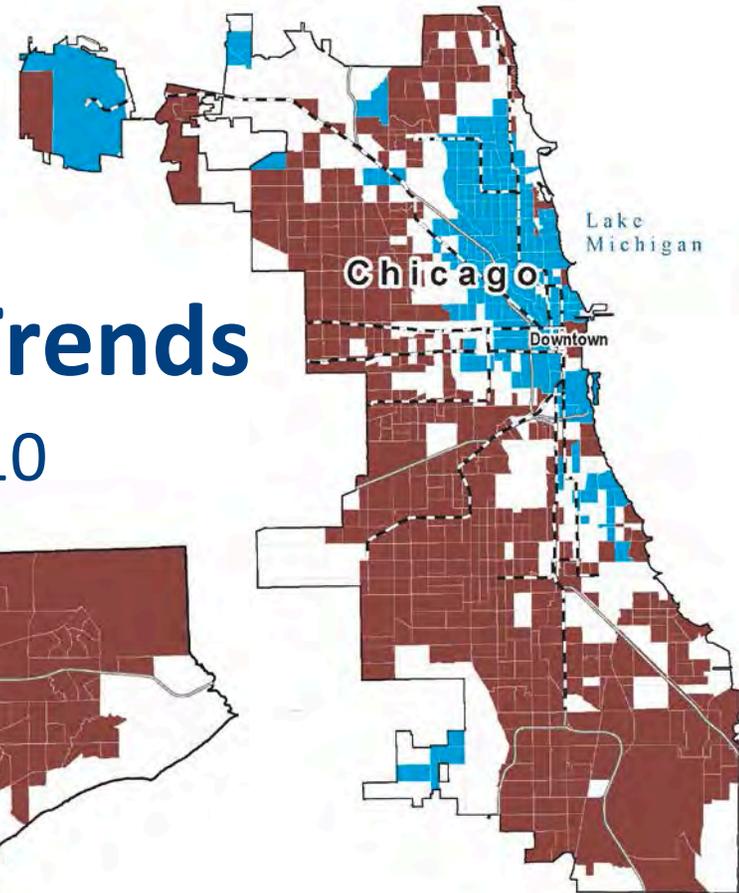
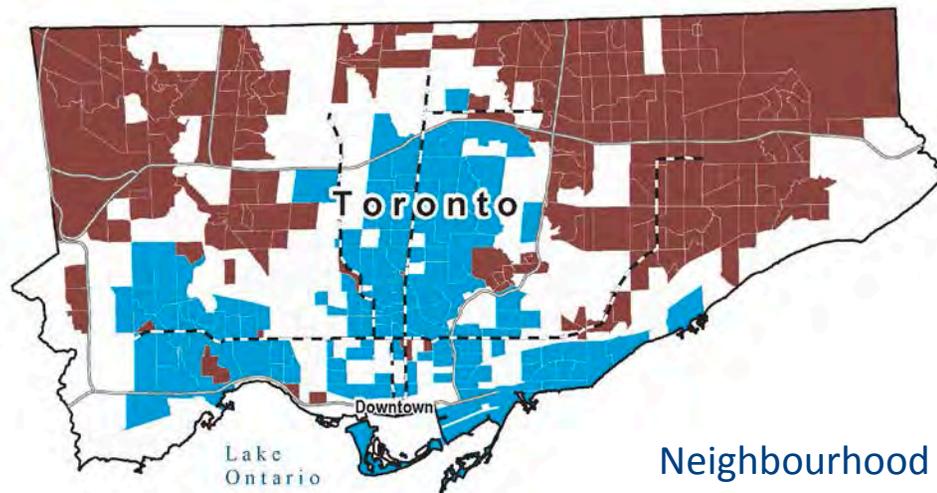


Inequality, Diversity, and Spatial Polarization Trends

Toronto & Chicago, 1970 – 2010



David Hulchanski

Neighbourhood Change Research Partnership
University of Toronto

Joint research with Janet L Smith, University of Illinois at Chicago

Venice International University, 9 December 2015

The research

Initiated in 2005
with focus on
Toronto

In 2012 extended
to other metro
areas

Funded by the
Social Sciences &
Humanities
Research Council
of Canada



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Two key national income trends — the growing gap between the rich and the poor and the progressively smaller middle-income group — have major social implications at the neighbourhood level that we are only beginning to identify, understand, and explain.



Social Sciences and Humanities
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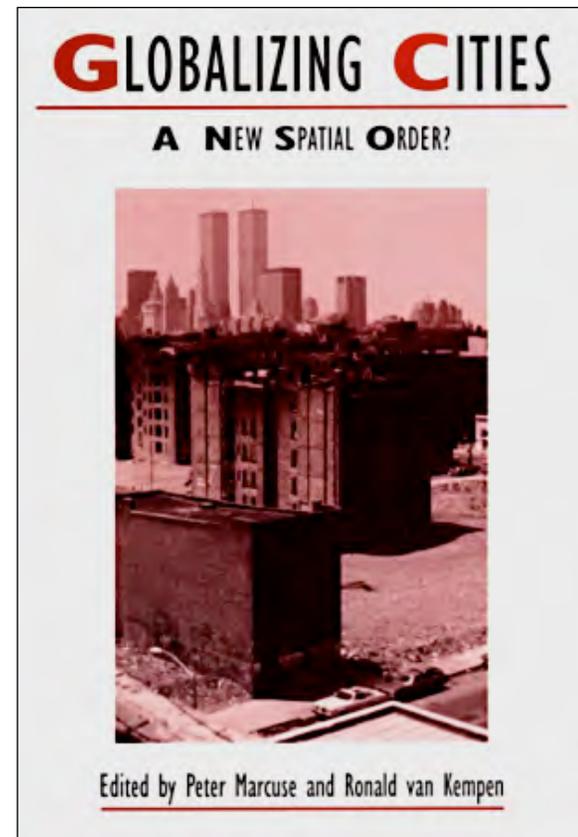
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Canada

Divided Cities in a Globalized, Financialized, Neoliberal Age

A new socio-spatial order with stronger more rigid divisions, and greater inequality.

– Peter Marcuse & Ronald van Kempen, 2000.



2010 REPORT

The 2010
report has
a web
version
with many
related
resources



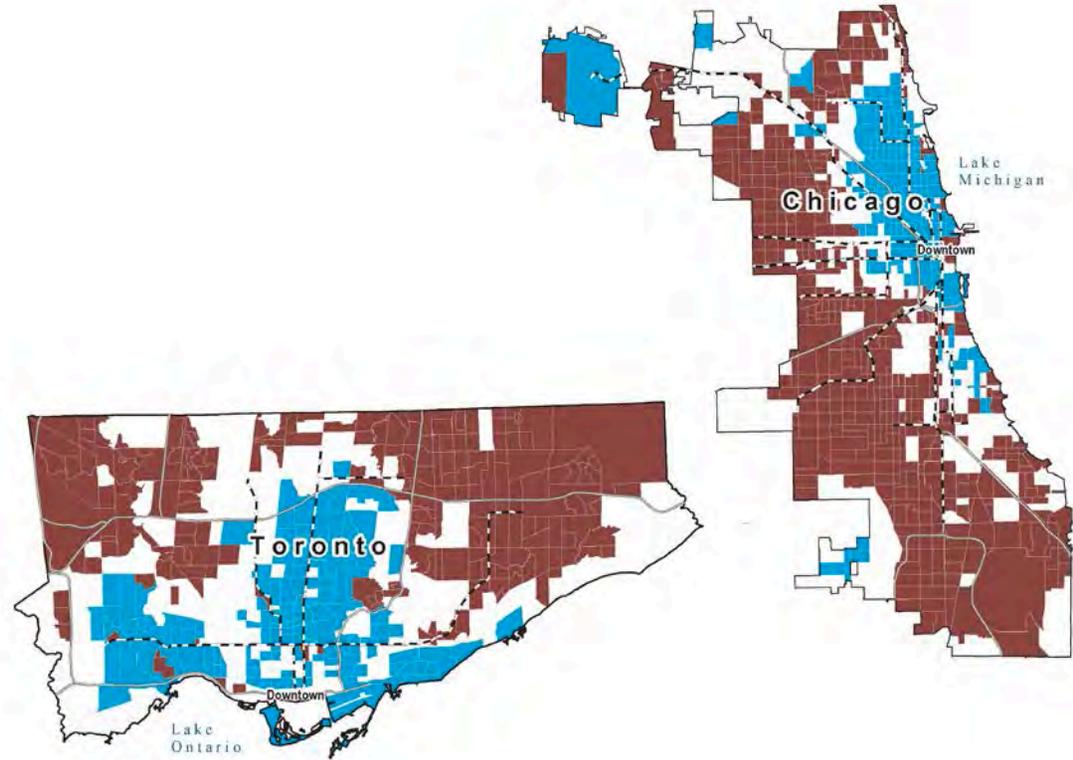
THE THREE CITIES WITHIN TORONTO

Income Polarization Among Toronto's Neighbourhoods, 1970-2005

BY J. DAVID HULCHANSKI, UNIVERSITY OF TORONTO



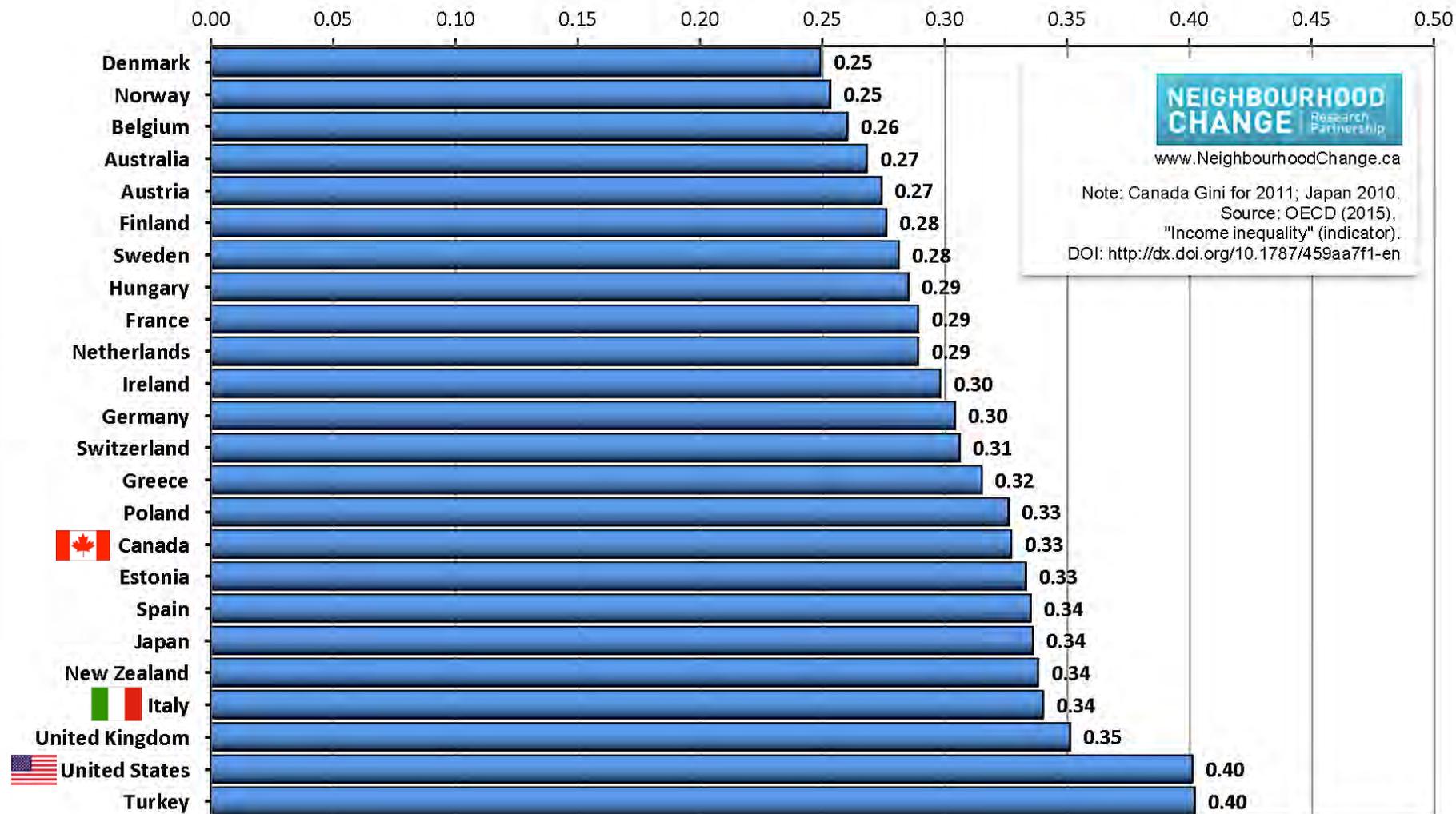
<http://3cities.neighbourhoodchange.ca>



NATIONAL CONTEXT

FOR URBAN INEQUALITY & SPATIAL POLARIZATION

Gini Coefficient for Twenty Four OECD Countries, 2012

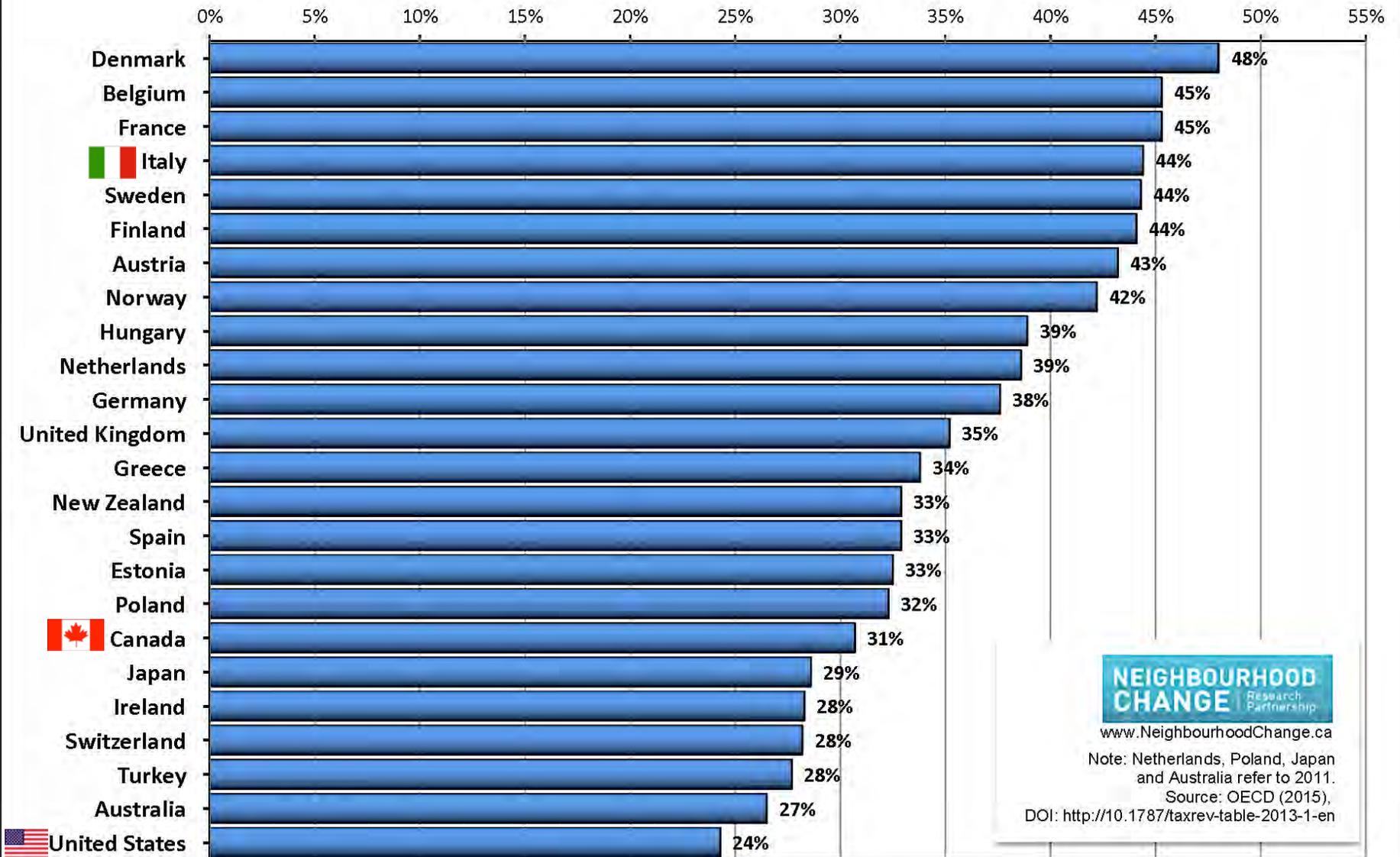


Note: Canada Gini for 2011; Japan 2010.
 Source: OECD (2015),
 "Income inequality" (indicator).
 DOI: <http://dx.doi.org/10.1787/459aa7f1-en>

The Gini coefficient takes values between 0 for a perfectly equal income distribution where every person has the same income, and 1 which refers to a situation of maximum inequality where all income goes to one person. OECD average = 0.31.

