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IN THIS CHAPTER, we reflect on the findings of the case studies of neighbourhood change in seven Canadian cities presented throughout the book to answer the key questions driving the team’s research: does the evidence indicate that Canadian cities are increasingly divided by inequalities or other socio-demographic characteristics, and how is neighbourhood change characterized among Canadian cities? By engaging these questions, we offer conclusions and reflect on some of the methodological challenges involved. In evaluating neighbourhood change, we recognize that the choice of measures used influences not only interpretations of outcomes but the ease of comparison across cases, and the policy and theoretical implications of the findings. Nonetheless, the general patterns and interpretations of inequality and neighbourhood change uncovered apply regardless of which variables we use to measure them, and regardless of the ways they are measured. Here we address the underlying issues that drove our approach and influenced interpretations of the data. Canadian cities have always demonstrated complex patterns of intra-urban variation (Bourne 1993). We set out to see how that variation has changed and whether recent conditions present distinct patterns. We also wanted to see how changes in Canadian cities compare with those seen in other cities around the world. Finally, we examine the practical and theoretical implications of the findings of our national investigation.

Neighbourhoods are dynamic places (Zwiers et al. 2016) that are constantly changing as people are born, age, and die, and as customs of working, building, and living shift. The chapters in this collection and our broader study provide a
thirty-five-year window on neighbourhood change in large Canadian metropolitan areas. This period saw Keynesian-inspired welfare state policies give way to neoliberal practices and provides a timeframe that saw the baby boom generation age into retirement. We set out to examine whether and how cities are becoming increasingly unequal and divided. To do so we relied on comparing census tract (CT) average individual incomes to the census metropolitan area (CMA) average individual income in each census year. Our measures show that many neighbourhoods gained in relative income over the years, while others declined, in the process producing rising income segregation within cities. We might be cautious, however, about interpreting changes within a normative framework. Are some kinds of neighbourhood change “good,” while others should worry us? The answers to these questions partly depend on the analyst’s political orientation and the ordering principles that guide the analysis. Local political leaders and planners point to new condos or apartment towers and the arrival of cafés and wine bars as evidence of urban revitalization and competitive success. Municipal budgets benefit from rising incomes and property taxes. Others may see the preservation of middle-income neighbourhoods, holding ground against the CMA average over the decades, as a reasonable objective. Neighbourhood residents may believe that “stability” is good, and planners idealize mixed-income neighbourhoods whose incomes approximate the metropolitan average, but others may hold quite different views. Some studies suggest, for instance, that low-income people can build strong social networks of mutual support (e.g., August 2014; Gans 1962), challenging the assumption that concentrated poverty is always “bad.” We can imagine scenarios where declining income ratios reveal concentrating poverty, aging working-class neighbourhoods, or increasing disinvestment, but we can equally imagine a case where low rents attract communities of recent immigrants, Indigenous peoples, or artists and musicians, trends that could reduce income ratios while simultaneously producing vibrant and compelling neighbourhoods that protect rather than threaten the needs of their residents (including the demand for affordable housing). Stability, reflected in neighbourhoods that are holding ground, may indicate conditions where middle-income residents resolutely maintain their commitment to the neighbourhood through the decades, or might reveal a segregated community unable to break free of imposed stigma, or alternatively an affluent enclave that has been successful in preventing the building of significant amounts of affordable housing within its boundaries.

Determining the most appropriate interpretations of changing patterns also depends on how the research is designed and how inequality, change, and
neighbourhoods are defined and measured. Any effort to categorize neighbour-
hood change, including one depending primarily on the key variable of aver-
age individual income in a census tract compared with the city’s average, 
necessarily simplifies a more complex reality, as noted in Chapter 1. Many fac-
tors other than income influence neighbourhood health and residents’ success. 
Nevertheless, our analysis of income trends reveals growing patterns of income 
inequality that policy makers need to understand if they wish to prevent the 
problems caused by economic extremes seen in other global cities (Musterd et al. 2017; Lewis 2017; Sassen 2018). Mitigating income polarization can help 
ensure that most Canadians can achieve their potential regardless of where they 
live, and that we create more equitable cities in which neighbourhoods do not 
enhance the life chances of only the rich, or significantly detract from the life 
chances of the poor.

At its heart, our research derives from a critical urban theory approach that 
desires a just city (Fainstein 2014; Brenner, Marcuse, and Mayer 2012). Such a 
city is defined as an urban environment that improves quality of life for the 
disadvantaged and holds that all people, regardless of their means or character-
istics, have a right to the city (Marcuse 2009). Ideally, neighbourhood environ-
ments would work to equalize and mitigate pre-existing class differentiation 
and unequal life chances. As the literature has found, more unequal societies 
and cities are associated with lower levels of trust, health, and social tolerance 
(Wilkinson and Pickett 2010), and more extreme and divisive politics, includ-
ing the kind of anti-social populism that has become increasingly common in 
the 2010s (Sellers et al. 2013; Woods 2016). Our focus has been on exposing, 
through empirical analyses, the spatial and social inequities revealed in Can-
adian cities in recent decades.

In this concluding chapter, we examine some of the key factors driving or 
impeding neighbourhood change. We begin by briefly reviewing the types of 
changes that occurred between 1981 and 2016. We then reflect on some of the 
methods used in our study to consider how choices we made about how to 
collect information and measure change shaped the kinds of interpretations 
that we make. A national study of this scope offers important opportunities to 
draw critical methodological lessons that can inform future research. We then 
summarize some of the key empirical findings of the project and chapters pre-
sent in the book and try to account for some of the similarities and differ-
ences in the results across the cities by identifying the drivers of neighbourhood 
change. In the final sections, we consider the contributions of our research to 
theories about neighbourhood change and to the pursuit of “just cities.”
In Chapter 2, Richard Harris explained that in some ways the inequality found in Canadian cities in the 2010s mirrors conditions seen in the 1910s. With neighbourhoods sorted by proximity to noxious industries and access to streetcars and mass transportation networks, early twentieth-century cities already possessed “have” and “have-not” districts. After the Second World War, however, planning and welfare state policies, suburbanization, and government investments had major impacts on the social and spatial distributions of income. Urban renewal programs in the 1950s and 1960s removed some low-income districts from urban cores, while large public housing projects fixed low-income housing in place in some cities. By the 1970s, due in part to the success of government welfare state initiatives, neighbourhoods seemed more homogeneous than they had been decades earlier. As Harris reminds us, neighbourhood change is not a recent phenomenon, though many of the types of changes occurring since 1970 reflect new patterns and processes at work.

