

# Toronto divided: A tale of 3 cities

## The affluent move to the centre, the poor are pushed to the edges and the middle class slowly fade from view

JOHN BARBER

20 December 2007. The Globe and Mail, page 1, 15

The economic polarization of Toronto into distinct regions of great wealth and great poverty is even sharper than anecdotal reports suggest, according to University of Toronto researchers.

Using detailed census data to chart 30 years of change at the neighbourhood level, they have created a striking and disturbing new image of the city, one in which traditional mixed-income neighbourhoods are reduced to a mere buffer between an increasingly wealthy core and increasingly impoverished suburbs.

The observation is not new, but it has never been presented with such authority or drama as it is in the new analysis, titled *The Three Cities within Toronto: Income Polarization among Toronto neighbourhoods, 1970-2000*.

“All this frankly surprised us,” said lead author David Hulchanski, director of the university’s Centre for Urban and Community Studies. “We knew there was a shift. That’s not new. We didn’t know how dramatic it was.”

The newly mapped data “explains an awful lot about us and what’s happening to us,” according to Prof. Hulchanski, “and it is sad.”

The most striking trend is the looming disappearance of the average, mixed-income neighbourhood that once defined Toronto.

In 1970, two-thirds of all census tracts reported individual incomes in the middle range for the city as a whole, according to the study.

**THE GLOBE AND MAIL**  
CANADA'S NATIONAL NEWSPAPER

DEMOGRAPHICS: A STUDY OF CONTRASTS

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**Societies south of Stiles**  
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**Income average per census tract for individuals 15 year old and older:**

City	Income in 2000	Percentage of city
Very high income	\$100,000	30%
High income	\$60,000	30%
Middle income	\$30,000	30%
Low income	\$15,000	10%
Very low income	\$5,000	10%

**SHRINKING MIDDLE CLASS**  
The number of middle-income households in Toronto has dropped precipitously since 1970. Change in each income group from 1970 to 2000.

Income Group	1970	2000
Very high income	10%	30%
High income	10%	30%
Middle income	60%	10%
Low income	10%	10%
Very low income	10%	20%

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By 2001, that share had dropped by a full third: Only 32 per cent of census tracts in the 21st-century city could be described as average.

Some neighbourhoods moved up, led by the once-poor but now chic “inner city” south of Bloor Street. But far more went the other way, led by former suburbs built for the vanishing average family.

In 1970, only 18 per cent of Toronto census tracts reported individual incomes between 20 and 40 per cent below the city average. By 2001, that share had more than doubled to 41 per cent.

By 2020, according to the study, there will likely be more neighbourhoods with “very high” incomes (17 per cent) than those in the middle (only 10 per cent).

Just as two-thirds of Toronto neighbourhoods were middle income in 1970, two-thirds will have low or “very low” incomes in 2020.

The changing face of the city shows poverty surging northward while an increasingly affluent, overwhelmingly white elite holds the core. Postwar suburbia is in rapid decline.

“It's an undesirable landscape, quite frankly,” Prof. Hulchanski said. “People with money don't want to live out there. It was built for the middle-income people who existed in 1971, but they've moved on and died.”

The result is “an urban landscape that has a 30-year history of abandonment by people who have a choice,” according to the report.

Contrary to expectations, the data show the same trends occurring in the outer suburbs, albeit at a slower pace. The inevitable conclusion, according to Prof. Hulchanski, is that middle-income Torontonians are not merely moving to the 905. They're disappearing.

“There always were rich and poor parts of the city, but we're seeing many, many more poor parts of the city – and in a totally different location,” he said.

Although it became evident in the 1970s, the new face of Toronto only emerged clearly after the social-service cutbacks of the 1990s, according to Prof. Hulchanski. As a result, new policies can refashion it back into a more humane image.

“It's been 35 years in the making and it's going to take a while to change,” he said. “But we can chip away and turn things around.”

Unlike the ominous picture that emerged from the report, however, the optimistic view rests more on hope than hard data.

## Societies south of Steeles

University of Toronto researchers used detailed census data to chart 30 years of change at the neighbourhood level, creating a striking and disturbing new image of Toronto, one in which traditional mixed-income neighbourhoods are reduced to a mere buffer between an increasingly wealthy core and increasingly impoverished suburbs.