Total Tax Revenues as a Percentage of GDP, 2012

Twenty Four OECD Countries



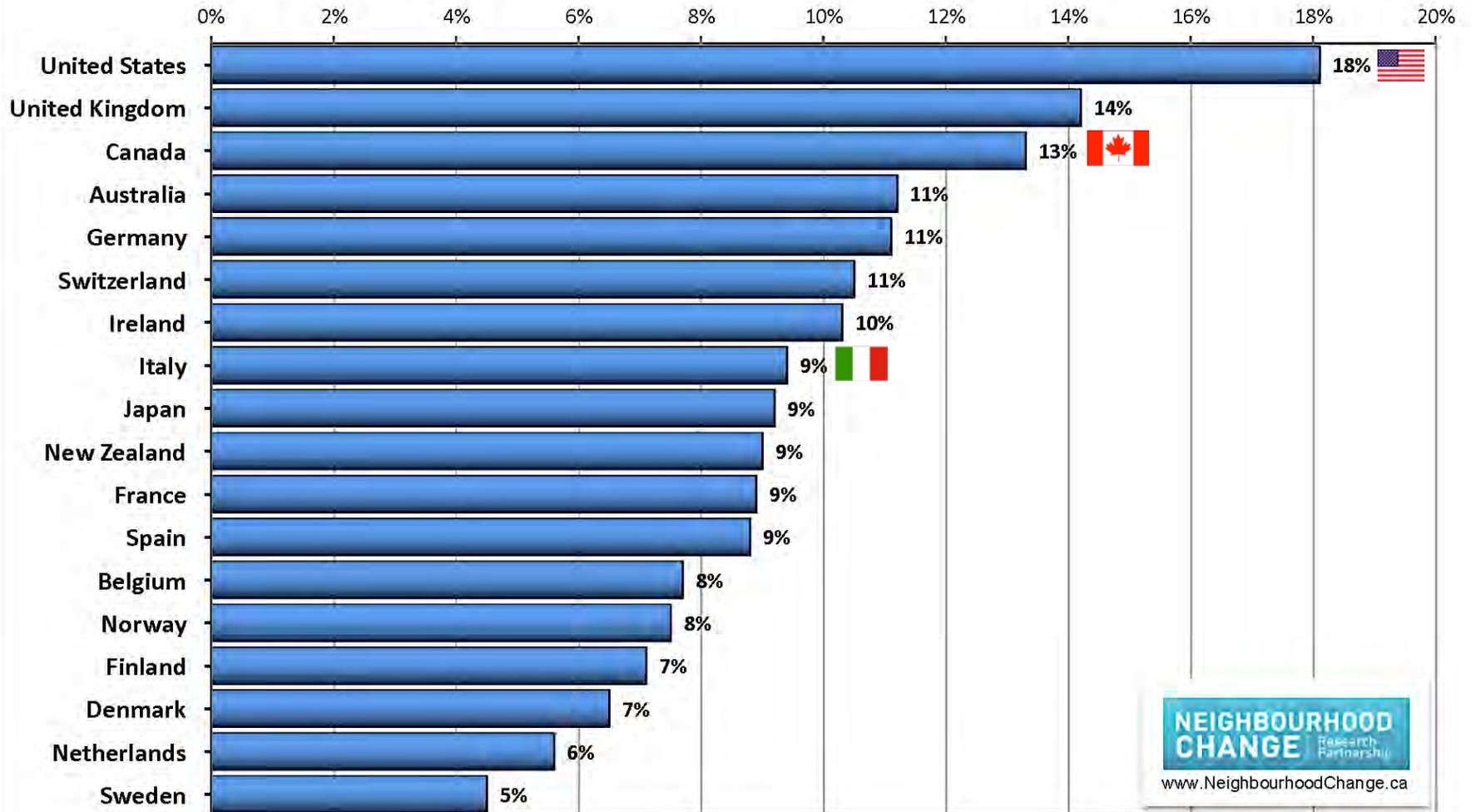
www.NeighbourhoodChange.ca

Note: Netherlands, Poland, Japan and Australia refer to 2011.

Source: OECD (2015),

DOI: <http://10.1787/taxrev-table-2013-1-en>

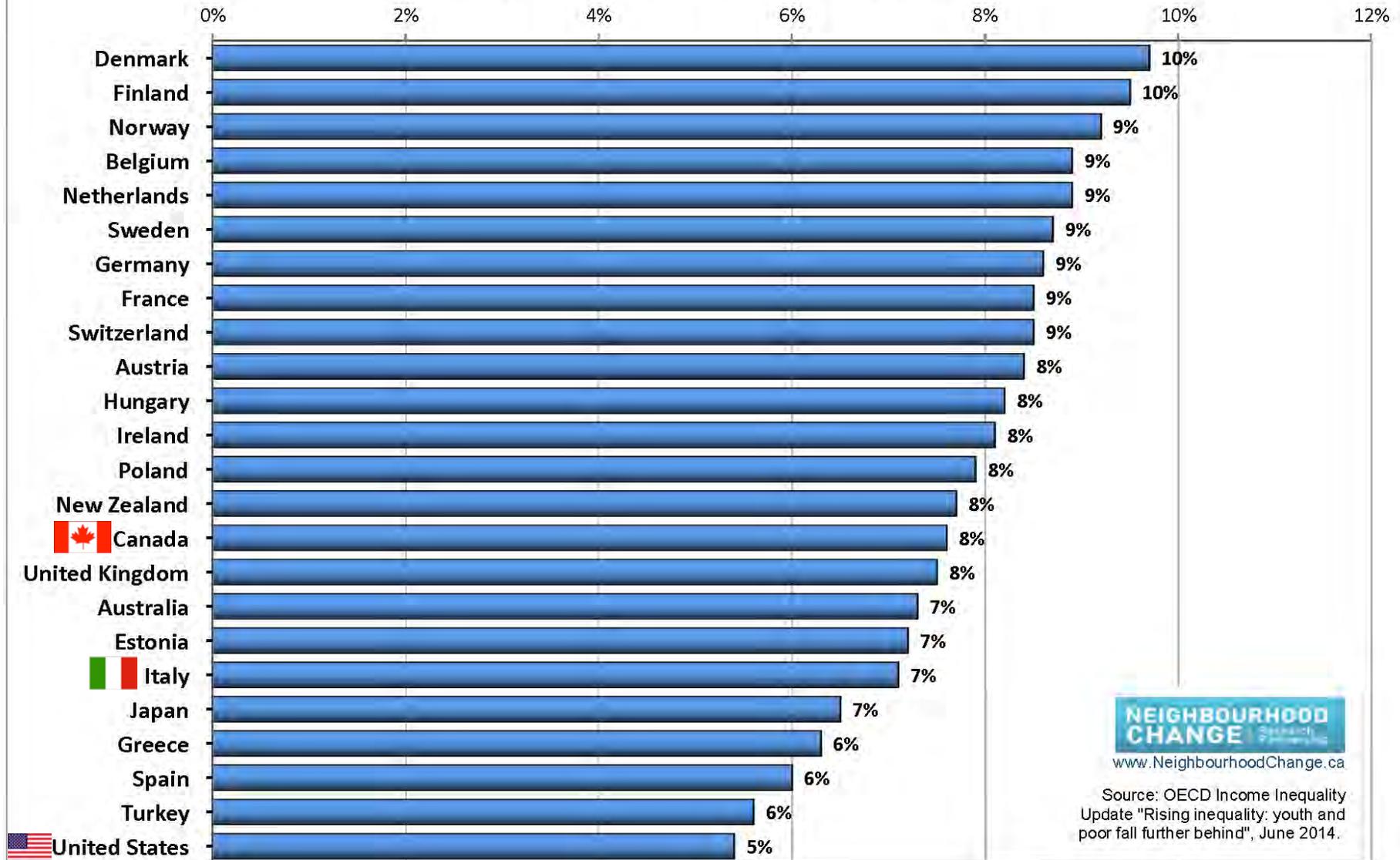
Income Share of Top 1% of Earners in Total Taxable Income for Eighteen OECD Countries, 2008 or latest year available



Note: The pre-tax income data exclude capital gains for all countries except Australia and Finland. The data are based on tax returns.
 Source: Alvaredo F., et al. (2011), The Top Incomes Database, www.parisschoolofeconomics.eu/en/news/the-top-incomes-database-new-website/;
 Matthews, S. (2011), "Trends in Top Incomes and their Tax Policy Implications", OECD Taxation Working Papers, No. 4, OECD Publishing.

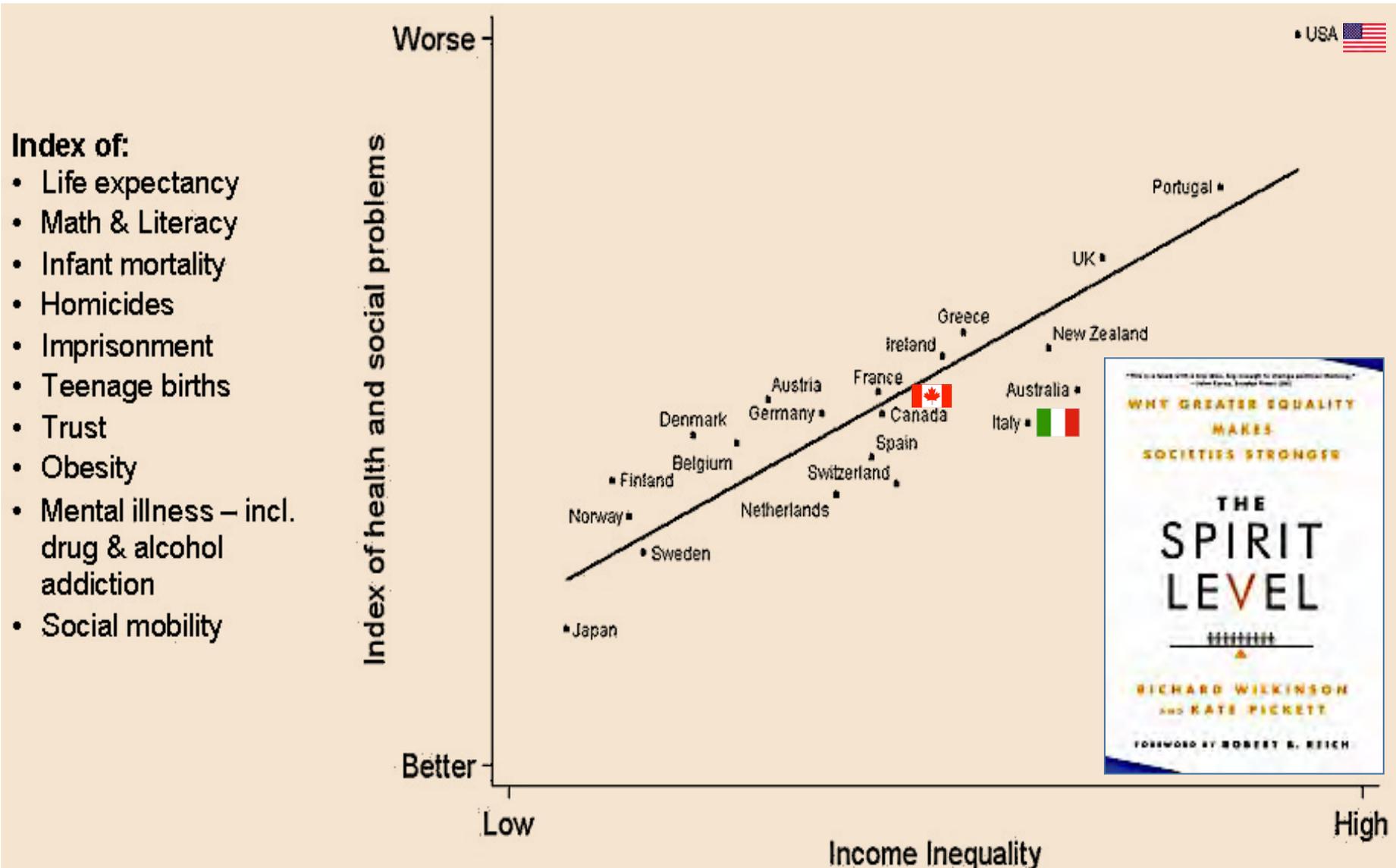


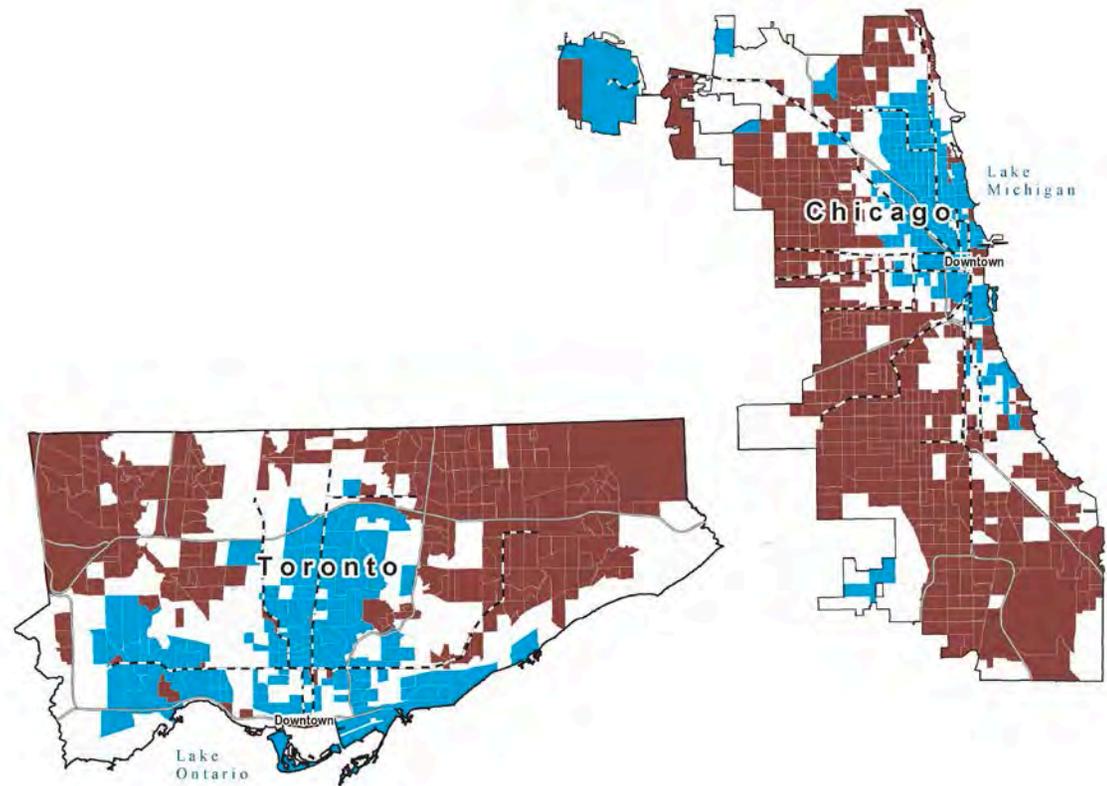
Total Income Share of Bottom 20% for Twenty Four OECD Countries, 2011