In Chapter 3, Ivan Townshend and Robert Murdie described the results of a joint analysis of neighbourhoods in the seven cities studied (plus Ottawa), to determine whether neighbourhood types and patterns of neighbourhood change could be identified. Their analysis showed that in 2006 all the cities had “Older Working Class” districts and “Urban/Suburban Homeowner” districts: these dominated the distribution of neighbourhood types in all the cities except Toronto and Vancouver. As the authors noted, larger cities and smaller cities differed in the overall distribution and frequency of neighbourhood types, with, for instance, Toronto and Vancouver containing “Family Ethnoburbs” with significant concentrations of immigrants from Asia, while Halifax (a city receiving relatively few immigrants) had no CTs with that profile. The proportion of census tracts showing forms of disadvantage differed across metros as well. For instance, in 2006, Calgary, Vancouver, and Halifax had fewer than 5% of CTs qualifying as “Disadvantaged,” while Hamilton had 10.9%, Winnipeg 15.7%, and Toronto and Montreal had 21.4%. What is remarkable about the typological work, however, is how much neighbourhoods changed over time. Across all the neighbourhood types, only 8% of neighbourhoods remained in the same category in 2006 as in 1981. The other 92% of census tracts changed categories.

Not all neighbourhood changes are equally desirable or equally lamentable. Our investigation of neighbourhood change was largely motivated by evidence of declining affordability, increasing homelessness, and signs of gentrification.
and displacement in downtown areas. The cost of purchasing a house more than doubled in constant 2015 dollars from values in 1981 (Carrick 2015), and rents simultaneously became less affordable. Canada’s first food bank opened in 1981, the year that we chose to begin our analysis: by 2018, Canada had over 700 food banks feeding 850,000 people a month (Food Banks Canada 2018). Homelessness was first recognized as a serious problem in the 1980s and grew increasingly problematic through the years (Hulchanski et al. 2009). Key affordable housing types, such as rooming houses or single-room occupancies, became increasingly scarce (Campsie 1994, 2018; Grant, Filion, and Low 2018; Kaufman and Distasio 2014). Canada has not seen substantial additions to the social housing stock for families since the early 1990s (Walks and Clifford 2015), and most governments withdrew support for private market rentals in the 1980s. Yet the number of poorer households looking for rental housing has continued to increase (Suttor 2015). As Greg Suttor (2015) notes, rental housing is increasingly located in declining inner suburbs, and exhibits lower quality than other housing stock. Many indicators of inequality are correlated with worsening housing and health conditions.

Not all changes are equally noticeable. As Megan Gosse and colleagues (2016) discovered in their survey of Halifax residents, people notice physical changes but may be less aware of social or economic changes in their neighbourhoods. Except for some neighbourhoods in central Winnipeg that retained concentrations of low-income residents and vacant structures, the inner districts of the study cities were substantially different in 2016 from 1981. Although the central areas retained swathes of office space and commercial development, they experienced substantial infill of residential units since the 1990s. Many inner-city neighbourhoods showed signs of gentrification, upgrading, or “revitalization,” with condominium towers, cafés, restaurants, and other services, leaving lower-income residents to look elsewhere for affordable housing. As inner cities trended upward in costs and incomes, studies of some Canadian cities have suggested that inner-suburban areas revealed evidence of decline in housing quality and value (Pavlic and Qian 2014).

The focus of our study, then, was to document and try to explain the changes underway in Canadian cities. Research teams in Vancouver, Calgary, Winnipeg, Toronto, Hamilton, Montreal, and Halifax each set about understanding the transformations occurring in their cities. To explain patterns of change across Canadian cities, we examined comparable measures of income inequality and the factors that might be driving it.
MEASURING INCOME INEQUALITY

To evaluate changes in income across the case study cities, we used the Gini coefficient, often considered the gold standard of inequality measures. Values range between 0 (which represents perfect equality in a distribution of income) and 1 (complete inequality). Figure 12.1 describes income inequality among the working-age population across the seven cities analyzed. Whereas some smaller CMAs, such as Halifax, demonstrate slow increases in income inequality over time, some larger, fast-growing CMAs show higher levels and more rapid increases. Many factors (including technological development, trade agreements, government policies, geographic location, social and cultural affinities, and quality of life) affect the patterns and levels of population growth and income distributions. In Canada, immigration has been the primary force providing new residents to the largest cities. Immigrants to metropolitan areas, however, have been experiencing declining incomes in relation to the metropolitan averages. Labour market discrimination is one factor at work (Walks 2011, 2014; Reitz 2007). Faster-growing cities receiving many new immigrants, such as Toronto and Calgary, have among the highest levels of inequality, and have seen rapid increases in inequality since the late 1980s. Immigration does not account for rising inequality everywhere, however; smaller cities with lower immigration levels have also experienced rising inequality. Meanwhile, income inequality has grown more slowly in Vancouver, a metropolitan area with a significant immigrant population. This region is popular among retirees, who may have considerable wealth but who draw only average incomes that do not drive up measures of income inequality. Vancouver has seen a slight drop in measures of non-spatial income inequality in recent times, as have Calgary, Montreal, Hamilton, and Halifax, but only from their peaks in 2006, whereas Toronto and Winnipeg have continued to witness rising inequality (Figure 12.1). Despite the most recent period, the overall trend since 1990 is one of rising income inequality.

The challenges associated with measuring income inequality writ large, and those associated with measuring change in income inequality, are well known. One obstacle relates to the kind of income source. We could focus on employment income to get a picture of inequalities deriving from the labour market, but this would omit the equalizing effects of government transfers and social assistance, such as employment insurance, pensions, Old Age Security payments, and taxes, as well as the effects of income from investments, which
FIGURE 12.1
Non-spatial income inequality among working-age individuals in the metropolitan areas under study (Gini coefficients), 1980–2015

**Note:** The units of analysis are working-age persons (aged 15 and older), and the form of income analyzed is total before-tax income.

**Source:** Values are Gini coefficients, calculated by Alan Walks with the help of Dylan Simone, within the Statistics Canada Research Data Centre, using the raw census data for each census year.

tend to drive up inequality. The ideal form of income to use in measuring income inequality is therefore after-tax total income. Statistics Canada began collecting information on taxes paid only in the early 2000s, however, so there is no historical equivalent to compare against. The next-best alternative for examining whether income inequality is increasing or declining is to use before-tax total income. Before-tax income produces a more conservative view of changes in income inequality over time. If after-tax income had been available to measure changes in income inequality, it would likely have shown even greater increases in income inequality than revealed by Figure 12.1, since income taxes and other kinds of taxes were reduced in the 1990s: they became less progressive, which meant they were less able to counter the effects of rising labour market inequalities (Frenette, Green, and Milligan 2009; Fortin et al. 2012).

**Measuring Neighbourhood Change and Spatial Inequality: Understanding the Challenges**

In addition to understanding general trends in the distribution of income, our study of neighbourhood change examines how patterns of income inequality,
and different types of inequalities, may be distributed in urban space. The contributors to this volume acknowledge the difficulty in defining the neighbourhood as a unit of analysis. As George Galster (2001, 2112) notes, “neighbourhood is the bundle of spatially based attributes associated with clusters of residences, sometimes in conjunction with other land uses.” Neighbourhoods are both social and spatial units, sources of identity and community, and commodities for real estate marketing. Because we have ready access to data at the census tract level, we used CTs as proxies for neighbourhoods. Sometimes CTs prove a good fit for neighbourhood-level analysis, as Statistics Canada uses well-known physical and social buffers and barriers (such as main roads, rivers, and railway tracks) to delimit CT boundaries. But the way CTs are built means that their geographic size reflects population density. In dense areas, CTs are geographically small, but in low-density areas, boundaries can span large territories. Sometimes a CT is too small to represent a neighbourhood in the densest parts of large cities, but even more often it is too large to represent a neighbourhood in low-density suburbs and in smaller cities. Furthermore, some CTs do not have stable geographies over time, since Statistics Canada may reorganize them as urban growth or decline occurs. Reliance on the CT as a spatial data unit thus required compromises.

