

**A Community Growing Apart:
Income Gaps and Changing Needs
in the City of Toronto in the 1990s**

A report by the Canadian Council on Social Development
for the United Way of Greater Toronto

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Introduction: A Community Growing Apart

This report was commissioned from the Canadian Council on Social Development (CCSD) by the United Way of Greater Toronto. The CCSD is a national social policy research and advocacy organization with a large membership base in the voluntary sector and particular expertise in the analysis of poverty (*The Canadian Fact Book on Poverty – 2000; Urban Poverty in Canada, 2000*).

The key objectives of the report are to document changes in low income in the City of Toronto in the 1990s, and to detail the impacts on people and communities.

United Way member agencies know that the economic prosperity of the late 1990s did not reach many of their clients. They have confronted serious and growing social problems with shrinking resources. They see more clients, with more serious needs, than ever before. Yet media reports have said that Toronto has been “booming.”

In this report, data are presented on the growth of the “high risk” population of children and youth, single parents, newcomers, singles and seniors; and the downward “income roller-coaster” of the 1990s for different kinds of families. There have been clear changes for the worse in low-income rates and the depth of low income even during the economic recovery from 1995 to 1999. Data are provided on the growing income gaps between families and neighbourhoods in the City. Our report is based on hard numbers from Statistics Canada which confirm the perceptions of social agencies regarding growing needs and growing gaps. The report is also based on discussions with social agencies and residents of four low-income neighbourhoods: Thorncliffe Park, Regents Park/Downtown East, Agincourt, and Jane-Finch.

Toronto is indeed a community which has grown apart during the 1990s. Even in the period of economic recovery, large income gaps between the poor and the more affluent have grown at a disturbing pace. More City residents are living in low income. For those who have been left behind, the depth of low income is extremely severe and the situation is worsening. Many single parents, children and youth, newcomers to Canada, seniors and single persons have been marginalized and excluded from the economic boom of the late 1990s.

Low-income communities have been left even further behind, and the gap between affluent and poor communities has been growing. This is true not only in terms of income, but also in terms of shared “social space.” Poor children are more likely than before to go to school with other poor kids, and affluent adults are less likely to have struggling neighbours living in their immediate area. Many neighbourhoods are still very mixed in terms of income, and low income is still quite widely dispersed throughout the city. But there are disturbing signs of the residential segregation of the very poor, as highlighted in the CCSD’s report, *Urban Poverty in Canada*. This report provides significant new information on low-income trends at the neighbourhood level.

Toronto does not yet have very large and concentrated ghettos of the kind found in some large American cities. Residents of the communities we profiled had quite positive views about some

aspects of their own communities. But there is a very clear threat of moving in the wrong direction.

Trends in employment are a major factor limiting the recovery in real incomes for many working people and their families. Recent cuts to government income support programs and governments' withdrawal from social housing have compounded these problems, and social agencies are being forced to confront rapidly growing community needs with severely constrained and inadequate resources.

In our data analysis, we find that:

- ♦ The City of Toronto has a high and rising population at risk of low income.
- ♦ City of Toronto incomes in the 1990s were much harder hit than the incomes of all Canadians, particularly those of single parent families.
- ♦ Income gaps between more and less affluent families have grown in the 1990s.
- ♦ Rates of low income in the City of Toronto have increased even in the 1990s economic recovery, and are significantly above the national average.
- ♦ Income gaps between high and low income neighbourhoods have also grown in the 1990s.
- ♦ Low income families in Toronto and low income neighbourhoods have become even poorer in the 1990s economic recovery.

“This is a city that worked but it’s collapsing and I am not sure we will be able to recover.”

Agency worker, Agincourt community

Our community consultations confirmed the growth in needs which has taken place in low income communities in the 1990s, and spelled out the impacts on newcomers, single parents, children and youth and seniors.

In place of a detailed Executive Summary, readers can find a summary of key findings in the Highlights Report.

A Report Roadmap: Population, Family Incomes, Low Income and Income Gaps

This report consists of two major sections: an analysis of statistical data, and a summary of the community consultations. A few key findings from the community consultations are included in the data report to help interpret statistical trends.

The data provide comparisons between the City of Toronto and Canada as a whole, and also show differences between communities within the City.

The data analysis begins with a brief overview of major economic trends in the 1990s, followed by a demographic profile of a changing population with growing needs. The City of Toronto has a high and rising proportion of the population at particularly high risk of low income: children and youth; single parents; newcomers, seniors and singles. Some key changes in the population at the community level are described.

The next section examines the income roller-coaster ride of the 1990s, showing trends in income for three different kinds of families. Most families ended the 1990s in worse shape than at the start of the decade, and City of Toronto families have fallen behind compared to families in all of Canada.

The next section details the increased incidence of low income in the City of Toronto from 1995 to 1999, and the increased depth of low income. There are more persons and families living in low income than when the economic recovery began, and they are less well-off than before compared to their fellow citizens.

The last section of the data report describes growing income gaps between City of Toronto families, and then between communities. The growing gap between high and low income neighbourhoods is analyzed, as is the changing distribution of low income between City of Toronto neighbourhoods. There have been some changes in the income situation of communities in Toronto in the 1990s, but also a lot of continuity in which areas are poor. Maps show some of these shifts in needs, particularly to older suburban areas.

The second major part of the report consists of a report on community consultations in four low income communities: Thorncliffe Park, the Downtown East/Regents Park; Jane Finch and Agincourt. In the Appendix, there is a full statistical profile and summary of the community consultations.

Defining Poverty and Low Income

While Canada does not have an official poverty line, the most familiar definition of poverty is having an income below the before-tax Low Income Cut-off or LICO, calculated by Statistics Canada. In 1998, the pre-tax LICO for a single person living in a large city like Toronto was \$17,571, and for a family of four, it was \$33,063.

Unfortunately, outside Census years, LICO data are available only for the Toronto Census Metropolitan Area (CMA). The 1996 Census showed that 28% of persons in the City of Toronto were poor, compared to 21% in the Toronto Census Metropolitan Area. The City makes up just over half of the population of the CMA and incomes are lower, on average. In 1998, the poverty rate for the Toronto CMA was 14.8%, still higher than it was in 1989.

Fortunately, Statistics Canada can provide annual data from 1995 to 1999 for the Low-Income Measure or LIM – which is defined as having an income less than half that of the median Canadian household of the same type. A median household is one at the precise mid-point of the income distribution, so that half of all similar families have higher incomes, and half have lower incomes.

The LIM measure is a good indicator of income gaps. It tells us that a family or person is much worse off than comparable families in all of Canada. In 1999, the LIM cut-off line for a family of two adults and two children was \$25,400, and for a single person, it was \$12,700. The low-income rate for all persons in 1999 was 19.1% for Canada as a whole, but 23.3% for those in the City of Toronto.

For purposes of comparison, the pre tax poverty (LICO) rate for the City of Toronto in 1995 was 28%, while the LIM rate was 23%.

Methodology

Building on the CCSD's report, *Urban Poverty in Canada*, the Council recently launched a Community Social Data strategy in co-operation with Statistics Canada and with funding from Human Resources Development Canada. This strategy is intended to promote greater community use of local area data which can be obtained from Statistics Canada's Census and from tax files.

The analysis contained in this report is based primarily on the standardized small area data tables for the City of Toronto based on tax returns (Family Income Tables 1, 5, 6 and 17) and its component Forward Sortation Areas or FSAs purchased from Statistics Canada. This report may thus be useful in informing other communities about the kinds of information that are fairly readily available to them. Technical details are provided in the Methodological Appendix.

We did not want to base our report solely on an analysis of dry statistical data. Accordingly, the United Way of Greater Toronto, through its links with agencies, organized consultation sessions in four selected low-income communities: Downtown East, Jane Finch, Thorncliffe Park and Agincourt. In each of these communities, we met with staff from social agencies and two selected groups of low-income residents. This report presents an overview of what was learned in those community consultations and a summary of the consultations in each community.

From Boom to Bust to Boom: An Overview of Canada and Toronto in Recession and Recovery

Data on Income and Jobs

The Labour Force Survey and the Survey of Labour and Income Dynamics are the major sources of Statistics Canada annual data on incomes and employment. They provide reliable data for the Toronto Census Metropolitan Area only, but not for the City of Toronto. Data on the City of Toronto are available only for Census years, and the most recent Census data are for 1995. Therefore, much of this report is based on tax-filer data provided by Statistics Canada from its small areas database. The Toronto CMA – which includes the Regional Municipalities of Toronto, Durham, Peel and York – has more than twice the population of the City of Toronto proper, and the CMA has grown a bit faster in the 1990s due to stronger than average growth in the new “905 suburbs.” Although it also grew in the 1990s, the City proportion of the CMA population fell from 59% in 1990, to 53% in 1999 – or 2.4 million of 4.4 million persons (Statistics Canada's Small Area Data).

Canada experienced an extremely severe recession in the early 1990s, followed by a slow recovery, then a return to strong job growth after 1997. The recession in the Toronto CMA was much more severe than it was for Canada as a whole. However, after a slow start, the recovery was eventually much stronger than average, counteracting some of the damage that had been inflicted on families and communities. Nonetheless, even by 2000, the Toronto CMA had not

fully returned to the very strong labour market conditions it had had in the late 1980s.¹

The national unemployment rate rose from 7.5% at the end of the 1980s, to a high of 11.4% in 1993, before it fell to a new low of 6.8% in 2000. In the Toronto CMA, the rise in unemployment was much more severe, growing from just 4.0% in 1989 to 11.4% by 1993. The unemployment rate then fell to 5.5% in 2000, lower than the national average, but still above the 1989 level.

