THE THREE CITIES WITHIN TORONTO

Income Polarization Among Toronto's Neighbourhoods, 1970-2005

BY J. DAVID HULCHANSKI, UNIVERSITY OF TORONTO

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with Larry S. Bourne, Rick Egan, Maureen Fair, Richard Maaranen, Robert A. Murdie, R. Alan Walks

Neighbourhood Change Community University Research Alliance
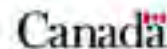**St. Christoper House & Cities Centre**

Social Sciences and Humanities Research Council of Canada

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Canada

Cities Centre
UNIVERSITY OF TORONTO

St.Christopher House

BATHURST STATION, 1970

OVERVIEW OF THE DIVIDED CITY

Toronto's neighbourhoods fall into three clear groups based on income change, 1970 to 2005. The first, which we call City #1, is a predominantly high-income area of the City of Toronto in which neighbourhood incomes have risen a great deal relative to the Toronto Census Metropolitan Area (CMA) average since 1970; these neighbourhoods are generally found in the central city and close to the city's subway lines. By contrast, City #3 is a generally low-income area of Toronto, in which neighbourhood incomes have fallen substantially over the past few decades compared to the CMA average; these neighbourhoods are found mostly in the northeastern and northwestern parts of Toronto. In between these two is City #2, a mainly middle-income area, where neighbourhood incomes have remained fairly close to the CMA average since 1970. While all cities can be divided into various groupings, the important finding in this research is the consistent trend over time: the three groups of neighbourhoods are changing at different rates and moving further apart.

The middle-income area of the city shrank dramatically between 1970 and 2005, while the high-income area increased slightly and the low-income area increased substantially. Based on comparisons of neighbourhood income with the CMA average, the proportion of middle-income neighbourhoods (incomes less than 20% above or below the CMA average in each year) was 66% in 1970, but only 29% in 2005. Meanwhile, over the same period, high-income neighbourhoods (neighbourhood incomes 20% or more above the CMA average) grew from 15% of the city's neighbourhoods to 19% and low-income neighbourhoods (neighbourhood incomes 20% or more below the CMA average) grew from 19% of the city's neighbourhoods to 53% (extremely low-income neighbourhoods grew from 1% to 9%). Middle-income households have not simply moved to suburban municipalities beyond Toronto, because a similar trend can be seen in the rest of the Toronto CMA.

Poverty has moved from the centre to the edges of the city. In the 1970s, most of the city's low-income neighbourhoods were in the inner city. This meant that low-income households had good access to transit and services. Some of these neighbourhoods have gentrified and are now home to affluent households, while low-income households are concentrated in the northeastern and northwestern parts of the city (the inner suburbs), with relatively poor access to transit and services.

These are long-term trends. The study looked at trends for a 35-year period, and found most of the changes to be persistent. The polarization of the city into wealthy neighbourhoods and greater numbers of disadvantaged neighbourhoods is continuing and middle-income neighbourhoods are disappearing.

The segregation of the city by income is not inevitable or irreversible. These trends could be slowed or reversed by public policies that would make housing more affordable to low-income households, by efforts to expand access to transit and services in neighbourhoods where the need is greatest, and by renewing the aging high-rise neighbourhoods scattered throughout City #3 (*e.g., by the Tower Neighbourhood Renewal initiative: www.TowerRenewal.ca*).

MAP 1: CHANGE IN AVERAGE INDIVIDUAL INCOME, CITY OF TORONTO, RELATIVE TO THE TORONTO CMA, 1970-2005

Average individual income from all sources, 15 years and over, census tracts
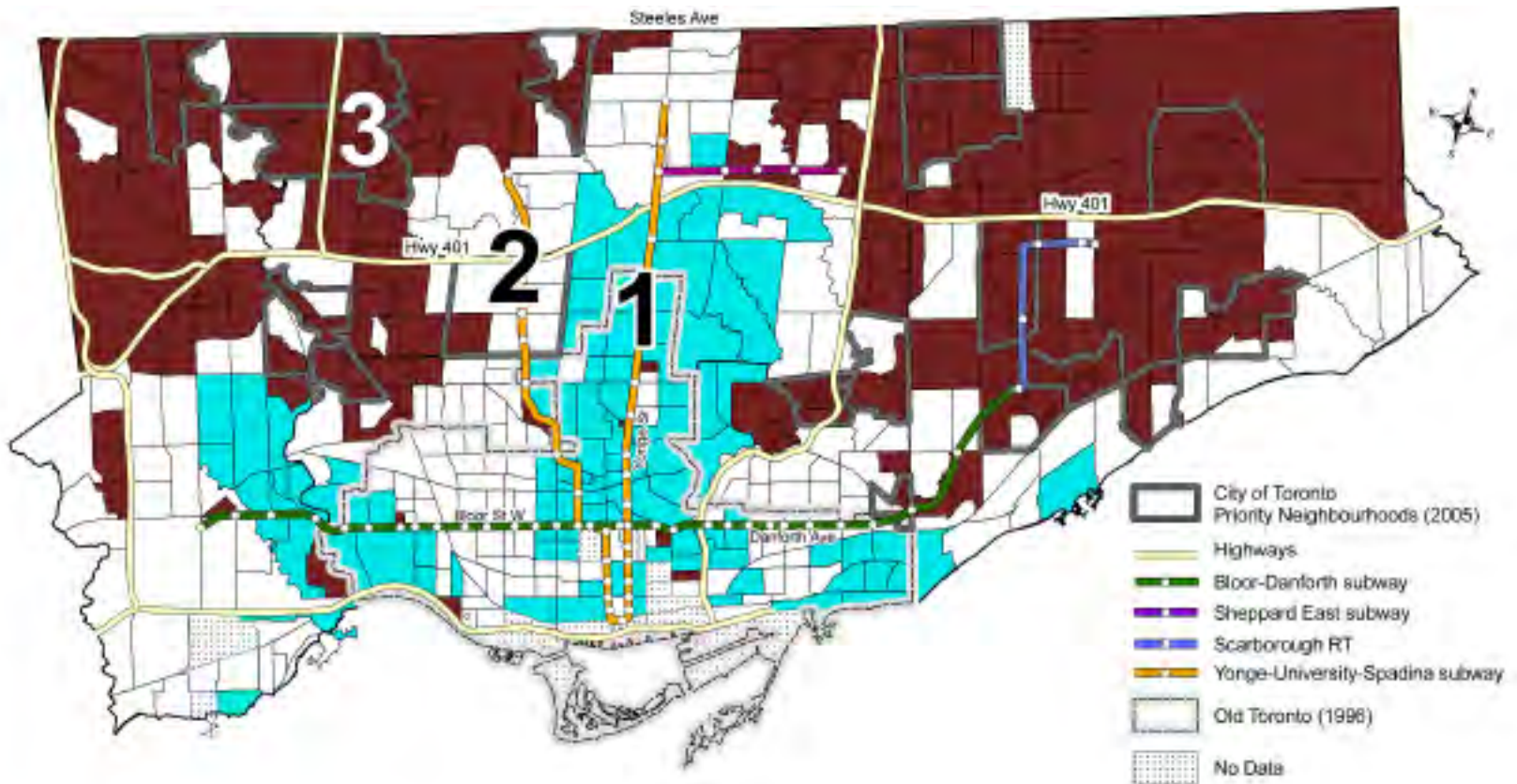
Change in the Census Tract Average Individual Income as a Percentage of the Toronto CMA Average, 1970-2005

City #1
Increase of 20% or More
100 Census Tracts, 20% of City

City #2
Increase or Decrease
is Less than 20%
208 Census Tracts, 40% of City

City #3
Decrease of 20% or More
206 Census Tracts, 40% of City

Note: Census Tract 2001 boundaries shown. Census Tracts with no income data for 1970 or 2005 are excluded from the analysis. There were 527 total census tracts in 2001

THE THREE CITIES WITHIN TORONTO

Income Polarization among Toronto's Neighbourhoods, 1970–2005

Toronto is sometimes described as a "city of neighbourhoods." It seems an odd description, since nearly all cities contain neighbourhoods, but it is intended to imply that Toronto's neighbourhoods are especially varied and distinctive. However, neighbourhoods are not fixed entities. Although some neighbourhoods change very little in their physical, social, and demographic composition over time, others may change significantly in the course of a few years.

This report provides a new way of looking at Toronto's neighbourhoods. It focuses on who lives where, based on the socio-economic status of the residents in each neighbourhood, and how the average status of the residents in each neighbourhood has changed over a 35-year period. It shows that Toronto's neighbourhoods fall into one of three categories — creating three distinct Torontos.

Why is this important? Cities have always had pockets of wealth and poverty. Neighbourhoods in the great cities of the industrialized world have undergone many transitions over the course of their history. However, the City of Toronto's neighbourhood transition has been relatively sudden and dramatic, and the changes have serious consequences for Toronto residents.

HOW AND WHY DO NEIGHBOURHOODS CHANGE?

Neighbourhoods are complex blends of physical, social, and psychological attributes. Each neighbourhood provides different access to physical infrastructure and social and community services. Each has its own history. Each is the outcome of an ongoing process of collective action involving various social, political, and economic forces, both internal and external. These processes lead to neighbourhood change.

The price of housing is a key determinant of neighbourhood stability or change in societies where the real estate market largely governs access to housing. Higher-income households can always outbid lower-income households for housing quality and preferred locations. If a lower-income neighbourhood has characteristics that a higher-income group finds desirable, gentrification occurs and the original residents are displaced. The opposite also occurs. Some neighbourhoods, once popular among middle- or higher-income households, fall out of favour and property values fail to keep up with other neighbourhoods. Over time, lower-income households replace middle- and higher-income households.

All these processes can be observed in the "city of neighbourhoods." Rapid growth and a culturally diverse population have affected not only Toronto's performance in national and world arenas, but also its neighbourhoods. In the 35 years between 1970 and 2005, the incomes of individuals have fluctuated, owing to changes in the economy, in the nature of employment (more part-time and temporary jobs), and in government taxes and income transfers. These changes have resulted in a growing gap in income and wealth and greater polarization among Toronto's neighbourhoods.

1970
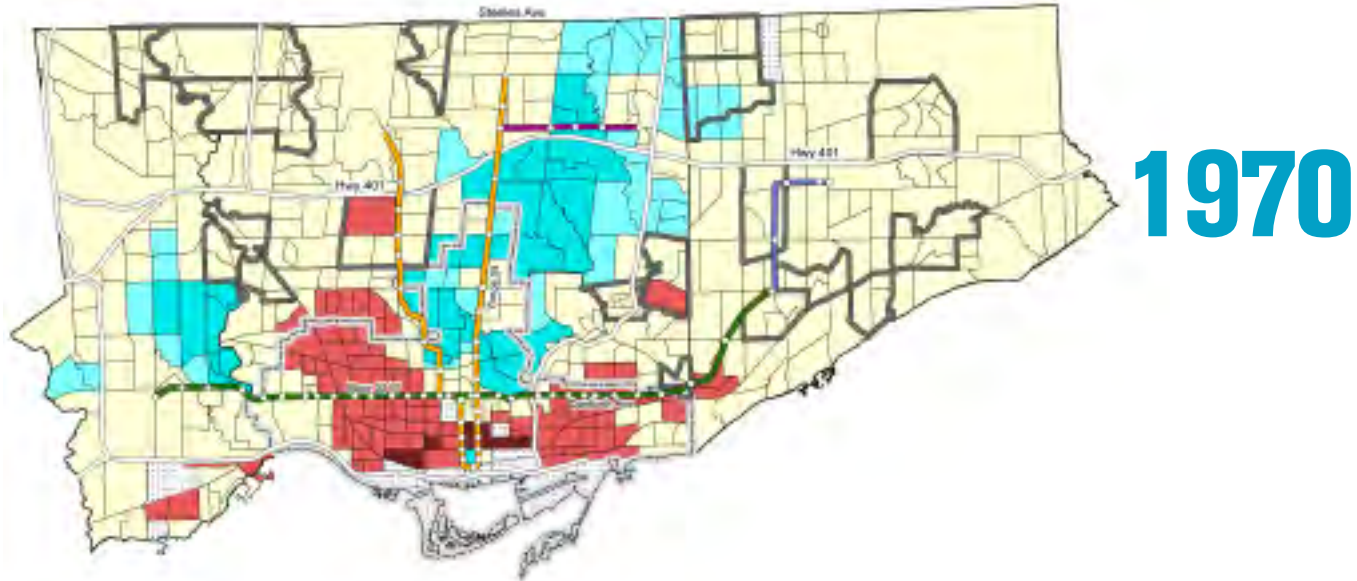
Census Tract Average Individual Income Relative to the Toronto CMA Average of $30,800* (estimated to 2001 census boundaries)

Very High	**High**	**Middle Income**	**Low**	**Very Low**	
More than 40% Above	20% to 40% Above	20% Below to 20% Above	20% to 40% Below	More than 40% Below	* Average incomes in constant 2005 dollars
36 Tracts, 7% of City	41 Tracts, 8% of City	341 Tracts, 66% of City	91 Tracts, 18% of City	6 Tracts, 1% of City	
Average = $54,700*	Average = $39,000*	Average = $29,800*	Average = $22,300*	Average = $17,000*	

WHAT IS A NEIGHBOURHOOD?