Neighbourhood analysis, whether using CTs or some other spatial unit, creates challenges related to the measurement of spatial income distributions. Census tracts, neighbourhoods, municipalities, and even provinces are spatial aggregations of many individuals and households. The income reported for each place represents the central tendencies of everyone in those places, but not the full distribution of income within each place. Spatial analysis derived from the central tendencies of individuals or households aggregated within spatial units like CTs thus provides a picture of the degree of income segregation in a city, but, like all such measures, is necessarily partial. The central tendency, measured by the average or median of individual income of CTs, can mask significant differences in internal structure. For instance, an average income of $60,000 could be the product of a population where everyone earned that income, or where the population was split evenly among people earning either $10,000 or $110,000: one CT would be equal while the other would be polarized. The same issue applies whether average or median income is used. Similarly, changes in household composition or ethnicity in a CT could mean that a stable income average masks differences in structure, opportunity, and access.

Despite the many challenges associated with them, CTs are the best geographical approximation of neighbourhoods available, especially for larger,
established cities. We calculated spatial Gini coefficients showing neighbourhood-based income inequalities, using CTs as the unit of analysis, in similar fashion to the non-spatial Ginis discussed above. When spatial units such as neighbourhoods are the units of analysis, the results indicate income segregation. An equivalent term that we use is “socio-spatial inequality,” given that CTs are both spatial and social aggregations. For an indication of the degree to which a metropolitan area has been more or less segregated by income, the spatial Gini coefficient in a recent year may be compared with one in the past (Figure 12.2). When measured by using spatial units such as CTs, the resulting Gini coefficients are, unsurprisingly, much lower than those calculated using individuals, given that the spatial Ginis are comparing the central tendencies in neighbourhoods. Although the Gini coefficient can range from 0 to 1.00, typically Ginis calculated among neighbourhoods (spatially) range from 0.05 to 0.25, which is less than half the usual range of values of Ginis calculated among individuals or households (non-spatially). Useful information can be derived from comparing spatial measures across cities, and the same measures over time for the same city. Graphing trends in the spatial Gini coefficients across our seven metropolitan areas indicates that income became more segregated at the neighbourhood scale in every CMA over time, especially during the 1990s, after experiencing stability, or even slightly declining levels of segregation, over the 1970s. The 1990s witnessed a recession during the first half, followed by a credit-led growth period that continued through most of the 2000s, and resumed with a vengeance after the global financial crisis of 2008–09 (see Walks 2013a, 2014). In this period, federal and provincial governments scaled back many aspects of Canada’s welfare state, including state subsidies for building social/non-market forms of housing. The Toronto CMA led the way in the growth of income segregation, followed by Hamilton, Calgary, and Vancouver, although in Calgary and Vancouver segregation has not increased since 2006. Toronto emerged as the most income-segregated metropolitan area in Canada. Winnipeg, Halifax, and to a lesser extent Montreal (historically the most income-segregated metro in Canada) saw income segregation rise during the 1990s in a similar pattern, but at lower rates and levels than other cities in the study.

Across all cities in the analysis, as seen in Table 12.1, the resulting Ginis when measured between neighbourhoods have risen at faster rates than Ginis measured non-spatially among all individuals or households, despite the higher values for the latter. Indeed, our case study metros revealed Gini coefficients for income inequality that were on average 8.5% higher in 2015 than in 1980.
At the same time, however, our case study metros saw levels of income segregation as measured by the spatial Gini coefficients rise by over 52% on average. Such a scenario indicates that individuals or households are actively segregating – i.e., spatially concentrating in neighbourhoods with others more like themselves – more quickly than incomes are becoming less equally distributed across the population. If this trend continues, Canada will have more income-segregated cities in the not so distant future, even if we can rein in underlying inequalities in the household- or individual-level distribution of income. Among the mechanisms behind this spatial sorting is the gentrification of the inner cities, in which middle-class and elite whites concentrate in older neighbourhoods close to downtown. Such a trend can push younger people out of the downtowns, along with those who face economic precarity and who traditionally benefited from an inner-city location. Such a trend could also promote urban sprawl and suburbanization, although since the early 2000s provincial and municipal governments have sought to curb sprawl and promote the intensification of the central cities. One result has been the development of condominium units, which have disproportionately concentrated near the downtown (Rosen and Walks 2013). The data suggest that a trend toward greater segregation...
could continue even if inequalities among individuals or households do not increase, because individuals are increasingly living with others who have similar incomes.

The discussion of rates of changes highlights another challenge we faced in conducting comparative trend analysis, namely, the appropriate time frames for analyses. Change is a continual process that can be measured from various starting and ending points. At different times, and for different city studies or purposes, the team used a range of time frames: 1970–2005, 1970–2010, 1980–2010, 1980–2012, and 1980–2015. Analyzing changes between 1971 and 2006 (for the Toronto, Montreal, and Vancouver original studies) covered a period during which social, physical, cultural, and economic changes transformed Canadian cities, and during which governments began dismantling some components of the welfare state. Selecting 1971 as the initial period for studies of the cities other than the three largest would have meant including fringe areas that were then undeveloped. Thus, for the analyses in this book, the research team determined that 1981 was a more appropriate start date to show how developed neighbourhoods had changed. The end date of various studies reflected data availability as the study proceeded.

### TABLE 12.1

Change in Gini coefficients for income inequality (non-spatial, among individuals) and income segregation (spatial, measured for individual income among census tracts)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Halifax</td>
<td>0.450</td>
<td>0.459</td>
<td>2.0</td>
<td>0.091</td>
</tr>
<tr>
<td>Montreal</td>
<td>0.453</td>
<td>0.473</td>
<td>4.4</td>
<td>0.139</td>
</tr>
<tr>
<td>Toronto</td>
<td>0.462</td>
<td>0.548</td>
<td>18.6</td>
<td>0.132</td>
</tr>
<tr>
<td>Hamilton</td>
<td>0.460</td>
<td>0.481</td>
<td>4.6</td>
<td>0.098</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>0.453</td>
<td>0.460</td>
<td>1.5</td>
<td>0.113</td>
</tr>
<tr>
<td>Calgary</td>
<td>0.467</td>
<td>0.550</td>
<td>17.8</td>
<td>0.118</td>
</tr>
<tr>
<td>Vancouver</td>
<td>0.464</td>
<td>0.512</td>
<td>10.3</td>
<td>0.115</td>
</tr>
<tr>
<td>Average</td>
<td>0.458</td>
<td>0.498</td>
<td>8.5</td>
<td>0.115</td>
</tr>
</tbody>
</table>