The low unemployment rate in 2000 partly conceals the fact that the participation rate – that is, the proportion of the working-age population who were either working or actively seeking work – had slipped in the 1990s. The employment rate for the Toronto CMA (the percentage of the working-age population with jobs) fell sharply from 69.5% in 1989 to 62.3% in 1993.

Compared to the late 1980s, jobs in Toronto have become more unstable and more precarious, particularly for those at either end of the age spectrum.

The fall in the employment rate partly reflects young people's increased participation in education, but the employment rate for adults (aged 25 and older) was 66.7% in 2000, below the 1989 rate of 69.4%. Some adults may have been permanently marginalized by the recession and the slow recovery in the mid-1990s, and unable to take advantage of the strong job growth at the end of the decade. This group includes both young and older workers with limited education and skills. Many homeless adults, street youth and some long-term social assistance recipients have likely lost contact with the job market, in part, because they were so badly scarred by the severity of the recession of the early 1990s.

The part-time rate – that is, the percentage of those working less than 30 hours per week – rose between 1989 and 1993, then fell from 1993 to 2000, but it is still above the 1989 level (14.8% in 2000, compared to 14.0% in 1989). About one in three part-time workers – who are overwhelmingly women and young people – would prefer to work full-time but they cannot find full-time jobs. The rising part-time rate reflects deterioration in the overall quality of jobs, which also shows up in the increased proportion of temporary jobs and so-called “own account” or self-employed workers.

In Appendix III, we compare income and poverty trends between the Toronto CMA and Canada, using data from Statistics Canada's annual income surveys. The poverty (pre tax LICO) rate for the Toronto CMA in 1998 for all persons was 14.8%, down from a recent high of 18.8% in 1993, but still well up from before the recession low of 11.1% in 1989. Depth of poverty in the Toronto

¹ In this introductory section, we use 1989 as the base year because that was the peak year of the 1980s economic expansion, and we use 1993 as the low point of the recession. Thus, trends from 1989 to 1998 are as “cyclically neutral” as possible. In the rest of the report, we use 1990 as the base year because it is the first year for which detailed tax data are available. Readers should bear in mind that the use of 1990 as the base year actually minimizes to some degree the sharp decline in incomes over the first half of the 1990s, since incomes had already fallen from 1989 to 1990.

Table 1: Job Trends in the 1990s

	CANADA			TORONTO CMA		
	1989	1993	2000	1989	1993	2000
Unemployment Rate	7.5%	11.4%	6.8%	4.0%	11.4%	5.5%
Employment Rate	62.1%	58.1%	61.4%	69.5%	60.7%	65.0%
Part-Time Rate	16.8%	19.3%	18.1%	14.0%	17.1%	14.8%

Source: Statistics Canada Labour Force Survey. Age 15 plus. Data for Toronto CMA

CMA is worse than for all of Canada. No poverty data are available for the City of Toronto for the period after the 1996 Census.

It is worth noting that Statistics Canada has recently done some calculations to indicate that LICOs under-estimate poverty in Toronto because families tend to spend much more on shelter, food and clothing than do residents of other large urban centres. (*Recent Developments in the Low Income Cutoffs.* Statistics Canada Cat.75F0002MIE-010030, 2001)

A Changing Population with Growing Needs: Demographic Changes in the 1990s

The total population of the City of Toronto rose by 230,000 (or 10.6%) in the 1990s, only slightly below the 11.5% growth in the national population. (Much of the growth in the Canadian population took place in the CMA outside the City itself.) By 1999, there were 2.4 million City residents. This number is based on tax-filer data, which is estimated to cover 96% of the population. Generally speaking, this data provides good coverage for low income persons and families who must file to claim income tested child and GST credits. However, the missing 4% likely includes some very low income persons such as transient youth and residents of shelters.

The City of Toronto has a higher than average and still rising proportion of persons who are particularly vulnerable to low income: children and youth; single parents; newcomers; seniors; and singles.

Children and Youth

In 1999, the City of Toronto had an age distribution that was little different than the national average, but which had become increasingly tilted towards children over the 1990s (see Table 2). The proportion of children aged 0 to 14 in the City of Toronto rose from 16.7% in 1990, to

It is striking to note that one-third of the total increase in the number of children in all of Canada between 1990 and 1999 was in the City of Toronto – 70,000 children out of 217,000 – even though only 7% of all Canadian children live in the City.

17.7% in 1995, and to 18.0% by 1999. While still somewhat below the national average as a share of the total population in 1999, this increase in the numbers and proportion of young children in the City is in contrast to a decline in the proportion of children as a share of the national population – from 21.3% to 19.8% between 1990 and 1999.

“The plight of children and youth here is unbelievable. It’s as though society just doesn’t give a damn! We treat them abominably.”

Agency worker, Agincourt community

Growth in the numbers and proportion of young children in the City of Toronto likely reflects inflows of large families of newcomers to Canada and this trend will probably continue.

Table 2: Distribution of Population by Age, and Distribution of Family Types, 1990, 1995 and 1999

Number of taxfilers & dependents			City of Toronto	Canada
1990	0-14 years	Number	361,200	5,663,800
		% of Population	16.7%	21.3%
	15-64 years	Number	1,540,600	17,943,500
		% of Population	71.2%	67.5%
	65+ years	Number	262,900	2,969,600
		% of Population	12.1%	11.2%
	Total	Number	2,164,800	26,576,800
1995	0-14 years	Number	416,900	5,979,900
		% of Population	17.7%	20.8%
	15-64 years	Number	1,623,300	19,422,600
		% of Population	69.1%	67.4%
	65+ years	Number	309,700	3,412,600
		% of Population	13.2%	11.8%
	Total	Number	2,350,000	28,815,000
1999	0-14 years	Number	430,800	5,880,900
		% of Population	18.0%	19.8%
	15-64 years	Number	1,635,800	20,006,500
		% of Population	68.3%	67.5%
	65+ years	Number	327,800	3,739,700
		% of Population	13.7%	12.6%
	Total	Number	2,394,300	29,627,100
Distribution of family types			City of Toronto	Canada
Husband-wife families	% of All Family Types	1990	47.6%	54.2%
	% of All Family Types	1995	47.5%	54.0%
	% of All Family Types	1999	47.7%	53.5%
	Change	1990-1995	-0.06%	-0.17%
	Change	1995-1999	0.16%	-0.47%
Lone-parent families	% of All Family Types	1990	8.6%	9.2%
	% of All Family Types	1995	10.2%	9.6%
	% of All Family Types	1999	11.1%	10.0%
	Change	1990-1995	1.6%	0.4%
	Change	1995-1999	0.9%	0.4%
Non-family persons	% of All Family Types	1990	43.8%	36.6%
	% of All Family Types	1995	42.3%	36.4%
	% of All Family Types	1999	41.3%	36.5%
	Change	1990-1995	-1.5%	-0.2%
	Change	1995-1999	-1.1%	0.1%

Source: Statistics Canada, Small Area and Administrative Data, 1990, 1995, and 1999.

Single Parents: A fast-growing, high-needs population

The City of Toronto has a high and rising proportion of lone-parent families who are particularly vulnerable to low income because of their dependence on a single potential earner. The vast majority of these families are led by women, who are much more likely than men to hold only low-paying and insecure jobs. As we show later in this report, women heading lone-parent families face formidable barriers in trying to find stable jobs and leave social assistance.

The proportion of lone-parent families in the City of Toronto grew sharply from 8.6% in 1990 (below the national average of 9.2%) to 11.1% by 1999 (well above the national average of 10.0%).

Newcomers and Visible Minority Persons

One of the most striking characteristics of the City of Toronto is its diversity. Data from the 1996 Census show that almost half (47.6%) of City residents were born outside Canada, compared to 17.4% of all Canadians. More than one in three residents (37.0%) belonged to racialized minority groups in 1996, compared to just 11.2% of all Canadians (Statistics Canada's 1996 Census).

Unfortunately, the tax data upon which this analysis depends contain no information about immigrant or racialized minority status. An earlier CCSD report, *Urban Poverty in Canada*, showed that the poverty rate (pre-tax LICO) among racialized minorities in the City of Toronto in 1996 was 40.7% – double the poverty rate of non-racialized minorities (19.8%) and slightly above the national poverty rate among racialized minorities (37.6%).

The poverty rate among immigrants in the City of Toronto in 1996 was 32.9%, again slightly above the national average of 30.0%. Recent immigrants – that is, those who arrived between 1991 and 1996 – had a poverty rate of 52.8% (see *Urban Poverty in Canada: A Statistical Profile*. CCSD, 2000).

Unfortunately, these data cannot be updated at this time. National-level data now being analyzed by the CCSD suggest that there was some improvement in the earnings and incomes of recent immigrants and racialized minorities at the very end of the 1990s, but there also continued to be

“We have gone backwards in terms of settlement – having to deal with extreme poverty in the community, youth who have nothing to do... we are back to basic needs of development.”

Agency worker, Jane/Finch community

very large income gaps and high poverty rates. More definitive data will only be available in 2003 from the Census. Our community consultations supplied us with information on the current – and difficult – circumstances of many newcomers.

A Growing Population of Seniors

The City of Toronto has a somewhat higher proportion of seniors than does Canada as a whole (13.7% compared to 12.6% in 1999). And as was the case in Canada, the population share of seniors rose by about 1.5 percentage points over the 1990s. The total number of seniors in the City of Toronto rose from 263,000 in 1990, to 328,000 by 1999.