There is no one way to draw boundaries that define specific neighbourhoods. Defining a neighbourhood is, in the end, a subjective process. Neighbourhoods encompass each resident's sense of community life. There is no doubt, however, about the importance of neighbourhoods and their effects on health, educational outcomes, and overall well-being.

For statistical reporting and research purposes, Statistics Canada defines "neighbourhood-like" local areas called census tracts. In defining census tracts, Statistics Canada uses recognizable physical boundaries (such as roads, railway lines, or rivers) to define compact shapes, within which can be found a more or less homogeneous population in terms of socio-economic characteristics. The population of

a census tract is generally 2,500 to 8,000. The City of Toronto encompasses 531 census tracts (as of the 2006 Census). Each has an average population of about 4,700 people. "Census tract" is used here interchangeably with the term "neighbourhood."

In this study, our definition of a "neighbourhood" differs from that of the City of Toronto, which has defined and named only 140 neighbourhoods. Each represents a group of census tracts — on average, 3.8 census tracts and about 17,900 people. The city's definition of neighbourhoods helps define and provide names for districts within the city, but they are too large to represent the lived experience of a neighbourhood. Individual census tracts come closer to that experience, even though they are statistical artifacts and do not always capture the true notion of neighbourhood.

MAP 3: AVERAGE INDIVIDUAL INCOME, CITY OF TORONTO, Relative to the Toronto CMA, 2005
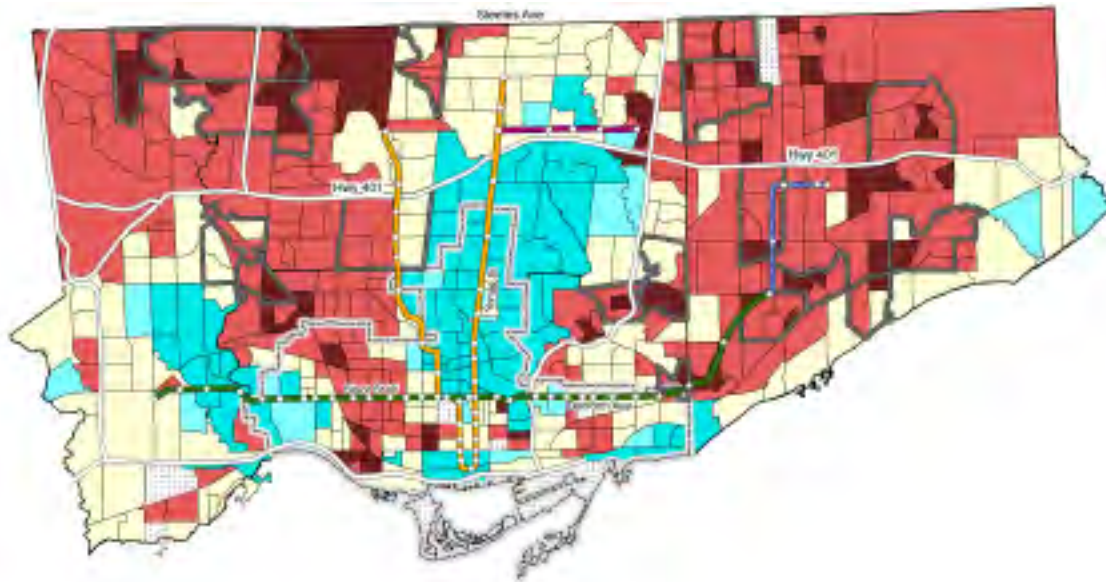
2005

Census Tract Average Individual Income Relative to the Toronto CMA Average of $40,704 (estimated to 2001 census boundaries)

Very High	**High**	**Middle Income**	**Low**	**Very Low**
More than 40% Above	20% to 40% Above	20% Below to 20% Above	20% to 40% Below	More than 40% Below
76 Tracts, 15% of City	*21 Tracts, 4% of City*	*152 tracts, 29% of City*	*206 Tracts, 40% of City*	*67 Census Tracts, 14% of City*
Average = $104,000	*Average = $53,500*	*Average = $39,000*	*Average = $28.000*	*Average = $22,500*
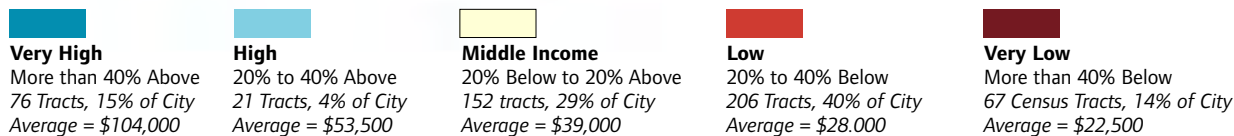
NEIGHBOURHOOD POLARIZATION SINCE 1970: THREE DISTINCT CITIES EMERGE WITHIN TORONTO

The City of Toronto is huge: 632 square kilometres (244 square miles). With more than 2.5 million people living in its residential areas, a 20% increase since the early 1970s, the nature of its neighbourhoods has changed over time to reflect significant changes in the demographic characteristics and economic situation of their residents. Thirty-five years is an adequate period to examine the nature of change in neighbourhood characteristics and to identify trends.

Many of the questions asked in the 1971 census are still used in current census forms; therefore it is possible to analyse many aspects of neighbourhood change since that time.

Thanks to a research grant from the Social Sciences and Humanities Research Council, a data analysis team at the University of Toronto's Cities Centre (formerly the Centre for Urban and Community Studies) organized census data at the census-tract level for the Toronto CMA between 1971 and 2006. To avoid confusion with dates, note that incomes reported in the 1971 and 2006 censuses represent those of the preceding calendar years (1970 and 2005).

WHAT HAVE WE FOUND?

Over the course of 35 years, the pattern of who lives where in Toronto on the basis of socio-economic characteristics has changed dramatically. There has been a sharp consolidation of three distinct groupings of neighbourhoods in the city. No

531 & 4,700

The number of census tracts in Toronto (the definition of a neighbourhood used in this report) and the average number of people in each census tract in 2006.

The proportion of middle-income neighbourhoods in Toronto:

IN 1970   **IN 2005**

66%   29%

The proportion of low-income neighbourhoods in Toronto:

IN 1970   **IN 2005**

19%   53%

$88,400

The average income earned by individuals (15 and older) in City #1 in 2005

$26,900

The average income earned by individuals (15 and older) in City #3 in 2005

matter what important indicator of socio-economic status is used, the results are very similar. In this report we use the starting point in any study of the socio-economic status of individuals — individual income.

Using the 2001 census tract geography, we started by comparing the average individual income of people 15 years and older in each census tract in 1970 with the average individual income of people 15 years and older in the same census tracts in 2005 (see Map 1 and Table 1 and the note on methods at the end of this report for definitions). To control for inflation between the two years, we divided the average census tract income by the average income of the entire Toronto census metropolitan area (CMA) thereby obtaining a ratio for each year, 1970 and 2005. We did this for every census tract for 1970 and 2005 (as reported in the 1971 and 2006 censuses). Finally, we calculated the percentage increase or decrease in the two ratios.

Three categories are shown in Map 1: (1) in City #1 individual incomes increased by 20% or more; (2) in City #2 incomes increased or decreased by less than 20%, and (3) in City #3 incomes decreased by 20% or more.

(The note on methods at the end of this chapter indicates why we used average individual income instead of other income measures, why we used 2001 census tract boundaries for mapping, how we reconciled changes in the number and spatial definition of tracts over time, how we compared census tract changes over time, and what categories were used to map the percentage increase or decrease in the two ratios.)

Map 1 shows that, instead of a random pattern of neighbourhood change, Toronto's neighbourhoods have begun to consolidate into three geographic groupings.

Neighbourhoods within which average individual incomes compared to the Toronto CMA average individual income increased by 20% or more between 1970 and 2005, that is, City #1, are shown in blue on Map 1. These neighbourhoods represent 19% of the city (100 census tracts, census 2001 boundaries) and are generally located near the centre of the city and close to the city's two subway lines. This area includes some of the waterfront, much of the area south of Bloor Street and Danforth Avenue

(where gentrification is taking place), and in central Etobicoke, an area that from the time of its initial development has been an enclave of higher-income people.

The neighbourhoods that have changed very little, that is, in which the average income of individuals 15 years and over compared to the Toronto CMA average went up or down by less than 20%, have been left white on Map 1. This is City #2.

This area represents 39% of the city (208 of the 527 census tracts with census 2001 boundaries). For the most part, this group of neighbourhoods is in the middle, located between the other two groups of neighbourhoods.

Neighbourhoods within which average individual incomes decreased by 20% or more between 1970 and 2005 relative to the Toronto average individual income are shown as solid brown on Map 1. This is City #3. These neighbourhoods comprise about 39% of the city's neighbourhoods (209 census tracts). They are mainly located in the northeast and northwest parts of the city outside the central corridor along Yonge Street and the Yonge Street subway.

The trends shown on Map 1 are both surprising and disturbing. Surprising, because 35 years is not a long time. Disturbing, because of the clear concentration of wealth and poverty that is emerging.

In the following section, we use individual maps for 1970 and 2005 (Maps 2 and 3), rather than the summary index of change in Map 1, to further explore the decline in "middle-income" neighbourhoods and the increase in "lower- and higher-income" areas.

HOW HAVE THE THREE GROUPS OF NEIGHBOURHOODS CHANGED?

Maps 2 and 3 provide the same data used in Map 1 but for two specific years, 1970 and 2005, rather than the summary 35-year trend.

