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A LOST DECADE:

URBAN POVERTY IN CANADA, 1990 TO 2000

Gail Fawcett and Katherine Scott

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A Lost Decade: Urban Poverty in Canada, 1990 to 2000 is published by the Canadian Council on Social Development, as part of the Council's Urban Poverty Project.

ISBN 0-88810-536-3

The *Urban Poverty Project 2007* is a series of comprehensive analytical reports, resource tools, and data profiles which take a broad look at different aspects of urban poverty in Canada, using detailed data from Statistics Canada Censuses and other sources.

This series of on-line documents and resources is designed to be both user- and planet-friendly. It includes fact sheets, poverty data tables, in-depth reports, and summary documents. All UPP materials are available at <http://www.ccsd.ca/pubs/2007/uppl/>.



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This project is funded by the Government of Canada's Social Development Partnerships Program. The opinions and interpretations in this publication are those of the authors and do not necessarily reflect those of the Government of Canada.

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FOREWORD



In 1996, the Canadian Council on Social Development (CCSD) published a small study on poverty in Canadian metropolitan areas, using data from the 1991 Census. That report was entitled *A Statistical Profile of Urban Poverty*. Local level data on poverty were difficult to come by, and the study proved valuable to many people involved in poverty reduction initiatives across the country.

In the following years, the CCSD decided to design a more detailed follow-up study, using data from the 1996 Census. However, due to the substantial costs of acquiring the necessary custom data from Statistics Canada, the CCSD needed partners to help support the initiative. As well, it was felt that having the direct involvement of people who would be using such data for their own purposes would help raise awareness of Canada's poverty problem and would facilitate more research to address these pressing issues.

Thus, the Urban Poverty Project was developed to carry out two primary activities: to provide relevant local level poverty data of use to the project partners and to search for factors underlying differences in poverty among communities. Many regional and municipal level governments, along with a wide range of community-based organizations, participated in that first Urban Poverty Project initiative, together forming 19 consortia across Canada. Participants shared in the costs of obtaining important poverty data and helped to fund the production of *Urban Poverty in Canada: A Statistical Profile*, published in 2000.

The most recent cycle of the Urban Poverty Project draws on 2001 Census data. Again, community partners have come together to form local consortia to purchase and analyze local level poverty data. In total, over 50 different regional and municipal authorities and local organizations – through 15 local consortiums – have

acquired their own poverty databases, containing detailed information about their communities, and have produced a diverse array of materials in support of alleviating poverty. In addition, the CCSD has undertaken to produce an updated version of its 2000 Urban Poverty Project report.

In 2007, the Urban Poverty Project has been redesigned as a series of online reports, data and analysis. These include:

- a database of 111 community profiles (some of which were grouped into a publication to address the needs of social planning and community development organizations);¹
- a time-series analysis of urban poverty in the 1990s, presented here;
- a more detailed analysis of urban poverty in 2000, which includes an examination of vulnerable groups, as well as important factors such as education and employment;
- another database of over 100 poverty data tables by community; and
- a summary report that pulls all of the key themes together and links them to a discussion of poverty reduction and economic development at this juncture.

It is the CCSD's hope that these data and reports will serve as important references for continued work on poverty in Canada. The CCSD is proud to be a part of this initiative, and we look forward to carrying on the tradition in the future using upcoming data from the 2006 Census.

ACKNOWLEDGEMENTS



As with most projects of this size, the work contained in this report is the result of many people's efforts. We are grateful to them all.

The CCSD's Urban Poverty Project would not have been possible without the generous support of our many national and community partners in this project. A number of current and former CCSD staff also lent their considerable expertise to this project. Spyridoula Tsoukalas was the project lead of the Urban Poverty Project from 2003 to 2006. Spyridoula, Nathasha MacDonald and Coryse Ciceri prepared the initial analysis and draft of the Urban Poverty product series. Other CCSD staff members provided support, notably Paul Roberts, Kate Rexe, Sylvain Schetagne and Angela Gibson-Kierstead.

Thanks also to Gail Dugas and Nancy Perkins, who have coordinated the production, distribution and communication activities related to the Urban Poverty Project. Susan Scruton was responsible for adapting project materials for the website.

Our partners at Human Resources and Social Development Canada provided funding that helped to support the research and production of the Urban Poverty Project.