“Rents are increasing while incomes are going down.”

Senior, Agincourt community

As a group, seniors – and particularly senior single women – are more vulnerable to low income than is the working-age population, and many seniors have incomes

which are at, or very near, the poverty line. Rising rents and user fees have created huge difficulties for seniors in the 1990s.

Defining Family Types

The database which we used divides the population into three family types: husband-wife families, lone-parent families, and non-family persons. Husband-wife families consist of married or common-law couples and unmarried children living at the same address. A lone-parent family is a family with only one parent and at least one child. Non-family persons are individuals who are not living with a spouse, children or a parent. They may live alone, or may share a household with an unrelated roommate or a relative other than a parent or spouse. (The methodological appendix provides a full definition.)

Singles

The proportion of non-family persons as a proportion of all family types fell somewhat in the 1990s, but was well above the national average in 1999, at 41.2% compared to 36.5%. (Note that this group makes up a much smaller percentage of all individuals in Toronto, because other family types are much larger.) The data indicate that a large proportion of non-family individuals in Toronto are not seniors, but are working-age persons living on their own or sharing accommodations with others to whom they are not closely related.

“Loss of hope in the street-level population is endemic: drugs is all there is.”

“It’s a lot cheaper to buy crack [cocaine] than booze.”

Agency workers, Downtown East community

Singles are vulnerable to poverty because of their dependence on one potential earner and because a significant proportion of single non-elderly men and women suffer from particular sources of disadvantage such as low skills or disability. The City of

Toronto has a much higher than average proportion of single people – so-called “non-family persons” who do not have children and do not live with a close relative. Vulnerable and marginalized singles, particularly those dealing with issues of mental health and substance abuse, form the core of the growing “street” population in the Downtown East, the poorest neighbourhood in Toronto. In this area, agencies underlined the increased hopelessness of the very marginalized. Services are overwhelmed, and there is a huge unmet need for transitional housing and supports for the severely mentally ill, drug users, and youth on the streets.

Changes in Population at the Community Level

In this section, we look beneath trends at the City level in order to provide an overview of trends at the community level. Maps pertaining to changes at the community level can be found in Appendix II.

Defining Forward Sortation Areas

Using tax-filer data, we are able to obtain data for each Forward Sortation Area or FSA in the City of Toronto. An FSA is defined by the first three digits of the postal code. There are 95 FSAs with sufficient numbers of people to report results. A reference map shows the division of the City of Toronto into FSAs, and readers should be able to readily identify the community in which they live or are most interested. The population of these areas varies, but there are statistically reliable data for each FSA.

It is important to recognize that the FSA data, while useful, are limited in at least one key way: we do not know if income changes within an FSA from one year to the next are due to changes among people living in the community in both years, or are due to changes caused by some people moving in and others moving out. Some changes in the character of neighbourhoods are almost certainly caused by changes in the make-up of the area, as highlighted in our community profiles. For many purposes, however, what is most important is the direction of change, not the cause of the change. For example, social planners have to respond to a rising rate of poverty in a local community even if it is “caused” by an inflow of poor people, rather than by rising poverty rates among original residents of the area.

[Insert Reference Map 1 – City of Toronto – FSAs by Major Roadways]

Children

Map 1 in Appendix II shows the 1999 distribution of children, aged 0 to 14 years by FSA. The highest proportions – more than 21.5% of the total population – are found towards the north east and north west, while the downtown area and the mainly affluent area north of downtown has a much lower proportion of children than average. Map 2 in Appendix II shows that increases in the proportion of children in the 1990s generally took place in areas that already had a high proportion of children and in more or less adjacent communities. Thorncliffe Park (M4H) was selected as one of the four communities profiled in this report below because it is a low-income area with a fast rising proportion of children.

Seniors

Map 3 in Appendix II shows the 1999 distribution of seniors aged sixty-five years and older by FSA. These areas are somewhat scattered, but also concentrated in the south west. There are relatively few seniors in the north east corner near Pickering. Changes in the proportion of seniors – shown in Map 4 in Appendix II – vary quite widely. It is useful to note that an area (for example, MIX near Pickering) can have a low, but fast rising, proportion of seniors, while another area (such as M9A) can have a high, but stable or falling, proportion.

Single Parents

Map 5 in Appendix II shows the 1999 distribution of lone-parent families by FSA. Areas with the highest proportion of lone parents (ranging between 14% and 22%) are generally located in the north west and eastern parts of the city. Map 6 in Appendix II shows changes in the proportion of lone-parent families by FSA. There is a high degree of overlap between areas with high concentrations of lone-parent families, and those whose proportions are increasing. This suggests that these lone-parent families – often low-income and mainly led by women – are becoming increasingly concentrated in certain communities. One of the communities that we profile – Jane/Finch (M3N) – has a high and quickly rising proportion of lone-parent families. It was selected, in part, for this reason.

Singles

Map 7 in Appendix II shows the 1999 distribution of single individuals (or non-family persons) by FSA. It indicates a high concentration of such persons in the downtown area and in the area immediately north of the downtown core. The Downtown East area (M5A) profiled below is one of these FSAs. Map 8 in Appendix II shows that the changes in the proportion of single individuals was somewhat mixed over the 1990s.

The Income Roller Coaster: The changing fortunes of Toronto families

In this section of the report, changes in income in the 1990s by the family types identified above are examined, and differences between developments in the City of Toronto and Canada as a whole are noted. In general, families in the City of Toronto did worse in the 1990s, mainly because of cuts to government transfers and lower rates of employment. Changes in the composition of the population may also have been a factor.

All the income data in this report are from Statistics Canada and based on tax returns. The data are adjusted for inflation, so we are looking at changes in “real” (inflation-adjusted) incomes expressed in dollars for the most recent year available. Median income is that of a person or family in the middle of the income distribution, meaning that half of all persons or families have more income, and half have less. Total income is income from all sources, before taxes.

Husband-wife families are losing ground

This family category includes some senior families, but it is mainly made up of working families, with and without children living at home. Median income for this family type fell sharply in the 1990s. The median income of husband-wife families fell by 13% in the 1990s, from \$59,000 to \$51,300. This was far greater than the 2% fall in the median incomes for this family type for all of Canada.

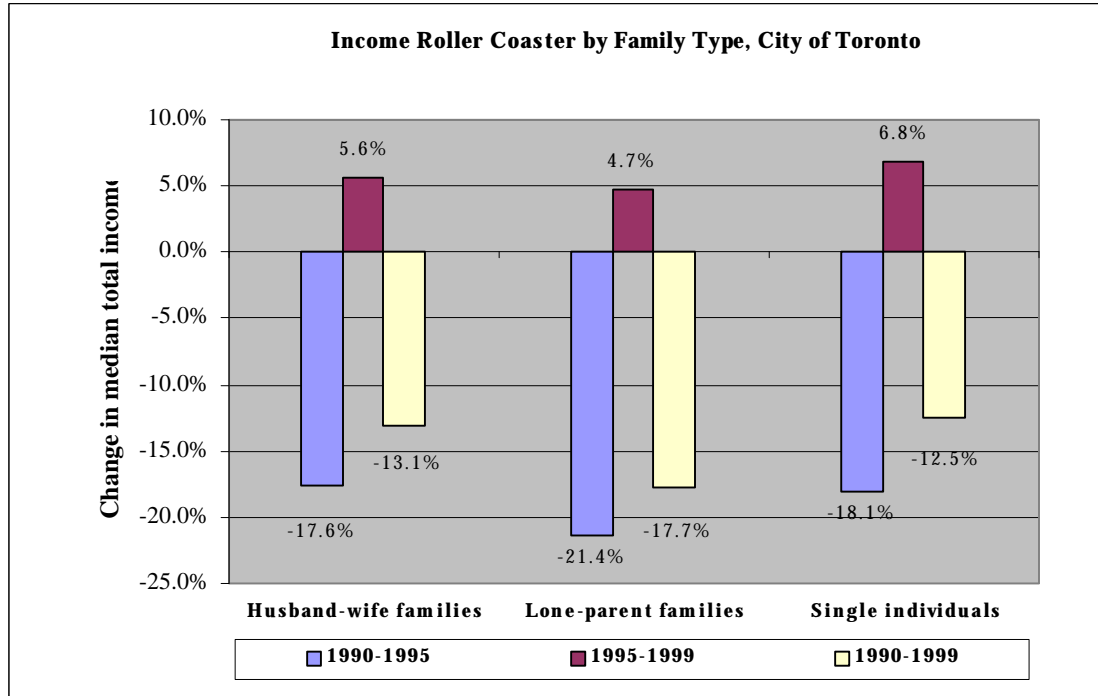
Table 3: Economic Trends by Family Type, City of Toronto, 1990, 1995, and 1999

		Husband-wife families	Lone-parent families	Single individuals
Median total income	1990 (constant 1999 dollars)	\$59,000	\$29,900	\$23,200
	1995 (constant 1999 dollars)	\$48,600	\$23,500	\$19,000
	1999	\$51,300	\$24,600	\$20,300

Source: Statistics Canada, Small Area and Administrative Data, 1990, 1995, and 1999.

Husband-wife families in the City of Toronto went from being much better off than other such families in Canada in 1990, to being somewhat worse off in 1999 – a fact that might surprise many Canadians, and even some Toronto City residents.

Chart 1



While the increase in incomes in the City of Toronto was somewhat better-than-average over the recovery period after 1995, it did not make up for the gap created by the huge fall in real incomes (18%) in Toronto between 1990 and 1995.