The maps for each specific year indicate in light yellow neighbourhoods that were "middle income," that is, defined as having an average individual income less than 20% above or below the Toronto CMA average for that year. In 1970 (Map

TABLE 1
Three Cities in Toronto:
Selected Characteristics

Grouped on the basis of 35-year individual income trends, 1970 to 2005, by census tract

CITY 1 Income increased 20% or more since 1970
CITY 2 Income increased or decreased less than 20% since 1970
CITY 3 Income decreased 20% or more since 1970

OVERVIEW

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
1. Number and % of census tracts in Toronto (based on census 2001 geography. Toronto total of 527 includes tracts not classified due to lack of published data.)	100 / 19%	208 / 39%	206 / 39%	527 / 100%
2. Land area, square kilometres and % of Toronto's land area	102 / 16%	238 / 38%	278 / 44%	632 / 100%
3. Total dwellings (thousands) and % of Toronto, 2001	183 / 19%	373 / 39%	369 / 39%	934 / 100%
4. Total dwellings (thousands) and % of Toronto, 2006	189 / 20%	386 / 41%	372 / 39%	943 / 100%
5. Dwelling density (dwellings per sq km), 2006	1,852	1,622	1,338	1,492
6. Population in 2001 (thousands) and % of Toronto	419 / 17%	950 / 38%	1,080 / 44%	2,481 / 100%
7. Population in 2006 (thousands) and % of Toronto	428 / 17%	947 / 38%	1,067 / 43%	2,503 / 100%
8. Population density (persons per sq km), 2006	4,196	3,979	3,838	3,960

FIGURE 1: CHANGE IN NEIGHBOURHOOD INCOME DISTRIBUTION IN THE CITY OF TORONTO

1970 to 2005 and Projection to 2025
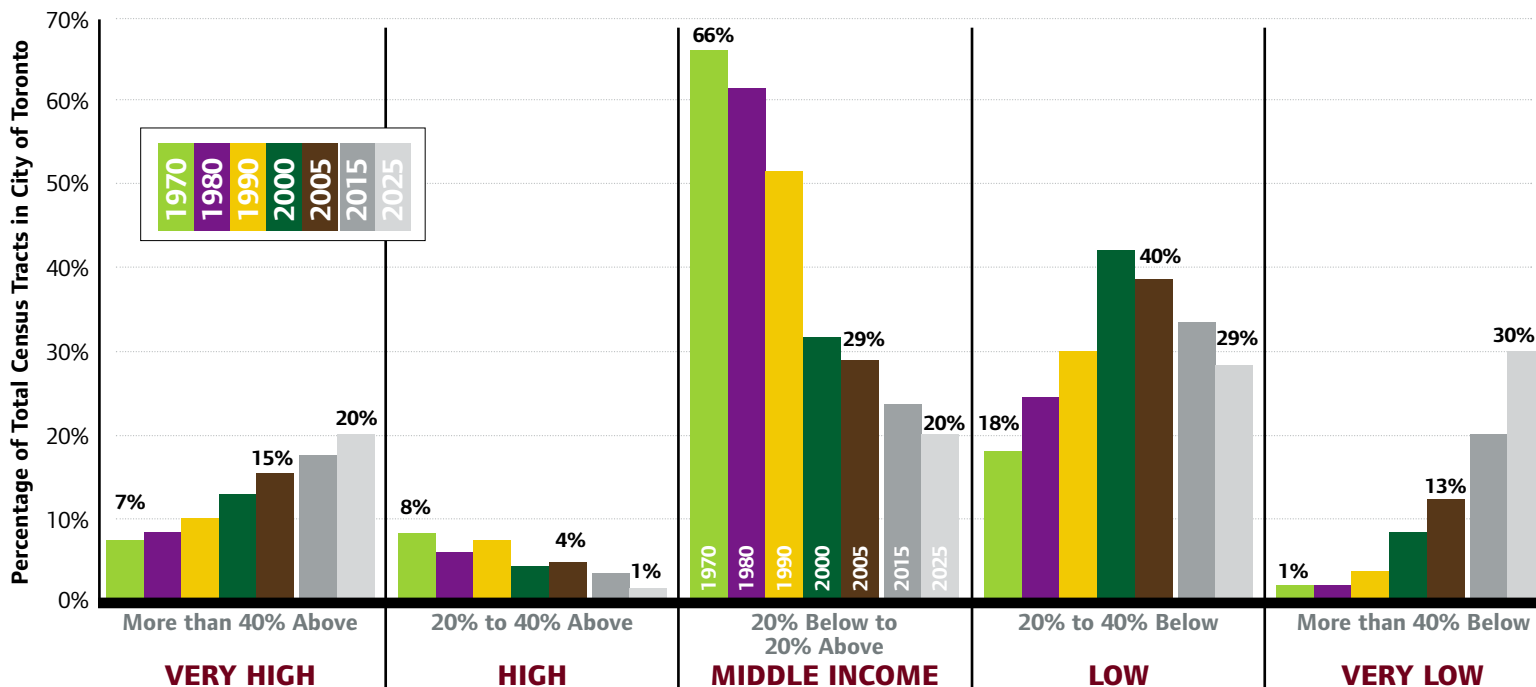
Census Tract Average Individual Income (Persons 15 and Over) Relative to Toronto CMA Average For Each Census Year

Source: Statistics Canada, Census 1971, 1981, 1991, 2001, 2006. Projection by R. Maaranen

2), average individual incomes in 66% of the city's census tracts (341 census tracts), were close to the average income for the Toronto area.

By 2005 (Map 3) the proportion of middle-income neighbourhoods had fallen to 29% of the city's census tracts (152 census tracts). Meanwhile, the proportion of low- and very low-income neighbourhoods increased from 19% to 53%, and the proportion of high- and very high-income neighbourhoods increased from 15% to 19%.

THE NUMBER OF MIDDLE-INCOME NEIGHBOURHOODS IN THE CITY OF TORONTO HAS DECLINED

Maps 1, 2, and 3 indicate the location of the neighbourhoods in particular income groups. Figure 1 provides a 1970 to 2005 summary of the change in the number of neighbourhoods in each income group, together with a straight-line projection to the year 2025. The projection assumes the current trends continue.

In Figure 1 we see what has happened to Toronto's middle-income neighbourhoods — those with average incomes within 20% above or below the CMA average. There has been a 56% drop in the proportion of neighbourhoods with middle

FIGURE 2: CHANGE IN NEIGHBOURHOOD INCOME DISTRIBUTION IN TORONTO'S OUTER SUBURBS ("THE 905")

1970 to 2005 and Projection to 2025
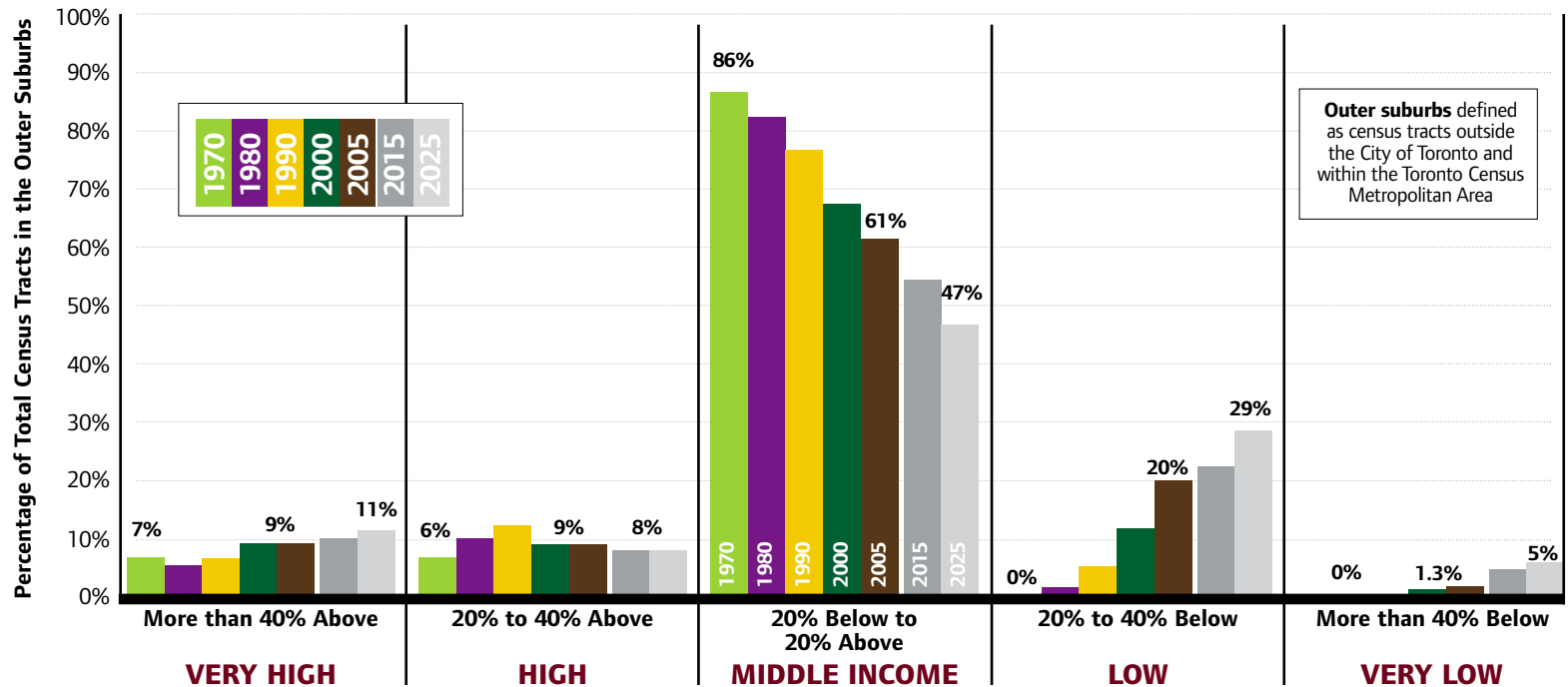
Legend: 1970, 1980, 1990, 2000, 2005, 2015, 2025

Y-axis: Percentage of Total Census Tracts in the Outer Suburbs

VERY HIGH — More than 40% Above: 7%, 9%, 11%

HIGH — 20% to 40% Above: 6%, 9%, 8%

MIDDLE INCOME — 20% Below to 20% Above: 86%, 61%, 47%

LOW — 20% to 40% Below: 0%, 20%, 29%

VERY LOW — More than 40% Below: 0%, 1.3%, 5%

Outer suburbs defined as census tracts outside the City of Toronto and within the Toronto Census Metropolitan Area

Census Tract Average Individual Income (Persons 15 and Over) Relative to Toronto CMA Average For Each Census Year

Source: Statistics Canada, Census 1971, 1981, 1991, 2001, 2006. Projection by R. Maaranen

incomes between 1970 and 2005 (shown as the middle group of bars, which dropped from 66% to 29%). Most of this loss in the middle group can be accounted for by increases in the number of low-income and very low-income neighbourhoods, which increased from 19% of the city to 53% of the city over the 35-year period.

The poorest and wealthiest neighbourhoods have something in common: both were more numerous in 2005 than in 1970. The poorest category in Figure 1 — those with average incomes of less than 60% of the CMA average — increased from 1% to 9% of the city's neighbourhoods. Similarly, the mirror opposite neighbourhoods — those with incomes

greater than 40% of the CMA average — increased, from 7% of the city to 15%.

In short, the City of Toronto, over a 35-year period, ceased to be a city with a majority of neighbourhoods (66%) in which residents' average incomes were near the middle and very few neighbourhoods (1%) had very poor residents. Middle-income neighbourhoods are now a minority and half of the city's neighbourhoods are low-income when compared with the Toronto CMA average.

TABLE 1 continued...

AGE PROFILE

AGE PROFILE	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
9. Less than 15 years, 1971 / 2006	20% / 15%	26% / 15%	33% / 19%	27% / 16%
10. 15-24 years, 1971 / 2006	18% / 11%	18% / 12%	17% / 14%	18% / 13%
11. 25-49 years, 1971 / 2006	32% / 41%	35% / 40%	37% / 38%	35% / 40%
12. 50-64 years, 1971 / 2006	17% / 19%	13% / 17%	9% / 16%	13% / 17%
13. 65 and over, 1971 / 2006	13% / 14%	8% / 15%	4% / 14%	8% / 14%

MARITAL STATUS

MARITAL STATUS	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
14. Single (never legally married), 1971 / 2006	57% / 40%	44% / 38%	32% / 34%	44% / 37%
15. Legally married (and not separated), 1971 / 2006	17% / 44%	38% / 45%	56% / 50%	37% / 47%
16. Separated, but still legally married, 1971 / 2006	6% / 3%	5% / 3%	4% / 4%	5% / 3%
17. Divorced, 1971 / 2006	4% / 7%	3% / 7%	2% / 6%	3% / 7%
18. Widowed, 1971 / 2006	15% / 5%	11 % / 7%	6% / 6%	11% / 6%

WHERE ARE TORONTO'S MIDDLE-INCOME PEOPLE? DID THEY MOVE TO THE SUBURBS (THE "905 REGION")?