CHAPTER 1:

A LOST DECADE



The recession of the early 1990s cast a long shadow. The growth in the number of poor people across Canada was noteworthy. Canada entered the decade with an already high poverty rate of 16.2%. This rate rose to 19.7% in 1995 and then fell back to 16.2% in 2000, spurred by economic and employment growth in the late 1990s.² Although the economic engine was operating full steam ahead by the end of the decade, Canada made no progress in reducing its comparatively high level of poverty during the 1990s. Indeed, the poverty gap widened and, in absolute terms, the number of poor Canadians increased by 10.1%, from 4.3 million to 4.7 million. Today, many Canadians continue to struggle on low incomes, on the margins of the economic prosperity that others have enjoyed over the past several years. In terms of the fight against poverty, the 1990s was a lost decade.

Evidence from the research literature suggests that fundamental changes in the Canadian labour market, coupled with the erosion of key income security programs, have resulted in growing income inequality in Canada, notably among working-age families.^{3,4,5} The gains associated with the economic expansion of the 1990s went mainly to higher income families, while the earnings of poorer working-age families stagnated and social transfers fell. By the end of the 1990s, the combined incidence of low income and the poverty gap was higher than it had been at the end of the 1980s in all areas of the country – with the exception of Manitoba and Saskatchewan.^{6,7} Whereas low income families were able to “catch up” after the 1981-1982 recession, they were left behind in the 1990s.

The impact of the 1991-1992 recession and its anaemic recovery are still evident in communities across Canada today. The outward signs of high levels of persistent poverty appear in the numbers of homeless families and individuals living in shelters and on the street,⁸ the 100% increase in the use of food banks since 1989⁹ and the reports of local service agencies warning that their clients are falling further behind.¹⁰ These are some of the most visible signs of the growing income gap in Canada – one of the most significant challenges facing Canadian society today.

Nowhere are these changes felt more keenly than in Canadian cities. As Canada’s population has become increasingly urbanized, the number of poor households living in urban areas has grown as well. Today, chronic levels of poverty, polarized job opportunities, low wages and unaffordable and inadequate housing in large cities create a fundamental challenge to the future of Canada and the quality of life of Canadians. While many of these problems used to be confined to a select number of central or core cities such as Toronto or Vancouver, we are seeing new evidence of the growth of poverty in adjacent “suburban” cities. Although stark disparities remain between rural or remote communities and urban centres, the experience of deprivation in cities – especially Canada’s largest cities – is now significant.¹¹

It is within cities and urban regions that the character of tomorrow's Canada is being shaped. The concentration of population within cities is likely to continue. Recent research suggests that as much as 80% of economic and population growth will occur in five broadly defined urban regions: Greater Toronto, Vancouver and the Lower Mainland, Greater Montréal, Ottawa-Gatineau and the Calgary-Edmonton Corridor.¹² Thus, how cities function is vital to Canada's economic and social well-being. If our large cities succeed, the country can prosper; if they fail, the consequences will be felt everywhere.

The impact of size and place on the experience of poverty is not surprising in a country as diverse as Canada, made up of varied regional economies and communities. Aggregate figures tend to mask the various dimensions of life living on low income in Canada. This is true of poverty at the national and subnational levels. Even the character of urban poverty varies from province to province, from urban area to urban area, from neighbourhood to neighbourhood and shifts over time, as this analysis reveals.

In this report, we explore one of the most fundamental issues facing cities, that of urban poverty and the emerging pattern of inequality that now characterizes

urban Canada. Specifically, we examine the changes in the rate and concentration of low income through the 1990s within Canada's largest census metropolitan areas (CMAs) and census subdivisions (CSDs), and the neighbourhoods within them. We also look at the patterns of change evident between large urban areas (CMAs) and non-CMAs and among the different urban areas examined in this study, with a focus on size of urban area.

All of the great social and economic policy questions today are urban policy questions.¹³ We hope that this report will help foster a greater understanding of the growing reality of urban poverty in Canada and assist in efforts to develop effective strategies that foster the health and well-being of communities and their residents.

In the first chapter of this report, we outline the context for this study of urban poverty, focusing on some of the key challenges and prospects facing cities today. The next chapter provides an overview of urban poverty through the 1990s. A more detailed examination of the different patterns of poverty follows, first, among CMAs – large urban areas – and then, among large CSDs – the larger cities within Canada's large urban areas. Lastly, we evaluate the findings within the context of recent policy debates.