*Source:* Calculated using the Gini coefficients graphed in Figures 12.1 and 12.2. The final row shows average values across the cities studied.
Depending on measures used and how they are applied, we might reach different conclusions. For instance, in an earlier study, Ian MacLachlan and Ryo Sawada (1997) noted that the proportion of Canadian households in census tracts with average incomes within 10% of the median household income grew from 1971 to 1991, but the proportion within 25% dropped. Which measure and which conclusion would be most meaningful? Our team faced a significant question concerning how much income change should be considered “substantial.” The latter is important not only because of the arbitrary nature of any such cut-off points but also because of our desire to produce theoretically informed research that can speak to scholarship on the divided city and the just city. The original study of Toronto by David Hulchanski (2010), classified CTs into “three cities” using a 20% cut-off of difference from the average to indicate “substantial” change. Tracts where the average individual income ratio rose by 0.20 or more (meaning there was a gain of 20% of the CMA average income or more) were classified as “City 1,” indicating the improving-income city (what we call “gaining ground” in this book). Tracts in which the income ratio declined by 0.20 or more (meaning there was a loss of 20% of the CMA average income or more) were classified as “City 3,” the declining-income city (“losing ground”). Tracts whose income ratios changed less than 0.20 in either direction over time were placed in “City 2,” the stable city (“holding ground”). Thus, Hulchanski (2010) argued that the City of Toronto was dividing into three distinct kinds of “cities” within the larger city, in which life experiences and life chances were moving further apart. The terms “City 1,” “City 2,” and “City 3” provided heuristic devices meant to accentuate the stark spatial clustering of different neighbourhood trajectories. Indeed, the original maps of the City of Toronto illustrated how the spatial trajectories of neighbourhoods could be perceived as leading toward the creation of separate social environments within the larger city. The study received considerable national and international attention as another empirical illustration of the “divided cities” problem occurring in Europe and major cities around the world (Musterd et al. 2017; Sassen 2018).

The issue of cut-points and definitions, however, presented practical problems of comparability across diverse Canadian metropolitan areas. The local teams from Montreal, Halifax, and Winnipeg (see Chapters 5, 8, and 10) found that the “three cities model” did not work as well in describing neighbourhood change in those metropolitan areas (see also Distasio and Kaufman 2015, 11; Prouse, Grant, et al. 2014; Rose and Twigge-Molecey 2013). The extent to which neighbourhoods had changed in income was lower in other CMAs than in
Toronto. The initial Montreal and Vancouver studies used a cut-off of 15% change to capture neighbourhood income transitions between 1970 and 2005, because researchers found that using the 20% cut-off employed for Toronto did not reveal enough change in neighbourhood economic status to account for local perceptions of change. The definition of “important” neighbourhood changes differed based on local context. Spatial patterns of neighbourhood change in these cities, while often clustered, were not so extreme as to suggest three separate and distinct “cities” as in Toronto. Smaller CMAs used an even narrower 10% cut-off to identify changes, because few neighbourhoods would appear to change using larger cut-offs (partly because of lower urban densities).

The cut-offs we choose as researchers to classify neighbourhoods have effects on the resulting distribution of neighbourhood types or categories and influence our interpretation of the extent of change occurring. Table 12.2 shows the proportion of each study CMA’s CTs that get categorized into each of the three types using both a cut-off of 10% and a cut-off of 20% (for changes from 1980 to 2015). If the higher 20% cut-offs are used, the majority (58–78%) of tracts in every CMA except Toronto and Calgary are classified as “holding ground.” However, when we use the lower 10% cut-offs, a minority of tracts in each CMA are classified as holding ground, while significant numbers are classified as either gaining or losing ground. The methodological choice of cut-offs makes a difference in the story of change or relative stability that the data tell.

Although the teams in various cities worked with comparable census datasets and maps, no strict research protocols were applied in the city studies. We see greater similarity in the results for the larger metros, where reports covered common themes, but the case studies of the other cities often varied, reflecting the different issues facing each of the smaller metros. Some teams did surveys, workshops, ethnographic studies, or interviews to flesh out stories reflected in the census data. What degree of uniformity in research approach does a team need for strict comparability of results across cities? For the reporting in this book, we used comparable data and provided authors with guidelines on proposed chapter content, but the chapters emphasize different issues and offer distinct analyses that reflect local priorities and concerns. Some of the differences among cities suggest that the implications of a divided city or the strategies that could help achieve a more just city depend on local context. For instance, researchers describing Winnipeg (Chapter 10) report on a central city where large Indigenous populations suffer significant poverty, disinvestment, and disadvantage. Hamilton (Chapter 7) and Halifax (Chapter 8) have experienced
gentrification, with decreasing affordability in central neighbourhoods. Complex problems of growing inequality will require locally appropriate solutions.

Methodological choices about the measure of income used, the unit of analysis, the time frame used for analyzing change, and the degree to which change is measured all affect how we interpret neighbourhood change and consequently how we understand socio-spatial inequality in Canada. Engaging team members with differing expertise and research approaches influenced interpretations and outcomes, but ultimately offered more robust analyses by engaging problems from multiple angles and perspectives.

### TABLE 12.2

Change in income distributions under low cut-off and high cut-off methods: percentage of census tracts in each CMA grouped by change in the ratio of average individual income for the CT relative to change in average individual income in the CMA overall, 1980–2015

<table>
<thead>
<tr>
<th>CMA</th>
<th>% distribution using low cut-off</th>
<th>% distribution using high cut-off</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gaining ground¹</td>
<td>Holding ground²</td>
</tr>
<tr>
<td>Halifax</td>
<td>24</td>
<td>39</td>
</tr>
<tr>
<td>Montreal</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Toronto</td>
<td>33</td>
<td>18</td>
</tr>
<tr>
<td>Hamilton</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>15</td>
<td>38</td>
</tr>
<tr>
<td>Calgary</td>
<td>34</td>
<td>17</td>
</tr>
<tr>
<td>Vancouver</td>
<td>33</td>
<td>30</td>
</tr>
</tbody>
</table>

¹ Census tract average income increased 10% or more compared with the CMA average income.
² Census tract average income changed less than 10% compared with the CMA average income.
³ Census tract average income decreased 10% or more compared with the CMA average income.
⁴ Census tract average income increased 20% or more compared with the CMA average income.
⁵ Census tract average income changed less than 20% compared with the CMA average income.
⁶ Census tract average income decreased 20% or more compared with the CMA average income.

Census tract boundaries are held constant for 1981.

**Source:** Calculations by Richard Maaranen using Statistics Canada data from the 1981 and 2016 Census of Canada. In some cases, totals may not equal 100% due to rounding.

Another challenge in analyzing neighbourhood income change is interpreting the results. Earlier reports by the case study teams used different language to describe methods to generate income change data (compare Harris, Dunn, and Wakefield 2015, 22; Hulchanski 2010, 1–2; Ley and Lynch 2012, iii; Prouse, Grant, et al. 2014, 31; Rose and Twigge-Molecey 2013, iii; Townshend, Miller,
This reflected differences in disciplinary background, area expertise, methodological training, and the lived experiences of being in different cities. The case studies in Chapters 4 through 10 demonstrate that forms and patterns of neighbourhood change are as varied as Canadian CMAs.