The decline in the number of middle-income neighbourhoods has also occurred in the rest of the CMA, although to a smaller extent. The rest of the CMA includes the suburban municipalities around Toronto, often referred to by their area code as the "905 region."

Figure 2 shows that in 1970 a vast majority (86%) of the neighbourhoods in the suburbs around the City of Toronto (the rest of the Toronto CMA) were in the middle-income group. As it did within the city, this share fell between 1970 and 2005, but by a smaller amount. As in Toronto, most of these neighbourhoods shifted to the low-income categories (from 0% in 1970 to 21% in 2005); neighbourhoods with higher average incomes also became more numerous, increasing from 13% to 18%.

What this means is that middle-income people in the city have not simply moved to the outer suburbs. Neighbourhoods with incomes near the CMA average are far less numerous in 2005 than in 1970 in both the city and the outer suburbs, although the decline is more pronounced in the city. The overall trends are the same.

CHARACTERISTICS OF THE THREE CITIES IN TORONTO

Income is only one defining characteristic of the socio-economic status of individuals and neighbourhoods. The three cities shown in Map 1 also differ on other important characteristics.

Population City #1, City #2, and City #3 contain 17%, 38%, and 43%, respectively, of Toronto's total population (see Table 1). City #3 has had the largest population increase over the 35 years, because many parts of City #3 were underdeveloped in 1970. However, in the five years between 2001 and 2006, the population of City #2 and City #3 declined slightly, while the population of City #1 increased, primarily because of new residential condominium development in the central area of the city.

Households City #1 households are smaller (2.3 persons per household on average), and there are more one-person

households and fewer two-parent families with children than in the other two cities. City #3 has a higher percentage of single-parent families than City #1 (23% versus 14%) and also a higher percentage of children and youth (33% versus 26%). Overall, there has been a citywide 35-year decline in the proportion of children and youth under 25 years old as a percentage of the population, from 43% to 29%.

Housing tenure Renters are found in most areas of the city, but are particularly prevalent in City #3, where they account for almost half of all households. Renter households spend much more of their income on housing than owners do. In City #3, for example, 47% of renters and 32% of owners spent more than 30% of household income on housing in 2006. In City #1, the gap is even wider, with 41% of renters and 21% of owners spending more than 30% of household income on housing. City #2 is between these two, close to the citywide average.

Immigrants In City #1, the percentage of foreign-born people declined from 35% to 28% between 1971 and 2006, whereas in City #3 the number of immigrants increased dramatically over the 35-year period from 31% of the population in 1970 to 61% in 2006. In 2006 City #2 is close to the citywide average of 50%.

Visible minorities City #1 is mainly white (82%) whereas only 34% of City #3's population is white. City #1 has very few Black, Chinese, or South Asian people, who are disproportionately found in City #3. Only 11% of City #1 compared to 47% of City #3 are Black, Chinese or South Asian. In contrast to City #1 and City #3, City #2 is close to the overall City of Toronto average with respect to visible minority population.

Education In Toronto as a whole, persons in their twenties and beyond were much more likely to have a university education in 2006 than in 1971. This is especially the case for City #1. In 2006, 61% of residents 25 years and over in City #1 had a university certificate, diploma, or degree, compared to 35% and 31% of the same age group in City #2 and City #3, respectively. Consequently, the relatively large number of well-educated people in City #1 are in a much more favourable position than those in City #2 and City #3 to compete for high-paying white-collar jobs.

TABLE 1 continued...

FAMILIES & HOUSEHOLDS

		CITY 1	CITY 2	CITY 3	CITY OF TORONTO
19.	Persons per household, 1971 / 2006 Note: one household equals one dwelling in the census	3.0 / 2.3	3.4 / 2.5	3.6 / 2.9	3.3 / 2.7
20.	One-person households, 1971 / 2006	20% / 34%	13% / 29%	8% / 21%	14% / 28%
21.	Households with six or more persons, 1971 / 2006	9% / 2%	11% / 3%	12% / 7%	10% / 4%
22.	Family households (% of households), 1971 / 2006	69% / 60%	79% / 66%	87% / 75%	79% / 65%
23.	Non-family households (% of households), 1971 / 2006	31 % / 40%	21% / 34%	13% / 25%	21% / 35%
24.	Multi-family households (% of households), 1971 / 2006	3% / 1%	4% / 3%	3% / 6%	3% / 3%
25.	Single-parent families (% of families), 1971 / 2006	11% / 14%	10% / 20%	8% / 23%	10% / 20%
26.	Couple families (% of families), 1971 / 2006	89% / 86%	90% / 80%	92% / 77%	90% / 80%
27.	Couple families with children at home (% of families), 2006	45%	45%	49%	47%
28.	Couple families without children at home (% of families), 2006	41%	35%	28%	33%

TABLE 1 continued...

HOUSING AGE, CONDITION & STRUCTURAL TYPE

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
29. Dwellings built before 1946 as of 2006	43%	25%	3%	18%
30. Dwellings built before 1971 as of 2006	72%	69%	48%	58%
31. Dwellings built after 1971 as of 2006	28%	31%	52%	42%
32. Dwellings built 2001 to 2006 as of 2006	6%	5%	3%	6%
33. Dwellings in need of regular maintenance only, 1996 / 2006	62% / 65%	63% / 64%	66% / 67%	65% / 66%
34. Dwellings in need of minor repairs, 1996 / 2006	29% / 28%	27% / 29%	24% / 26%	26% / 27%
35. Dwellings in need of major repairs, 1996 / 2006	9% / 7%	9% / 8%	9% / 8%	9% / 7%
36. Apartment housing, 1971 / 2006	43% / 31%	42% / 31%	39% / 22%	40% / 27%
37. Other housing structural types e.g., row housing, 1971 / 2006	39% / 57%	39% / 57%	43% / 63%	40% / 60%
38. One-person households, 1971 / 2006	18% / 12%	19% / 12%	18% / 15%	20% / 13%
39. High-rise apartments (as a % of all apartment), five or more storeys, 2006	30%	30%	50%	40%

Employment As in most post-industrial economies, blue-collar employment in The City of Toronto declined substantially between 1971 and 2005, from 28% to 17%. During the same period, white-collar employment increased from 17% to 40% of all occupations. Most of Toronto's remaining manufacturing jobs are located in City #3, with a few in City #2. Not surprisingly, the residential population of City #3 is characterized by more blue-collar employees than City #1. The latter has a largely white-collar population, reflecting its relatively high proportion of university-educated residents.

Income Map 1 and Table 1 show 35-year income trends. City #1 not only has the highest average individual income, but income increased by 99% over the 35 years and by 29% between 2000 and 2005. In City #1, 37% of all households had incomes of $100,000 or more, compared to the citywide average of 18%. In Cities #2 and #3, average household income as a proportion of Toronto CMA income declined between 1970 and 2005, with City #3 declining the most, by 37%. This shift in income reflects both the lower levels of education among residents of City #3 and their lower occupational status. Not only have incomes declined relative to the Toronto CMA in City #3, this area also has the highest proportion of persons in households with incomes below the Low Income Cut-Off (LICO) level.

Travel Residents of City #3, the neighbourhoods with the lowest average income, have to travel farther to find employment, yet they have the poorest access to the Toronto Transit Commission's subway stations. Only 19 of the system's 68 subway stations are within or near City #3 neighbourhoods.

A BLIP OR A TREND?

Change is a constant in a dynamic city like Toronto. People move in and out of neighbourhoods in the context of ever-changing economic, social, and government policy conditions. Are the trends identified here the result of a persistent pattern, or might they be a random result?

The results show that these three relatively consolidated and distinctly different cities within the City of Toronto have

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

TABLE 2
Consistency of Individual Income Change over 20 or more years in each of the neighbourhood groups

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
1. Consistency of the income increases within each city for 20 or more years prior to 2005 (number and % of census tracts in the column)	43 / 43%	3 / 1%	0 / 0%	46 / 9%
2. Consistency of the income decreases within each city for 20 or more years prior to 2005 (number and % of census tracts in the column)	0 / 0%	13 / 6%	115 / 56%	128 / 25%
3. Inconsistency of income change direction within each city for 20 or more years prior to 2005 (number and % of census tracts in the column)	57 / 57%	192 / 93%	91 / 44%	340 / 66%
Total number of census tracts in each group	100 / 100%	208 / 100%	206 / 100%	514 / 100%

Note: Census tracts with no published data during this period are excluded from the analysis. Consistency for 20 or more years refers to average income levels moving in the same direction by any amount from 1970 to 2005 or from 1980 to 2005. This is based on income measurements for Census years 1971, 1981, 1991, 1996, 2001 and 2006. Inconsistency refers to census tracts that experienced at least one increase and at least one decrease, however small or large, 1980 to 2005.

emerged, to a large extent, in a persistent manner. Many neighbourhoods have *consistently* gone up or down in average individual income compared to the CMA average individual income during each census period we studied. That is, there is no evidence that the changes represent temporary fluctuations or aberrations.

In the entire City of Toronto, over the 25 years from 1980 to 2005, for example, only 9% of all census tracts went up in average individual income consistently. Most of these are in City #1, where average incomes in 43% of the City #1 census tracts have been consistently rising for 25 years or more compared to the CMA average (Table 2, line 1).

The same holds true for census tracts in which average incomes are falling. In the City of Toronto, in 25% of all census tracts, average individual income consistently went down relative to the CMA average during each census period; most of these census tracts (115 out of 128) are in City #3 (Table 2, line 2).

The trends in City #2 are less consistent. Only 8% of City #2's census tracts show a consistent pattern over the last 25 years (Table 2, line 3). Of these, three-quarters have shown a consistent fall in average income in each census period. This suggests that some of the census tracts in City #2 will eventually become part of City #3. At the same time, some of the increases in incomes and housing prices occurring in City #1 could very well result in spillover gentrification into adjacent, relatively low-income census tracts that are part of City #2, as these areas become more attractive to middle- and upper-income people.

A map showing only census tracts that have persistently gone up or down for 25 years or more (Map 4) looks very similar to Map 1. Our conclusion that the City of Toronto has polarized into three distinct cities is based on these long-term persistent trends.

WHAT HAS CHANGED IN TORONTO BETWEEN 2001 AND 2006 – THE MOST RECENT TWO CENSUSES?