Source: OECD Income Inequality Update "Rising inequality: youth and poor fall further behind", June 2014.

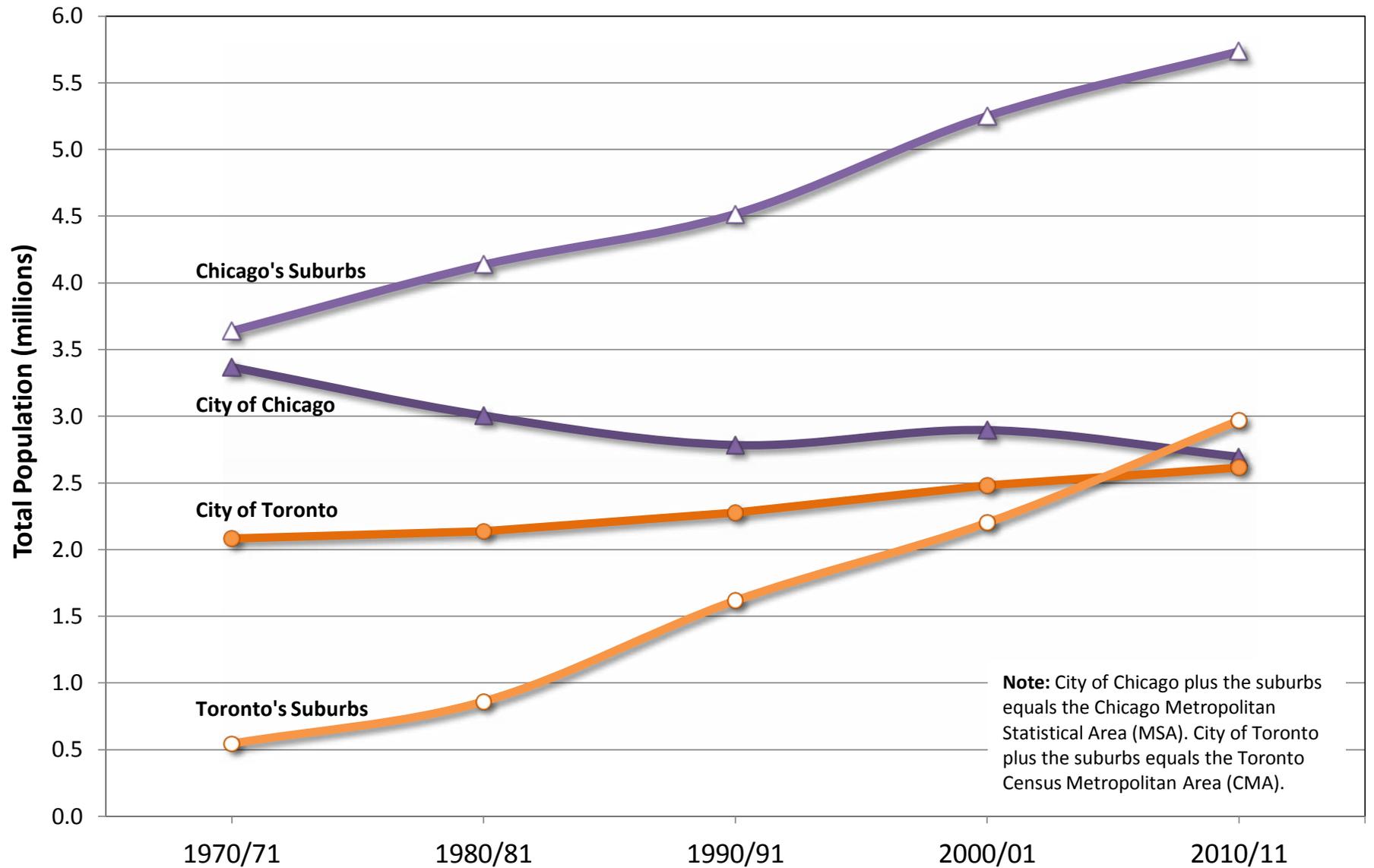
Why does Income Inequality Matter?



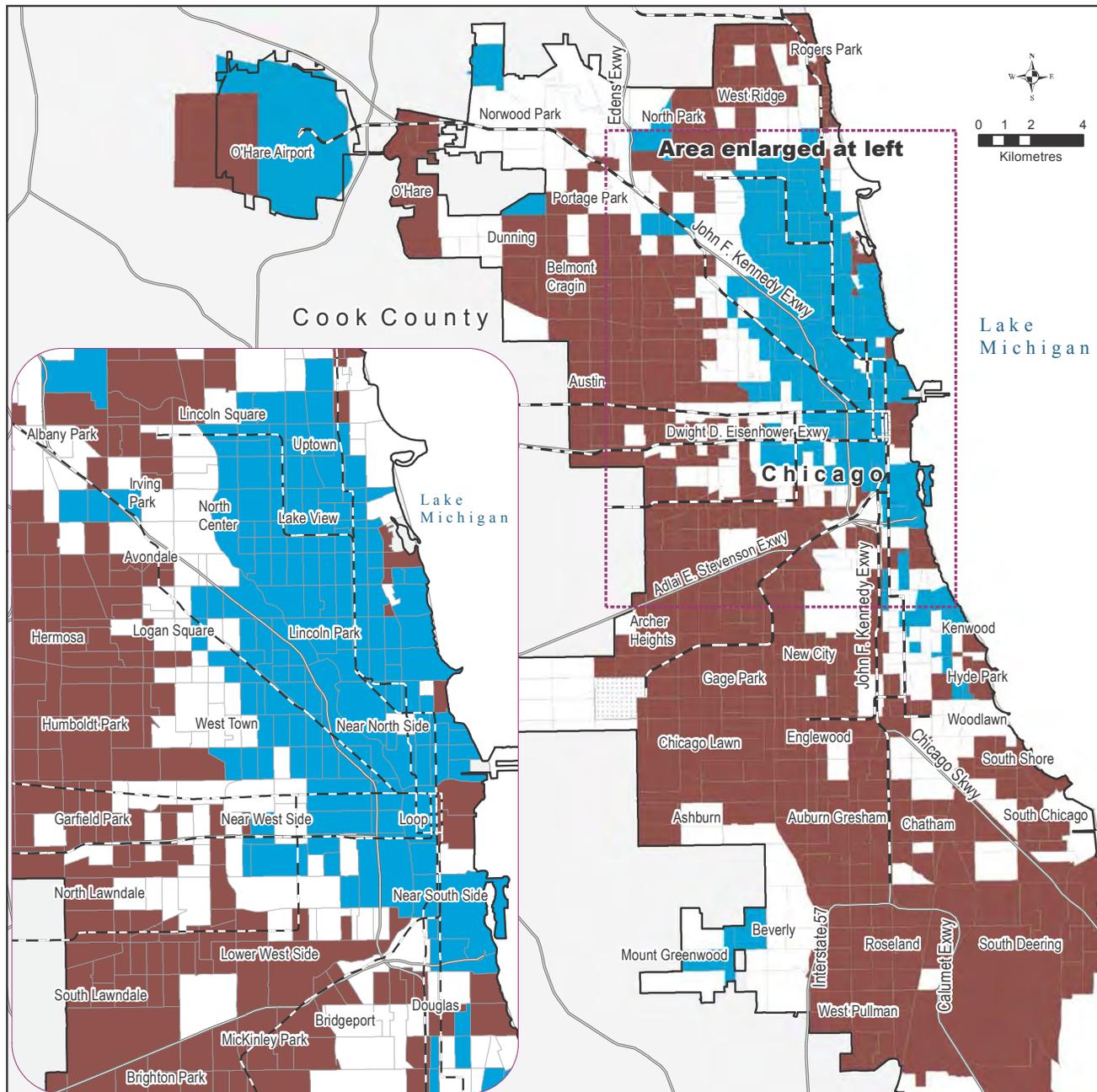


Socio-spatial Trends, 2010 compared to 1970

Total Population of Chicago and Toronto's City and Suburbs, 1970-2010



Neighbourhood Income Change: City of Chicago, 2010 vs. 1970



Change in census tract average individual income compared to the Chicago MSA average, 2010 versus 1970

- Increase 20% to 254% (167 CTs; 21% of the City)
- Increase or Decrease is Less than 20% (210 CTs; 26% of the City)
- Decrease 20% to 114% (417 CTs; 53% of the City)

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

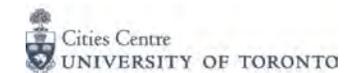
Change is in terms of percentage points. The 2010 average individual income of the census tract is divided by the metropolitan area average for that year and the same is done for 1970. The difference (2010 minus 1970) is multiplied by 100 to produce the percentage point change for each census tract.

Census tract boundaries are held constant to Census 2010 (794 CTs).

- Not Available
- Rapid Transit (2010)
- Interstate Highways (2010)

Data Sources:
 United States Census 1970
 American Community Survey 2008-2012

Natalie P. Voorhees Center for Neighbourhood & Community Improvement, University of Illinois at Chicago



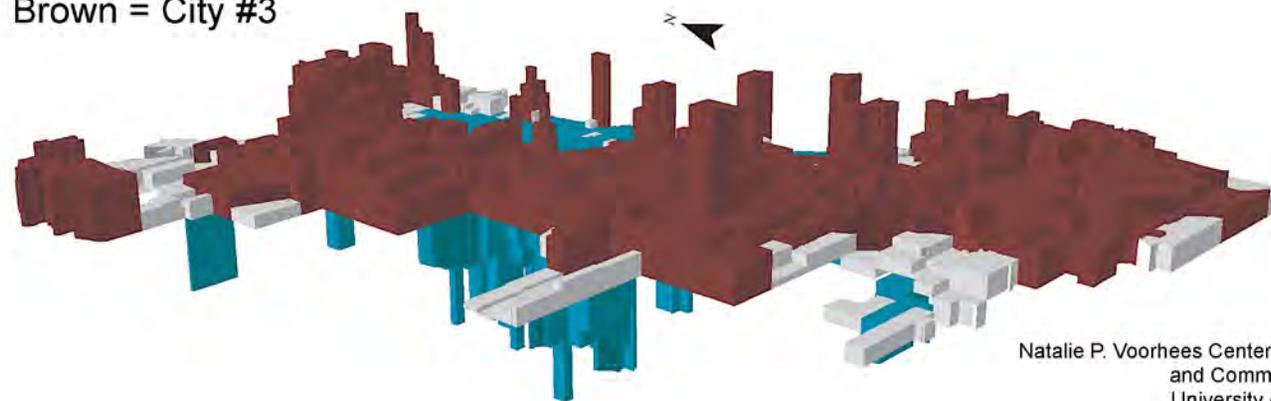
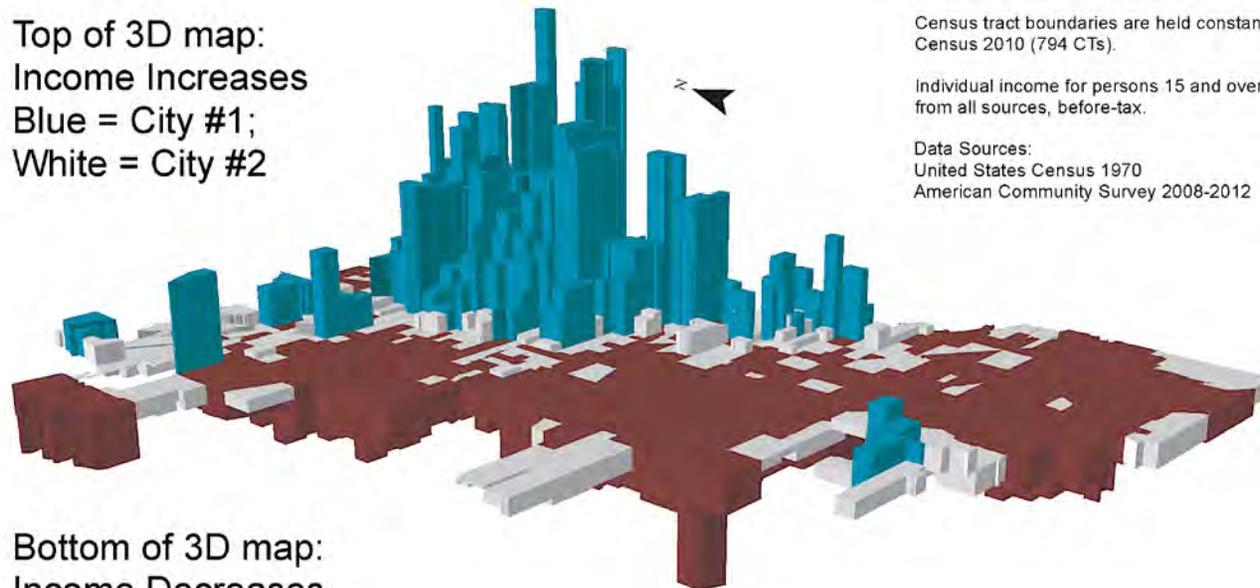
Neighbourhood Change Research Partnership
 www.NeighbourhoodChange.ca

June 2014

City of Chicago's Growing Income Gap, 2010 vs. 1970

Top of 3D map:
Income Increases
Blue = City #1;
White = City #2

Bottom of 3D map:
Income Decreases
White = City #2;
Brown = City #3



Change is in terms of percentage points. The 2010 average individual income of the census tract is divided by the metropolitan area average for that year and the same is done for 1970. The difference (2010 minus 1970) is multiplied by 100 to produce the percentage point change for each census tract.