### INCOME AVERAGE PER CENSUS TRACT FOR INDIVIDUALS 15 YEARS OLD AND OLDER

#### CITY 1

Income has increased 20% or more since 1970

Population in 2001: 417,000

Percentage of city: 17%

#### DEMOGRAPHICS

Chinese 6%

Black 2%

South Asian 2%

White 84%

Other 6%

Average household income in 2000 \$126,000

#### CITY 2

Income has increased or decreased less than 20%

Population in 2001: 1,035,000

Percentage of city: 42%

#### DEMOGRAPHICS

Chinese 9%

Black 6%

South Asian 6%

White 67%

Other 12%

Average household income in 2000 \$64,5000

#### CITY 3

Income has decreased 20% or more since 1970

Population in 2001: 1,002,000

Percentage of city: 40%

#### DEMOGRAPHICS

Chinese 14%

Black 12%

South Asian 17%

White 40%

Other 7%

Average household income in 2000 \$54,800

**Population by income bracket\***

	1970	2000
Very high income	7%	13%
High income	8%	4%
Middle income	66%	32%
Low income	18%	41%
Very low income	1%	9%

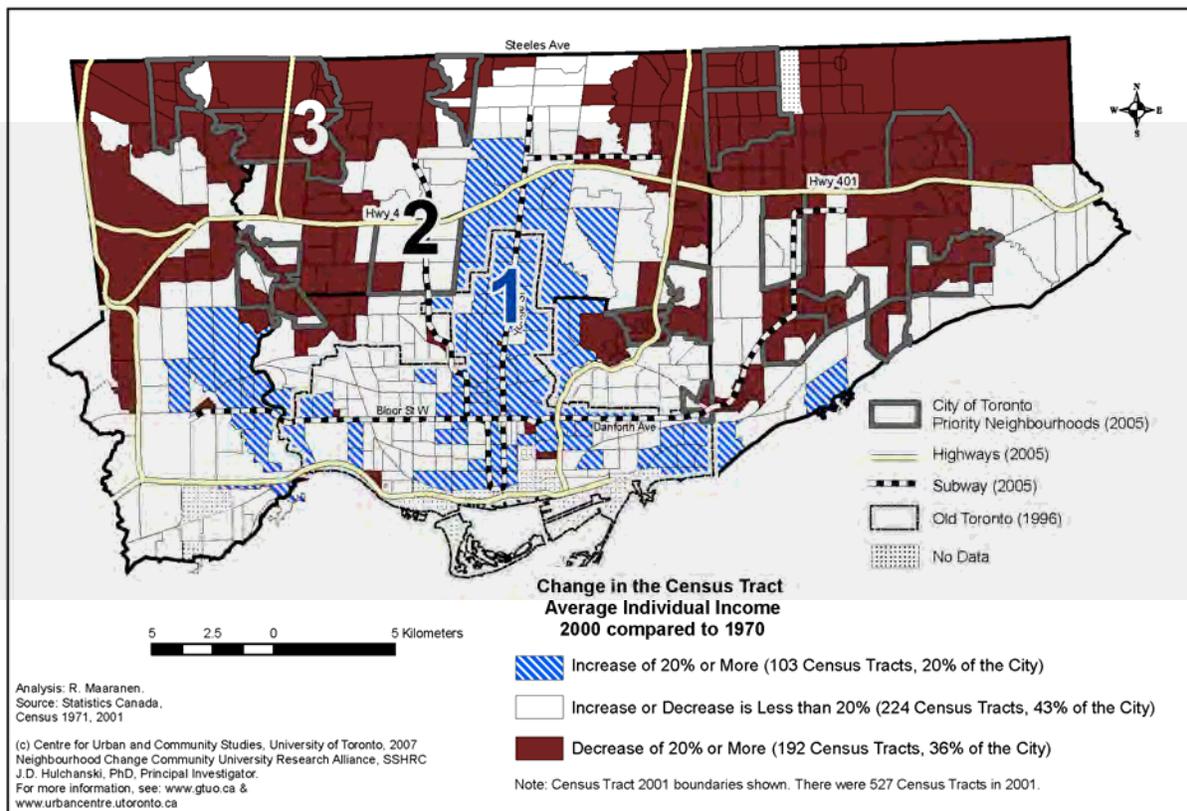
*Numbers may not add to 100 due to rounding*

MAP: The number of middle-income households in Toronto has dropped precipitously since 1970.