Five years is a relatively short time for large-scale demographic change to take place, even in a city like Toronto that during the post Second World War period has often experienced

MAP 4: NEIGHBOURHOODS WITH PERSISTENT CHANGE IN INCOME, 1980-2005
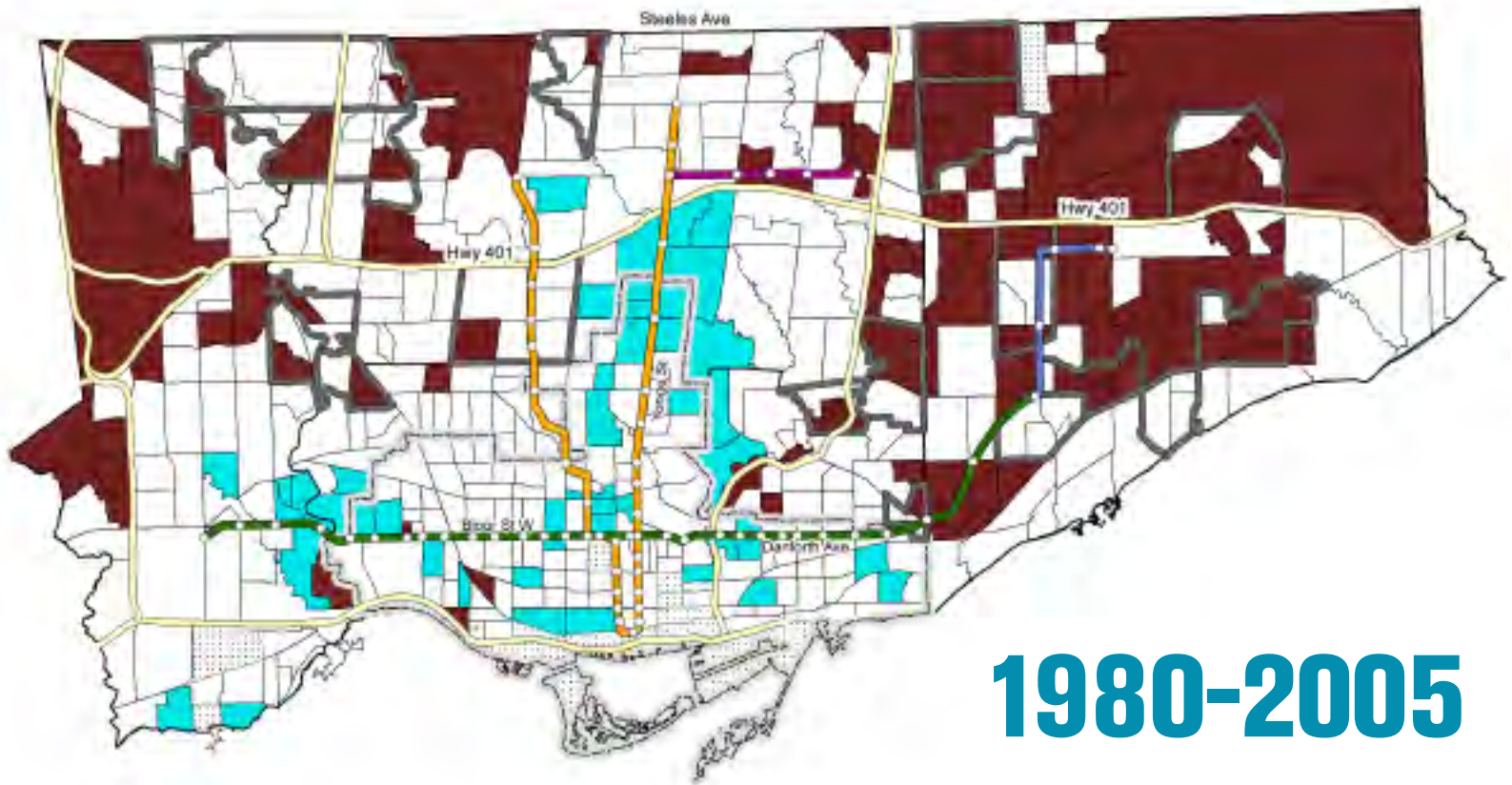
1980-2005

Direction of Change in the Census Tract Average Individual Income as Compared to the Toronto CMA Average

Time Periods: 1980-1990, 1990-1995, 1995-2000, 2000-2005

Increasing Consistently
Since 1980
(46 Tracts, 9% of City)

Direction of Change
is Inconsistent
(340 Tracts, 66% of City)

Decreasing Consistently
Since 1980
(128 Tracts, 25% of City)
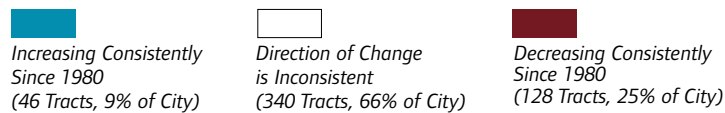
9% increased consistently
25% decreased consistently

MAP 5: NEIGHBOURHOODS THAT CHANGED IN TORONTO'S "THREE CITIES" BETWEEN 2000 & 2005

The 1970 to 2000 Three Cities in Toronto map compared to the 1970 to 2005 map

Census tracts that changed in the "Three Cities," comparing the 1970–2000 map to the 1970–2005 map

From City #1 to City #2 (11 Tracts, 2% of City)

From City #2 to City #3 (23 Tracts, 5% of City)

7% Declined

Did Not Change City Group (459 Tracts, 89% of City)

From City #2 to City #1 (12 Tracts, 2% of City)

From City #3 to City #2 (9 Tracts, 2% of City)

4% Increased

11% of census tracts changed over the five years, 2000 to 2005

MAP 6: POPULATION DENSITY OF LOW INCOME NEIGHBOURHOODS, CITY OF TORONTO, 2006

Persons per square kilometre in Census Tracts with an average individual Income of less than $32,500 in 2005 (80% of the Toronto CMA average individual income)

Higher Density
7,174 or more people per sq km

Medium Density
3,959 to 7,173 people per sq km

Lower Density
less than 3,959 people per sq km

Census tracts that are not low-income

TABLE 3
Change in the Number of Census Tracts in Each of the "Three Cities" in Toronto, 2001 to 2006

2000 \ 2005	CITY 1	CITY 2	CITY 3	NET GAIN/LOSS
CITY 1	—	+11	0	+1
CITY 2	+12	—	+23	−15
CITY 3	0	+9	—	+14

sudden and dramatic change. Therefore, it is not surprising that most census tracts (89%) remained in the same group between 2001 and 2006 — that is, the "Three Cities" remained largely the same in 2006 as in 2001.

What about the 11% of census tracts that did change from one group to another during this period? The details of the transition are shown in Table 3 and Map 5. Table 3 shows the net result in terms of gains and losses of census tracts in the "Three Cities." City #2 experienced a net loss of 15 census tracts during this period and therefore shrank in size. During the same period, City #3 had a net gain of 14 census tracts and increased in size. City #1 achieved a net gain of one census tract, gaining 12 census tracts from City #2 but losing 11 census tracts to City #2. No census tracts jumped from City #1 to City # 3 or vice versa.
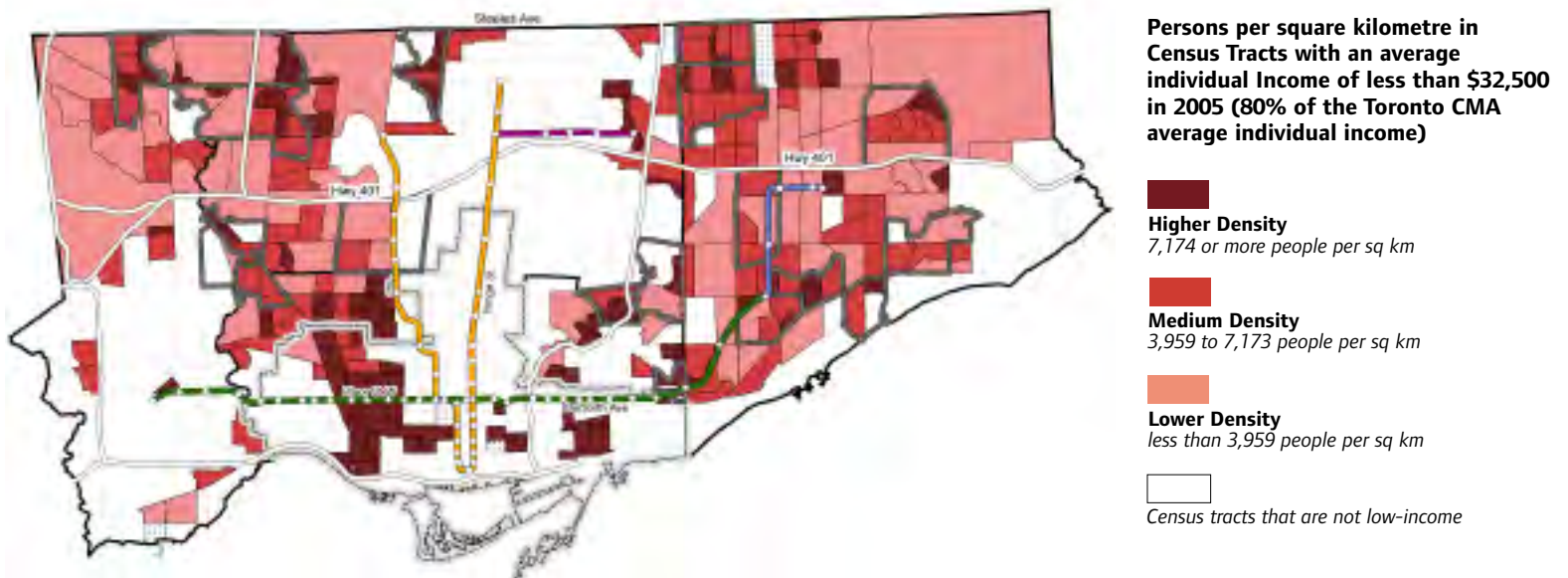
As noted in Map 5, 34 census tracts experienced a decrease in average individual income compared to the Toronto CMA, with 11 census tracts shifting from City #1 to City #2 and 23 census tracts from City #2 to City #3. Spatially, the result of the shift from City #2 to City #3 was a further consolidation of census tracts in City #3, especially in central Scarborough and to a lesser extent, northern Etobicoke.

At the opposite extreme, 21 census tracts underwent an increase in average individual income compared to the Toronto CMA, with 12 census tracts being reclassified from City #2 to City #1 and 9 census tracts from City #3 to City #2. The former include areas of emerging gentrification such as Roncesvalles, High Park, and South Riverdale, while the latter are generally at the edge of former City #3.

Although changes in the "Three Cities" maps between 2001 and 2006 are relatively minor, the changes reinforce earlier findings because they represent a decline in the number of middle-income neighbourhoods and an increase in the number of low-income neighbourhoods. Although the overall number of high-income neighbourhoods remained stable over the five years, the results show a continuing trend towards the creation of a city with increasing disparities between rich and poor neighbourhoods.

"READING" MAPS CAREFULLY: THE LOCATION OF TORONTO'S LOWER-INCOME NEIGHBOURHOODS

The dramatic increase in the number of lower-income neighbourhoods in Toronto has implications for the provision of many government and community services.

Maps are helpful, but can be misleading if what they depict is not fully understood. Map 6, showing the population density of Toronto's low-income neighbourhoods, is important for people engaged in the planning, funding, and delivery of social and community services.

To identify the lower-income neighbourhoods in the most recent census, we need to look at Map 3. This map shows the average individual income of each census tract for one year, 2005. It is a map showing high-, middle- and low-income areas of the city. By itself, however, it can be misleading because census tracts are not all the same size geographically, even though the population of each census tract is approximately the same (averaging 4,700 in Toronto).

TABLE 1 continued...

HOUSING TENURE & AFFORDABILITY

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
40. Home owners, 1971 / 2006	54% / 64%	57% / 60%	54% / 53%	51 % / 54%
41. Owner-occupied condos (% of total dwellings), 1981 / 2006 *Note: data not available for rented condos in the census*	2% / 14%	2% / 10%	11 % / 17%	6% / 14%
42. Average property value of owner-occupied dwellings, 1971 / 2006 (constant 2006 dollars)	$202,400 / $699,700	$169,100 / $382,900	$198,700 / $310,200	$180,800 / $413,600
43. Owner households spending more than 30% of income on housing, 1981 / 2006 (% of owners)	17% / 21 %	17% / 27%	15% / 32%	17% / 28%
44. Renters, 1971 / 2006	46% / 36%	43% / 40%	46% / 47%	49% / 46%
45. Average monthly rent, 1971 / 2006 (constant 2006 dollars)	$830 / $1,120	$790 / $940	$840 / $900	$790 / $930
46. Renter households spending more than 30% of income on housing 1981 / 2006 (% of renters)	31% / 41%	30% / 45%	27% / 47%	28% / 47%
47. Social housing units 1999 (thousands) and % of total dwellings, 2001	11 / 6%	33 / 9%	41 / 11 %	91 / 10%

Map 6 corrects for the mismatch between the different geographic size of census tracts and the fact that census tracts have approximately similar sized populations. It shows only the lower-income census tracts on the basis of their population density. Thus, even though most of the neighbourhoods in northeast and northwest Toronto have, on average, low-income populations, much of those areas are lower density — except for the clusters of high-rise residential towers. Areas south of the Danforth and areas west of University Ave. (north and south of Bloor St.) are Toronto's traditional low-income "inner city" neighbourhoods. They continue to be high-density concentrations of lower-income people in 2006, even though there is some gentrification occurring in and around those areas.