The same story is generally true for changes in employment incomes, which obviously affect most changes in total income for the great majority of working-age husband-wife families. Income from jobs fell by much more than the Canadian average between 1990 and 1995, and rose much faster than average between 1995 and 1999.

Unlike median income, average employment income for this family type in the City of Toronto in 1999 was well above the national average – \$73,700 compared to \$61,900. This probably reflects the relatively high proportion of very-high earners in Toronto, which pushes up the average. It does not reflect a high proportion of dual-earner families. Just over half of husband-wife families in the City of Toronto had two earners in 1999, less than the national average of 57%, and still well down from the 1990 level of 54%.

Husband-wife families with one or two steady jobs in the 1990s likely did much better than average. Average employment income for those with earnings actually rose by 8% over the 1990s and increased very sharply (up 17%) over the 1995-1999 recovery period.

As in Canada as a whole, eight of 10 husband-wife families received some income from government transfers – a category which includes a huge range of income support programs, including Old Age Security, Canada Pension Plan and disability benefits, workers' compensation

benefits, Employment Insurance, and social assistance benefits. There has been a major decline in the average value of transfers since 1995 – down an average of \$3,900 (or 33%) for husband-wife families in the City of Toronto who receive some transfer income. This was somewhat greater than the \$3,300 cut (or 30%) for all such families in Canada. Since benefits for seniors have not been significantly cut and the population is aging, this decline almost certainly reflects reduced EI and social assistance benefits as a result of increased employment and cuts to benefit entitlements.

The \$3,900 decline in income from transfers for this group over the 1995-1999 recovery period was more than offset by a \$5,200 increase in employment earnings. However, many lower-income husband-wife families would have experienced cuts in transfers such as EI and social assistance which were not fully offset by higher earnings.

Between 1995 and 1999, the proportion of husband-wife families receiving social assistance fell sharply from 12.2% to 8.4%, more than the decline in the national average from 8.4% to 6.3%. (We do not have data for 1990.) This reflects two key factors: increased employment and more stringent eligibility requirements. Between 1995 and 1999, average benefits for this family type receiving benefits fell by \$1,500, to \$8,100, as a result of the 20% cuts in social assistance benefit rates and increased employment. (Many families receive both social assistance benefits and earnings from employment over the course of a year.)

As shown in Table 1 in Appendix I, average EI benefits and the proportion of husband-wife families receiving EI benefits both fell between 1995 and 1999, again reflecting a complex interaction between increased employment and reduced eligibility for benefits.

Single Parents: Falling incomes driven by cuts to benefits

Between 1990 and 1999, the median income of lone-parent families in the City of Toronto fell from \$29,900 to \$24,600. This decline – an astonishing 17.7% – was much more than the 4.5% decline for such families in all of Canada. This huge hit to the incomes of a particularly vulnerable group was mainly driven by cuts to social assistance benefits.

When we look more closely at the period between 1990 and 1995 in Toronto, we find that incomes fell by 21.1% for lone-parent families - double the national average. Later, during the recovery period of 1995 to 1999, incomes rose by only 4.7% - a little below the national average. Overall during the 1990s, incomes for this family type fell by much more than those of husband-wife families. As a result, the gap between husband-wife families and lone-parent families widened still further.

Between 1990 and 1999, average employment income among lone-parent families with earnings fell by just 3.5%, compared to an 18% decline in total income. Meanwhile, total government transfers fell by 15.7% over the period. In fact, there were two distinct periods: between 1990 and 1995, transfers rose by 19.1% and were then cut by 29.2% between 1995 and 1999.

This seems to reflect increases in social assistance rates in the early 1990s followed by deep cuts in 1995. Average social assistance benefits fell from \$11,200 to \$8,200 between 1995 and 1999 – a drop of \$3,000 or 27%. The proportion of lone-parent families receiving social assistance benefits also fell during this same period from 45.5% to 32.6%. It could be argued that declining “dependence” on social assistance reflects an improved job market and not program changes and benefit cuts. However, note that the average employment income of lone-parent families with earnings rose by just \$2,300 (7.5%) during the recovery period between 1995 and 1999, while total government benefits fell by \$3,100 (27.0%).

Table 1 in Appendix I provides some more details about the incomes of lone-parent families. It shows that 40.9% of such families with one child had incomes of less than \$20,000 in 1999, up from 37.1% in 1990, although down from a high of 46.9% in 1995. (An income of \$20,000 is very close to the LICO line for this family size.)

Many lone-parent families have not been able to earn enough to replace their reduced social assistance benefits, and they face huge barriers finding stable and reasonably well-paying jobs. Single mothers on social assistance in Agincourt indicated that they are working at paid jobs quite regularly, and they are far from fitting the stereotype of “welfare dependency.” They spoke eloquently about the numerous high hurdles which have to be overcome to get off social assistance and get into full-time jobs – which was what almost all of them wanted to do.

“I can get jobs easily, but I can’t get off the system.”

“You’re either falling into a bucket, or trying to crawl out.”

“A job at McDonald’s isn’t going to get us off the system. It’s not that it’s degrading, it’s just that \$7 per hour isn’t enough if you have kids.”

Residents of Agincourt, Downtown East, and Jane/Finch communities

The key problem is that low-paying and precarious jobs, particularly part-time jobs, just do not provide enough income to replace even low social assistance benefits, particularly when child care and transit costs must be taken into account. Regular hours are needed in order to better arrange child care.

Many of the single parents we spoke to worked significant hours for little or no net increase in income, in order to maintain access to subsidized child care and to obtain work experience. The extra earnings are clawed back from their social assistance cheques beyond a low threshold amount. One young woman we spoke with indicated that she worked evenings setting up for events at the Sky Dome. At night’s end, she ended up with just \$20 in her pocket after paying her transportation and child care expenses. She said she had done this work in order to make sure that she would be called in for

“Just because we are on social assistance and from a low-income area, doesn’t mean we can’t do the job.”

Resident of Jane/Finch community

work again. Key barriers to getting the kinds of jobs that would allow these women to get off welfare include lack of child care, lack of real employment training opportunities, and a lack of experience, combined with an unwillingness on the part of employers to these women a chance.

Singles

In the City of Toronto, the median income of non-family persons fell by 12.5% over the 1990s to just \$20,300 in 1999. During the recessionary period of 1990 to 1995, incomes fell by 18.0%, and rose modestly in the recovery period of 1995 to 1999 by 7.0%. Again, this was a much rougher roller-coaster ride than that experienced by non-family persons in Canada as a whole.

Singles who were working did much better. Employment incomes for earners actually rose by 12.2% – more than the 9% increase for such persons in Canada as a whole. This was also more than the increase in employment income for husband-wife families over the 1990s, although growth was more modest in the recovery period. However, the proportion of singles with employment income in 1999 was very sharply down from the 1990 level – 61.4% compared to 69.0%.

Between 1995 and 1999, the proportion of singles in Toronto receiving social assistance benefits fell from 18.9% to a still high 14.1% (a bit more than the national average) and the average social assistance benefits paid to recipients fell from \$5,700 to \$4,900. Average total transfers received (including social assistance benefits) fell by \$1,900 between 1995 and 1999.

What's Been Happening Lately? Changes in income from 1998 to 1999

In our analysis, we concentrated on changes in income over the 1990s (from 1990 to 1999) and during the recovery period from 1995 to 1999. Here we briefly highlight changes in the last year, from 1998 to 1999.

As shown in Table 4 below, 1999 was a strong year for the growth in average income for both the City of Toronto and Canada. The median total income of husband-wife families, adjusted for inflation, rose by 2.0% in Toronto, more than the 1.3% increase for all of Canada. Employment income for this family type rose by a very strong 3.4%, and the proportion receiving social assistance at some time in the year fell from 9.4% to 8.4%. The same picture is true for non-family persons, who experienced strong income gains which outpaced the national average.

The picture is different – and less reassuring – for lone-parent families. Their median incomes in real terms actually fell by 0.8%, despite an increase of 2.8% in average employment income. It seems that the drop in incomes for this family type is related to a sharp decline in the proportion of these families receiving social assistance – down from 38.0% to 32.6%.

Table 4: Changes in Income Between 1998 and 1999

		City of Toronto	Canada
Husband-wife Families			
Median total income	1998 (constant 1999 dollars)	\$50,300	\$53,400
	1999	\$51,300	\$54,100
	Change, 1998-1999	\$1,000 2.0%	\$700 1.3%
Average employment income for all husband-wife families (single and dual-earner) with employment income	1998 (constant 1999 dollars)	\$71,300	\$60,300
	1999	\$73,700	\$61,900
	Change, 1998-1999	\$2,400 3.4%	\$1,600 2.7%
Percentage of husband-wife population receiving social assistance	1998	9.4%	6.9%
	1999	8.4%	6.3%
	Change, 1998-1999	-1.0%	-0.6%
Lone-parent Families			
Median total income	1998 (constant 1999 dollars)	\$24,800	\$23,100
	1999	\$24,600	\$23,400
	Change, 1998-1999	-\$200 -0.8%	\$300 1.3%
Average employment income for lone-parent families with employment	1998 (constant 1999 dollars)	\$32,200	\$27,300
	1999	\$33,100	\$27,800
	Change, 1998-1999	\$900 2.8%	\$500 1.8%
Percentage of lone-parent population receiving social assistance	1998	38.0%	35.5%
	1999	32.6%	31.6%
	Change, 1995-1999	-5.4%	-4.0%
Non-family Persons			
Median total income	1998 (constant 1999 dollars)	\$19,800	\$17,500
	1999	\$20,300	\$17,800
	Change, 1998-1999	\$500 2.5%	\$300 1.7%
Average employment income for non-family persons with employment	1998 (constant 1999 dollars)	\$32,100	\$26,100
	1999	\$33,000	\$26,600
	Change, 1998-1999	\$900 2.8%	\$500 1.9%
Percentage of non-family persons receiving social assistance	1998	15.1%	14.7%
	1999	14.1%	13.9%
	Change, 1995-1999	-1.0%	-0.8%

Source: Statistics Canada, Small Area and Administrative Data, 1998 and 1999.