SOURCE: [www.urbancentre.utoronto.ca](http://www.urbancentre.utoronto.ca) & [www.gtuo.ca](http://www.gtuo.ca)

**Change in Average Individual Income, City of Toronto, 1970 to 2000**

Average Individual Income from all sources, 15 Years and Over, Census Tracts





OPINION

NARROW OUR ECONOMIC DISPARITIES TO STAY COMPETITIVE

# Pity the tri-city Toronto

RICHARD FLORIDA

The Globe and Mail, December 22, 2007

For decades we've heard that new transport and communication technologies - from the street car to the Internet - would make geography and place irrelevant. We could all spread out and locate wherever we liked. The suburbs would boom, edge cities would predominate and the urban core would fade away into irrelevance. Some told us that the future of the centre of cities was to become little more than a "sandbox" or "reservation" - a holding pen for the urban poor.

It turns out that these prognostications were dead wrong. A close look at the real data shows that the world is quite spiky, defined by surging mega-regions, declining hills (like the Clevelands and St. Louises of the world) and sinking valleys (the poor mega-cities and even poorer rural areas of the emerging economies and developing world).

Now a landmark study by my University of Toronto colleague J. David Hulchanski of the Centre for Urban and Community Studies, "The Three Cities within Toronto: Income Polarization among Toronto

Neighbourhoods, 1970-2000," shows that Toronto is not only far from immune from these trends but also that its position as a centre for the global creative economy comes with a level of spikiness and economic polarization that are deep cause for concern.

The study shows how, from 1970 to 2000, our city of neighbourhoods has been transformed into three separate cities, defined by their economic differences. Toronto may well be a thriving multicultural, ethnic mosaic of the sort Michael Adams' *Unlikely Utopia* proudly identifies, but it is one where ethnic diversity is overlaid by growing class division.

Some time ago, in his classic studies of the black-white divide in urban American, the sociologist William Julius Wilson wrote of the declining significance of race - meaning that racial division in the United States had given way to a new and more potent divide based on economic class. This divide has ultimately produced a class-polarized America - a divide that underpins and motivates declining social cohesion, a frightening culture war and an increasingly dysfunctional political system.

The authors of the U of T report rightly note the intersection of race, ethnicity and class in the emergence of a new, more stratified Toronto, but they also make clear that this class divide has grown glaringly worse in the past couple of decades.

The three Torontos are defined by an increasingly rich and advantaged core, a shrinking middle-class zone, and low-income earners and immigrants at the outskirts. In some ways this is a good thing: Toronto is the opposite of hollowed-out American cities like Detroit and Cleveland. And the pattern is strikingly similar to what is happening in places that are becoming the epicentres of the creative economy.



The gentrification of the urban core, with out-of-sight housing prices, is occurring in London, New York, San Francisco, even in Washington, D.C.

What we are witnessing in Toronto is the rise of a new set of economic, demographic and social patterns being set in motion by the global creative economy. There is a mass migration of highly educated and highly skilled people to a smaller and smaller number of cities. Harvard economist Edward Glaeser has documented the sorting of highly educated, high human-capital households in the United States. Thirty years ago, most cities had a similar proportion of educated and less educated people; now highly educated people are concentrated in just a handful of major metropolitan regions like New York, Washington, San Francisco and Seattle.

They have gravitated to the cores of these metros to take advantage of clustered work, gain access to amenities, and reduce their time costs spent on travel. In the five-year period from 2000 to 2005, New York City took in 285,000 recent college graduates - a number roughly equivalent to the entire population of the city of Buffalo. Driving this is the benefits of economic clustering long ago identified by Jane Jacobs. It is the clustering of people, even more so than the clustering of business and industry, that today is the motor force of economic growth.