CENSUS GEOGRAPHIES

The main sources of data used in this report are custom tabulations of Census of Canada data from 1991, 1996 and 2001. Data are presented for the country, provinces, census metropolitan areas, census subdivisions and census tracts for persons living in private households.¹⁴

Census Metropolitan Areas (CMAs) – Large Urban Areas

A CMA is defined as "a very large urban area (known as the urban core), together with adjacent urban and rural areas (known as urban and rural fringes) that have a high degree of social and economic integration with the urban core." A CMA has one or more urban core populations of at least 100,000, based on the previous Census. Overall, there were 27 CMAs in 2001.

Census Subdivisions (CSDs) – Large Cities

CSD is the general term for a provincially defined municipality such as a city, town, village, township or Indian reserve. This report focuses primarily on large CSDs as the unit of analysis to compare urban poverty – those with populations over 100,000, located within CMAs. If there is no CSD with a population greater than 100,000 within a CMA, the largest CSD within the CMA is included. CSDs that overlap the historic core of a CMA also are included in the study group. These selection criteria isolate 46 municipalities within Canadian CMAs.

Core or Central City:

We use the term “core city” or “central city” to describe the historic anchor city (CSD) of each metropolitan region. The use of “core” in this instance is not equivalent to Statistics Canada’s concept of an “urban core,” which can include both large and small municipalities and rural areas.

Suburban City:

We use the term “suburban city” to designate other large cities (CSDs) within CMAs. These cities may or may not be adjacent to the core or central city, but they are large population centres that are linked via commerce and employment to communities across the metropolitan area.

Census Tracts (CTs) – Neighbourhoods Within Large Urban Areas

CTs are “small geographic units representing urban or rural neighbourhood-like communities created in census metropolitan areas.” The population of CTs ranges from a minimum of 2,500 to a maximum of 8,000. They are defined to closely resemble what most people would think of as a neighbourhood.

Remainder of the CMAs

This report also refers to areas within CMAs that are outside the 46 CSDs mentioned above. These communities or areas, are part of the larger urban areas, but are outside the large cities (also referred to as the urban, suburban and rural fringe).

Non-CMAs

Non-CMAs include urban and rural areas that exist outside the CMAs. Almost one-third of Canadians live in urban and rural areas that are not captured within the boundaries of established CMAs.

Changes to Geographies Since 1996

Two distinct changes took place between the Census years of 1996 and 2001 that had an impact on our analysis of CMAs and CSDs. First, the number of CMAs increased from 25 to 27 with the addition of the CMAs of Abbotsford, British Columbia, and Kingston, Ontario. As a result, our time-series analysis in this report is confined to the 25 CMAs for which we have data over time. Second, the boundaries and names of some CSDs (namely, Halifax, Toronto, Ottawa, Sudbury, Hamilton and Kingston) changed between the 1996 Census and the 2001 Census. Although 46 CSDs met our study criteria in both years, they weren’t exactly the same 46. Excluding Kingston and Abbotsford from our time series analysis resulted in a final list of 44 CSDs.

In this study, we “reconfigured” the 2001 boundaries for CSDs that had undergone changes before the 2001 Census, using 2001 data at the CT level to create consistent CSD geographies over time. This means that the 2000 estimates at the CSD level in this time series analysis do not match those contained in our cross-sectional analysis (to be released at a later date) in all cases. Although these estimates (time series and cross-sectional) are typically very close and provide a consistent “story,” there are some differences due to the boundary reconfiguration.

CHAPTER 2: THE PARADOX OF URBAN GROWTH



The world has entered the urban millennium. Half the world's population [nearly 3 billion people] now live in cities and towns. That in itself marks a historic transition. But what will happen over the next 30 years is just as significant. According to United Nations projections, virtually all of the world's population growth will occur in urban areas ... How we manage that growth will go a long way toward influencing the world's future peace and prosperity.

Kofi Annan, United Nations Secretary-General¹⁵

Today, urban areas face the challenges of a highly mobile world, caught between the pressures of economic globalization and political decentralization. Cities are recognized as both engines of national and regional growth and “well-springs of dynamism”¹⁶ where people from around the world come together to live and work. At the same time, many have growing pockets of poverty where economic and social disparities diminish the lives of large numbers of people.¹⁷ This conflict between the advantaged and the disadvantaged, coexisting in major urban centres, demands new ideas and political leadership to harness the opportunities associated with urbanization and to ensure that their benefits are equitably distributed.