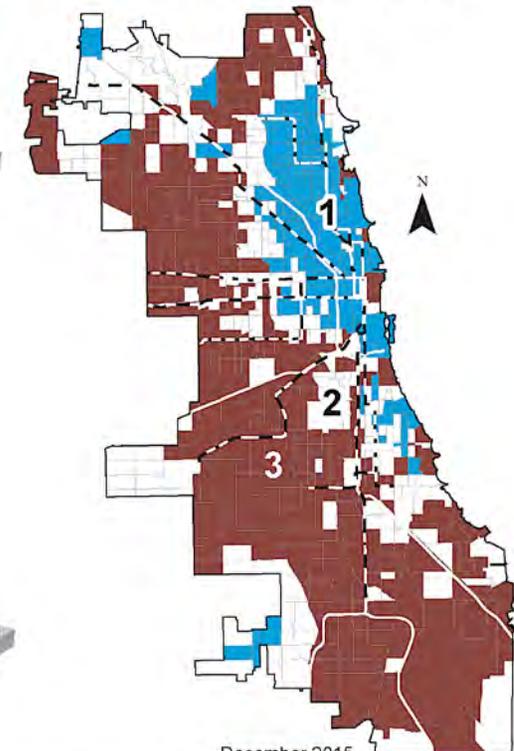
Census tract boundaries are held constant to Census 2010 (794 CTs).

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

Data Sources:
United States Census 1970
American Community Survey 2008-2012

Change in census tract average individual income compared to the Chicago MSA average, 2010 versus 1970

- City #1: Increase 20% to 254% (167 CTs; 21% of the City)
- City #2: Increase or Decrease is Less than 20% (210 CTs; 26% of the City)
- City #3: Decrease 20% to 114% (417 CTs; 53% of the City)

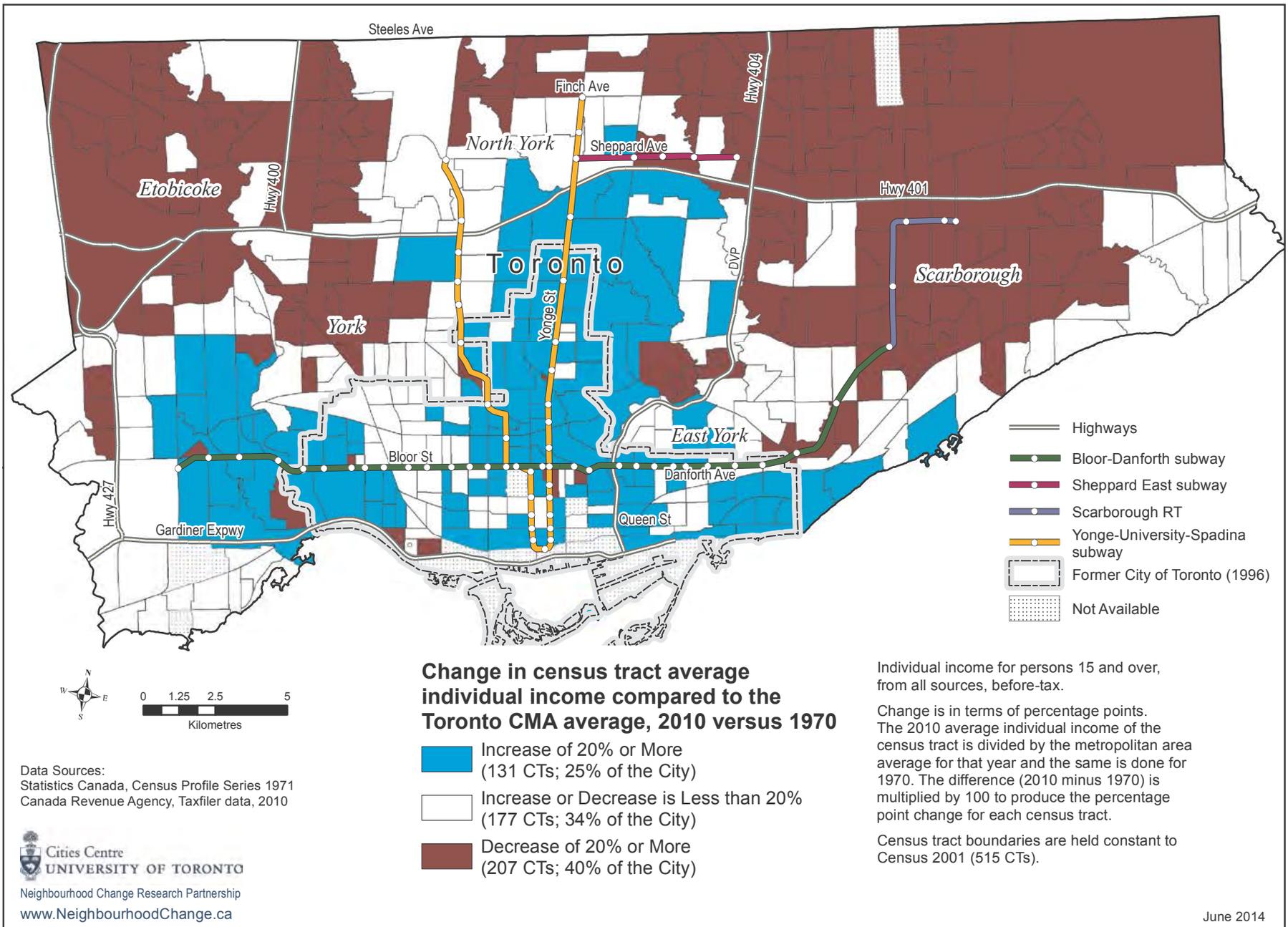


Natalie P. Voorhees Center for Neighbourhood and Community Improvement, University of Illinois at Chicago

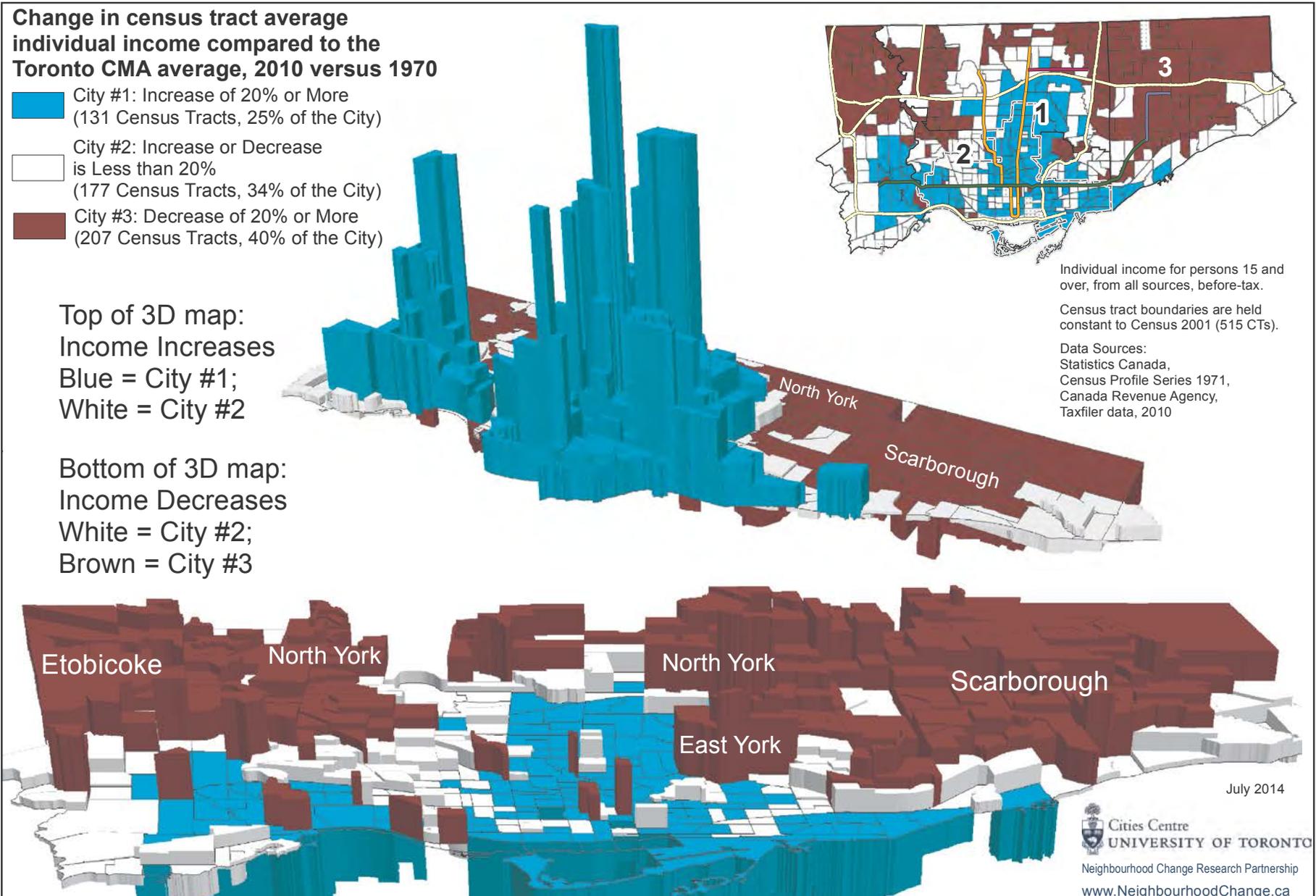
December 2015

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Neighbourhood Income Change: City of Toronto, 2010 vs. 1970



Neighbourhood Income Change: City of Toronto, 2010 vs. 1970



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

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

Change: Change is in terms of percentage points. The 2010 average individual income of the census tract is divided by the metropolitan area average for that year and the same is done for 1970. The difference (2010 minus 1970) is multiplied by 100 to produce the percentage point change for each census tract.

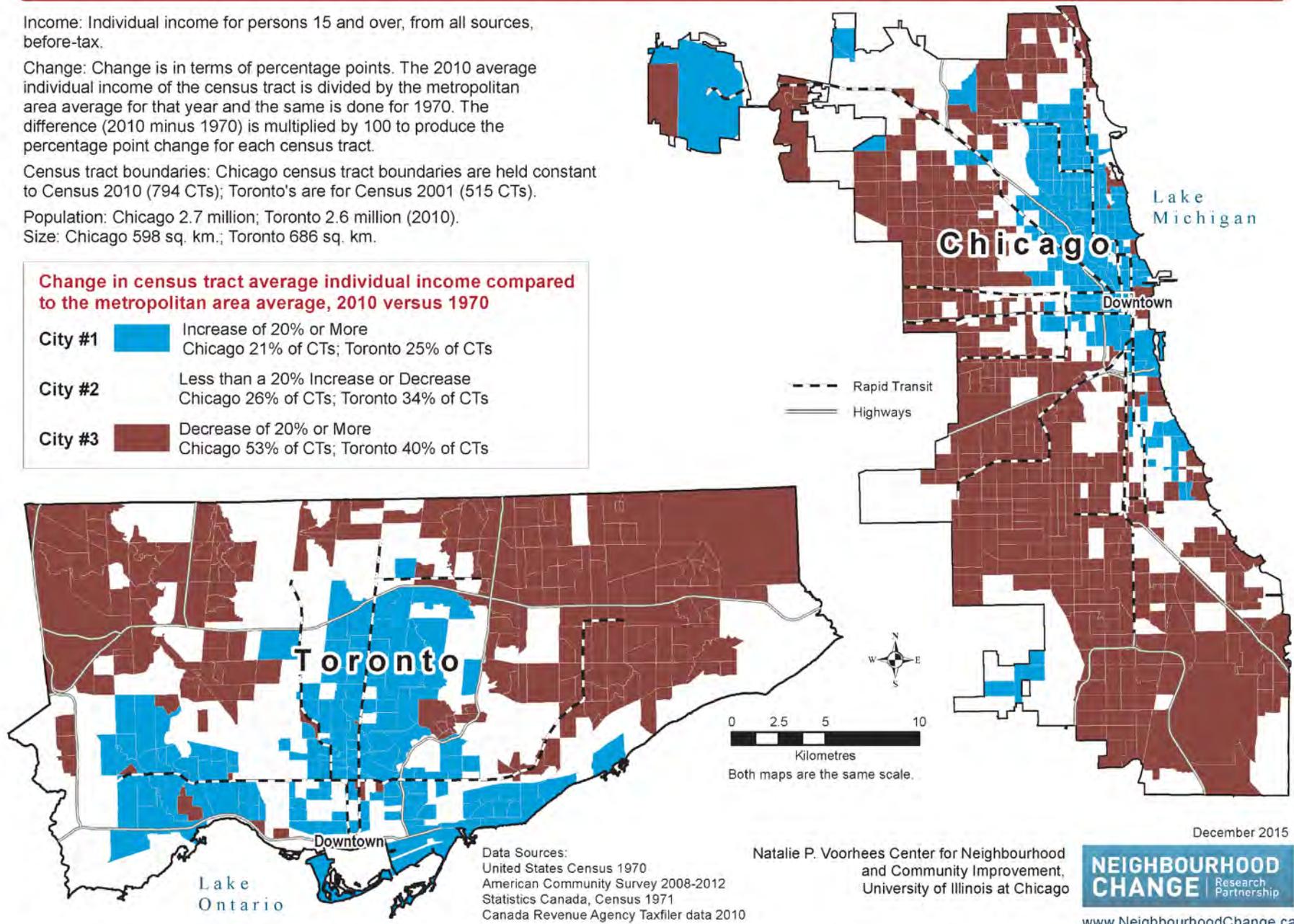
Census tract boundaries: Chicago census tract boundaries are held constant to Census 2010 (794 CTs); Toronto's are for Census 2001 (515 CTs).