Left to its own devices, this clustering is causing the sorting of people by economic class. Not just across cities but within them, as the U of T report demonstrates. This is also similar to what is happening in the United States. Kevin Stolarick of the Martin Prosperity Institute has shown that the leading U.S. creative regions (San Francisco, Austin, the North Carolina Research Triangle, and Washington) also have the highest levels of income inequality. While not quite in this league, Toronto is beginning to see a similar trend of economic and social polarization.

We need to understand the tremendous economic and social polarization produced by the shift to a global creative economy. The same things happened with the Industrial Revolution. It took the leading nations of the world 50 or more years to understand it - a period punctuated by depression, epic class struggles, and two world wars - and finally for progressive leaders to enact new deals that would spread the productive capacity of the industrial engine and allow working people to benefit from the productivity improvements their work helped create.

It's time to wake up and act on these striking new realities. The key task of our time is to build new institutions to spread the gains of the creative economy. If not, it will continue to concentrate those gains geographically and socially.

This is Toronto's and Canada's great opportunity. It's also a major part of the reason why I moved to Toronto. Absent a major miracle, the level of economic and social polarization is so deep in the United States that it may well prohibit the kind of concerted action required to overcome that class divide and build a more cohesive and shared creative economy.

In my view there are at best three economies worldwide that have the social capacity to navigate and lead in this change. Canada is one, Australia another, the Scandinavian nations still another. And that leadership, given the absence of awareness of these issues at the national level, will have to come from the major cities in these nations.

Toronto, despite its worsening economic polarization, or perhaps because of it, is perhaps in the best position worldwide to lead here. It should put aside its dream of becoming another New York, London or, in some quarters, another high-tech Silicon Valley. Those are yesterday's models - thriving commercial cores and growing polarization and poverty. Toronto must break the mould and strive to deal with the spikiness and polarization that its improved position in the global creative economy has brought with it.

As I have seen for myself, despite this polarization, Toronto remains a cohesive community. Even as that cohesion is stressed, the city remains the unlikely utopia Mr. Adams identified. In contrast to the

U.S., where there is open class warfare, moves to restrict immigration and lashing out against gays and lesbians, Toronto has what it takes to bridge the class divide. My conversations assure me that economic and business leaders are aware of this; at a recent meeting with Mayor David Miller and key political leaders, this was the central topic of discussion.

But we need to move quickly in light of what this landmark U of T study shows us. We need to develop strategies to close the gap. We need to make sure immigrants have a chance to see their full skills be rewarded. We need to make sure all Torontonians can use their creative capabilities and as such contribute even more fully to economic growth.

And we need to upgrade the service economy as a key part of our strategy for the future. Low-paying service jobs are analogous to what blue-collar jobs were in the industrial age. Just as unionization and collective bargaining made once-low-paying blue-collar jobs into well-paying ones that could support families, Toronto - and Canada - must do something analogous to improve work in the service economy.

Caught today between the twin pillars of economic growth and widening social and economic polarization, Toronto has the opportunity to become a model of the prosperous, sustainable and inclusive region - one where each and every person can fully develop their talents, find work that fulfills their dreams, and connect the further development of human creative capabilities to future economic prosperity.

The three Torontos can become one Toronto. The time to act is now.

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*Richard Florida is a professor at the University of Toronto's Rotman School of Management and academic director of the Martin Prosperity Institute at the Rotman School. He is the founder of the Creative Class Group ([creativeclass.com](http://creativeclass.com)) in Washington, D.C., which develops strategies for business, government and community competitiveness, and author of the bestselling books *The Rise of the Creative Class* and *The Flight of the Creative Class*. He also writes a new monthly column in the Focus section; the next one will be published on Dec. 29.*

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# EYE WEEKLY.COM

## CITY HALL

### Top issue for 2008

#### Toronto's increasing income disparity

BY Dale Duncan      January 04, 2008



The defining issues at city hall for 2007 were the new taxes and the city's faltering finances. These issues even dwarfed climate change, the topic that many predicted would characterize 2007 a year ago. So what will be the number one issue in 2008? Certainly the state of city hall's budget will continue to capture the spotlight, but a growing concern that I hope to see council tackle on many fronts over the coming year is **Toronto's increasing income disparity.**

According to a recent report from the **Centre for Urban and Community Studies (CUCS)** at the University of Toronto, Toronto's rich are getting richer, its poor are getting poorer and middle-income neighbourhoods are becoming a minority. The report goes so far as to say that Toronto is no longer a "city of neighbourhoods," but a "city of disparities."