Urbanization is well established in Canada. Indeed, Canada has become one of the most urbanized nations of the world. At the beginning of the 20th century, the population in the largest urban areas was just under one million. According to the 2001 Census, almost 80% of the population lived in urban areas, with just over 64% (19,297,000) living in the 27 largest CMAs. In fact, four major urban regions accounted for a large and growing proportion of the population. In 2001, some 15.3 million of the nation's population lived in Communauté-urbaine-de-Montréal, Ontario's extended Golden Horseshoe (Oshawa, Toronto, Hamilton, St. Catharines, Niagara and Kitchener), British Columbia's Lower Mainland and southern

Vancouver Island, and the Calgary-Edmonton Corridor. These regions accounted for 51% of the population in 2001, as compared with 41% in 1971. And, while the rest of the country increased its population size by 0.5% between 1996 and 2001, these regions saw an increase of 7.6%.¹⁸

As a result of this growing urbanization, due in no small part to immigration,¹⁹ urban areas have assumed greater importance in political, economic, environmental and social arenas over the past decade. Canada's cities have been advocating for greater political powers and recognition of the important roles cities play in the national economy and the well-being of Canadians. Various provincial and federal governments have taken initial steps that recognize the importance of urban issues, such as the Infrastructure Canada Program, the federal gasoline tax initiative, the Vancouver Agreement and the Canada-Manitoba-Winnipeg Agreement. Although these steps are important, much remains to be done as cities continue to cope with downloading, stubbornly high rates of poverty, the growing gap between the rich and the poor, and the impact of these inequalities on the security and prosperity of their residents.^{20,21}

The demographic trends have taken place at the same time as changes to the Canadian economy have been occurring. Canada has shifted from a heavily resources-based economy to one oriented around services, within the context of increased economic globalization. The

emergence of this new economy has been of particular importance to the large urban centres, where knowledge-intensive industries in areas such as business, finance and health care, to name a few, have taken root and personal services have substantially expanded to serve large urban markets.

Urban areas are now key players in the national economy. For example, Canada's seven largest metropolitan areas now generate almost 45% of the country's gross domestic product (GDP).²² Large metropolitan areas also represent a significant proportion of the GDP of their respective provinces; for example, Halifax accounts for 47% of Nova Scotia's GDP, while Calgary and Edmonton combined account for 64% of Alberta's GDP.²³ And it is the wealth of the cities that is contributing to the wealth of the provinces and of the nation as a whole.

Urban areas are equally important as centres of employment. The growth of employment in Canada between 1998 and 2002 was 7.3%. However, the national rate obscures the real story of the growth in cities like Calgary and Toronto, which had employment growth rates of 15.9% and 11.9%, respectively, in that same period.²⁴ The 10 largest cities accounted for more than half of Canada's total employment between 1998 and 2002.²⁵ In addition to having comparatively high levels of human capital, large urban centres tend to have higher levels of service, cultural facilities and inherited infrastructure than do smaller cities, towns and rural areas, which gives them an edge in terms of encouraging innovation and adapting to change.²⁶ As a result, big cities are now characterized by populations that tend to be younger, better educated and better paid than those in rural and small-town Canada. According to Joe Berridge of Urban Strategies Inc., "the rate of economic and population growth and of immigration being experienced by Canada's big cities is propelling their evolution into places very distinct from the rest of the country."²⁷

At the same time, many urban residents have not experienced the benefits associated with urbanization. Globalization has generated greater aggregate wealth, but its growth has been accompanied by social polarization and spatial segregation, much of which is concentrated in urban areas.^{28,29,30} As Neil Bradford argues, globalization and its new economic and creative opportunities have not "freed [poorer individuals and

families] from the constraints of local space nor empowered poorer individuals and families to make new choices about where to live or work. On the contrary, [recent economic changes] have only 'relocated' them in occupational terms, from relatively well-paid, full-time manufacturing jobs to insecure, low-paid services jobs."³¹ Unlike young, mobile knowledge workers, people living in poor neighbourhoods – many of which are geographically as well as socially isolated – continue to face significant obstacles in achieving economic and social security.

Cities are both "potential engines of national prosperity" and "locales where the risks of social exclusion are greatest."³² "Geographic proximity," observe Mario Polèse and Richard Stren, "has been a source of both social stress and of social innovation – the latter is the chief strength of the city, the former its greatest challenge."³³ This paradox poses significant challenges for decision makers to take advantage of the opportunities that cities afford and to mitigate the negative impacts of globalization and economic restructuring for those on the wrong side of the global divide.