Map 1 in this report, in contrast, takes two points in time, 1970 and 2005. It maps trends — those neighbourhoods that have been trending upward in average individual income (coloured blue) or trending downward (coloured brown) over those 35 years. This important and dramatic map of trends, however, is not a map of low-income or poverty neighbourhoods. Most but not all of the neighbourhoods trending downward are indeed lower-income. However, many of the neighbourhoods that are not trending up or down (the white areas on Map 1, which is City #2), are low-income (as Maps 3 and 6 indicate).

It must be noted that Map 6 is not a perfect representation of the population density of Toronto's low-income neighbourhoods. This is because the map is based on gross population densities rather than net densities, or in other words persons per square kilometre of total land area rather than residential land area. Gross population densities are calculated by dividing the population of a census tract by the total land area of that tract, while net densities are determined by dividing the population of the tract by its residential area. The difference in methods can give dramatically different results for census tracts with a considerable amount of non-residential land use (e.g. industrial, commercial, airports, open space, farmland). In that case, net densities will be substantially higher than gross densities. Thus, census tracts in the northeast and northwest of Toronto, which are largely non-residential, exhibit much lower

densities in Map 6 than they would if net densities had been used. Unfortunately, land use information by census tract is not readily available, so net densities cannot be easily calculated.

TORONTO: A CITY OF DISPARITIES

Toronto has changed, and continues to change, in terms of who lives where on the basis of residents' income and demographic characteristics. Over the 35 years of this study, the gap in incomes between rich and poor grew, real incomes for most people did not increase, more jobs became precarious (insecure, temporary, without benefits), and families living in poverty became more numerous (as the 2007 United Way report *Losing Ground* documents).

These general trends have played themselves out in Toronto's neighbourhoods to the point at which the city can be viewed as three very different groups of neighbourhoods — or three separate cities. This pattern did not exist before. At the start of the 35 years, most of the neighbouhoods in the city, and more of the people living in the outer suburbs (the "905 region") were middle-income (that is, they had incomes within 20% above or below the Toronto CMA average).

In 1970 a majority of neighbourhoods (66%) in the City of Toronto accommodated residents with average incomes and very few neighbourhoods (1%) had residents with very low incomes (Figure 1 and Map 2). By 2005, only a third of the city's neighbourhoods (29%) were middle-income, while slightly over half of the city's neighbourhoods, compared to 19% in 1970, had residents whose incomes were well below the average for the Toronto area (Map 3). It is not the case that middle-income people in the city have simply moved to the outer suburbs (the "905 region"), since the trends are largely the same in those areas too (Figure 2).

It is common to say that people "choose" their neighbourhoods, but it's money that buys choice. An increasing number of people in Toronto have relatively little money and thus fewer choices about where they can live. Those who have money and many choices can outbid those without these resources for the highest-quality housing, the most desirable neighbourhoods, and the best access to services. When most of the population of
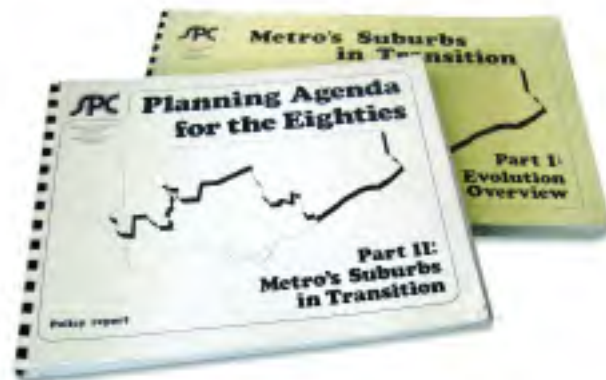
a city is in the middle-income range, city residents can generally afford what the market has to offer, since they make up the majority in the marketplace and therefore drive prices in the housing market.

A WARNING IGNORED: THE METRO'S SUBURBS IN TRANSITION REPORT

In the late 1970s, the Social Planning Council of Metropolitan Toronto (now called Social Planning Toronto) launched a detailed study of change in Toronto's "inner suburbs" — the suburban areas within the City of Toronto (then Metro Toronto). It was the first research organization to recognize and document the changing nature of the suburban neighbourhoods in the city. The suburbs that were in transition at that time are mainly the areas of the city that are shown in brown on Map 1.

That study, titled *Metro's Suburbs in Transition*, included this comment:

The post-war suburbs assumed one set of family conditions for child-rearing, and the physical environment incorporated these assumptions. The prototype suburban family — father in the labour force, mother at home full-time, ownership of a ground level home with private open space, two to four children, homogeneous neighbours — is no longer the dominant reality of suburban life in the seventies. It is now an image that belongs to the social history of the post-war period of rapid growth. (p. 236)

TABLE 1 continued...

IMMIGRANTS, VISIBLE MINORITIES & LANGUAGE

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
48. Immigrant population, 1971 / 2006	35% / 28%	38% / 45%	31% / 61%	37% / 50%
49. Non-immigrant population, 1971 / 2006	65% / 72%	62% / 55%	69% / 39%	63% / 50%
50. Recent immigrants, 1971 (arrived between 1965-1971)	10%	13%	10%	12%
51. Recent immigrants, 2006 (arrived between 2001-2006)	4%	8%	15%	11%
52. White population (not a visible minority), 1996 / 2006	84% / 82%	70% / 65%	46% / 34%	63% / 57%
53. Visible minority population, 1996 / 2006	16% / 18%	30% / 35%	54% / 66%	37% / 43%
54. Black population, 1996 / 2006	2% / 2%	6% / 6%	12% / 12%	8% / 8%
55. Chinese population, 1996 / 2006	6% / 7%	8% / 9%	13% / 15%	9% / 11%
56. South Asian population, 1996 / 2006	2% / 2%	5% / 6%	15% / 20%	8% / 12%
57. Other visible minorities, 1996 / 2006 (Filipino, Latin American, Korean, Arab, etc)	6% / 7%	11% / 11%	14% / 19%	12% / 12%
58. Ethnic diversity 2006, number of distinct ethnic groups living in each area and % of Toronto's 222 ethnic groups*	201 / 91%	214 / 96%	221 / 99.5%	222 / 100%

* Note: 1. Includes multiple ethnic origins 2. The census does not identify every possible ethnic group separately, only 222 groups

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
59. Population not able to conduct a conversation in English or French, 1981 / 2006	3% / 2%	5% / 5%	3% / 7%	4% / 5%
60. Language spoken most often at home is neither English nor French, 1996 / 2006)	13% / 11%	29% / 29%	36% / 42%	29% / 31%

EDUCATION

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
61. Persons 20 years or over with a university degree, 1971 / 2001	14% / 49%	6% / 24%	7% / 20%	8% / 27%
62. Persons 25 years or over with a university certificate, diploma or degree, 2006.*	61%	35%	31%	39%

* Note: the education data changed in the census between 2001 and 2006 from persons age 20 and over to age 25 and over.

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
63. Persons 20 years or over without a school certificate, diploma or degree, 2001	8%	15%	17%	14%
64. Persons 25 years or over without a school certificate, diploma or degree, 2006	7%	20%	21%	18%
65. Persons 25 years or over with a doctorate degree (PhD), 2006, total population and %	8,880 / 3%	8,320 / 1%	5,020 / 0.6%	23,100 / 1 %

It is these postwar suburbs that now form much of City #3 — the concentration of people with incomes well below the area average, an urban landscape that has a 30-year history of abandonment by people who have a choice. The start of this process was already clear by the late 1970s. The 1979 report concludes:

> *The traditional suburban neighbourhood may remain physically intact, but it is no longer the same social environment as in earlier days. Within it, around it, at the periphery, in local schools, in neighbourhoods nearby, are the visible signs of social transformation. The exceptions have continued to grow. There reaches a stage when the scale of the exceptions can no longer be ignored for established earlier settlers. Nevertheless, we would conclude that the social minorities taken as a whole now constitute the new social majority in Metro's post-war suburbs. (p. 236)*

The shift from a traditional postwar suburban environment in the 1970s resulted largely from the development of high-rise apartment buildings, including many that contained social housing, and the consequent shift in social composition. Many census tracts included two contrasting urban forms — high-rise apartments on the major arterial roads and single-family, more traditional suburban housing on quieter residential streets. Over the ensuing decades, particularly in Scarborough, western North York, and northern Etobicoke, high-rise housing became home to many newly arrived, low-income immigrant families that came to Canada as a result of the shift in immigration policy in the late 1960s and early 1970s.

In 2005 the City of Toronto and the United Way of Greater Toronto identified 13 "priority neighbourhoods" — areas with extensive poverty and without many social and community services. All 13 are in the "inner suburbs" and were the subject of the 1979 Social Planning Council report. City #3 includes the 13 priority neighbourhoods.

POLARIZATION NEED NOT CONTINUE

The polarization of the city need not continue. It is not inevitable. The jurisdiction and financial capacity of the federal and provincial governments are sufficient to reverse the trend. A wealthy nation can use its resources to make a difference. Income support programs that keep up with inflation and are based on the cost of living and tax relief for households in the bottom fifth of the income scale can address inequality. Assistance with households' most expensive budget item — housing — through social housing and rent supplement programs (which exist in most Western nations), will free up more of a household's meagre monthly income for other essentials.

The provincial and municipal governments could implement specific policies to help maintain and promote mixed neighbourhoods. These include inclusionary zoning, whereby any medium-to-large new residential developments must include 15% or 20% affordable rental units. Also, the Province of Ontario could keep its promise to end vacancy decontrol — the

right of landlords to charge whatever they wish for a rental unit when a tenant moves — and thereby discourage the displacement of low-income residents in gentrifying areas. Implementation of the Transit City plan and the Tower Neighbourhood Renewal initiative are also essential for making City #3 desirable for both its residents and for a broader socioeconomic mix of households.

The segregation of the city by socio-economic status need not continue. It can be slowed and reversed. ★

TABLE 1 continued...

EMPLOYMENT	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
66. White-collar professional occupations, 1971 / 2006 (management, business, teaching, health, government and other related occupations, but excluding secretarial/clerical workers)	25% / 58%	14% / 40%	19% / 31%	17% / 40%
67. Blue-collar occupations, 1971 / 2006 (manufacturing, construction, transportation, utilities)	18% / 5%	31% / 16%	27% / 24%	28% / 17%
68. Arts, literary, recreation occupations, 1971 / 2006 (artists, actors and musicians, writers, athletes and related)	3% / 10%	1% / 6%	1% / 2%	2% / 5%
69. Sales & service occupations, 1971 / 2006 (retail, food, hospitality and related)	21% / 17%	20% / 23%%	20% / 24%	20% / 22%
70. Other occupations, 1971 / 2006 (primary industry, secretarial/clerical, occupations not stated)	33% / 10%	34% / 15%	33% / 19%	33% / 16%
71. Unemployment rate, 15 years and over, 1971 / 2006	7% / 5%	8% / 7%	6% / 9%	7% / 8%
72. Youth unemployment rate, 15-24 years, 2006	17%	15%	18%	17%
73. Self-employed, 15 years and over, 1971 / 2006	6% / 20%	4% / 12%	4% / 8%	5% / 12%

TABLE 1 continued...