From News@UofT:

*"Toronto could be described as three geographically distinct cities made up of 20 per cent affluent neighbourhoods, 36 per cent poor neighbourhoods, and 43 per cent middle-income earner neighbourhoods — and that 43 percent is in decline...."*

*"This economic and cultural segregation will likely continue, [Dr. David Hulchanski] noted, unless the various levels of government undertake policies to support income, give tax relief to those at the low end, and promote mixed neighbourhoods through zoning and rent control."*

*The Globe and Mail* reported on this before the holidays, with Richard Florida adding some insight to the mix. The United Way presented similar findings last year, too, in its report *Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City*, for which the CEO of the United Way Frances Lankin received the *Toronto Star's* Laurel of the Year.

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## Bridging Toronto's divides

**Only a socially inclusive strategy can overcome the twin 'paradoxes of globalization'**

January 20, 2008

**NEIL BRADFORD**

In the past few months, two major reports have delivered a disturbing message to everyone concerned about Toronto's future.

In November, the United Way's *Losing Ground* documented growing income inequality across the city with more than 30 per cent of families living in poverty, rising to more than 50 per cent for single-parent families.

Still digesting the implications of that report, Torontonians' holiday spirits were dampened by the University of Toronto study, *The Three Cities within Toronto*. It mapped the new geography of the economic gap. Since 1970, Toronto's renowned mixed-income neighbourhoods have become harder to find, squeezed between an opulent inner city and deteriorating suburbs.

The overall conclusion: Toronto is Canada's richest city, but also becoming its poorest and most divided.

What is happening? Obviously the drivers of such far-reaching change are complex. But one way to make sense of it all comes from scholars who now refer to the two "paradoxes of globalization."

The first paradox explains how, despite unprecedented mobility of people, capital and ideas on a world scale, certain locales remain crucial hubs of activity. Richard Florida has tracked the clustering of highly educated people in major cities such as New York, London and, to a lesser extent, Toronto. These places are globalization's winners, hotbeds of creativity where multiple talent streams converge to generate extraordinary innovations in business, the arts and science.

And herein lies the second paradox. The creative economy does its own class re-sorting. The talented minority command huge premiums, while many others navigate an unstable urban labour market with its own cluster of low-end service jobs. The most creative cities also have the highest levels of income inequality. Their cores gentrify. Expensive housing and exclusive retail thrive. The

affordable and practical disappear. On the streets, the results of the economic and spatial re-sorting play out: creative districts, innovation corridors and million-dollar neighbourhoods become increasingly sealed off from the rest of the city. Such gaps and divides can unravel a city's identity and threaten its prosperity, no matter how creative the economic clusters may be.

The data and trends in the two reports clarify that Toronto is approaching just such a crossroads, away from inclusion into division. Turning things around requires bold new thinking so that the undeniable benefits of the creative economy are widely distributed. For all the talk over the past decade about a New Deal for Cities, sharing opportunity among all citizens and across neighbourhoods remains Canada's essential – and largely unaddressed – big city challenge.

What's needed is nothing less than a "socially inclusive creative city" strategy. Only such an integrative vision can inspire a multi-faceted commitment to overcome the growing divides. And while no off-the-shelf-solution is available, Toronto already has some promising elements. Recognizing that no single actor can do it, four key players must be at the table.

**City of Toronto:** The level of government closest to the challenges, with policy frameworks for social development and neighbourhood revitalization, provides a platform for targeting investments in and across the social and geographic divides.

**Community Networks:** Toronto's civil society is rich in grassroots organizations that deliver services, conduct research and reach out to the most marginalized. This network represents a crucial intermediary between residents and governments, helping ensure strategies reflect diverse communities.

**Citizens:** Successfully tackling exclusion means hearing directly from residents coping with few services, juggling child care and two jobs, and struggling to pay the rent. Any solutions must be grounded in their lived experiences.