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

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

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

- City #1** ■ Increase of 20% or More
Chicago 21% of CTs; Toronto 25% of CTs
- City #2** ■ Less than a 20% Increase or Decrease
Chicago 26% of CTs; Toronto 34% of CTs
- City #3** ■ Decrease of 20% or More
Chicago 53% of CTs; Toronto 40% of CTs



Data Sources:
 United States Census 1970
 American Community Survey 2008-2012
 Statistics Canada, Census 1971
 Canada Revenue Agency Taxfiler data 2010

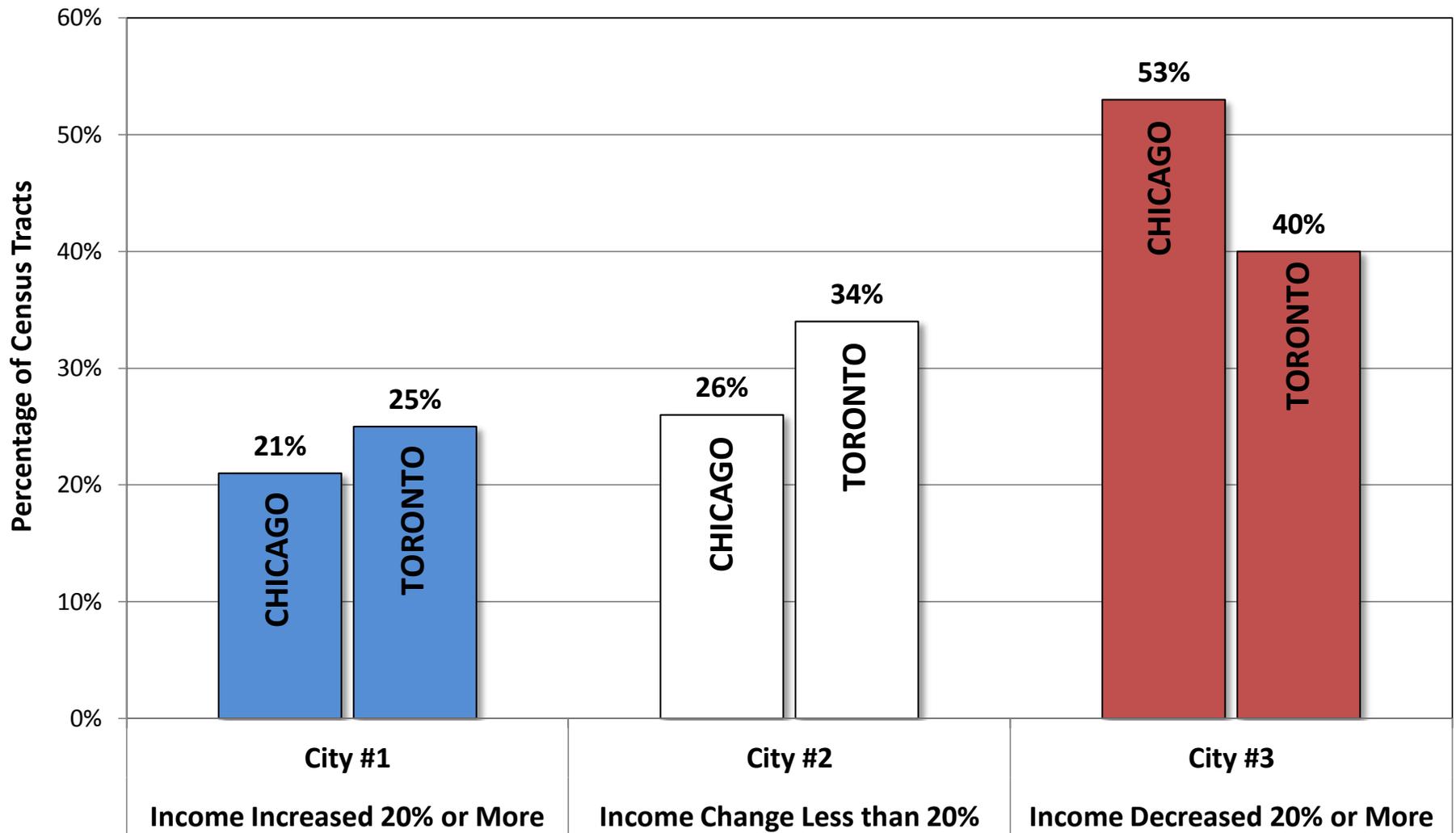
Natalie P. Voorhees Center for Neighbourhood and Community Improvement,
 University of Illinois at Chicago



www.NeighbourhoodChange.ca

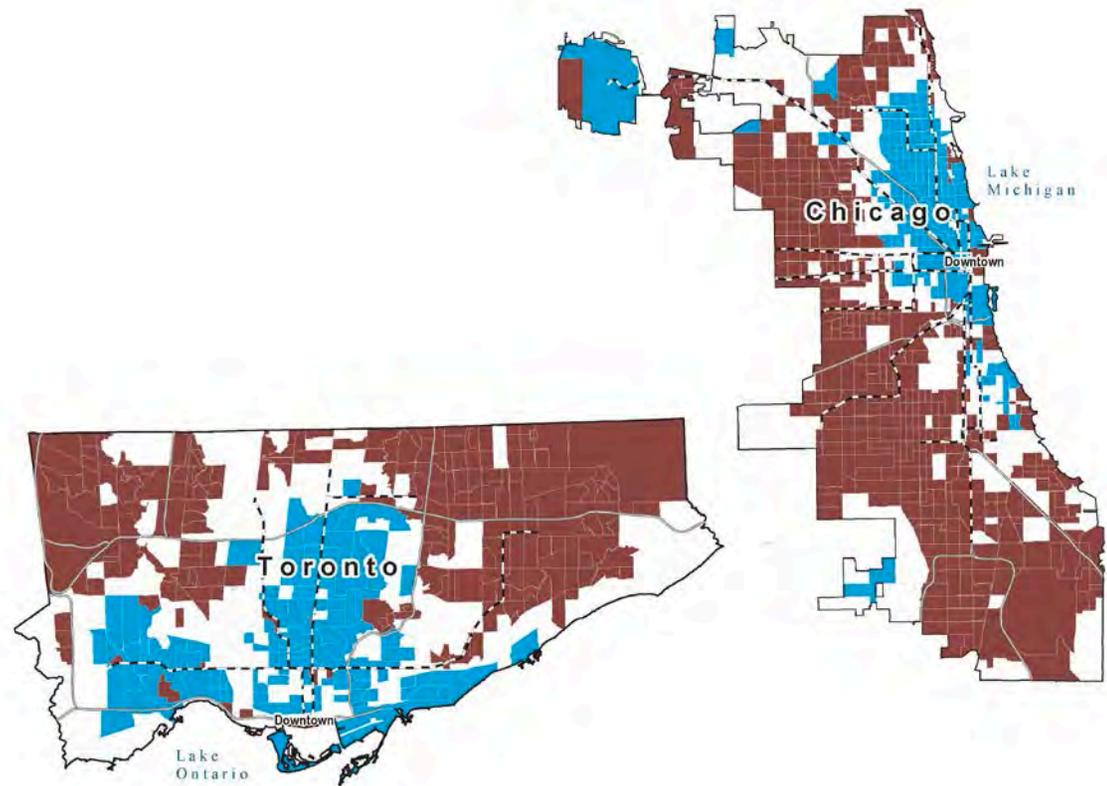
December 2015

Neighbourhood Income Change City of Chicago and City of Toronto, 2010 versus 1970



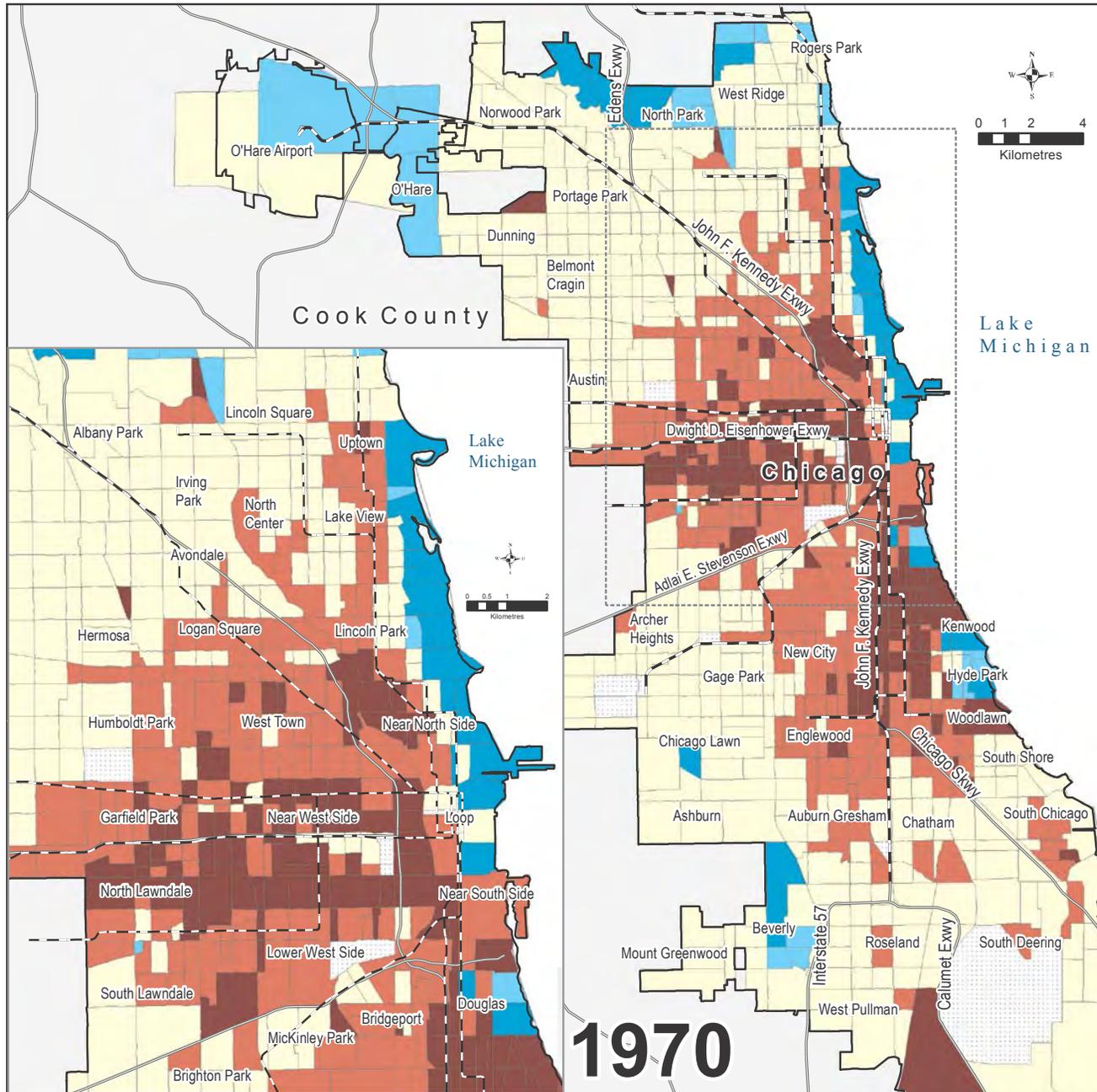
Income Definition: Census Tract average individual income from all sources, before-tax for persons 15 and over. Income is measured relative to the metropolitan area average each year. Chicago CT boundaries are constant 2010 while Toronto's are constant 2001.

Data Sources: United States Census 1970, American Community Survey 2008-2012, Canada Census 1971, Canada Revenue Agency Taxfiler data 2010.



Socio-spatial Income Change, 1970 to 2010

Average Individual Income, City of Chicago, 1970



Census Tract Average Individual Income compared to the Chicago MSA Average of \$5,366

- Very High - 140% to 362% (30 CTs, 4% of the City)
- High - 120% to 140% (22 CTs, 3% of the City)
- Middle Income - 80% to 120% (390 CTs, 46% of the City)
- Low - 60% to 80% (270 CTs, 32% of the City)
- Very Low - 4% to 60% (146 CTs, 17% of the City)
- Not Available
- Rapid Transit (2010)
- Interstate Highways (2010)
- Austin Name of Neighbourhood Community

Source: United States Census 1970.

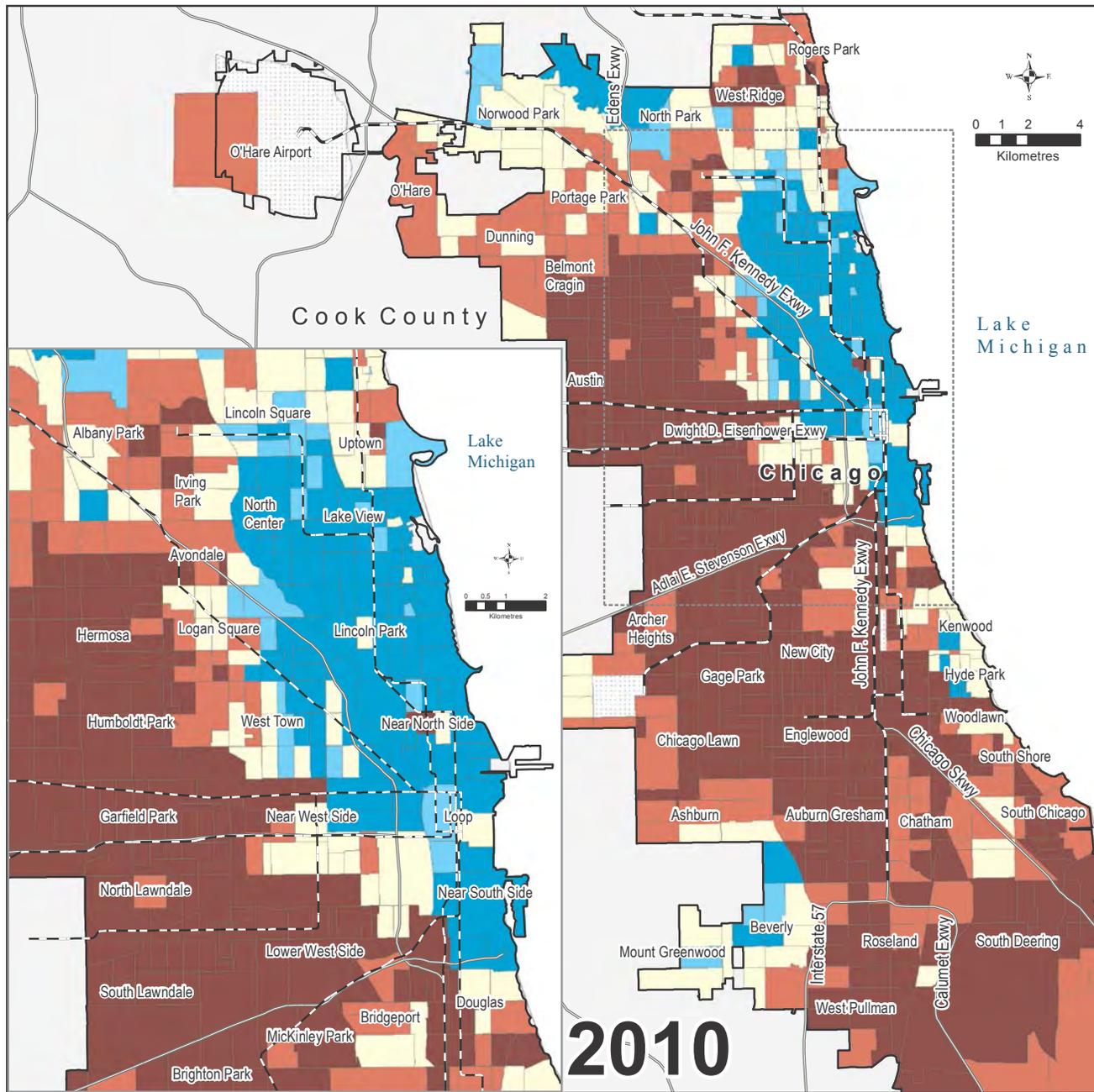
Note:

(1) Census tract boundaries shown are for 1970.