Below, we note that the proportion of City of Toronto residents in low income rose slightly between 1998 and 1999, despite strong income growth overall.

Falling Ever Further Behind: Low Income in the 1990s Recovery

In this section, we look at changes in the incidence of low income between 1995 – the first year for which data are available – and 1999.

Defining Low Income

Low income is defined as having an income of less than half the median income of a family of the same size and age composition for all of Canada. In 1999, the before-tax Low-income Measure (LIM) line was \$25,400 for a family of two adults and two children under age 16, and \$17,780 for a lone-parent family with one adult and one child under 16. A single individuals would be considered in low income if their pre-tax income was below \$12,700.

Table 5 below provides data on the incidence of low income in the City of Toronto and in Canada for 1995 and 1999. If we consider all persons, the rate of low income in the City of Toronto in 1999 was 23.3%, or almost one in four persons – much higher than the national average of 19.0%, and actually higher than the 1995 rate of 22.6%. Between 1998 and 1999, the low-income rate in Toronto rose marginally from 23.2% to 23.3%. Low income in the City of Toronto rose slightly over the recovery period, while falling very slightly at the national level. This tells us that people at the bottom of the income ladder have fallen behind others over this period.

The low-income rate for children (aged 17 and under) in the City of Toronto in 1999 was 32.3% or almost one in three, again much higher than the national average of 25.4%, and higher than it was in 1995 (30.8%). The low-income rate for seniors in 1999 was much lower at 12.2%, but again, it was higher than the national average of 9.4%, and higher than it was in 1995 (9.2%).

Looking at the incidence of low income by family type, the rate for husband-wife families with or without children was much higher in the City of Toronto than for all of Canada, but the averages for the other family types were very close to the national average. The higher incidence of low income in Toronto is mainly accounted for by the particularly high risks of husband-wife families.

While the tax-filer data do not allow us to say so, it is very likely that the high incidence of low income among two-parent families with children in Toronto is associated with belonging to a family of recent immigrants. Certainly this is the picture that emerged from an analysis of data from the last Census and from our discussion groups in selected low-income communities (see Changes in Low Income at the Community Level in this report, and Appendix V).

Table 5: Incidence of Low Income (LIM) in the City of Toronto and Canada, 1995 and 1999

Distribution for Family Types			
		City of Toronto	Canada
Incidence of low income for husband-wife families	1995	16.4%	11.3%
	1999	16.5%	11.1%
	Change 1995-1999	0.1%	-0.2%
Incidence of low income for husband-wife families with two children	1995	17.0%	11.3%
	1999	16.0%	10.5%
	Change 1995-1999	-1.0%	-0.7%
Incidence of low income for lone-parent families	1995	39.4%	44.2%
	1999	42.0%	42.9%
	Change 1995-1999	2.6%	-1.3%
Incidence of low income for lone-parent families with one child	1995	34.6%	38.4%
	1999	36.4%	36.9%
	Change 1995-1999	1.7%	-1.5%
Incidence of low income for non-family persons	1995	28.4%	30.2%
	1999	29.8%	31.2%
	Change 1995-1999	1.4%	1.1%
Distribution for Persons			
		City of Toronto	Canada
Incidence of low income for all persons	1995	22.6%	19.1%
	1999	23.3%	19.1%
	Change 1995-1999	0.7%	-0.1% *
Incidence of low income for seniors (65 years and older)	1995	9.2%	8.8%
	1999	12.2%	11.5%
	Change 1995-1999	2.9%	2.7%
Incidence of low income for children (17 years and younger)	1995	30.8%	25.3%
	1999	32.3%	25.4%
	Change 1995-1999	1.5%	0.1%

Note: * This figure is the result of rounding to one decimal.

Source: Statistics Canada, Small Area and Administrative Data, 1995 and 1999.

Depth of Low Income: The Very Poor

There are not only relatively more low-income persons in Toronto than for all of Canada, but they are also much poorer than average. In 1999, the LIM line for a husband-wife family with two children was \$25,400. The median income of such low-income families in the City of Toronto was just \$15,900 – or \$9,500 (37.4%) below the LIM line. Depth of low income was greater than for Canada as a whole, where it was \$8,900 or 35.0% (not shown).

For lone-parent families with one child, the LIM line in 1999 was \$17,780. But the median incomes of such low-income families in the City of Toronto was \$10,100, or 43.2% below the LIM line. Again, the depth of low income was greater in the City of Toronto than for all of Canada. In 1999, the low-income gap for this family type in all of Canada was \$6,680, or 37.6% below the LIM line. For single persons, the LIM line in 1999 was \$12,700, but singles in low income in the City of Toronto had median incomes of just \$7,300 or 42.5% below the line, compared to 37.6% in all of Canada.

Between 1995 and 1999, the depth of poverty in Toronto has worsened. When one takes into account the much higher-than-average rent levels faced by the majority of low-income families, the above figures actually underestimate the depth of low income in Toronto.

Table 6: Depth of Low Income, City of Toronto

	1995 (constant 1999 \$)	1999
Husband-wife families with 2 children		
LIM	\$24,178	\$25,400
Median income of low income husband-wife families with 2 children	\$16,013	\$15,900
Percentage below LIM	33.8%	37.4%
Lone-parent families with 1 child		
LIM	\$16,925	\$17,780
Median income of low income lone-parent families with 1 child	\$11,983	\$10,100
Percentage below LIM	29.2%	43.2%
Non-family persons		
LIM	\$12,089	\$12,700
Median income of low income non-family persons	\$7,317	\$7,300
Percentage below LIM	39.5%	42.5%

Source: Statistics Canada, Small Area and Administrative Data, 1995 and 1999.

Combining data on the incidence and depth of low income for 1999, we can say that just under one in 10 (8.0%) two-parent families with two children in Toronto survived on incomes of \$15,900 or less; one in five (21.0%) lone-parent families with one child survived on \$10,100 or less; and one in seven (14.9%) single individuals survived on \$7,300 or less. Few would disagree

that these incomes fall far short of meeting even very basic needs. For purposes of comparison, readers should note that annual rent for a two-bedroom apartment in Toronto averages \$10,548.²

Very deep low income in the City of Toronto compared to all of Canada is almost certainly the result of very low provincial social assistance rates. The 20% cut to benefits in Ontario worsened the situation for low-income persons to a greater extent than elsewhere in Canada (with the partial exception of Alberta).

Agencies and residents in the communities we visited spoke to the impacts of absolute poverty on children. Food bank programs are deluged because rent payments swallow up all the resources of many families. Boys and Girls Clubs have to provide even very basic school supplies such as pens and paper. Youth were described as becoming increasingly fatalistic in their outlook on life.

Agency workers felt strongly that they were struggling against growing public indifference to the needs of the very poor and marginalized whom they served. They were sharply critical of the ethos of “punishing the poor,” and described the realities of individuals dealing with very serious personal issues such as disability, mental illness and drug or alcohol dependency.

Agency participants underlined the growing depth of poverty among social assistance recipients, particularly for those who do not live in public housing and have to pay huge proportions of their income for rent. Many clients feel humiliated when dealing with the welfare system, which leads to mounting frustrations, anger and sometimes, violence.

“The poor are becoming the enemy.”

“The mainstream community has lost interest.”

“The meanness in the larger community is fuelling hopelessness here.”

“The ‘punish the poor’ mentality has intensified all of the problems.”

Agency workers, Downtown East community

² Canada Mortgage and Housing Corporation, 2000.

Growing Income Gaps Between Rich and Poor over the 1990s

Because of the growth of both high-income and low-income families, the proportion of middle-income husband-wife families with two children – that is, those with incomes between \$30,000 and \$100,000 – fell from 65% in 1990, to 59% in 1995, and to 57% by 1999.