**Provincial and federal governments:** With most of the money and power to transform cities, they must ensure policies for income security, immigrant settlement, affordable housing and job training that can break down Toronto's opportunity divides. A strong safety net can be supplemented by special resources for parts of the city falling behind. Ontario's recent anti-poverty initiatives are a start.

While these different pieces of a socially inclusive creative city strategy already exist, they are not aligned or, in the current jargon, "joined-up." The result is diffusion of scarce resources, duplication of effort, and adversarial attitudes. Regrettably, the intergovernmental urban policy channels remain mostly cluttered with buck-passing and jurisdictional squabbles.

So how to begin a new conversation about moving forward together?

A number of options should be considered. Toronto's civic entrepreneur extraordinaire Alan Broadbent has called for a royal commission on cities, one that would be the 21st-century equivalent of the landmark 1930s Rowell-Sirois report that set the course for Canada's welfare state. However, Prime Minister Stephen Harper's preferred route for policy intelligence seems to be small-scale, issue-focused panels such as the one on Canada's Afghanistan commitment or the future of bilingualism.

Why not a panel composed of representatives from the four sectors mentioned above on challenges in Canada's largest city-region and major economic engine? The findings would surely resonate across all urban municipalities.

Closer to home, the Toronto City Summit Alliance has convened civic dialogues and sponsored action research on issues joining economic and social well-being: immigrant settlement, technology innovation and vibrant neighbourhoods. The alliance's resources could now be mobilized for strategies that integrate Toronto's creative economy with social development.

Another potential venue is the Council of the Federation that brings together the premiers in policy dialogue over urgent concerns. Problems of exclusion amid prosperity are certainly not peculiar to Toronto, and the premiers frequently remind Ottawa that the municipalities are their property.

How about putting the state of each province's largest city-region on the council's next agenda? Indeed, Vancouver and Winnipeg have created Urban Development Agreements with provincial and federal participation to tackle their own urban divides. Ontario could learn lessons.

Finally, the Paris-based Organization for Economic Co-operation and Development currently is studying Toronto, consulting with all three levels of government about competitiveness. Its coming report represents another opportunity to road map the inclusive, creative city.

Whether the four actors vital to a better future for Toronto – and therefore Canada – come together for joint work in any of the possible venues remains to be seen. What is not in doubt is the breadth of the challenge and the need for concerted, timely action.

The question that neither *Losing Ground* nor *The Three Cities* asked must now be put: Is there the political creativity to build the social coalitions necessary for bridging urban divides?

*Political scientist Neil Bradford teaches at the University of Western Ontario and is a research associate at Canadian Policy Research*

## Gentrification squeezing out poor

January 08, 2008

### SLINGER

An examination of what became of Toronto in the last three decades of the 1900s has left some distinguished commentators running around in little circles, flapping their arms and making gurgly noises.

Prepared under the respected direction of J. David Hulchanski of the U of T's Centre for Urban and Community Studies, it shows that something we basically all knew was happening – the city splitting itself into closed enclaves, by no means gated, but rigidly determined by who can afford to live where – is far more pronounced than we ever imagined.

Surprises turned up. The bungalow-lined, crescent-streeted sprawls that once were called suburbs and that spread like viruses just inside the boundaries of the now-amalgamated metropolis were built as middle-class, happy-family refuges insulated from the tumult of the inner city. Today, though, folks who can afford to live somewhere else are choosing somewhere – almost anywhere – else.

Old truths were re-emphasized. The immigrant poor who once would have seethed in downtown slums continue to fester in high-rise infernos along the city's far edges.

But none of it seemed reason enough for the commentators' alarm, which was seismic. Richard Florida, the celebrity public policy specialist the U of T recruited from the States with much fanfare last year, compared the developments to the social polarization caused by the Industrial Revolution. Back then, he wrote in *The Globe and Mail*, it took the world's leading nations more than 50 years to understand what had happened, `` a period punctuated by depressions, epic class struggles and two world wars."

Scary enough on a global scale. How will we deal with such an apocalypse when it winds up all squeezed into T.O.? And we'll have to, Florida warns, unless we `` wake up and act on these striking new realities."