(2) Average income is from all sources, before-tax. Average was calculated by dividing aggregate income by total population 15 and over. Since persons with zero income cannot be excluded from the total population 15 and over, a few CT's have extremely low average incomes.

Data provided by Natalie P. Voorhees Center for Neighbourhood & Community Improvement, University of Illinois at Chicago.

Average Individual Income, City of Chicago, 2010



Census Tract Average Individual Income compared to the Chicago MSA Average of \$38,895

- Very High - 140% to 348% (115 CTs, 15% of the City)
- High - 120% to 140% (30 CTs, 4% of the City)
- Middle Income - 80% to 120% (128 CTs, 16% of the City)
- Low - 60% to 80% (153 CTs, 19% of the City)
- Very Low - 1% to 60% (365 CTs, 46% of the City)
- Not Available
- Rapid Transit (2010)
- Interstate Highways (2010)
- Austin Name of Neighbourhood Community

Source: American Community Survey, 2010.

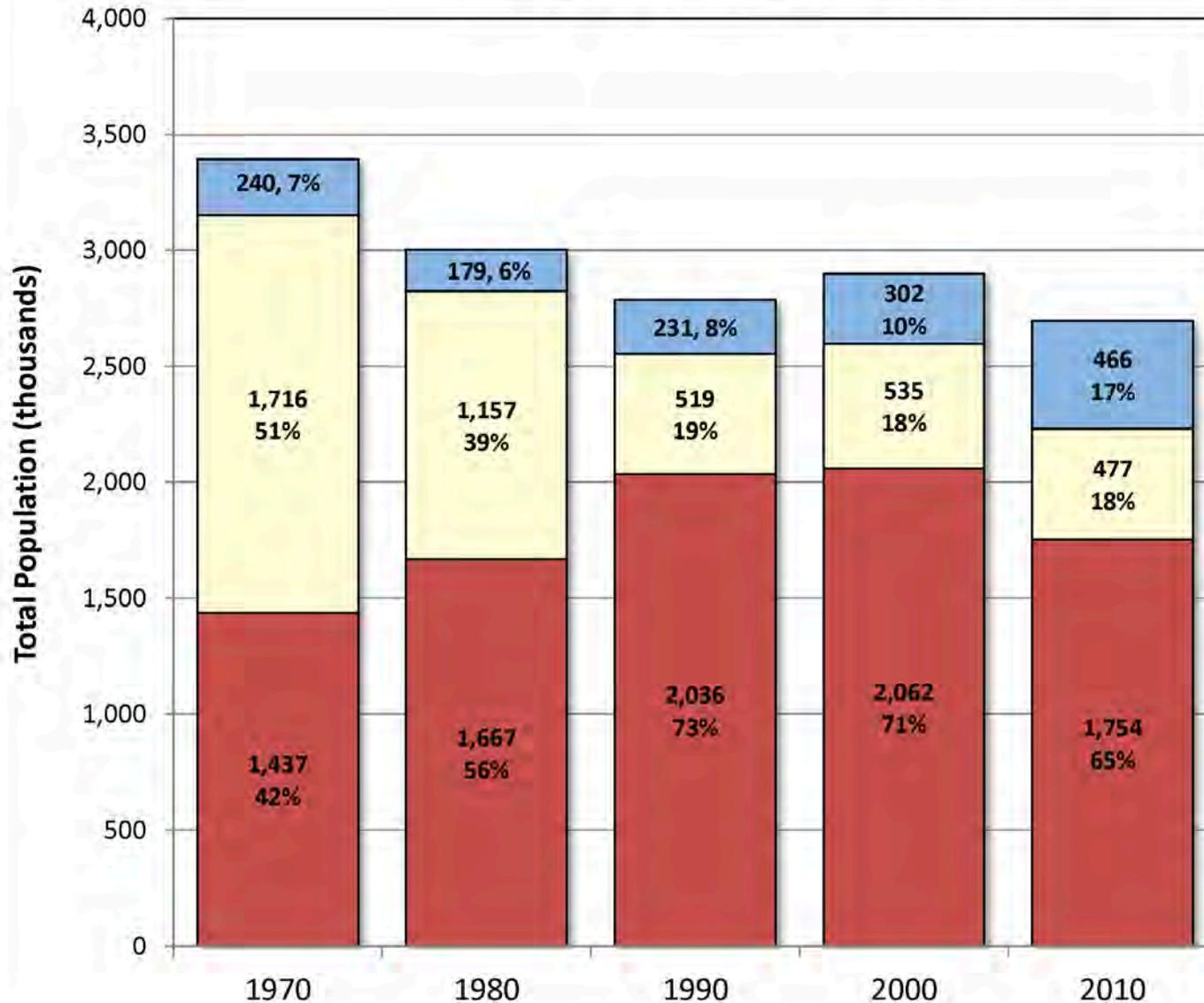
Note:

(1) Census tract boundaries shown are for 2010.

(2) Average income is from all sources, before-tax. Average was calculated by dividing aggregate income by total population 15 and over. Since persons with zero income cannot be excluded from the total population 15 and over, a few CT's have extremely low average incomes.

Data provided by Natalie P. Voorhees Center for Neighbourhood & Community Improvement, University of Illinois at Chicago.

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



Census Tract Average Income compared to the MSA Average

- High Income (More than 20% Above)
- Middle Income (Within 20%)
- Low Income (More than 20% Below)

Caution on Total Population 1980:

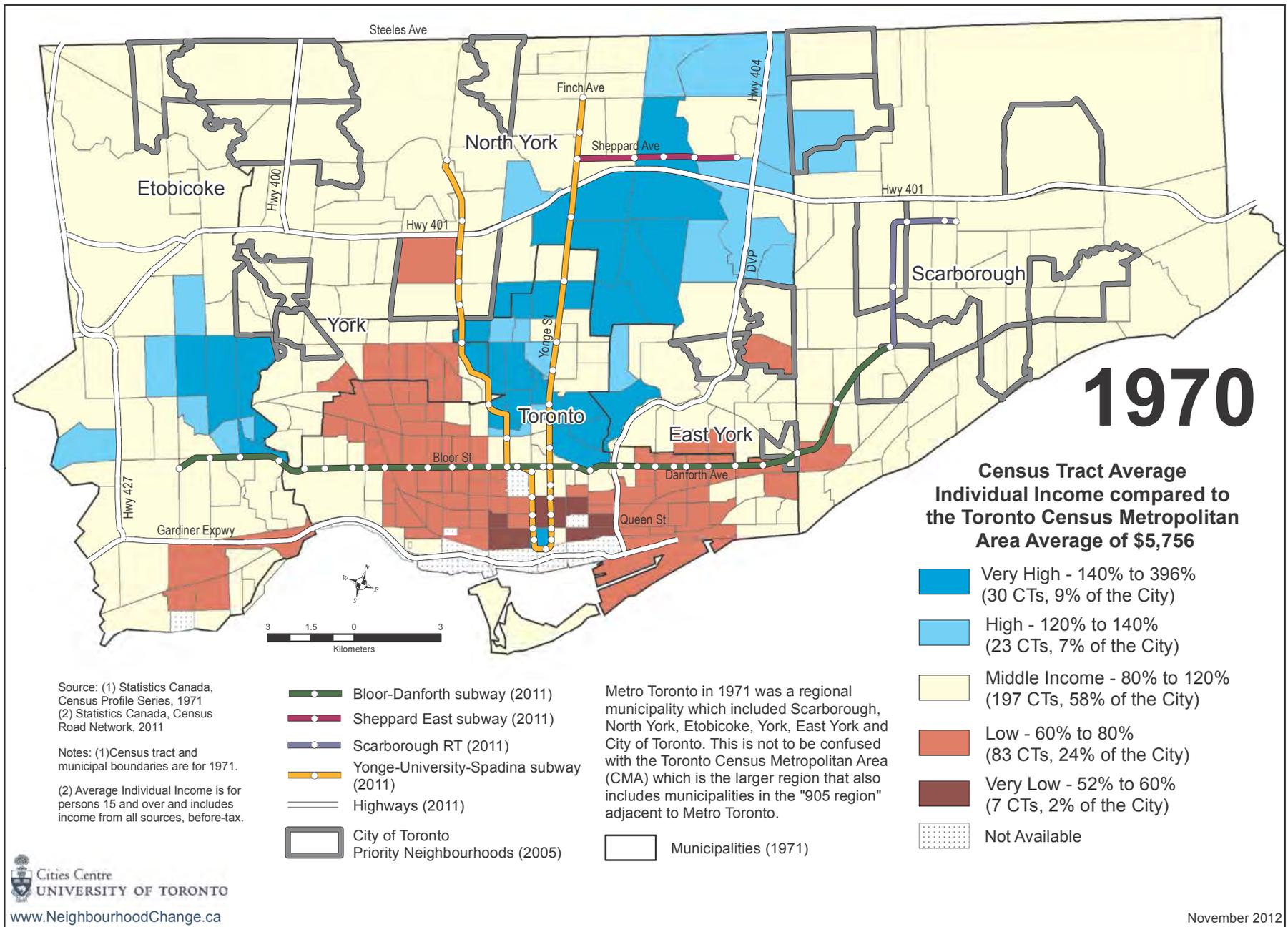
Total population shown for 1980 is 0.1% lower than actual population. The average income of the population for persons 15 and over could not be calculated for all census tracts due to data suppression and differences in available age group categories.

Data provided by Natalie P. Voorhees Center for Neighbourhood & Community Improvement, University of Illinois at Chicago.

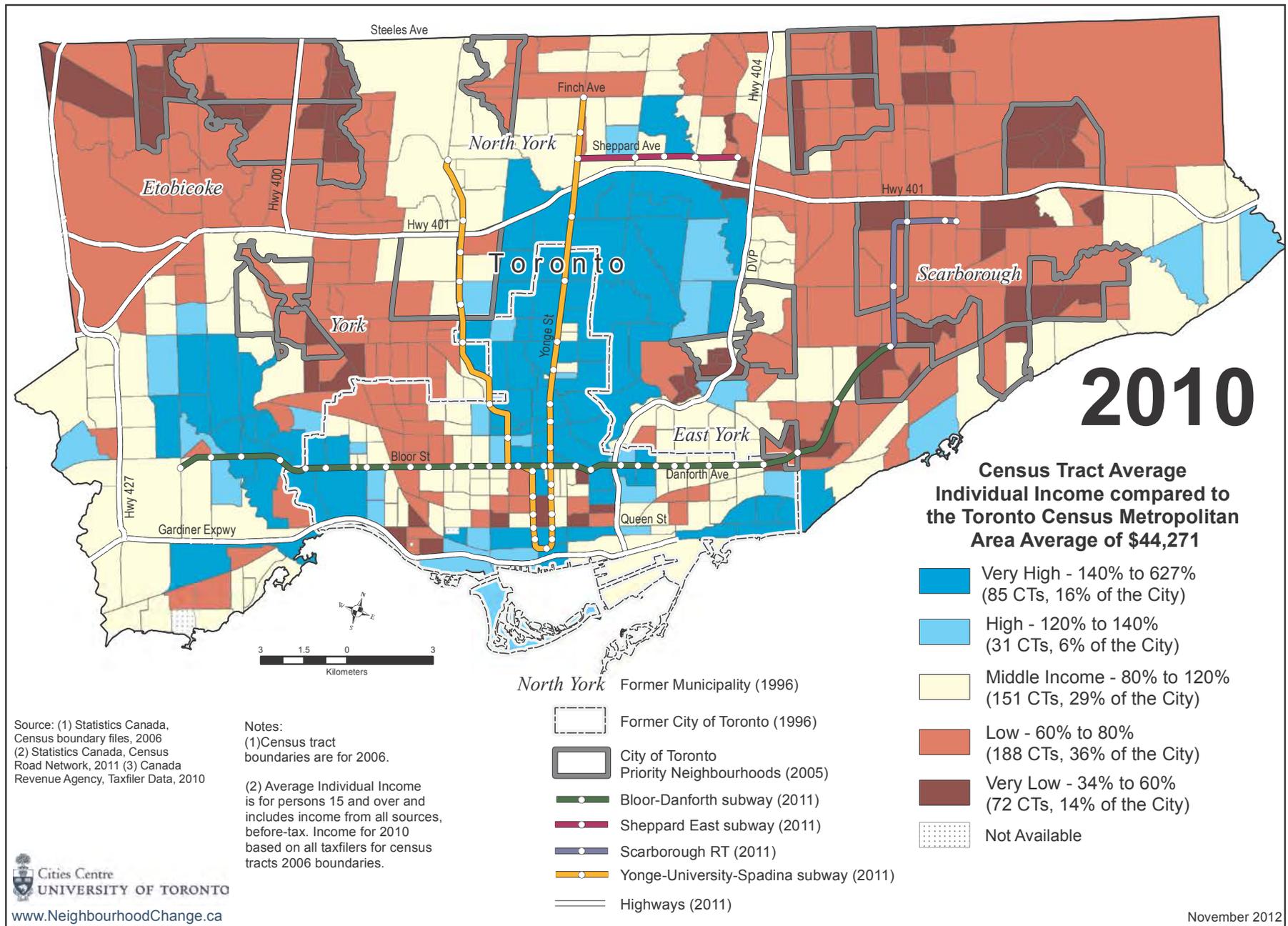
Income Definition Notes:

Income is measured as census tract average individual income relative to the MSA average income. Income is from all sources, before-tax. Average calculated by dividing aggregate income by total population 15 and over. Census tract boundaries correspond to those that existed in each census year.