Differences in size and demographic characteristics among the cities investigated complicate explanations of change and the factors responsible for patterns observed. The largest metropolitan area examined (Toronto) has almost fifteen times the population of the smallest (Halifax). During the study period, Calgary transitioned from a mid-sized city to a large city of over 1.2 million. The CMAs differ in growth rates, age profiles, and household sizes, and in the proportion of visible minorities, Indigenous residents, and immigrants. Many factors influence the nature of neighbourhood change and explanations for it.

The seven cities analyzed differ considerably in demographic characteristics (Statistics Canada 2013, 2015, 2017). Calgary had the lowest median age, a by-product of attracting record numbers of young workers to energy sector jobs; Halifax, with its relatively low growth rate, and Vancouver with its desirability for retirees, had median ages older than the national average. As Markus Moos (2014a, 2014b) demonstrated, young people are moving to larger cities and favouring dense downtown areas, with significant implications for neighbourhood change. Household sizes showed some variation: smaller in Halifax and Montreal and larger in Toronto and Calgary. The growing trend to homogamy – that is, marriage within class, education level, or income group (Hou and Myles 2008) – alongside high levels of female labour force participation can generate households with divergent income distributions: either very high or quite low. Toronto and Vancouver have large populations of people identifying as visible minorities. Winnipeg has a substantial Indigenous population, while Halifax has a small but historically important African Nova Scotian (Black) population. Whatever the size of the visible minority population, however, it was often higher in low-income areas or CTs that were losing ground than in those gaining ground. Studies in several of the CMAs showed that CTs with high proportions of Blacks, Indigenous persons, and new immigrants often lost ground. Despite this, we find no evidence of ghettos forming in any Canadian city, and most of the poorest tracts show a high level of ethnic and racial diversity (Walks 2014; Hiebert 2015).

The housing stock differs across the cities. The proportion of dwelling units in detached homes was less than half of units in Montreal, Toronto, and Vancouver in 2011, ranging from a low of 32.6% in Montreal to a high of
62.9% in Winnipeg. Montreal had the highest proportion of renters, with only 55% of the population owning homes in 2011; in contrast, 73.9% of Calgary households owned their housing (CMHC 2014).

Differences in economies and transportation networks helped explain some patterns that emerged. Large numbers of jobs in high-income sectors such as finance, knowledge industries, and energy, alongside growth in low-paid service jobs, help explain higher levels of income inequality and polarization in Toronto, Vancouver, and Calgary (Walks 2011). Cities perceived as successful attract migrants and investment that stimulate further growth. Until recent years, weak economic growth in Hamilton and Winnipeg helped account for relatively small numbers of CTs gaining ground since 1980. Subway, light rail transit (LRT), and streetcar networks in Toronto, Vancouver, Montreal, and Calgary had some influence on where CTs showed increasing income ratios over time, although in Vancouver the SkyTrain runs through some CTs that remain lower-income (Jones 2015). With high housing costs in Toronto, Hamilton has become increasingly integrated into the Toronto economy through commuting and supply chains, facilitated by the “GO” (Government of Ontario) commuter train and major highways, a sign that affordability issues may be pushing people to secondary centres such as Hamilton (see Chapter 7). But most of the cities have natural boundaries and topographic features that constrain expansion opportunities and make some neighbourhoods more physically desirable than others. Development patterns are structured by natural features, such as ocean, lake front, or mountain; infrastructure, such as transit systems, bridges, or highways; or designated protection areas. CTs near major water features and attractive views have generally experienced increases in income ratios, while many CTs with poor transportation connectivity have seen decreases in income ratios. The increasing cultural preference for inner-city living contributes to making central areas seem attractive, even in inner-city Winnipeg. For most CMAs, data indicate increasing income ratios in central neighbourhoods as gentrification proceeds, with deleterious effects on lower-income groups who have relied on high-accessibility locations and who are increasingly displaced to less-accessible suburban neighbourhoods.

THE DRIVERS OF CHANGE

Neighbourhood change reflects a wide range of processes and practices operating in our cities. Three key categories of factors – demographic, economic,
and policy – played central roles in driving change in Canada in recent decades. Several significant demographic transitions influenced neighbourhood trajectories. In 1981, the baby boom cohort had already reached adulthood and was forming households and purchasing housing (often, but not only, in the suburbs). Fertility rates were already declining while divorce rates were rising. During subsequent decades, marriage rates declined, educational achievement levels increased, and the number of seniors ballooned. By 2016, 28.2% of Canadians lived in one-person households, with even higher concentrations of small households in city centres; at the same time, a growing proportion of young adults continued to live with their parents in the suburbs because they could not afford to obtain their own housing (McGillivray 2017). Whereas earlier generations preferred suburban living, the millennials reaching adulthood in the 2010s showed a growing preference for the city centre, stimulating demand for multi-family housing units (Moos 2015, 2016). The number of immigrants coming to Canada grew over the period: whereas 128,600 arrived in 1981, an average of 235,000 immigrants a year have come to Canada since the 1990s (Statistics Canada 2016b). By the 2000s, urban growth reflected the ability of particular cities to attract immigrants, with the majority going to the three largest cities (Filion 2010), and often co-locating with fellow countrymen to form “ethnoburbs” (Murdie, Logan, and Maaranen 2013a, 2013b; Walks 2014; also see Chapter 3, this volume). Whereas visible minorities comprised 4.4% of the population in 1981, by 2016 they made up 22.3%, with even larger concentrations of visible minorities in the largest cities (Grenier 2017). Recent immigrants and persons identifying as visible minorities increasingly experienced economic disadvantage in the 2000s (Lightman and Good Gingrich 2018), and increasingly concentrated in low-income CTs.

Canada’s economy changed in many ways between 1981 and 2016, as governments shifted from traditional welfare state supports to neoliberal policies and practices (Filion 2010). Trade liberalization contributed to losses in manufacturing jobs and an end to federal programs trying to attract industry and jobs to disadvantaged regions. Auto sector jobs declined 36% between 2005 and 2009 (Rutherford and Holmes 2014), and many textile and clothing industries in Montreal closed (Bernard 2009), while the staples economy based on energy and mining re-emerged (Stanford 2008). Deindustrialization left working-class Canadians struggling to maintain their standard of living while releasing urban warehouses and factory sites for redevelopment and gentrification. Waterfront areas were cleaned up and “revitalized.” Services and the “knowledge economy” provided a growing share of jobs, drawing more Canadians to cities to find
work. Construction, real estate, and finance became increasingly important
to the Canadian economy over the period, especially for large Canadian cities
(Canadian Press 2017; Christophers 2015; Tencer 2018; Rosen and Walks 2015).
After the global financial crisis of the late 2000s, low interest rates and federal
government support for mortgage lending stimulated a real estate bubble that
increased consumer debt levels (Walks 2013a, 2014). As housing prices rose
during the period, an increasing proportion of new residential units consisted
of small condominiums or apartments, especially in central neighbourhoods,
yet buyers in suburban areas continued to prefer detached houses that were
becoming increasingly unaffordable.