AVERAGE INDIVIDUAL INCOME
Persons 15 and over, before tax, from all sources; Note: CMA is the Census Metropolitan Area

		CITY 1	CITY 2	CITY 3	CITY OF TORONTO
74.	2005 average individual income	$88,400	$35,700	$26,900	$40,400
75.	2005 as a % of the CMA average of $40,700	217%	88%	66%	99%
76.	Change 1970 to 2005, as a % of the CMA average	+99%	-3%	-37%	-3%
77.	Change 2000 to 2005, as a % of the CMA average	+29%	0%	-4%	+3%
78.	Taxation rate on individuals, 2005 (difference between before & after tax)	30%	18%	13%	20%
79.	2005 average individual income after tax	$62,000	$29,500	$23,200	$32,100
80.	2005 median individual income after tax	$34,900	$23,900	$19,300	$22,500

AVERAGE HOUSEHOLD INCOME

		CITY 1	CITY 2	CITY 3	CITY OF TORONTO
81.	2005 median individual income after tax	$172,900	$71,500	$59,200	$80,300
82.	2005 as a % of the CMA average of $87,800	197%	81%	67%	91%
83.	Change 1970 to 2005, as a % of the CMA average	+75%	-11%	-37%	-8%
84.	Change 2000 to 2005, as a % of the CMA average	+28%	-2%	-5%	+1%
85.	Taxation rate on households (difference between before & after tax)	30%	18%	14%	21%
86.	2005 average household income after tax	$119,600	$58,900	$51,100	$63,900
87.	2005 median household income after tax	$70,900	$49,000	$43,800	$46,200

HOUSEHOLDS BY INCOME RANGE
Constant 2000 dollars, before tax, custom inflation-adjusted data ($20,000 in 2000 = $22,190 in 2005; $100,000 in 2000 = $110,951)

		CITY 1	CITY 2	CITY 3	CITY OF TORONTO
88.	Households with income $20,000 or less, 1970 / 2005	16% / 14%	15% / 18%	9% / 21 %	15% / 19%
89.	Households with income $20,001-$99,999, 1970 / 2005	67% / 49%	78% / 64%	83% / 68%	76% / 63%
90.	Households with income $100,000 or more, 1970 / 2005	17% / 37%	7% / 18%	8% / 11 %	9% / 18%

PREVALENCE OF LOW-INCOME PERSONS
Low-income cut-offs defined by Statistics Canada

		CITY 1	CITY 2	CITY 3	CITY OF TORONTO
91.	Persons in households below the LICO, before tax, 2005	14%	22%	30%	25%
92.	Persons in households below the LICO, after tax, 2005	12%	18%	23%	19%

SOURCES OF INCOME
Economic family units

		CITY 1	CITY 2	CITY 3	CITY OF TORONTO
93.	Employment (wages & salaries only), % of total family income in 2005	83%	79%	76%	79%
94.	Government transfer payments (e.g. welfare, CPP), % of total family income in 2005	3%	11%	15%	9%
95.	Other sources (e.g. investments, non-government pensions), % of total family income in 2005	14%	10%	9%	12%

TABLE 1 continued...

MOBILITY STATUS

Residential turnover

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
96. Persons who moved in the previous five years, 1971 / 2006	50% / 44%	53% / 42%	55% / 47%	54% / 45%
97. Persons who lived at the same address five years ago, 1971 / 2006	50% / 56%	47% / 58%	45% / 53%	46% / 55%
98. Persons who moved within the past year, 2006	15%	15%	16%	16%
99. Persons who lived at the same address one year ago, 2006	85%	85%	84%	84%

CRIME & SAFETY

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
100. Total homicides 2005 to July 1, 2009, number & % of Toronto	35 / 10%	110 / 32%	183 / 54%	339 / 100%
101. Homicide by shooting 2005 to July 1, 2009, number & % in each area	22 / 63%	50 / 45%	102 / 56%	179 / 53%
102. Homicide rate 2005 to July 1, 2009, per 100,000 people 2006	8	12	17	14
103. Homicide victims by gender 2005 to July, 1, 2009, male % and female %	86% / 14%	74% / 26%	79% / 21%	78% / 22%
104. Average age of homicide victims 2005 to July 1, 2009	32 years	33 years	29 years	31 years
105. Homicide victims 20 years or younger, 2005 to July 1, 2009, number and % in each area	6 / 17%	24 / 22%	56 / 31%	89 / 26%
106. Total marijuana grow-ops broken-up by police, 2006-2007, number and % of Toronto	19 / 4%	155 / 32%	310 / 63%	489
107. Marijuana grow-op rate per 10,000 dwellings, 2006	1	4	8	5

TRAVEL & PLACE OF WORK

Place of work data excludes jobs with no fixed address

	CITY 1	CITY 2	CITY 3	CITY OF TORONTO
108. Total jobs by place of work, 2001 / 2006 (thousands)	354 / 350	531 / 534	378 / 373	1,327 / 1,335
109. Jobs in the area per 100 persons of working age living in the area (15-64 years), 2006	113	80	52	77
110. Jobs in the manufacturing industry by place of work (thousands) and % of Toronto, 2006	11 / 8%	46 / 33%	78 / 55%	142
111. Jobs in the finance, insurance and real estate industry by place of work (thousands) and % of Toronto, 2006	49 / 27%	95 / 52%	28 / 15%	182
112. Travel to work by car as driver or passenger, 2001 / 2006	56% / 54%	56% / 55%	63% / 61 %	59% / 56%
113. Travel to work by public transit, 2001 / 2006	30% / 30%	34% / 35%	33% / 34%	33% / 34%
114. Persons working inside City of Toronto, 2006	69%	67%	63%	66%
115. Persons working outside City of Toronto, 2006	11%	14%	20%	16%
116. Persons working at home, 2006	12%	7%	4%	7%
117. Persons working outside Canada, 2006	1%	0.5%	0.5%	1%
118. Persons with no fixed work-place address, 2006	7%	12%	11%	10%
119. Number and % of Toronto Transit subway stations within the area or on the edge of the area (within 300 metres), 2006	40 / 59%	50 / 74%	19 / 28%	68 / 100%

A NOTE ON METHODS

In any study, questions arise over the methods used and decisions made; we present answers to some of those questions here so that readers can assess the trustworthiness of the findings.

WHY USE INDIVIDUAL INCOME INSTEAD OF EMPLOYMENT INCOME OR HOUSEHOLD INCOME?

The Canadian census provides data on income in many forms, such as individual, employment, household, and family income, and breaks the data down into different subsets of the population, such as men and women, single parents and two-parent families. We used average rather than median income, because average income is provided by Statistics Canada for the entire 35-year period. In addition, for the purposes of this research, average income is a better measure than median income because it is more sensitive to the presence of very low- or very high-income persons in a census tract.

Individual income is the census category for income from all sources. Employment income includes only the wage income of individuals, and excludes people on pensions or social assistance and people who receive investment income. We used individual income rather than employment income, because it is more comprehensive (including pension, social assistance, investment and employment income) and includes more people (everybody who reports income and not just those with employment income).

When we carried out the analysis using employment income, City #1 and City #2 were slightly larger (23% and 42% of the 514 census tracts with data) and City #3 was smaller (36%) than with individual income.

We also tested the results using household income. In this analysis, City #1 and City #2 were slightly smaller (15% and 39% respectively) and City #3 was larger (46%) than with individual income. This difference is due to the differences in household size

between these areas (see Families & Households section in Table 1).

There is, in short, no significant difference in the trends, whether we use employment, household, or individual income. All census tracts have some households with a few adults employed and some with only one adult. All census tracts have people who are temporarily unemployed or on social assistance or on low retirement incomes or have investment income in addition to their wages. Employment income tends to show slightly more census tracts near the middle if we use the same five income categories. Household income and individual income show very similar patterns for high and middle incomes. There is a slight difference in the results for low and very low incomes. An analysis by household income shows slightly more very low-income census tracts in 2005, whereas that for individual income shows slightly more low-income census tracts.

There is, therefore, no universal "best way" to measure neighbourhood income change. Furthermore, any factors that might bias the results from any one source of data tend to balance themselves out, given the large population being studied (2.5 million people in the city and an additional 2.6 million in the outer suburbs).

We also used the CMA average income rather than the City average, because the labour and housing markets of the city and its outer suburbs are connected. Many people living in Toronto earn their income from

jobs in the suburban municipalities and vice versa. Also, using the CMA average as our benchmark allows us to compare Toronto neighbourhoods with neighbourhoods in the outer suburbs.

WHAT CENSUS TRACT GEOGRAPHY DID WE USE AND HOW DO WE RECONCILE CHANGES IN THE NUMBER AND SPATIAL DEFINITION OF CENSUS TRACTS OVER TIME?

The maps in this publication are based on the 2001 census tract geography, the same geography used in Research Bulletin 41 (2007), *The Three Cities Within Toronto: Income Polarization among Toronto's Neighbourhoods, 1970-2000*.

As the City of Toronto increased in population, especially in the suburbs, Statistics Canada divided several 1971 tracts into two or more tracts over the years to 2001. This alteration required some operational decisions on how to handle the 1971 income data. For the 1971 census tracts that were subdivided between 1971 and 2001, we assigned the same average income for 1970 to each of these tracts. That is, if a 1971 census tract was subdivided into two tracts by 2001, each of these tracts was assigned the same income for 1971.

For the 2006 analysis, incomes for the few tracts that were subdivided between 2001 and 2006 were averaged and assigned to the appropriate 2001 tract.

This approach introduces a small amount of imprecision to the analysis, particularly in the more recently developed northern parts of the City, but does not affect the overall trends, since most of the City was built up by 1970. The major advantage of our method is the creation of more detailed maps of change patterns, because one-to-one census tract comparisons between 1970 average income and more recent census years are possible. We did not map census tract changes using this method for the "905 region" because much of this area was undeveloped in 1970.

HOW DO WE COMPARE CENSUS TRACT CHANGES OVER TIME?

We calculated the extent to which the average individual income of people 15 years and older in each census tract in 1970 and in 2005 was above or below the average individual income for the entire Toronto Census Metropolitan Area (CMA). Specifically, we divided the average income for the census tract by the average Toronto CMA income for each year thereby obtaining a ratio for each year, 1970 and 2005. Finally, for each census tract we calculated the percentage increase or decrease in the two ratios.

We examined the percentage increase or decrease in the 1970 and 2005 income ratios rather than straight dollar-to-dollar comparisons between 1970 and 2000 for two reasons.

First, the cost of living in Toronto has increased over time, making a $10,000 income in 1970, for example, worth much more than $10,000 in 2005.

Second, direct dollar comparisons cannot tell us how far up or down the income ladder a neighbourhood is located and the size of the gap between different income levels. Any income figure is meaningless on its own unless one has a benchmark that indicates whether it is high, middle, or low.

We used the average income for the Toronto CMA for an income benchmark because it takes into account the rapid growth in jobs and population in the surrounding outer suburbs – the "905 region" – which now has a slightly larger population than the City. Many people live in the area surrounding the City but earn their income from employers inside the City and vice versa. In other words, the labour market and the housing market are larger than the City of Toronto itself.

WHAT CATEGORIES DO WE USE TO MAP CHANGES IN AVERAGE INDIVIDUAL INCOME?

For mapping changes in average individual income (Map 1) we divided the percentage increase or decrease in the 1970 and 2005 income ratios into three categories: (1) City #1: an increase of 20% or more, (2) City #2: an increase or decrease of less than 20%, and (3) City #3: a decrease of 20% or more. While these are arbitrary boundaries, we did experiment with finer divisions of the data. Overall, the three-group categorization is a reasonable compromise and a useful public policy tool. In order to explore the trends in City #3, we have also developed a more detailed profile of City #3 as a supplement to this publication.

If Nothing Changes...

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.