Chart 2

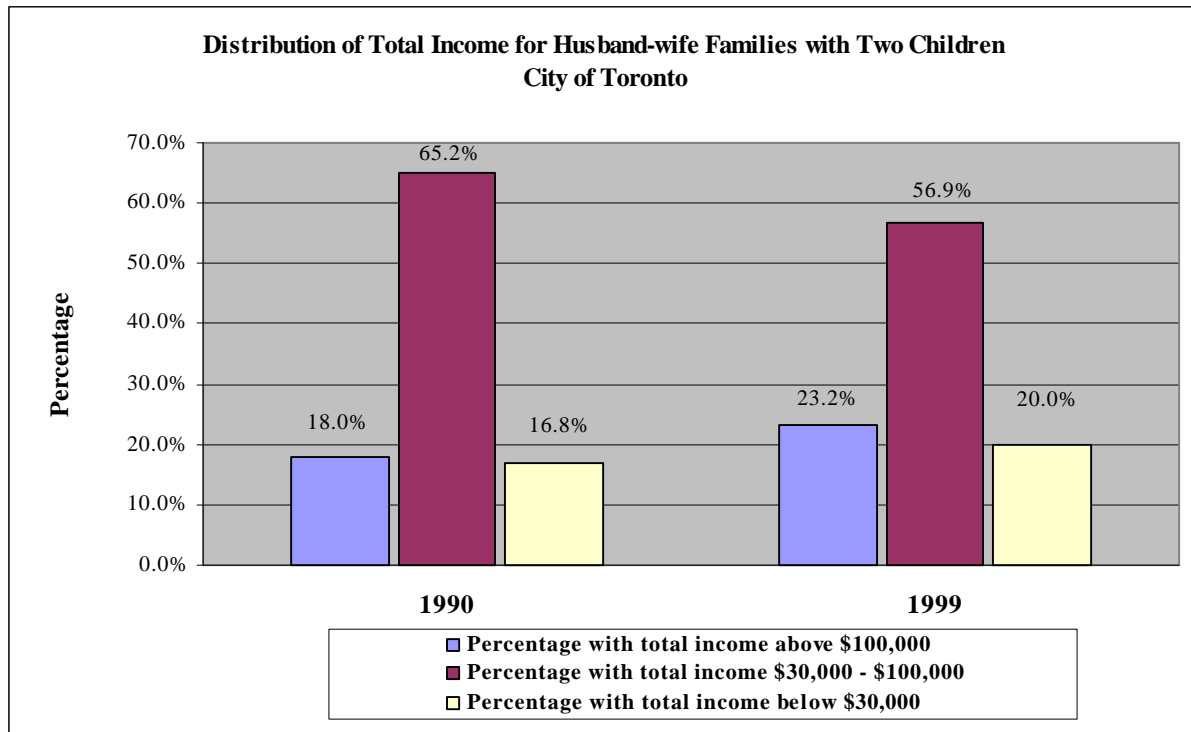


Table 2 in Appendix I provides additional details about the incomes of husband-wife families with two children. For this particular family type, median income fell by 12% (to \$60,600) between 1990 and 1999, the result of a 16.9% drop between 1990 and 1995, followed by a 5.6% increase between 1995 and 1999.

However, the percentage of such families having incomes of more than \$100,000 rose from 18.0% to 23.2% in the 1990s, dipping slightly in the recession, then rising very rapidly in the recovery period. Meanwhile, the proportion of such families with incomes under \$30,000 rose from 16.8% in 1990 to 20.0% in 1999. This overall pattern involved a rapid increase to 24.1% in 1995 (following the recession), then a slow decline during the recovery period of the late 1990s. (An income of \$30,000 is very close to the LICO line for this family type.)

Changes in Income at the Community Level: Neighbourhood stability and growing gaps

In our analysis, we looked at the 12 lowest-income FSAs in the City of Toronto and the 12 highest-income FSAs, ranked by median total income for the three different family types. The data are shown in Appendix I - Table 3. Our key finding is that there was little overall change in these rankings. Low-income areas tended to stay that way, as did higher-income areas. Further, the gaps between higher- and lower-income areas of the City generally grew over the 1990s.

In 1990, the median incomes of husband-wife families in the 12 lowest-income FSAs ranged from \$37,400 (in M4X) to \$48,200 (in M5B). The unweighted average was \$43,600. Ten out of the 12 lowest-income FSAs in 1990 were still among the bottom group in 1995, and they experienced a very large decrease in their median total incomes over this period. The drop in real incomes ranged from a decrease of 10.1% (in M6H) to 27.4% (in M5B) and averaged 19.7%. In 1995, the bottom 12 FSAs had median incomes for husband-wife families ranging from \$28,000 (in M5T) to \$39,900 (in M3C). The unweighted average was \$35,000. Of the 12 lowest-income FSAs in 1990, eight remained among the bottom 12 in 1995.

Each of these eight and all but one of the 12 lowest-income FSAs in 1995 experienced a slight increase in their median total incomes between 1995 and 1999. The increases ranged from 1.3% (in M5A) to 12.3% (in M5B). Only one of the 12 lowest-income FSAs in 1995 showed a decline in total median income between 1995 and 1999: M4H (-6.5%). In 1999, the 12 FSAs with the lowest median incomes had incomes ranging from a low of \$30,500 (in M5T) and a high of \$42,100 (in M3J). The unweighted average in 1999 was \$36,800.

Overall, there was limited movement in the rankings of the 12 FSAs at the bottom between 1990, 1995, and 1999³. Eight of the bottom 12 in 1990 were still in the bottom 12 in 1999. Appendix I, Table 3 presents the details.

³ Among the FSAs with the lowest median total incomes, a rank of 1st should be interpreted to mean that this FSA had the lowest median total income of all FSAs (the lowest of the low); conversely, a ranking of 12th means that FSA had the 12th lowest median total income of all FSAs.

Affluent Communities More Stable

There was very little change among the group of 12 highest-income FSAs. In 1990, FSAs in this group had total incomes ranging from \$98,600 (in M4G) to \$136,700 (in M4W). The unweighted average of median total incomes was \$114,200. Eleven of the 12 highest-income FSAs in 1990 were again among the top 12 FSAs in 1995. These more affluent areas were not unscathed by the recession, however. All but one experienced a decrease in median income over this period. The decline ranged from a drop of 1.0% (in M4G) to a decrease of 20.8% (in M2L). The one exception to this trend was M4N, which experienced a slight increase of 1.2%.

In 1995, median total incomes for the 12 highest FSAs ranged from \$92,200 (in M2L) to \$133,100 (in M4N). The unweighted average was \$109,300. Of the 12 highest-income FSAs in 1990, 10 remained among the top group of FSAs in 1999. Between 1995 and 1999, all 10 of these FSAs experienced an increase in income, ranging from 2.7% (in M5N) to 24.6% (in M4N). Eight experienced increases of at least 13%. In 1999, median total incomes for the 12 highest FSAs ranged from \$102,400 (in M4G) to \$165,800 (in M4N), and the unweighted average was \$125,600.

Map 9 in Appendix II shows the median total incomes for husband-wife families by FSA in 1999. The higher-income FSAs are concentrated in the area to the north of the downtown core, and the lowest-income FSAs are concentrated in the areas that are south and east of the higher income areas.

The Growing Neighbourhood Income Gap

A ratio of the average median total income for the bottom 12 FSAs to the average median total income for the top 12 FSAs (unweighted) can be calculated for husband-wife families in each of these years. In 1990, the bottom 12 had an average median total income that was just 38.2% of incomes in the top 12 (unweighted by population). In 1995, this ratio decreased to 32.0%. In 1999, it fell still further to 29.3%. Put another way, in 1999, husband-wife families in the poorest areas of the City of Toronto had just 29 cents of pre-tax income for every \$1 held by those in the top 12 FSAs, down from 38 cents in 1990.

This gap grew because families in the poor areas experienced much steeper income declines between 1990 and 1995 (down 19.7% compared to a fall of 4.3%) and they experienced a much smaller increase in the 1995 to 1999 recovery period (5.1% compared to 14.9%). Over the 1990s, affluent areas grew more affluent and poor areas became poorer. Median incomes in the top 12 FSAs grew by 9.9%, while those in the bottom 12 FSAs fell by 15.6%. However, affluent areas did suffer modestly in the recession, and most poor areas have benefited modestly from the recovery.

Table 7: Neighbourhood Income Trends for Husband-wife Families, City of Toronto

	1990	1995	1999
Unweighted average of median total income			
Bottom 12 FSAs (Constant 1999 \$)	\$43,600	\$35,000	\$36,800
Top 12 FSAs (Constant 1999 \$)	\$114,200	\$109,300	\$125,600
Ratio of Bottom 12 to Top 12 FSAs	38.18%	32.02%	29.30%

Source: Statistics Canada, Small Area and Administrative Data, 1990, 1995, and 1999.

Appendix II provides maps showing changes in income at the community level for lone parents (Map 6) and single persons (Map 8). The areas in which these lower income family types live are not necessarily the same as those where we find low income husband-wife families. These areas also tend to change over time.

Neighbourhood Concentration of Low Income

Of the 12 lowest-income FSAs based on the low-income rate for all persons, we found that 10 of the 12 in 1995 were still in the bottom group in 1999, and one of the remaining FSAs barely “escaped” to 14th place. Table 8 below shows changes in the rankings between 1995 and 1999. Overall, there is a great deal of stability in the rankings as one would expect over this relatively short period of time. (Maps in Appendix II show the low-income rate for all persons and other groups by FSA in 1999.)

When communities are grouped by low income for different family types, we again find that the poor areas tend to remain relatively poor. Among the 12 FSAs with the worst low-income rate for all persons, the average rate rose from 32.4% in 1995 to 34.3% in 1999. For the 12 FSAs with the worst low-income rate for children, the average rate rose from 45.4% to 47.9% over this same period. In short, the relatively poorest areas became even poorer during the economic recovery period.

Low income is significantly concentrated. In 1995, the 12 lowest income FSAs contained 13.0% of the City population, but 18.6% of all low income residents. In 1999, these same 12 FSAs contained 13.1% of the population, and 18.7% of all low income persons. This stability is disturbing given that 2 of the worst 12 FSAs in 1995 were not in the worst 12 in 1999. One might have expected recovery to reduce concentrations of low income produced in a period of downturn, but this has not been the case.