Public policy and government decisions – at all three levels of govern-
ment – played key roles in the transformations that occurred in neighbourhoods
between 1981 and 2016. This is discussed in Chapter 11 by Scott Graham,
Stephanie Procyk, and Michelynn Lafleche, who work in the not-for-profit sec-
tor navigating those policies and changes to them. By the 1980s, the federal
government was moving away from many of the welfare state policies of the
postwar era, eventually reducing transfer payments for social programs such
as housing, social assistance, and education, and tightening requirements for
Canadians to qualify for Employment Insurance and other income security
programs (Shier and Graham 2014). Most provinces followed suit by freezing
or reducing social assistance benefits, downloading responsibilities to munici-
palities, and removing or reducing rent controls. The non-profit sector was left
to pick up the slack, which explains the proliferation of food banks and emer-
gency shelters from the 1980s onward.

Many government policies affected what was built in neighbourhoods.
Until the 1970s, federal programs supported the building of affordable housing
in Canada (Suttor 2015), but growing faith in the market to address housing
needs undermined commitment to such investments. By the 1990s, responsi-

bility for social housing was transferred to the provinces, many of which lacked
the resources and the political commitment to invest in social housing for any
groups other than seniors: only Quebec continued to develop programs for
housing affordability, although the British Columbia government purchased
some rundown single-room-occupancy hotels to preserve affordable units
around the time of the Vancouver Winter Olympics in 2010. In Manitoba, the
provincial government closed and sold off some social housing units, reducing
supply in a time of desperate need (Grabish 2018a), while Winnipeg’s city coun-
cil declined to enforce requirements for affordable units in major new projects
(Grabish 2018b). As Alan Walks (2014, 273) notes, “Canada’s metropolitan areas
went from having some of the most affordable housing markets on the globe to the least affordable between the late 1990s and late 2000s.” With local governments in Canada heavily reliant on property taxes for their revenues, and with increasing responsibility for managing social housing formerly funded by higher levels of government, promoting urban growth and redevelopment remained a top priority. A handful of cities, such as Vancouver and Montreal, used planning policies to generate revenues for social housing, but most turned a blind eye to unmet needs while encouraging private market activity.

Public investment also stimulated change. For instance, funds for waterfront cleanup transformed industrial lands in cities such as Montreal, Halifax, and Vancouver into urban parks and boardwalks that reinvigorated investment and development potential in those areas. Government decisions to sell former industrial lands to major development companies for new residential projects contributed to rapid gentrification in Vancouver and Toronto. Public investments in rapid transit in Vancouver and Toronto not only enhanced access to city centres but expanded development opportunities in ways that transformed neighbourhoods, leading to concentrations of affluence in new high-rise towers. Craig Jones (2015) has described the way that zoning changes and transit-oriented development led to significant loss of affordable rental housing and incipient gentrification along the SkyTrain route in Vancouver.

Planning policies and regulations played a key role in driving neighbourhood change. By its nature, planning seeks to influence urban trajectories, with the implicit goal of aiming for “improvement.” As early as the 1970s, Toronto and Vancouver were encouraging urban infill and intensification in downtown areas (Punter 2003; Sewell 1993), while programs from the Canada Mortgage and Housing Corporation (CMHC) supported neighbourhood improvement in declining districts, thereby inadvertently stimulating gentrification. By the 1990s, Canadian planners were actively promoting urban revitalization and regeneration, supported by planning philosophies associated with new urbanism, sustainability, social mix, and smart growth (Grant 2003). Entrenching policies that facilitated higher densities, heights, and mixed uses in neighbourhoods meant altering land uses and urban form, both in urban cores and, by the 2000s, also in suburban areas (Grant 2006). Programs to “renew” public housing by creating mixed-income and mixed-tenure communities, as Toronto initiated in Regent Park, applied a mix of neoliberal and new-urbanist ideas to generate massive neighbourhood change (August 2014; Dunn 2012). Provincial policies forcing or encouraging municipalities to plan for urban growth at a regional scale increased pressures on local governments to adapt policies to facilitate
neighbourhood change in ways that would accommodate more (middle-class) people in well-serviced areas. In Hamilton and Winnipeg, municipal authorities went even further, reviving the once-discredited language of “urban renewal,” while offering incentives and tax rebates to developers and/or homebuyers to move into downtown neighbourhoods (Bennett 2015; Schlesinger 2015).

Although plans for Canadian cities often included aspirations for greater housing affordability, and political leaders recognized that the lack of affordable housing had become a crisis, municipal plans have done little to address the problem. By mandating that developers include affordable units (or cash in lieu of them) in new projects (City of Vancouver 2018; Moore 2013), Vancouver, Montreal, and Toronto have demonstrated the role that municipalities can play, but the need for affordable housing far exceeds the means at cities’ disposal. Condominium ownership, which was a small part of the housing market in 1981, skyrocketed to dominate construction in Canada’s largest cities by the 2010s, increasing the density of many neighbourhoods (Rosen and Walks 2013, 2015). Through the 2000s, planners became increasingly concerned about improving urban quality through enforcement of design guidelines that influenced the aesthetics of neighbourhoods – for instance, by stipulating building mass, relationship to the street, and materials. As critics argued, neoliberal ideology led local governments to employ planning as a tool for reshaping cities to provide fertile ground for market investors (Keil 2002; Kelly 2013; Weber 2002). Zoning changes that increased heights and facilitated mixed land uses handed property owners significantly enhanced land values and led to major changes in the neighbourhoods affected. Thus, a primary outcome of planning policy since the 1980s has been forms of gentrification that exacerbated inequality and displacement of lower-income residents from central neighbourhoods.

**ARE CANADA’S CITIES DIVIDING?**

Did our study of neighbourhood change in Canada find divided cities? The gap between the most and least affluent CTs across cities is certainly wide and growing. A geography of poverty and affluence is well established and increasingly pronounced, particularly in the largest metropolitan areas. Indeed, both the poorest and richest urban neighbourhoods in the country are found in Canada’s largest cities. Canada’s highest-income neighbourhood in 2016 (Westmount in Montreal) had an average per capita individual annual total income of $427,949 (before taxes). Toronto’s highest-income neighbourhood (Rosedale) in 2016 was not far behind, with an average individual before-tax income of
$419,676. Meanwhile, the poorest reported neighbourhood in Montreal (containing Les Habitations Jeanne-Mance, a large social housing community downtown) had an average annual income of only $16,202 before taxes. Montreal's wealthiest CT is over twenty-six times richer than its poorest. Toronto's poorest tract includes part of the Oakridge community in the Toronto CMA, with before-tax annual individual incomes of $18,757. People in Toronto's richest tract receive over twenty-two times more annual income per person than those in its poorest tract. Even after taxes were paid, and with higher tax rates for high-income earners, residents of poor areas ended up with less than 10% of the resources available to them, on average, than those living in the nation's richest neighbourhoods.

