chicago for the saved and the damned.
Gold coast heavens and low-end hells. It's
biblical, binary.” *Kevin Coval, Poet & Author, Founder Louder
Than A Bomb: The Chicago Youth Poetry Festival, April 3, 2014*

Janet L. Smith, Professor, University of Illinois at Chicago, April 2014

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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.

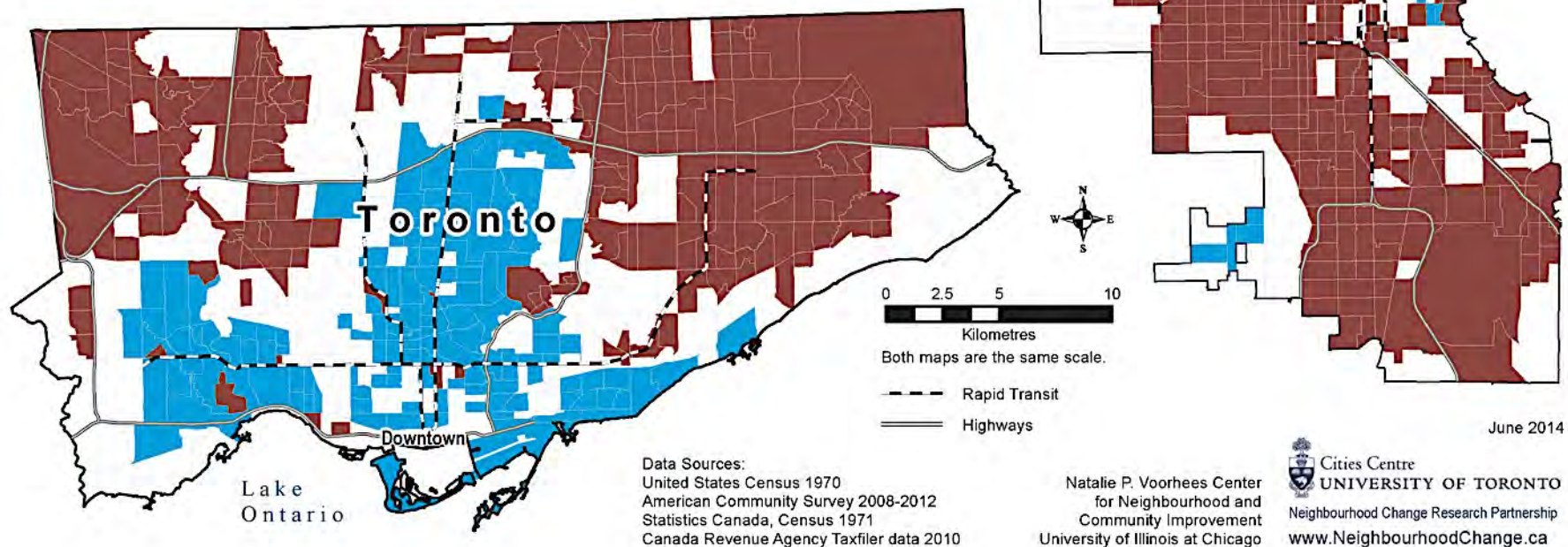
Census tract boundaries: Chicago census tract boundaries are held constant to Census 2010 (794 CTs); Toronto's are for Census 2001 (515 CTs).

Population: Chicago 2.7 million; Toronto 2.6 million (2010).