While low-income areas have fallen behind and clearly face very serious problems, it is important to note that many low-income residents of Toronto do not live in very low-income areas. Low income is concentrated in certain areas, but it is also quite widely dispersed across the City. Seventy-one of 95 FSAs had low income rates ranging between 12.0% and 30.0%. Moreover, some areas have a high concentration of low-income single parents, but not

[Insert Appendix II – Map 16 here]

Table 8: The 12 Lowest-income (LIM) FSAs in the City of Toronto, for All Persons, Seniors, and Children 0-17 years of age, 1995 and 1999

		1995	Rate	1999	Rate	Change 1995 to 1999
All persons	1	M5A	43.6%	M5A	46.7%	No change
	2	M5T	38.4%	M5T	38.6%	No change
	3	M4X	34.2%	M4X	37.1%	No change
	4	M3N	33.0%	M4H	35.5%	4th to 8th
	5	M5B	32.8%	M6K	34.7%	5th to 6th
	6	M6K	32.3%	M5B	33.8%	6th to 5th
	7	M4M	31.4%	M4M	33.2%	No change
	8	M6A	29.2%	M3N	32.9%	8th to 9th
	9	M1V	28.9%	M6A	30.4%	9th to 14th
	10	M1G	28.6%	M1G	30.2%	No change
	11	M5V	28.6%	M1L	29.6%	11th to 43rd
	12	M3C	28.2%	M3C	29.4%	No change
Unweighted average rate:			32.4%		34.3%	
		1995	Rate	1999	Rate	Change 1995 to 1999
Seniors	1	M1V	39.5%	M1V	40.3%	No change
	2	M1X	33.3%	M1X	30.8%	No change
	3	M1B	27.7%	M1B	30.5%	No change
	4	M1S	21.3%	M5G	28.0%	4th to 5th
	5	M5G	20.0%	M1S	24.9%	5th to 4th
	6	M5T	19.4%	M4X	23.6%	6th to 7th
	7	M9V	18.9%	M5T	22.8%	7th to 9th
	8	M1W	18.8%	M1W	21.8%	No change
	9	M5B	18.8%	M9V	21.2%	9th to 12th
	10	M3N	17.6%	M3N	19.9%	No change
	11	M4M	17.4%	M5A	19.9%	11th to 13th
	12	M4X	17.3%	M5B	19.7%	12th to 6th
Unweighted average rate:			22.5%		25.3%	
		1995	Rate	1999	Rate	Change 1995 to 1999
Children (0-17 years)	1	M5A	59.4%	M5A	64.6%	No change
	2	M5T	53.3%	M5T	53.1%	No change
	3	M5B	48.2%	M5B	50.0%	No change
	4	M6A	45.9%	M4H	49.7%	4th to 7th
	5	M5V	45.8%	M5G	46.9%	5th to 16th
	6	M4Y	43.8%	M4Y	46.7%	No change
	7	M4X	43.1%	M6A	46.3%	7th to 10th
	8	M3N	43.0%	M3N	44.3%	No change
	9	M4H	40.7%	M4M	44.2%	9th to 4th
	10	M4M	40.6%	M4X	44.0%	10th to 9th
	11	M3C	40.5%	M3C	43.3%	No change
	12	M5G	40.0%	M1J	41.7%	12th to 5th
Unweighted average rate:			45.4%		47.9%	

Source: Statistics Canada, Small Area and Administrative Data, 1995, and 1999.

necessarily of low-income seniors. The full report provides maps and data that demonstrate the complexities underlying the shifting needs at the neighbourhood level in the 1990s. It should be noted that an FSA with a high rate of low income does not necessarily have a very high number

of persons in low income. That is because some FSAs have much larger populations than others. Furthermore, persons in low income are still fairly widely distributed across the City of Toronto.

Table 9 below provides population numbers for the 12 lowest-income FSAs ranked by the rate of low income, and for the 12 lowest-income FSAs ranked by the total number of low-income persons. These two categories overlap (M1V, M3N, M5A) but they are not the same. The FSAs on both lists – Jane Finch, Downtown East and Agincourt – are included in the four community profiles which follow. Note that these four community profiles cover 50,510 low-income persons, or 9.2% of all low-income persons in the City of Toronto.

Table 9: Low-income FSAs in the City of Toronto, by Number of Persons and Incidence, 1999

Based on Incidence				Based on Number of Low Income Persons			
FSA	Number of persons 1999	Low Income	Low Income Rate - All Persons 1999	FSA	Number of persons 1999	Low Income	Low Income Rate - All Persons 1999
M5A	30,050	14,020	46.7%	M3N	48,290	15,890	32.9%
M5T	16,150	6,230	38.6%	M9V	58,730	15,790	26.9%
M4X	19,470	7,220	37.1%	M1V	55,740	15,470	27.8%
M4H	14,930	5,300	35.5%	M1B	61,870	14,440	23.3%
M6K	30,770	10,680	34.7%	M5A	30,050	14,020	46.7%
M5B	6,740	2,280	33.8%	M2J	53,380	13,980	26.2%
M4M	21,970	7,290	33.2%	M1W	49,620	12,830	25.9%
M3N	48,290	15,890	32.9%	M1K	47,750	12,630	26.5%
M6A	16,960	5,150	30.4%	M4C	45,300	11,400	25.2%
M1G	29,620	8,950	30.2%	M6M	40,670	11,180	27.5%
M1L	26,900	7,960	29.6%	M6H	45,350	11,160	24.6%
M3C	32,570	9,560	29.4%	M6N	41,630	10,830	26.0%
Total	294,420	100,530	34.1%	Total	578,380	159,620	27.6%
% of population	12.3%	18.0%		% of population	24.2%	28.6%	
City of Toronto	2,394,320	558,450	23.3%				

Source: Statistics Canada, Small Area and Administrative Data, 1999.

Summary of the Community Profiles

As part of this study, we conducted discussion groups with agencies and with selected groups of residents in four low-income areas of Toronto: Downtown East/Regents Park; Agincourt/North West Scarborough; Jane-Finch; and Thorncliffe Park. Two of the four communities were among the 12 lowest-income Forward Sortation Areas (FSAs) in both 1995 and 1999, and the Downtown East area was by far the lowest-income FSA in the City in both of these years. Thorncliffe Park is a more recent low-income area. Agincourt rose marginally out of the bottom

12 in 1999. In total, the four communities contained almost one in ten low income persons in the City.

These communities, while having low incomes, show both similarities and differences. Many people in the Regents Park area of Downtown East and in Jane-Finch live in social housing, but this is not true of Thorncliffe Park or Agincourt. All of the communities we studied are culturally diverse and have a large proportion of newcomers to Canada. This is particularly true of Thorncliffe Park and Agincourt, which have recently welcomed large numbers of Asian immigrants and refugees. For the most part, these new immigrant communities are made up of large families with young children, while there are many more single-parent families in other parts of the City.

The Downtown East struggles much more than the other areas with problems of literal homelessness and has a large “street” population. Agencies in Downtown East see many of their clients as extremely marginalized people who have lost all sense of hope.

The sense of mounting desperation was also strong in Jane/Finch. The sense of hope for the future that once permeated this community was said to have changed to one of pessimism and even desperation. Social problems in Agincourt and Thorncliffe Park were seen as severe but more recent. Talk was more of frustration and dashed hopes, rather than of desperation.

We found that the residents of all of these communities felt stigmatized because of living in “known” high-needs areas, however, they expressed more positive perceptions about their own communities than those that are often found in the media. Residents in each of these communities stressed that people stick together and help one another. All the young people we spoke to had numerous friends in their neighbourhoods.

“We have gone backwards in terms of settlement – having to deal with extreme poverty in the community, youth who have nothing to do... we are back to basic needs of development.”

“They need to come and live in Jane-Finch before they talk about living here.” “People get along. The area gets a bad rap.”

“This is a tight community. More focus is on the bad stuff, but there are good things happening here.”

“People know each other and look out for other people’s kids.” “People are involved in the community.”

Residents of Jane/Finch, Agincourt and Thorncliffe Park communities

With some important reservations, residents had a positive view of the services that were available to them from community-based social agencies. The diversity of these communities

was also appreciated. “This is a vibrant and exciting community.” Many of these areas have very strong and cohesive newcomer communities built around institutions such as the local mosque.

That being said, however, most residents and agencies also had major concerns about the direction of change in their immediate community. In all areas, and particularly in the Downtown East and Jane-Finch communities, there was a lot of concern over rising rates of violent crime linked to the drug trade. This was hardly surprising, given recent events in the City and extensive media coverage. There was a pervasive concern over personal safety, especially that of children.

“They’re going too far now, doing really crazy stuff.”

“They should stop shooting innocent people.”

“It was safe before. Now I’m afraid to go out. I don’t go out.”

“Five years ago, it wasn’t so bad.”

“There are many problems. You have to take precautions.”

“The kids can’t go downstairs without me or somebody.”

Residents of Jane/Finch, Downtown East and Thorncliffe Park communities

Children and Youth

Many of the agencies and residents we spoke to highlighted the negative impacts of absolute poverty on children. Food bank programs are deluged because rent payments swallow up all the resources of many families. Boys and Girls Clubs have to provide very basic school supplies such as pens and paper. Violence in the home is a huge and growing problem, swamping available agency resources. There are enormous gaps in services and very long waiting periods for children with special needs.

“Kids in the community are being impacted tremendously by family violence, not because the parents are bad parents, but because of the stress they are having to deal with.”

Agency workers, Agincourt, and Thorncliffe Park communities

Most of the parents we spoke to thought their own younger children were generally doing well. A major theme that emerged from our discussions was the mounting alienation of youth in these communities and the lack of programs and services for young people. Recreational programs and facilities are very thin on the ground in these communities, and much more – but not nearly enough – is available to help younger children. Youth are woefully neglected.

“They hang out in the mall.”

“There’s a lot of them just hanging around the hallways and the streets. There’s nothing for them to do.”

“They are just hanging about and getting into fights. They need to get into some kind of activity.”