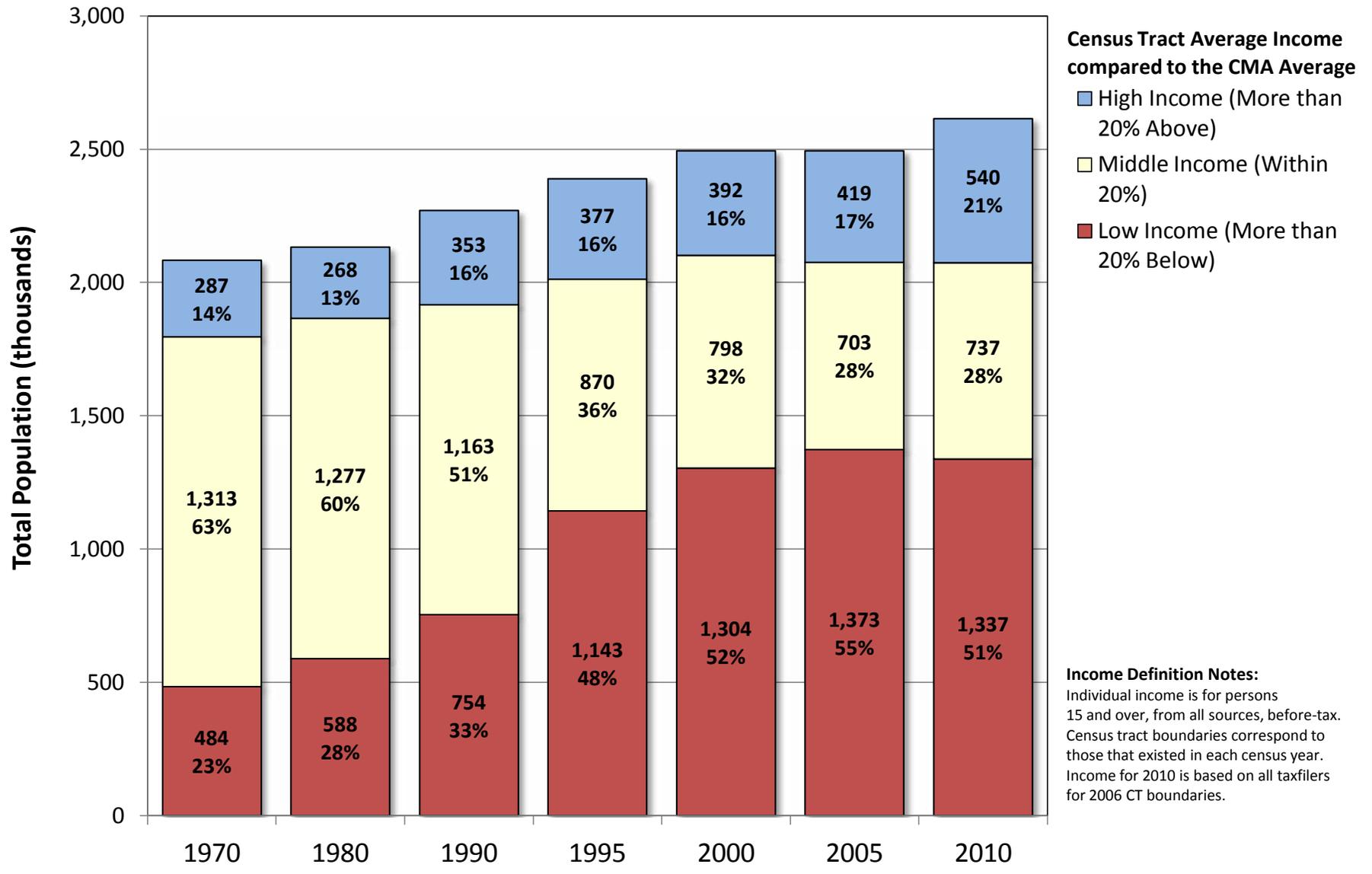
Average Individual Income, Metro Toronto, 1970



Average Individual Income, City of Toronto, 2010

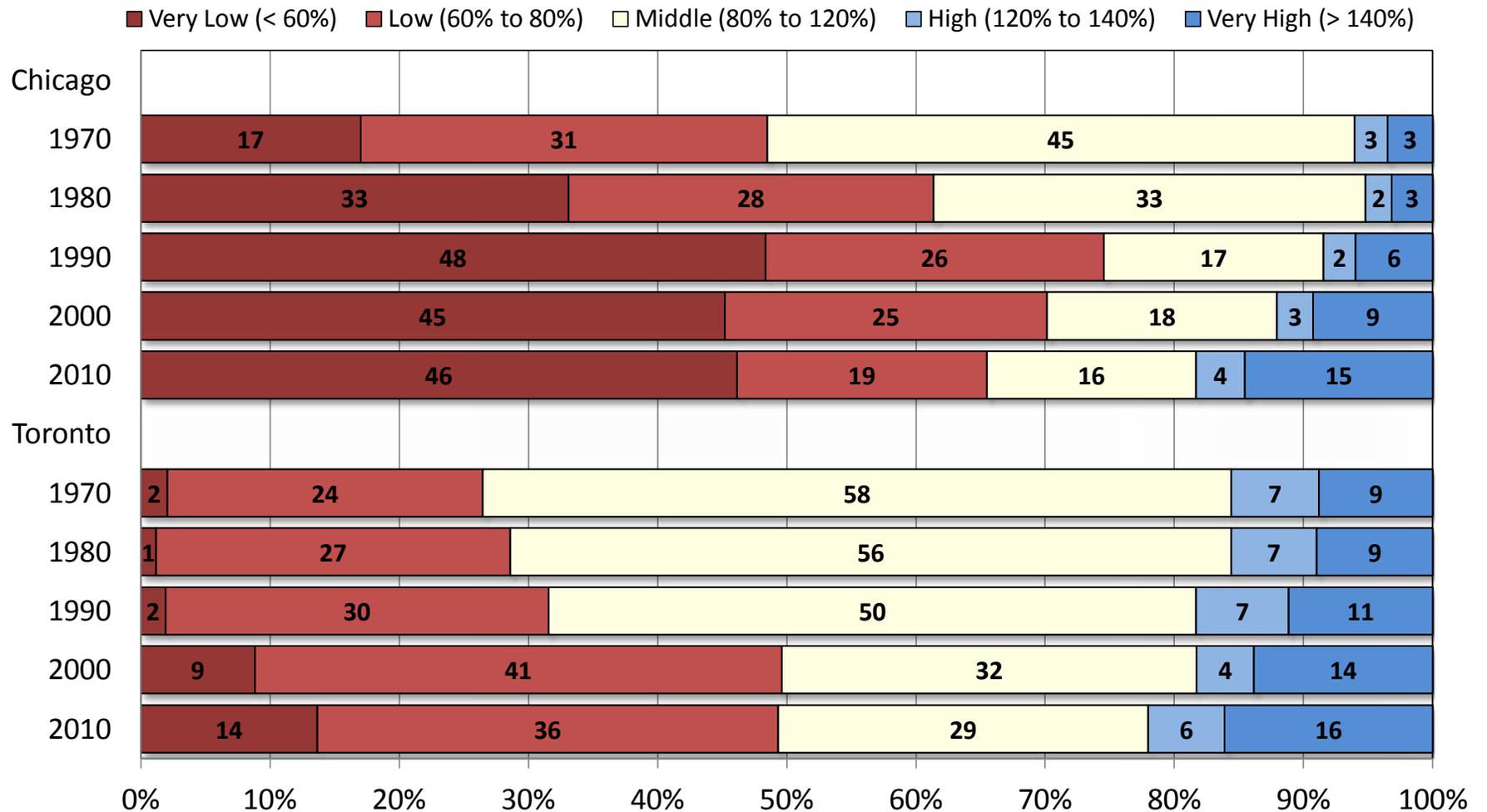


Neighbourhood Income & Population, City of Toronto, 1970-2010



Census Tract Income Distribution, 1970-2010

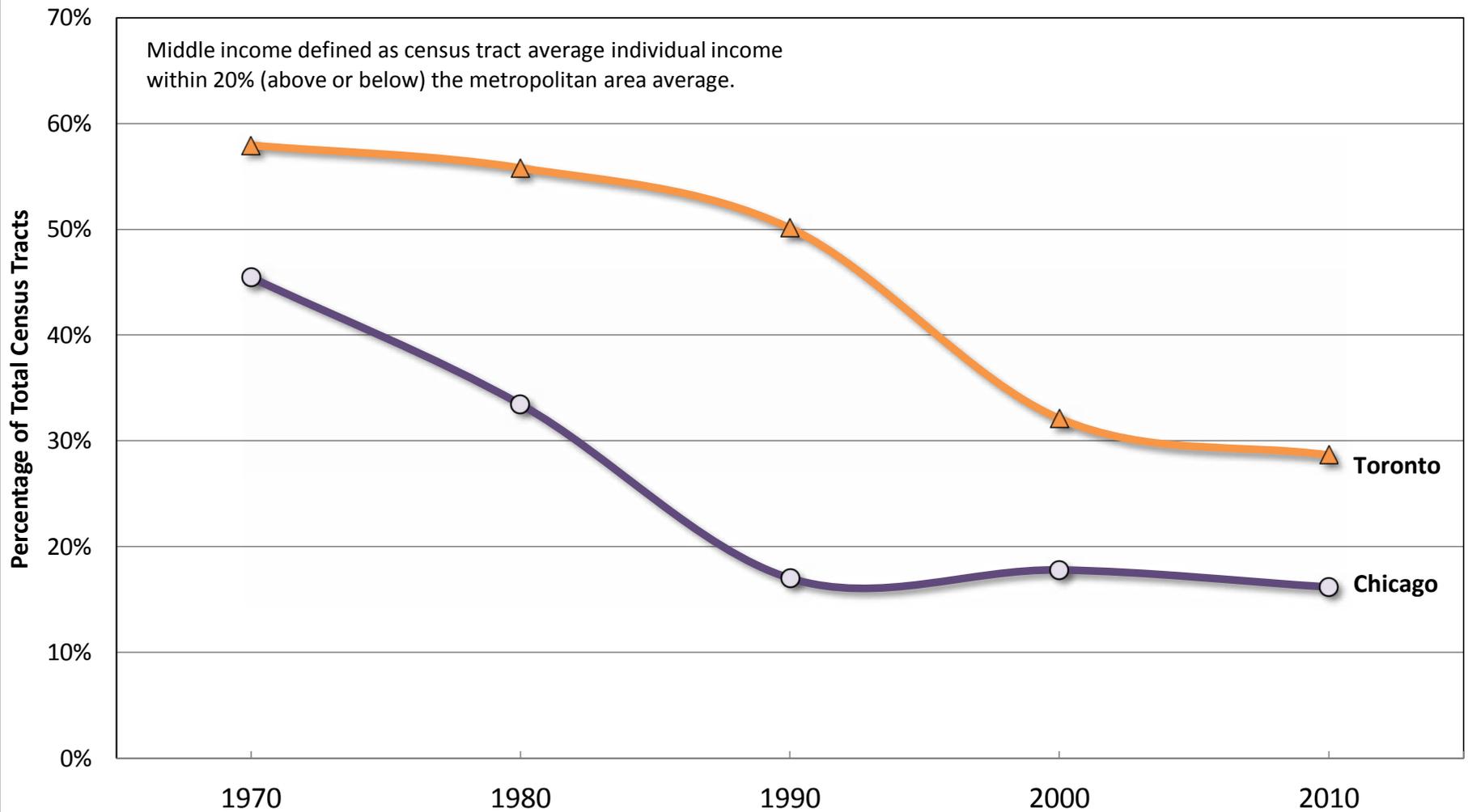
City of Chicago and City of Toronto



Income Definition: Census Tract average individual income from all sources, before-tax for persons 15 and over. Income is measured relative to the metropolitan area average each year using CT boundaries as they existed each census year.

Data Sources: United States Census 1970-2000, American Community Survey 2010, Canada Census 1971-2001, Canada Revenue Agency Taxfiler data 2010.

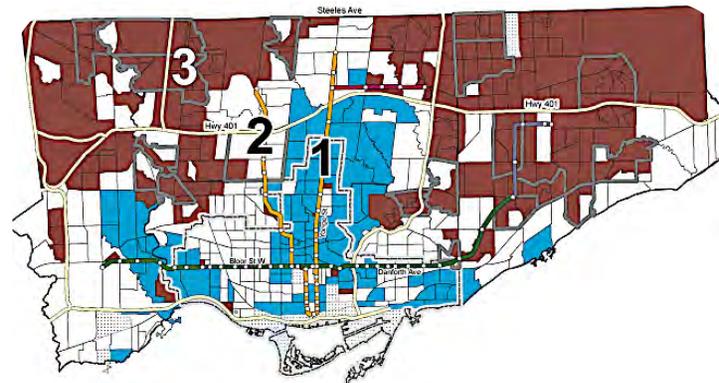
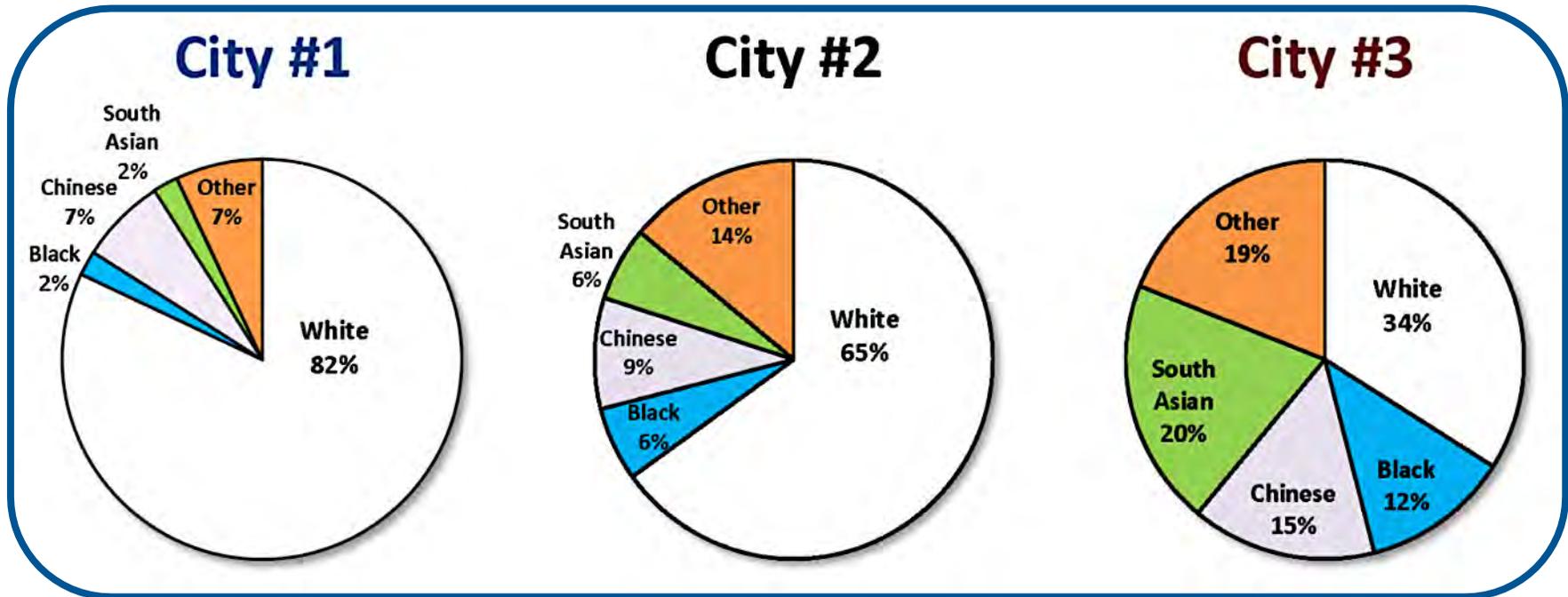
Share of Middle Income Census Tracts City of Chicago and City of Toronto, 1970-2010