But – what is the problem exactly? Not that I'm calling these

analysts fogbound. They do, however, sound awfully vague when it comes to spelling out the precise horrors awaiting us if we don't wake up and act. And when they're this hazy, it can seem as if they've got their shorts in a knot over what looks to most of us like life going on.

So let me take a stab at one concrete example. Gentrification doesn't just mean replacing cement with bricks in the sidewalks along the local main drag. It can mean what happened in Cabbagetown, where even the middle class can no longer afford the bijou residences that, before double-glazed, stained-glass windows, provided the threadbare masses with shelter – it's got rats, but it's home to us – from the storm.

Now, take a city map, daub your thumb with ink, and smear it along the south side of Queen St., from Ashbridge's Bay to Jarvis and then from Bathurst over to Roncesvalles. Roughly 10,000 people in Toronto live in rooming houses, most of them (99 per cent are on public assistance, many on pensions for physical and mental disabilities) in those two smudges.

Now look at what's happening around Degraffi St. You'll understand why today's young families might prefer Leslieville to split-level isolation in Willowdale. And then there are all those enormous, falling-down heaps in Parkdale, each with 15 or 20 tenants, two or three of them behind each door. Fixer-upper mansions! But nothing a junior investment banker with an architect and a couple of million to blow on renovations can't make splendid again.

Now ask yourself, where will these 10,000 poverty-stricken, troubled individuals go when they're finally driven out of the only parts of town they can afford? What will we do with 10,000 refugees from gentrification?

That's not the problem, though. That's just part of the problem.

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*Slinger's column appears Tuesday and Thursday.*

## The Three Cities within Toronto: “a city of disparities”

FOR RELEASE: 8am, December 20, 2007

Centre for Urban and Community Studies, University of Toronto

TORONTO – The City of Toronto is becoming increasingly divided by income and socio-economic status, says a new report issued today by the Centre for Urban and Community Studies (CUCS) at the University of Toronto. No longer a “city of neighbourhoods,” the study calls modern-day Toronto a “city of disparities.”

In fact, Toronto is now so polarized it could be described as three geographically distinct cities made up of 20 percent affluent neighbourhoods, 36 percent poor neighbourhoods, and 43 percent middle-income earner neighbourhoods – and that 43 percent is in decline.



The screenshot shows a news article from the University of Toronto website. The header includes the university's name and the email address NEWS@UoT. The article is dated Thursday, Dec. 20, 2007. The title is "U of T research identifies three 'cities' within Toronto" with a sub-headline "City becoming increasingly divided by income and socio-economic status". The main text begins with "The City of Toronto is becoming increasingly divided by income and socio-economic status, says a new report issued today by the Centre for Urban and Community Studies (CUCS) at the University of Toronto. No longer a 'city of neighbourhoods,' the study calls modern-day Toronto a 'city of disparities.'" and ends with "... Read our full story". On the left side of the article, there is a sidebar with the university crest, the date, the email address, and an "ARCHIVES" section listing various departments.

The CUCS study analyzed income and other data from the 1971 and 2001 censuses, and grouped the city’s neighbourhoods based on whether average income in each one had increased, decreased, or stayed the same over that 30-year period. It found that the city’s neighbourhoods have become polarized by income and other ethno-cultural characteristics and that wealth and poverty are concentrated in distinct areas.

The CUCS report describes three distinct geographical “cities” within the City of Toronto in 2001:

- **City#1** (high-income) is clustered around the two subway lines, much of the area south of Bloor/Danforth, some of the waterfront, and central Etobicoke. It includes about 17% of Toronto’s residents. In this “city,” incomes have *increased* by 71% over the 30-year study period. The ethnic origins of residents are mostly White (84%), a small minority are immigrants (12%), and their occupations are mostly white-collar (60%).
- **City#2** (middle-income) sits between the other two cities, with some neighbourhoods in the core and south of Bloor-Danforth, and others in the former North York. Forty-two per cent of Toronto’s residents live City #2. Average incomes have changed little over the study period (a slight *decrease* of 4%). The ethnic makeup of City#2 is 67% White and 21% Black, Chinese or South Asian, 48% are immigrants, and their work is 39% white collar and 18% blue collar.