Comparing average incomes and extremes in average individual income by CTs over the period from 1970 to 2015 shows some variation across cities (Table 12.3). Although levels of inequality at the CT scale increased in all the cities, this is more related to the rapid increase in the incomes of the rich and in rich neighbourhoods than to declining incomes among the poor or in poorer neighbourhoods, although the latter did occur to some extent relative to the CMA average change. The average income of Halifax's highest-income CT rose considerably over the period, but the city still had no CTs that fell below 60% of the CMA average individual income. While Hamilton and Halifax had no very low-income tracts in 1970, in 2015 the poorest CT in Hamilton had just over half the CMA average income, while the poorest tracts in Montreal and Toronto had incomes just over one-third of the CMA average, down considerably from their situations in 1970. The CTs with the highest average incomes in all CMAs except Winnipeg were notably better off in comparison with the CMA average in 2015 than they were in 1970. Also, in most CMAs, the neighbourhoods with the lowest incomes in 2015 were different from the neighbourhoods with the lowest incomes in 1970: to some extent, poverty had relocated, often to suburban locations. The exception was Vancouver, where the Downtown Eastside has remained that CMA's poorest neighbourhood for many decades and is an obvious target of policies attempting to address concentrated poverty.

In trying to explain why some areas change more than others, scholars have looked at factors that may enhance stability or impede change. In their study of two neighbourhoods in Toronto, Alan Walks and Martine August (2008) found that continuing nuisance uses, strong ethnic networks, and some municipal policies inhibited gentrification. Merle Zwiers and colleagues (2016) noted that the quality of the housing stock, the share of owner-occupied housing, and the share of social housing affected neighbourhood trajectories in the
Netherlands. David Ley and Corey Dobson (2008) similarly found that high crime rates and concentrations of social housing and low-cost housing discouraged investment and impeded gentrification in some areas of Vancouver.

A common assumption in the scholarly and popular literature is that social problems such as crime and substance abuse tend to concentrate in the lowest-income CTs, contributing to concern over concentrated poverty (see Kazemipur and Halli 2000, 369). Yet, as Peter Marcuse (1989) argued, we should not simplify complex realities, and should be careful about assuming that neighbourhood concentrations of people of specific income categories, ethnicities, immigrant status, or other social characteristics constitute a “problem.” In a social context where residents may choose to co-locate with others who share cultural practices, language, or access to resources (services, jobs, housing), we should be cautious about labelling communities in ways that may undermine their self-efficacy or political capital. Yet we also need to ascertain whether income segregation acts as a barrier to the life chances of the poor.

This discussion naturally leads to questions about whether and how it might matter if poverty and affluence are increasing in our cities, or if neighbourhoods are losing, holding, or gaining ground. Do neighbourhoods in Canadian cities affect the life chances of those who inhabit them? For many decades, the “neighbourhood effects” literature calculated the reduced opportunities and life outcomes of those who grew up in disadvantaged neighbourhoods

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<th>CMA</th>
<th>1970</th>
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<th>2015</th>
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<tbody>
<tr>
<td></td>
<td>CMA average individual income</td>
<td>Highest CT income ratio</td>
<td>Lowest CT income ratio</td>
<td>CMA average individual income</td>
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<td>1.62</td>
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<tr>
<td>Vancouver</td>
<td>$5,220</td>
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**Note:** Census tract boundaries are for Census 1971 and 2016.

(Ellen and Turner 1997), but recent critiques have challenged that approach, arguing that people end up living in poor neighbourhoods because that is what their life chances permit (Slater 2013), and that neighbourhoods matter in different ways to different people (Sharkey and Faber 2014). Certainly, poverty and social inequality are not new, and yet the data that we present show that conditions are changing dramatically and rapidly as the gaps between rich and poor widen, and the geography of affluence and disadvantage is rewritten in our cities.

Among the most interesting findings of our study is evidence that points to how rapidly inequality is growing in some cities. Table 12.4 indicates the proportion of census tracts that remain within 10% of the CMA average in each of the cities, using recent data points: these are the neighbourhoods “holding ground,” or relatively “stable” neighbourhoods. The table provides a window into how quickly the central category of CTs is declining in some cities, while the extreme ends of the income spectrum are increasing. We see that different patterns emerge in the study cities depending on the timeframe of the analysis. If we had used 2010 as the end period for our analysis, we would have found that the percentage of CTs in the “holding ground” category ranged from 21% in Calgary to 46% in Winnipeg. Using a date just two years later as the endpoint indicates that only Winnipeg and Halifax showed no loss in the stable tracts, while Hamilton and Montreal lost a significant proportion of such CTs. Taking 2015 as the endpoint for the analysis, as we do throughout this book, we find that only Halifax has stayed constant across the most recent five-year period, with 39% of CTs holding ground. All the other cities lost such tracts, with Winnipeg and Hamilton showing significant drops, perhaps coincident with public policies that reduced support for affordable housing (Winnipeg) or increased incentives to market developers to build in specific areas (Hamilton).

Table 12.4 illustrates the way that selecting different endpoints for analysis can tell quite different stories. Furthermore, it shows just how recently some changes have been affecting Canadian metropolitan areas. Overall, the table illustrates the fluidity of transitions underway in our cities as CTs hovering around the CMA middle shrink in number while the low and high ends of the income distribution grow. Behind those statistics are individuals and families relocating in the search for affordable housing and urban amenities.

Both the long-term trends observed in Canadian cities and the recent decline in stable neighbourhoods highlighted above provide reason for worry to those concerned about social justice in the city. While Canadians pride themselves on having a more just and fairer society and less segregated cities than
the United States, recent trends in income inequality and income segregation uncovered through the case studies and through the team's broader work suggest that metropolitan areas in Canada are in some ways coming to resemble their counterparts south of the border. For instance, if we consider some older data, we see that the level of non-spatial income inequality, as measured using the Gini coefficient of household income, for the Toronto CMA in 2005 (Gini = 0.469) was higher than those found in both the Chicago (0.456) and Philadelphia (0.462) metropolitan areas in 2000, but lower than for New York (0.535) or Miami (0.509) (see Kim and Jargowsky 2005). The level of income inequality in the Vancouver CMA in 2005 (0.452) was higher than those in the Detroit (0.444) and Atlanta (0.440) metros in 2000, while the level of income inequality in the Montreal CMA in 2005 (0.436) was similar to those in Baltimore (0.438) and Seattle (0.436) in 2000. And the average change in the Gini coefficient of income inequality across our Canadian metros between 2000 and 2015 (3.3%, for an annual rate of increase of 0.22 per year) is not dissimilar in annual terms to the average increase in the Gini coefficient of income inequality that Paul Jargowsky and Christopher Wheeler (2017, Table 2) calculate for all US metropolitan areas (2.6% between 2000 and 2010, for an annual rate of change of 0.26). In other words, Canadian cities cannot claim to have changed in substantially more just ways than their American counterparts on these measures.