Residents of Thorncliffe Park, Agincourt, and Jane/Finch communities

Some participants reported that excessive policing has exacerbated the alienation of minority youth. At the same time, many youth in the community are themselves victims of violence, and they fear gangs.

“The intensity of community policing is incredible. Every young man of colour I know has had some level of involvement with the police.”

“Overall, youth are more concerned with their own safety today than before. They don’t feel safe in their communities or schools.”

Agency workers, Jane/Finch and Downtown East communities

Agencies drew attention to a number of issues concerning youth, including the high and rising barriers to employment. As a result of the issues they face, some youth were described as becoming increasingly fatalistic in their outlook on life. Concerns were also expressed about high rates of exclusion of “problem youth” from schools for relatively minor incidents. There is usually no follow-up, so the kids just drift.

Another shared concern amongst agency workers was for youth in the child welfare system. Many youth leave for the streets and shelters as soon as they leave the child welfare system, again, mainly due to lack of follow-up. Young women leaving the system become teen parents with children of their own who are soon taken into care, perpetuating a vicious cycle.

“The barriers to employment that youth face are incredible. There is a stigma associated with coming from the Jane-Finch area, so many youth don’t like to give their address.”

“There is a technology gap – there are jobs requiring higher training, but these kids don’t have access to computers. Many kids are dropping out.”

“There is too much emphasis on university and college, and not enough on trades or apprenticeships, and the level of education needed for these apprenticeships has increased, shutting the door on many.”

“There are no provincially funded youth employment programs left here. The Ministry consultant has never been in the area.”

“Many young women are thinking that they might as well have their babies now, since there is little hope for them in school.”

“Young people just don’t care anymore. They know this is where they are going to be for the rest of their lives.”

Agency workers, Agincourt, Downtown East, Jane/Finch and Thorncliffe Park communities

Problems of Newcomers

All of the communities profiled have large populations of newcomers to Canada who are facing enormous settlement difficulties. Housing is an acute problem, particularly for those with larger families.

Access to reasonably well-paying jobs is extraordinarily difficult and is perhaps the single most pressing social issue. Newcomers in these communities typically work in low-paying service sector and factory jobs, even though many have high educational credentials and professional qualifications. The major barriers to better employment are lack of Canadian experience, few Canadian contacts, and for some, limited skills and education. For others, lack of language skills is a key barrier, yet they are ineligible for language training programs. Some newcomers reported difficulties obtaining useful job-related information. Women newcomers – particularly for those working nights or on shifts – cited the lack of child care as a barrier to getting ahead in the job market and gaining language skills.

Employment supports provided by settlement agencies with government funding are very limited, and they are mainly confined to basic instructions about how to look for a job and language training. When employment services are provided by agencies, they can be very effective. There was enormous frustration among recent immigrants over this lack of recognition of their skills and qualifications. Many employers need to be informed that recent immigrants

often do have good skills and qualifications, as well as practical experience in their countries of origin.

“They take survival jobs for three years, then they are ineligible for the language training programs.”

“The employment opportunities for newcomers and services to help them are just appalling. We see a lot of newcomers, but there are a lot of restrictions tied to funding. We are struggling to help clients who have been here longer than three years.”

“Although many are highly skilled and well educated, they are unable to find jobs in their field.”

Agency workers, Thorncliffe Park and Agincourt communities

“There are no real jobs.”

“It’s really difficult getting ahead.”

“They don’t look at the person as a whole, they only look for a piece of paper.”

“They demand Canadian experience, but won’t give us a chance to get it.”

“There’s nowhere to go for information on how to get an education.”

“It is a loss to Canada that our skills are not being used.”

Residents, Agincourt, Thorncliffe Park, Downtown East, and Jane/Finch communities

Many newcomers and agency workers thought people had been misinformed about opportunities available in Canada. Several newcomers noted they had “burnt their bridges” back home in order to get here, and that now there was “no going back.” Agencies stressed the acute social problems which flow from a sense of personal failure among many well-educated new male immigrants who feel stuck in dead-end jobs in Canada.

Working at low-paying jobs for long hours allows for bare survival, but it limits the ability to really move ahead. One woman we met in Thorncliffe Park has a pharmacist husband who works 12-hour days, six days a week in a bakery for \$7 per hour. Paying rent of \$1,600 per month for a house for their family of three children leaves them with little disposable income. As this woman told us, “He wants to study as well, but he is too tired to study.”

“The professionals sell everything to come here, and they end up as factory labourers. Some take it out on their families.”

“People are coming from all over, and many are the cream of the crop from their countries. A key problem when they come here is employment. I don’t know whether or not the government is giving them the wrong idea of what they will face once they are here.”

“People are mentally dying.”

“They come with high hopes, all shattered.”

“It’s not just income, but also a matter of social status.”

“They go through the heartbreak of giving all their money to an agent, then find out that even if they are professionals, they can’t work. There’s no housing and they have to live with others.”

Agency workers, Thorncliffe Park and Agincourt communities

Agencies told us that the frustrations and stresses of living in very crowded conditions, on low incomes, sometimes leads to major problems of domestic violence directed against recent immigrant women. Many have enormous difficulties coping with the stresses and strains of a new culture, and they have few options if they are abused, given the lack of services and fears about leaving a close community in a new country. While agencies can and do provide welcome assistance, they are overwhelmed by the huge growth of settlement needs, particularly in areas such as Agincourt where agency services are extremely thin on the ground.

“We need to look at poverty among women; they bear the brunt of it.”

“There are many women living in very isolated and abusive situations.”

“In addition to problems of spousal abuse, we have seen elder abuse, and children who see it in the home perpetuate the poor treatment of women in how they deal with their mothers.”

Agency workers, Agincourt and Thorncliffe Park communities

Housing

Housing is an enormous problem for all people living in low income in Toronto, whether they are newcomers, single parents, the working poor, single people, or seniors. We were repeatedly told – as the figures in this report bear out – that incomes in these communities fall far short of the average rent, and that rents are rising much faster than are incomes. One result is very severe overcrowding, which some agencies cite as one of the underlying factors of family violence. In every community, we were told of large families with children sharing two-bedroom apartments, of single persons living in grossly sub-standard housing, and of youth “couch surfing” and living in crowded rooms. To get some sense of the overcrowding in Thorncliffe Park, one small area of high-rise apartment buildings is home to enough children to necessitate about 20 kindergarten classes in the local school.

The incidence of evictions is growing, since vacant units can be rented out for more money, and low-income tenants, particularly newcomers, are highly vulnerable to a loss of housing. Some end up in shelters or on the streets. Additionally, both residents and agencies noted that both private and public housing are poorly maintained, leading to isolation within the community.

“We have clients sharing apartments. People are forced to live together and end up in violent disputes as a result.”

“Friends won’t come to my place.”

“It’s embarrassing for kids to bring friends and for us to bring relatives home.”

“It’s hard to move out even if you have a job. You need first and last month’s rent and have to find something affordable.”

Agency workers and residents, Jane/Finch, Thorncliffe Park, Agincourt and Downtown East communities

Social Assistance

Many of the community residents we spoke to were on social assistance, and agencies we spoke to were serving these clients. Agency workers felt they were struggling against growing public indifference to the needs of the very poor and marginalized whom they served. They were sharply critical of the ethos of “punishing the poor,” and eloquently described the realities of individuals dealing with very serious personal issues such as disability, mental illness and drug or alcohol dependency.

In the Downtown East in particular, agencies spoke about the increased hopelessness of the very marginalized “street” population. Services are overwhelmed, and there is a huge unmet need for transitional housing and supports for the severely mentally ill, drug users, and youth on the streets – including many young mothers.

“The poor are becoming the enemy.”

“The mainstream community has lost interest.”

“The meanness in the larger community is fuelling hopelessness here.”

“The ‘punish the poor’ mentality has intensified all of the problems.”

Agency workers, Downtown East community

All participants underlined the growing depth of poverty among social assistance recipients as a result of cuts to benefits, particularly for those who do not live in public housing and have to pay huge proportions of their income for rent. As one resident described; “Ten years ago, people could survive. Now the welfare cheque *is* the rent cheque.”

Most social assistance clients to whom we spoke – mainly single mothers with children – are working at paid jobs quite regularly, and they are far from fitting the stereotype of “welfare dependency.” They eloquently spoke about the high and numerous hurdles which have to be overcome to get off social assistance – which was what almost all of them wanted to do. Many lone-parent families have not been able to earn enough to replace their reduced social assistance benefits, and they face huge barriers finding stable and reasonably well-paying jobs. Single mothers on social assistance in Agincourt indicated that they are working at paid jobs quite regularly, and they are far from fitting the stereotype of “welfare dependency.” They spoke eloquently about the numerous high hurdles which have to be overcome to get off social assistance and get into full-time jobs – which was what almost all of them wanted to do.

“I can get jobs easily, but I can’t get off the system.”

“You’re either falling into a bucket, or trying to crawl out.”

“A job at McDonald’s isn’t going to get us off the system. It’s not that it’s degrading, it’s just that \$7 per hour isn’t enough if you have kids.”

Residents of Agincourt, Downtown East, and Jane/Finch communities

The key problem is that low-paying and precarious jobs, particularly part-time jobs, just do not provide enough income to replace even low social assistance benefits, particularly when child care and transit costs must be taken into account. Regular hours are needed in order to better arrange child care.

Conclusion

The evidence from both the statistical data and our community consultations is very clear: Toronto is a community growing apart. Gaps have grown between families and between neighbourhoods. More people are living in low income, despite the economic recovery of the 1990s, and those living in low income are falling even further behind.