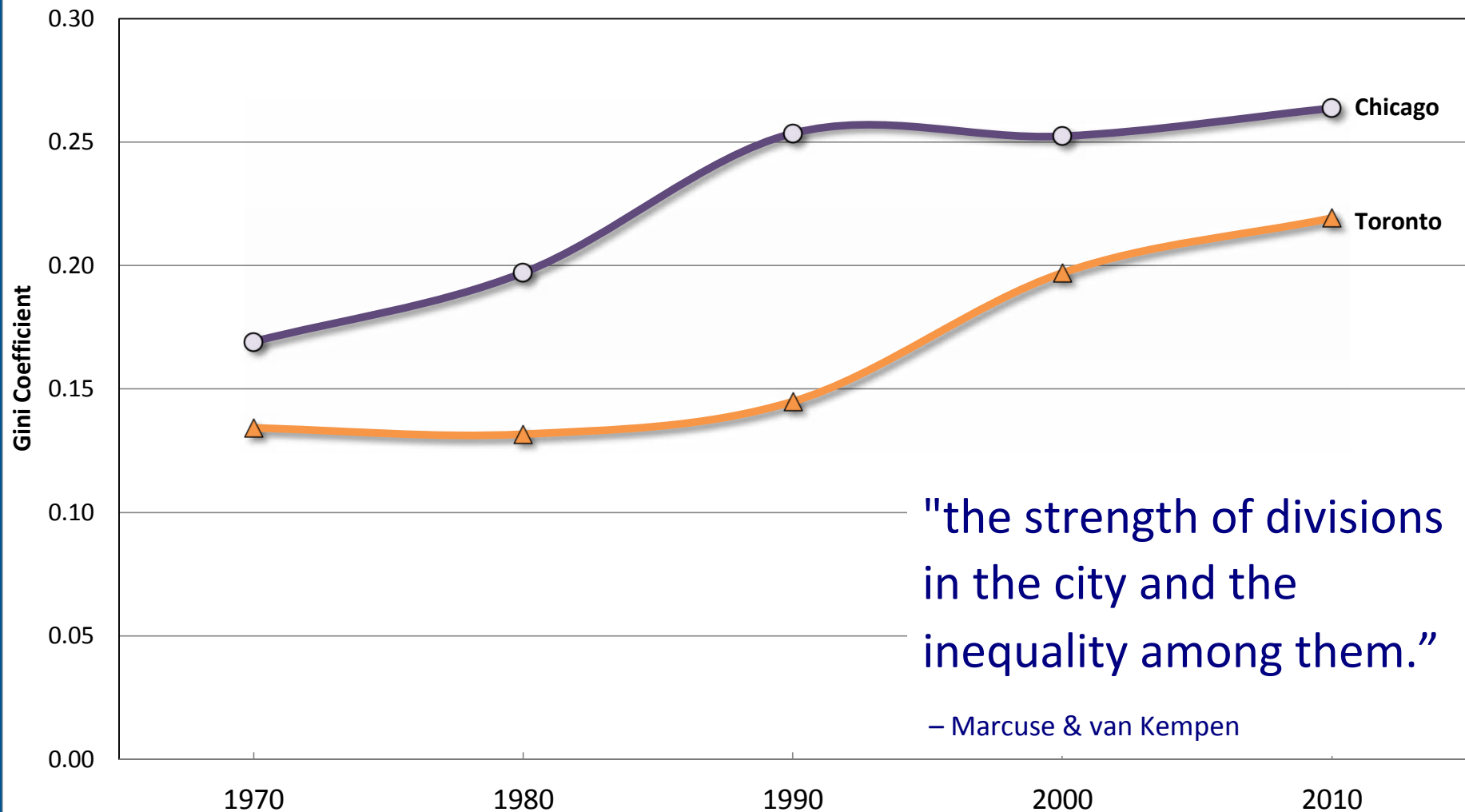
Size: Chicago 598 sq. km.; Toronto 686 sq. km.

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 |



Income Inequality Between Census Tracts: Gini Coefficient 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: United States Census 1970-2000, American Community Survey 2010, Canada Census 1971-2001, Canada Revenue Agency Taxfiler data 2010.