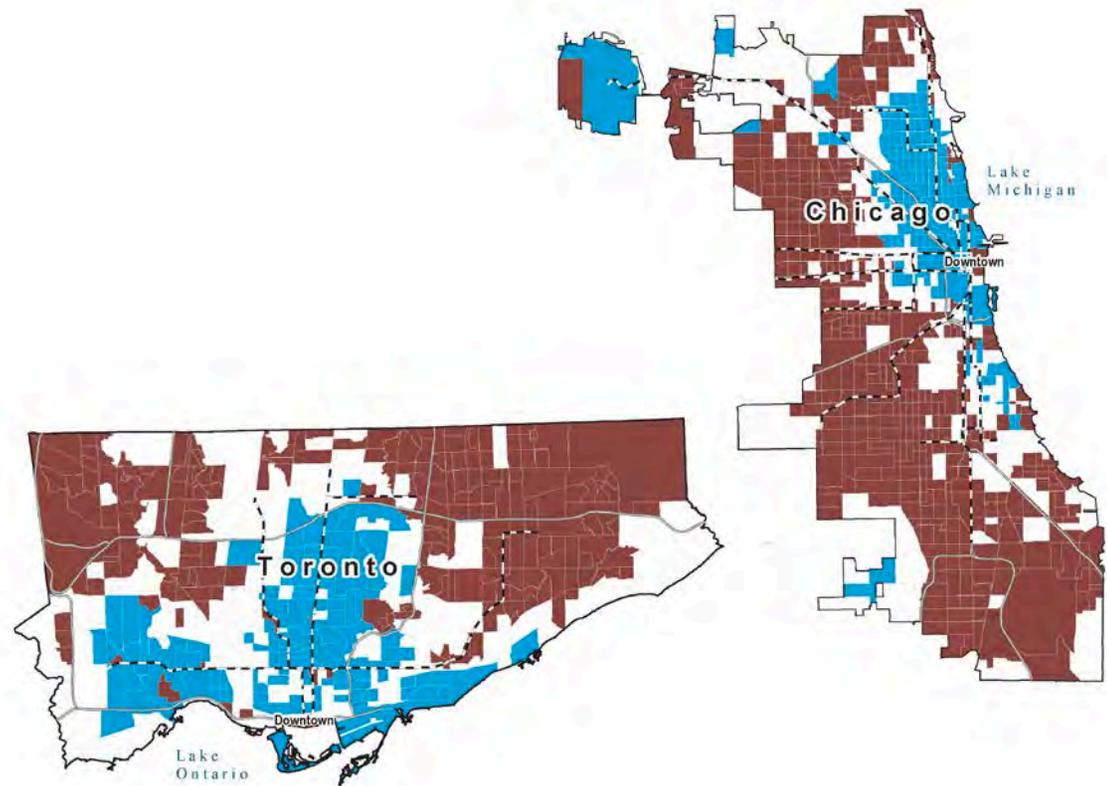


Note: Based on census tract average individual income for persons 15 and over, from all sources, before-tax. Census tract boundaries correspond to those that existed in each census year.

Data Sources: United States Census 1970-2000, American Community Survey 2010, Canada Census 1971-2001, Canada Revenue Agency Taxfiler data 2010.

Toronto's Segregated Ethno-Cultural Population, 2006





Summary

Socio-spatial Change, 1970–2010

Summary: **Increasingly Divided Cities**

Growing Socio-spatial Divides

Trends in the Chicago and Toronto are the same: greater income inequality and greater geographic polarization since 1970.

1. Similar trends: Chicago's income divides were greater and occurred earlier than Toronto's; starting in the 1990's Toronto began to approach Chicago's levels of socio-spatial divides. Both have very high levels of, and continuing increases in, inequality and polarization.

Summary: **Increasingly Divided Cities**

Growing Socio-spatial Divides

- 2. Greater neighbourhood segregation by income**: The trajectories of the social spatial-divides in the two metropolitan areas have some distinct patterns but are heading in the same direction:
- more very high and very low income neighbourhoods (due to growing income inequality),
 - fewer middle income neighbourhoods (due to growing income polarization).

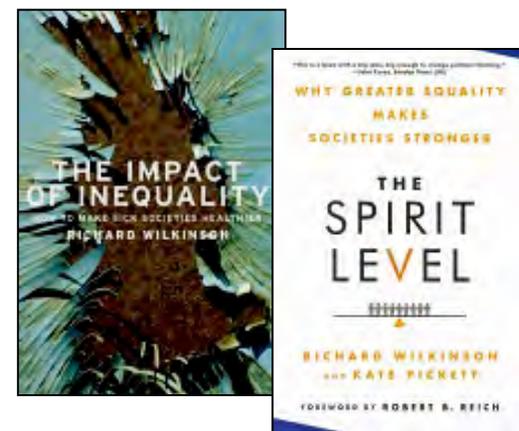
Segregation is the result: greater spatial concentrations of different social groups.

Summary: **Increasingly Divided Cities**

Growing Socio-spatial Divides

- 3. More unequal life chances**: The location where one lives and grows up becomes an increasingly important factor in opportunities and life chances, which in turn exacerbates the growing social spatial divide if nothing is being done about it.
- 4. Importance of public policies**: Public policies have contributed to and are necessary for the amelioration of socio-spatial polarization.

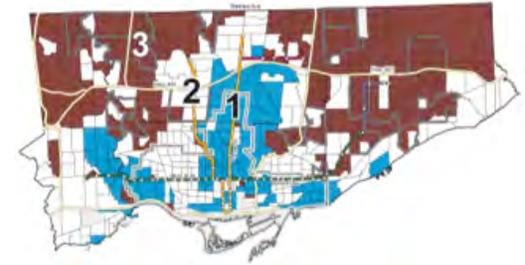
Why worry about more rigid socio-spatial divisions and greater inequality?



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

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

What is the cause? What can be done? Policy options

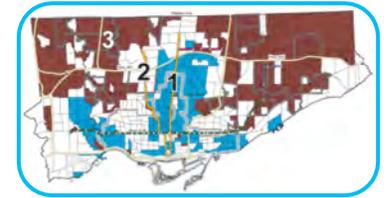


Economic INEQUALITY

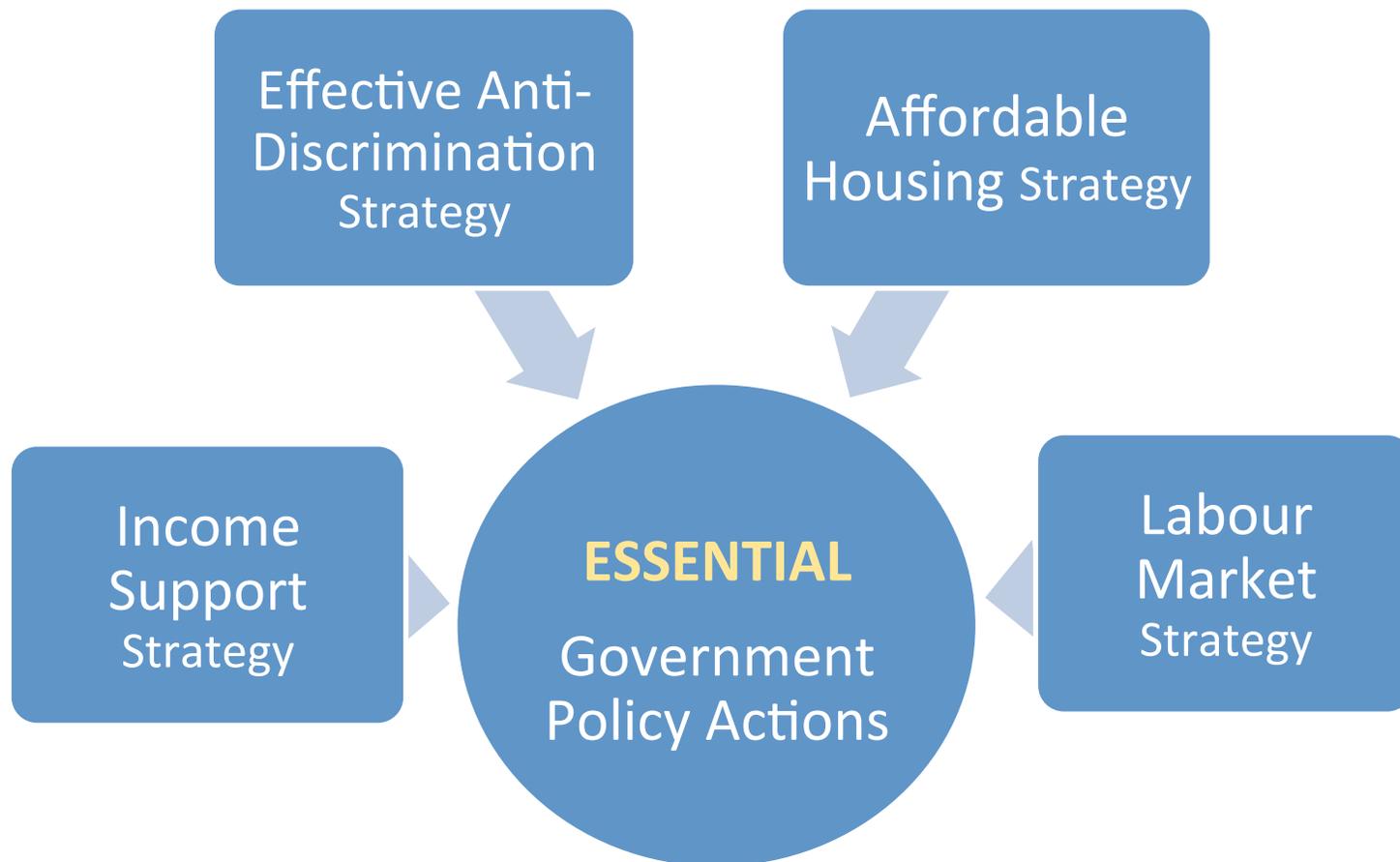
Socio-spatial POLARIZATION / EXCLUSION

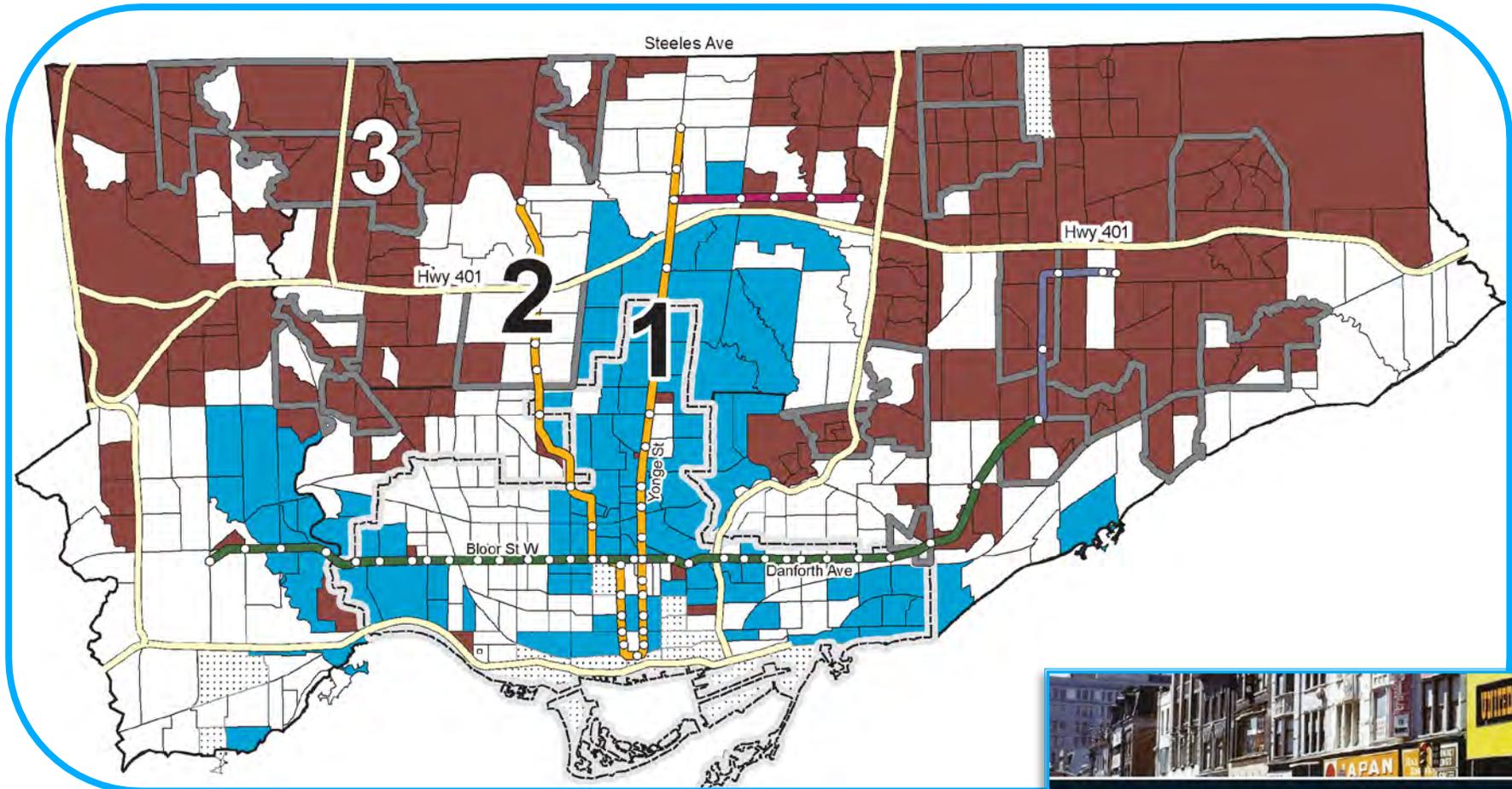
Spatial SEGREGATION & DISADVANTAGE

Cause? Solution?



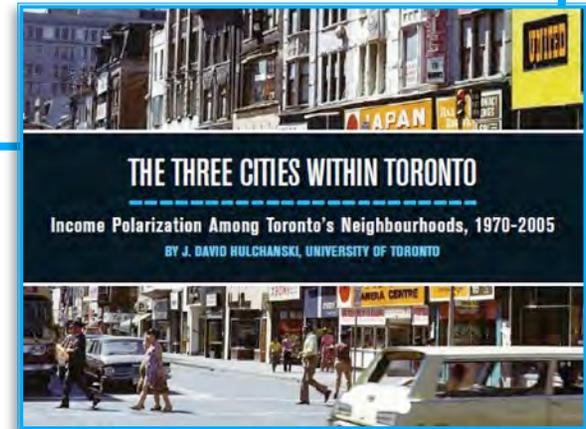
Federal & Provincial Policies in 4 areas





For further information

www.NeighbourhoodChange.ca



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



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Two key national income trends — the growing gap between the rich and the poor and the progressively smaller middle-income group — have major social implications at the neighbourhood level that we are only beginning to identify, understand, and explain.

Research methods and
analytic framework
developed by

Larry Bourne

Jill Grant

David Hulchanski

David Ley

Richard Maaranen

Robert Murdie

Damaris Rose

Janet Smith

Ivan Townshend

Alan Walks

For further information

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Public Outreach Grant, 2010-11

Community University Research Alliance, 2005-2010



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