Projections are based on certain assumptions about future change. Sometimes these are referred to as "scenarios." The text in the box shows the assumptions upon which the projection in Map 7 is based. For City #1 (increasing income) and City #3 (decreasing income), it is assumed that no census tracts will leave either group. The question then becomes: what will happen to census tracts in City #2 during this 20-year period? Three possibilities for City #2 are combined to produce the projection in Map 7.

SCENARIO ASSUMPTIONS

1. All City #1 census tracts (1970-2005) will increase in income by 20% or more (1970-2025) and therefore remain in City #1.

2. All City #3 census tracts (1970-2005) will decrease in income by 20% or more (1970-2025) and therefore remain in City #3.

3. All City #2 census tracts that increased 5% to 20% in income 1970-2005 will reach the 20% threshold to join City #1 by 2025.

4. All City #2 census tracts that decreased 5% to 20% in income 1970-2005 will reach the 20% threshold to join City #3 by 2025.

5. All City #2 census tracts that increased or decreased less than 5% in income 1970-2005 will remain in City #2.

First, we assume that City #2 census tracts that increased between 5% and 20% in income in the 1970–2005 period will continue to increase relative to the Toronto CMA; they will reach the 20% threshold by 2025, thereby joining City #1. Second, we assume that City #2 census tracts that decreased between 5% and 20% will continue to decrease and reach the 20% threshold, thereby becoming part of City #3. Third, we assume that City #2 census tracts that increased or decreased less than 5% in income between 1970 and 2005 will remain in City #2.

The outcome of this scenario is shown on Map 7, with the numerical summary provided below the map. By 2025, if nothing is done to change current trends:
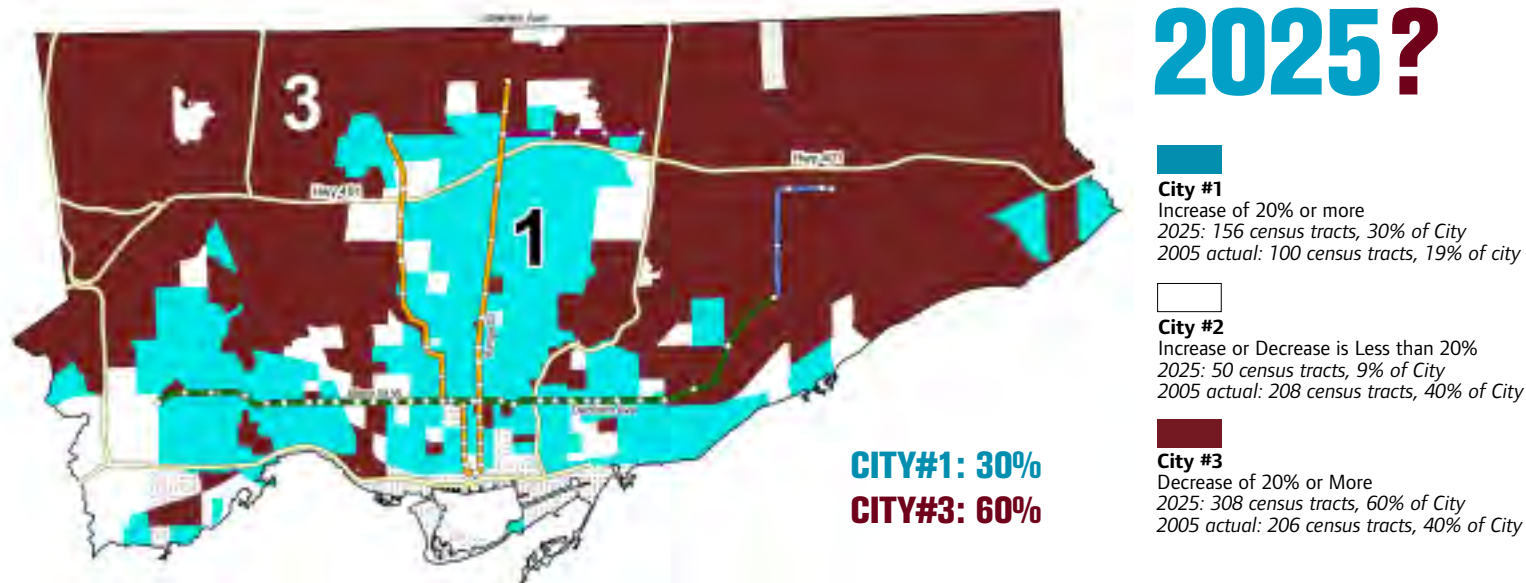
- City #1 will include 30% of the city's census tracts, compared with only 19% in 2005;

- City #3 will comprise 59% of the city's census tracts, an increase from 40% in 2005;

- City #2 will decrease dramatically from 40% of the total in 2005 to 9% in 2025.

Thus, the number of census tracts in Cities #1 and #3 will increase substantially at the expense of City #2.

How do these trends translate into the projected spatial distribution of the "Three Cities"? In comparing Map 1 and Map 7, we see that both Cities #1 and #3 have expanded dramatically at the expense of City #2. City #3 now includes almost all of Scarborough, the northern fringe of North York, and almost all of Etobicoke north of Eglinton Avenue, as well as large parts of the former municipalities of York and East York. Most of the isolated census tracts that were part of City #2 in 2005 have now joined City #3. These neighbourhoods will increasingly attract newcom-

MAP 7: PROJECTION OF THE "THREE CITIES" IN TORONTO TO 2025

Based on the 1970 to 2005 Trends in Census Tract Average Individual Income, Assuming No Change in Trends

2025?

City #1
Increase of 20% or more
2025: 156 census tracts, 30% of City
2005 actual: 100 census tracts, 19% of city

City #2
Increase or Decrease is Less than 20%
2025: 50 census tracts, 9% of City
2005 actual: 208 census tracts, 40% of City

City #3
Decrease of 20% or More
2025: 308 census tracts, 60% of City
2005 actual: 206 census tracts, 40% of City

CITY#1: 30%
CITY#3: 60%

ers, especially low-income immigrants, who cannot afford housing in the central city or the outer suburbs.

City #1 has grown to cover most census tracts close to the north-south and east-west subway lines. By 2025, these census tracts will become increasingly desirable areas of the city, attracting higher-income residents who want good access to downtown Toronto by public transportation and the amenities of a central location. With the exception of a few pockets of social housing or lower-cost private rental high-rise units built in the 1960s, the area south of the east-west subway line is now almost entirely part of City #1. This change will have been brought about by two ongoing trends: (1) the creation of more condominium apartments, either newly constructed or carved out of abandoned industrial space, and (2) the continued gentrification of older, low-rise residential neighbourhoods. Both of these types of residential areas attract a higher-income population.

In the meantime, City #2 has been reduced to a few census tracts, mostly found between Cities #1 and #3. As a result, the

"Three Cities" model is approaching a "Two Cities" model, in which neighbourhoods are sharply divided between those in which average individual incomes have increased dramatically over the 1970 to 2025 period and neighbourhoods where the opposite has occurred.

Of course, this is just one scenario based on current trends. It assumes no changes to Cities #1 and #3, and that many census tracts in City #2 will move upwards or downwards to become part of Cities #1 or #3. In other words, **it assumes no major policy changes in the next 20 years, especially policies that might lead to a more equal income distribution and a more equitable spatial distribution of an increased supply of affordable housing**. This is a reasonable assumption, since neither of these changes is on the immediate horizon.

— Robert A. Murdie, Geography, York University and
Neighbourhood Change CURA,
Cities Centre, University of Toronto

AVERAGE INDIVIDUAL INCOME, CITY OF TORONTO, RELATIVE TO THE TORONTO CMA, 1970-2005

High: More than 20% Above **Middle:** 20% Below to 20% Above **Low:** More than 20% Below

1970

1980
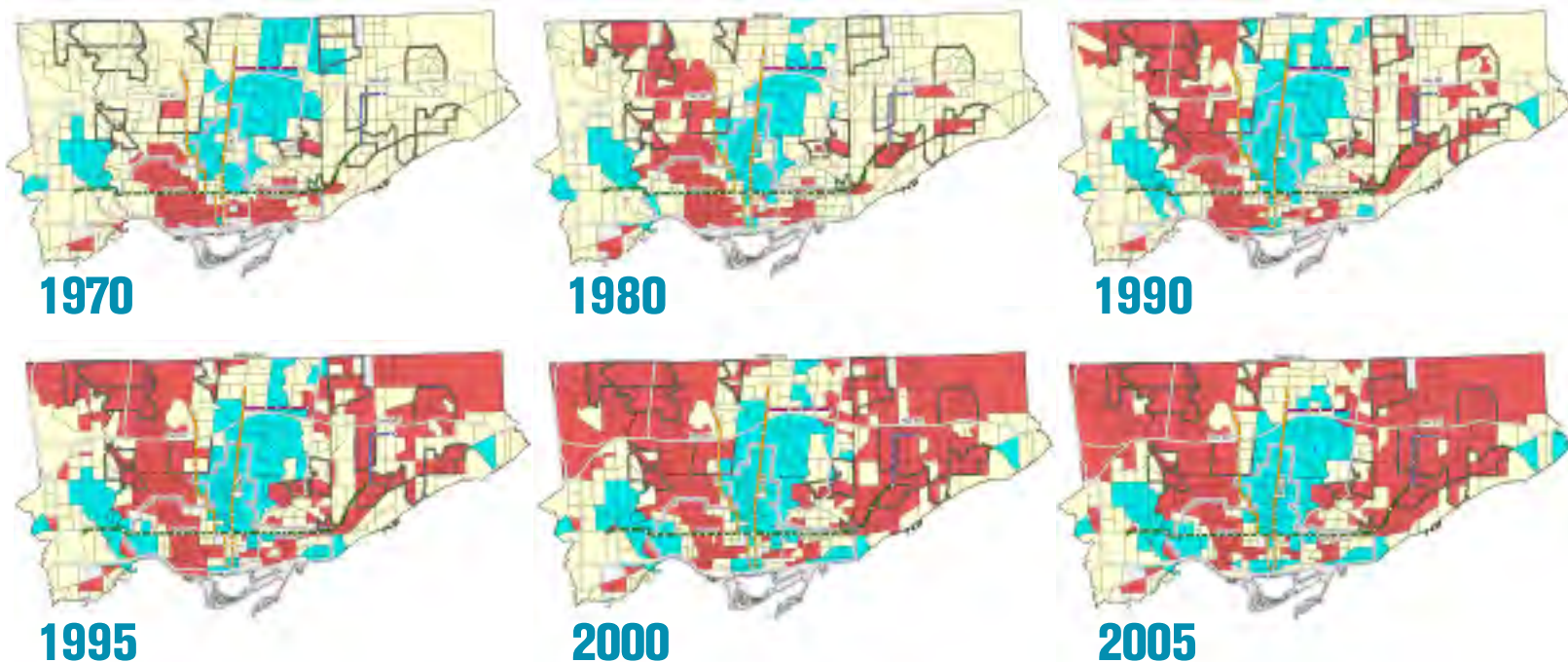
1990

1995

2000

2005

Census Tract Average Individual Income, Relative to the Toronto CMA Average, 1970-2005

Number (#) and Percentage (%) of Census Tracts in Three Income Groups by Year	1970		1980		1990		1995		2000		2005	
	#	%	#	%	#	%	#	%	#	%	#	%
High Income: More than 20% Above	77	15%	69	13%	86	17%	88	17%	93	18%	94	18%
Middle Income: 20% Below to 20% Above	341	66%	311	61%	264	51%	190	37%	165	32%	149	29%
Low Income: More than 20% Below	97	19%	134	26%	164	32%	236	46%	257	50%	271	53%

NOTES: *1. Based on census tract boundaries 2001 held constant over time; 2. Table counts exclude census tracts with no income published for 1970.*
3. Table counts include census tracts with income published in 1970 but unpublished in one or more years after 1970.