- **City#3** (low-income) comprises much of northern Toronto, outside the Yonge Street subway corridor, plus large parts of Scarborough. It comprises 40% of the city's population. Incomes in City#3 have *decreased* by 34% between 1970 and 2000; its residents are 43% Black, Chinese or South Asian in origin (40% are White); 62% were born outside of Canada; and 32% work in white-collar and 25% in blue-collar jobs.

So the term “inner city” (in the sense of urban poverty) no longer means south of Bloor-Danforth or clustered around the downtown core. Gentrification has changed the southern neighbourhoods. The new “inner city” has moved north, mostly north of the 401, and east to Scarborough.

The report concludes that, “the City of Toronto, over a 30-year period, ceased being a city with a majority of neighbourhoods (66%) in which residents’ average incomes were near the middle, and very few neighbourhoods (1%) with very poor residents.

“Middle-income neighbourhoods are now a minority and half the city’s neighbourhoods are low-income.”

This economic and cultural segregation will likely continue unless the various levels of government undertake policies to support income, give tax relief to those at the low end, and promote mixed neighbourhoods through zoning and rent control.

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## KEY FINDINGS OF THE CUCS REPORT

**The Three Cities within Toronto: Income polarization among Toronto’s neighbourhoods, 1970–2000**, by J. David Hulchanski, PhD, MCIP, Director, Centre for Urban and Community Studies and Professor, Faculty of Social Work, University of Toronto, Research Bulletin #41, published December 2007.

The full 12-page report, with high quality PDFs of the main maps and graphs, is available for download at: [www.gtuo.ca](http://www.gtuo.ca)

- The City of Toronto has 140 named neighbourhoods. However, Statistics Canada divides the city into 527 “**census tracts**,” each with an average population of 4,700. This latter geographic division was the one used by the CUCS study, because of the availability of comparable data from the 1971 and 2001 censuses (which reported incomes for the years 1970 and 2000).
- In 1970, in 66% of the city’s census tracts, the average income of the residents from all sources (wages, pensions, social assistance, investments) was close to the average for the entire Toronto area. To put it another way, middle-income neighbourhoods were predominant. By 2000, the proportion of middle-income neighbourhoods had fallen dramatically to 32% of the census tracts. **The middle-class is shrinking.**

- Over the same period, the proportion of low- and very-low income neighbourhoods increased greatly, from 19% to 50%. At the opposite end of the scale, the proportion of high- and very high-income neighbourhoods increased slightly, from 15% to 18%. **The rich got richer and the poor got poorer.**
- The poorest and wealthiest Toronto neighbourhoods have something in common: **both were more numerous in 2000 than in 1970.** The poorest neighbourhoods (those with incomes more than 40% *below* the city-wide average) increased from 1% to 9% of the city's neighbourhoods. The mirror-opposite neighbourhoods (those with incomes more than 40% *above* the city-wide average) increased, from 7% of the city to 13%.
- City#1 not only has the highest average incomes in 2001, it also had a 71% increase in income over the 30 years. Much of this increase was recent: from 1996-2001 incomes increased 32%. In City#1, 14% of households had incomes of \$200,000 or more in 2000, compared to the city-wide average of 4%. In Cities#2 and #3, representing 80% of the City of Toronto, average income *declined*. **Income in City#3 declined the most, by -34%.**
- **This three-city disparity did not exist before.** At the start of the 30-year period, the majority of people in Toronto (and more of the people living in the outer suburbs) were middle income (i.e. within 20% of the city-wide average).
- **Federal and provincial policies** that could mitigate income and neighbourhood polarization include: income support programs that keep up with inflation and are based on the cost of living; tax relief for households in the bottom fifth of the income scale; assistance to low-income earners with their biggest expense, housing, in the form of social housing and rent supplements.
- **Provincial and municipal policies** that could alleviate these income disparities include: inclusionary zoning, whereby any medium-to-large residential developments must include 15–20% rental and affordable units, and an end to vacancy decontrol, that is, the right of landlords to charge whatever they wish for a rental unit when a tenant moves (which would prevent the displacement of low-income residents in gentrifying areas).