Although Canadian cities are not as racially segregated as those in the United States (Walks and Bourne 2006), they are becoming as segregated by income as their US counterparts. For instance, the levels of income segregation

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<td>Vancouver</td>
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**Note:** Census tract boundaries are held constant for 1981.

**Source:** Canada Revenue Agency taxfiler data 2010 and 2012; Statistics Canada, Census 1981 and 2016.
among census tracts in the Toronto CMA, with spatial Ginis of 0.22 in 2005 and 0.23 in 2010, and in the Calgary CMA, with Ginis of 0.21 in both 2005 and 2010, were higher than the levels of income segregation uncovered in the second and third most income-segregated US metropolises in 2000: Los Angeles (0.19) and Philadelphia (0.18) (see Kim and Jargowsky 2005, Table 2), and not far from the most segregated US metro (0.25), the New York metropolitan area. Jargowsky and Wheeler (2017) calculate that US metropolitan areas saw income segregation, as measured by the spatial Gini coefficient, rise by 7.18% on average over the 2000 to 2010 period. If this rate of change is applied to Los Angeles and Philadelphia, their resulting Gini values, estimated at 0.204 and 0.193, respectively, are still lower than the recent values for either Toronto or Calgary. Using this same methodology, Montreal, Vancouver, and Winnipeg are all more segregated by income than either Atlanta or Boston, whether in the early 2000s or (using the average rate of change in the United States since 2000) after 2010. Whereas US cities have always experienced relatively high levels of income segregation, including during the early postwar period, in Canadian cities the rise in income segregation to these levels has largely occurred since 1990. The evidence suggests that income segregation is proceeding apace in Canada.

The Gini coefficient summarizes the level of income inequality or segregation in a single measure for the entire income distribution in a place, which means it cannot tell what is happening in a subset of the income distribution. US metros do have greater levels of concentrated poverty than most Canadian cities, and in some cases have witnessed more rapid declines in middle-income neighbourhoods. Using the same methodology as our study but for the City of Chicago, Lauren Nolan (2015) identified increasing levels of inequality and polarization, along with high levels of racial segregation. In Chicago, 46% of census tracts were middle-income in 1970, but that proportion decreased to 16% by 2010, a time when the City of Toronto had 30% middle-income tracts. Meanwhile, the City of Toronto and the Chicago metropolitan area were similar in their proportions of low- and very low-income tracts: 49% and 46%, respectively. While Canadian cities do not have ghettos (that is, neighbourhoods formed due to racial discrimination) like those found in the United States and the United Kingdom (Walks and Bourne 2006; Hiebert 2015), signs of a growing relationship between immigration status, visible minority status, and socio-spatial income inequality in our largest and wealthiest cities are nonetheless disturbing to those who may have thought that Canada was different.
Neighbourhood change is not a uniform process in Canada, as the cities analyzed illustrate. Although we can identify general trends toward increasing concentrations at either end of the income spectrum, the way individuals and households are distributed in neighbourhoods within cities varies considerably. Particularly in the larger CMAs studied, neighbourhoods that are gaining ground differ from other kinds of neighbourhoods in important ways: they have remained “whiter,” have fewer immigrants, have lower rates of unemployment and low income, have higher levels of educational attainment, and generally have more young adults and working-age residents. One trend evident in each of the case study cities is gentrification, which is reducing the availability of affordable housing in highly accessible locations. Meanwhile, patterns among neighbourhoods that are holding ground or losing ground are less consistent across CMAs. In some CMAs, neighbourhoods that are losing ground have more rental housing or much higher rates of immigration, for instance, but this is not the case in every CMA. Our results suggest that one reason that metropolitan areas in Canada are becoming more segregated by income is that wealthier and whiter populations are self-segregating into specific neighbourhoods, leaving the remaining neighbourhoods for everyone else.

In conducting a study of neighbourhood change in Canada, we have contributed to the international debate on how and why cities are transforming. What factors may be relevant in Canada? Economic restructuring, deindustrialization, weakening unions, lagging wages among the working classes, real estate speculation, and financialization all played roles in driving increasing inequalities, both socially and spatially. More specific processes related to Canadian cities included immigration, reduced financial transfers from upper-level governments, and regressive changes to federal and provincial taxation systems. Among the city-specific factors affecting the rate and location of change were the development of the energy sector in Calgary, the flight of financial firms from Montreal to Toronto during separation referenda debates, the urbanization of Indigenous peoples in Winnipeg, aging in Halifax, extensive immigration to Toronto and Vancouver, and the increasing integration of Hamilton with Toronto. Planning and economic development policies have hastened change. All our cities have witnessed some level of gentrification and are showing signs of decline in their older postwar suburbs. While Canada’s largest cities have many neighbourhood types, smaller cities have less diversity,
either because of scale issues or because they have been less likely to attract immigrant communities.

Some types of change occurring in Canada clearly parallel international trends of the kind discussed in Chapter 1. For instance, inner-city areas with good transit access have gentrified in other cities in the West, illustrating the influence of public investments in driving spatial inequality (Slater 2017; Zuk et al. 2015). Financialization and the proliferation of real estate investment trusts have led to growing concentration of ownership and rising rents in the rental housing sector in many locations (Fields and Uffer 2014; Walks and August 2008). Visible and ethnic minorities are experiencing increasing inequality and segregation everywhere. Among the less common patterns featured in Canadian cities are the suburbanization of immigrant communities and the urbanization of Indigenous populations in western cities. While Canada has largely been spared the xenophobia associated with inequality and discrimination that troubles many parts of the world, the trends toward segregation are not promising.

Canadian cities are not characterized by increasing social justice – at least in income distribution – but rather increasing disparities between the lowest- and highest-income neighbourhoods. Disparities reflect the simultaneous operation of several processes. Governments have failed to preserve social safety nets that ensure full participation and reasonable quality of life for all Canadians; moreover, regressive taxation policies adopted since the 1990s have weakened the economic position of Canada’s poorest residents. Meanwhile, local governments have often overtly promoted transformation of central neighbourhoods to attract affluent residents and dilute or displace populations of lower-income residents. All our cities have witnessed some level of downtown gentrification and are showing signs of declining incomes in some of the older postwar suburbs. Social and demographic processes are producing smaller households with members of similar income levels. Market processes have reordered income profiles and are linked to the rapidly rising cost of housing, especially in the country’s largest cities. Affordability issues are increasing everywhere, particularly in the inner cities that traditionally provided the best combination of access to jobs and services for lower-income households. In the context of worrisome economic trends and evidence that disadvantage is tightly aligned with visible minority and ethnicity status, the research reported in this book presents a stark warning for Canadian scholars, communities, and governments. Preventing further economic polarization and the social consequences that can accompany it will require a concerted policy response for decades to come.
Growing inequality undermines the prospect of creating just cities, wherein all Canadians can meet their basic needs and achieve their potential. Enabling the potential of those increasingly relegated to disadvantaged neighbourhoods requires that we find ways to foster greater social and economic justice across the city. Understanding the depth and breadth of the problem is an important step, but only political and social action can ensure that troubling trends do not worsen over time.