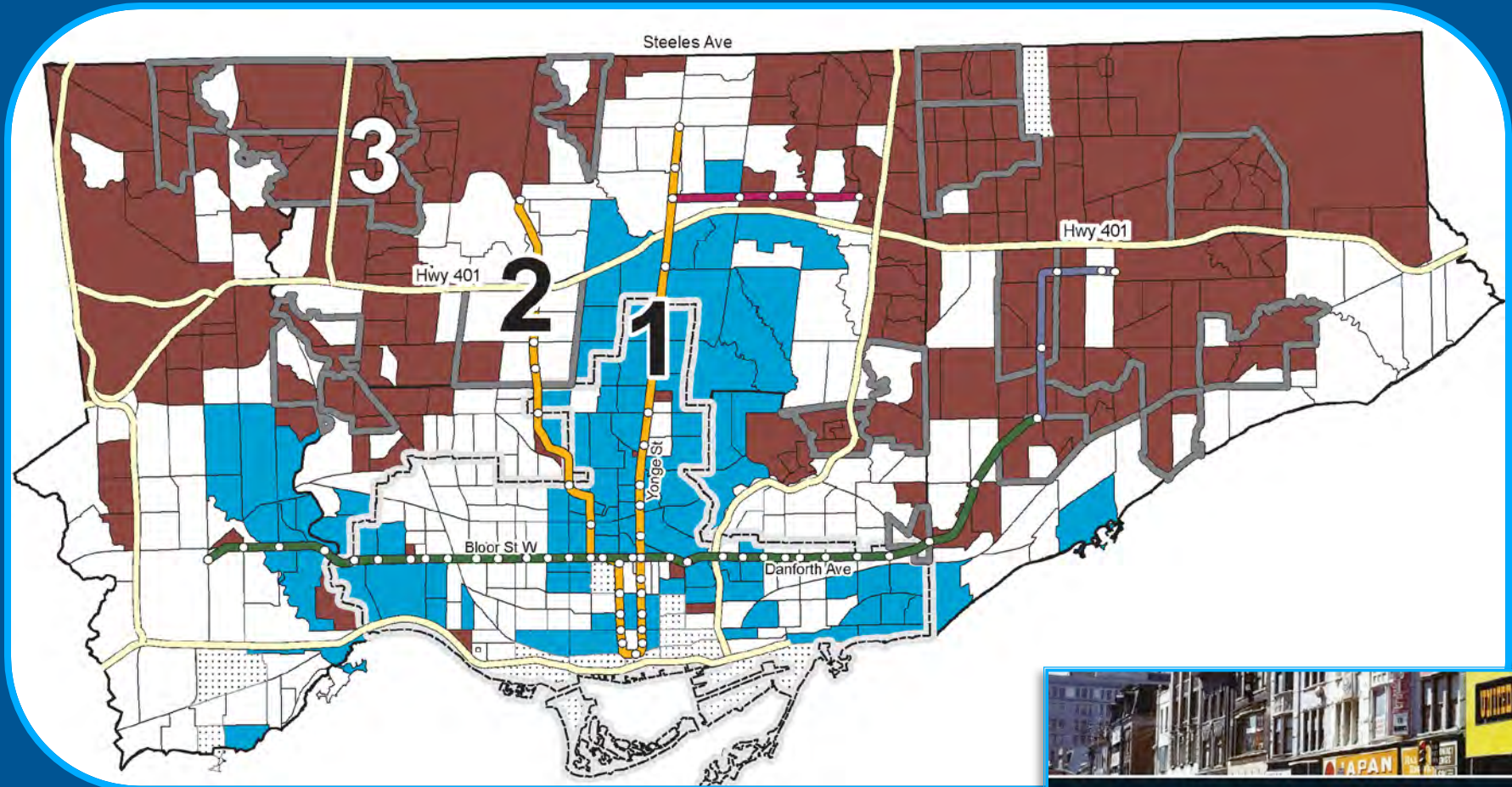
Toronto: Justice Denied

A just city demands

“over and over, that all
development be, at some level,
in the service of every one.”

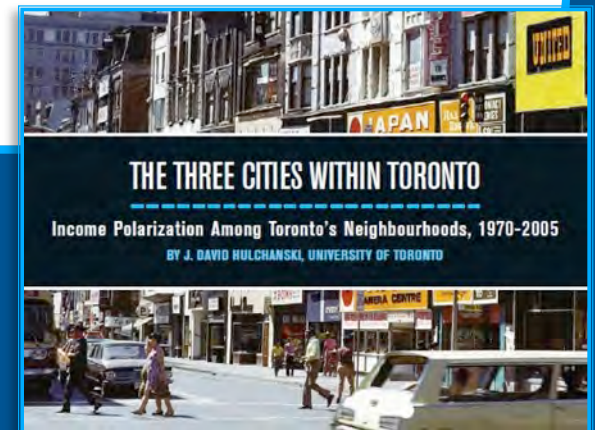
Mark Kingwell (2008)

“Toronto: Justice Denied, *The Walrus Magazine*, May.



For further information

www.NeighbourhoodChange.ca



Larry Bourne, David Ley, Richard Maaranen, Robert Murdie, Damaris Rose, Alan Walks