These economic dynamics play out in different ways across Canada. Canadian cities tend to display relatively high levels of economic specialization. Some specialize in manufacturing, others in resource exploitation and processing, others in services and still others in transportation and regional services.³⁴ Although large centres tend to be more diversified than smaller centres, this degree of specialization – combined with the vicissitudes of global markets – can create tremendous vulnerability. Thus, winners and losers shift over time, reflecting economic trends (fluctuating commodity prices or a fluctuating Canadian dollar, for example), local factors such as the history of a given city or its geography, and internal and external migration patterns. This is important to keep in mind as we examine the patterns of polarization and segregation that have emerged since 1990. Some cities, for example, show concentrations of low income in their inner cities, whereas others are experiencing the suburbanization of poverty. These factors are also important as we consider the types and levels of interventions best suited to addressing urban poverty in particular locations.

POPULATION GROWTH, 1990 to 2000:

During the 1990s, the overall Canadian population grew by about 10% (2.7 million people) and became increasingly more concentrated in urban areas.

Census Metropolitan Areas (CMAs) and Non-CMAs

- While the population was growing across the country, the rate of population growth in large urban areas outstripped the rate of growth in rural areas and smaller communities.
- The population living within the 25 CMAs examined in this study increased by 14.6%, whereas the total population living outside these CMAs increased by only 3.2%.³⁵

Census Subdivisions (CSDs) and Remainder of CMAs

- Within the CMAs, the rate of population growth was not even – the fringe areas outside the large cities were growing at a faster pace than the large cities themselves.
- The rate of population growth within the largest cities (CSDs) examined in this study was 12.8%, compared with 18.8% within the areas of the CMAs surrounding the larger central cities (the remainder of the CMAs).

FIGURE 1

DISTRIBUTION OF CANADIAN POPULATION, 1990 to 2000

	1990	1995	2000
CMAs	61.8%	62.8%	64.3%
In CSDs within CMAs	42.9%	43.0%	43.9%
Remainder of CMAs	18.9%	19.8%	20.4%
Non-CMAs	38.2%	37.2%	35.7%
Total	100%	100%	100%

Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

Population Concentration During the 1990s

- The proportion of Canadians living in CMAs grew between 1991 and 2001: 61.8% of the population lived in a CMA in 1991, compared with 64.3% in 2001.
- Within CMAs, the proportion of Canadians living in large cities (CSDs) increased slightly over this period (from 42.9% to 43.9%), and the proportion living within the remainder of the CMAs grew from 18.9% to 20.4%.

CHAPTER 3: OVERVIEW: URBAN POVERTY, 1990 to 2000



No progress was made in the fight against poverty at the national level in the 1990s. One in six Canadians lived in poverty in 1990, and one in six lived in poverty in 2000. At the same time, there were important shifts in the patterns of poverty that raise essential questions about the direction of Canada's social and economic development.

The 1990s brought a "reorganization" of the incidence and location of poverty across Canada (see Figure 2). Whereas the national *rate* of poverty spiked by mid-decade and slowly declined to its pre-recessionary level, the *number* of poor people was higher at the decade's end. Across the country, there were 431,490 more poor people in 2000 than in 1990.³⁶ All the growth in the number of poor occurred in Canada's 25 largest urban areas (CMAs). By the end of the decade, over 500,000 more poor people lived in CMAs than at the start. In contrast, outside these large urban areas (non-CMAs, including rural areas and small towns), there were actually just under 100,000 fewer people living in poverty at the decade's end.

The urbanization of poverty is not new in Canada or indeed elsewhere. Growth in the number and proportion of the poor in urban areas has followed in lockstep with the general trend towards greater urbanization resulting from both migration within Canada and, more recently, the settlement of newcomers in Canada's largest urban centres. In the 1990s, however, the first signs of the suburbanization of poverty also appeared. While the poverty rate in the large cities (CSDs) within the large urban areas (CMAs) was still higher than in the remainder of the CMAs (which can be thought of as suburbs) and more of the poor population was found in these large cities, the *rate* of increase of the poor population over the decade was higher in the suburbs than in the larger central cities.

In this chapter, we peel back the layers in the national profile of poverty to examine the dynamics of poverty behind the aggregate figures, specifically the experience of poverty in Canada's urban areas.

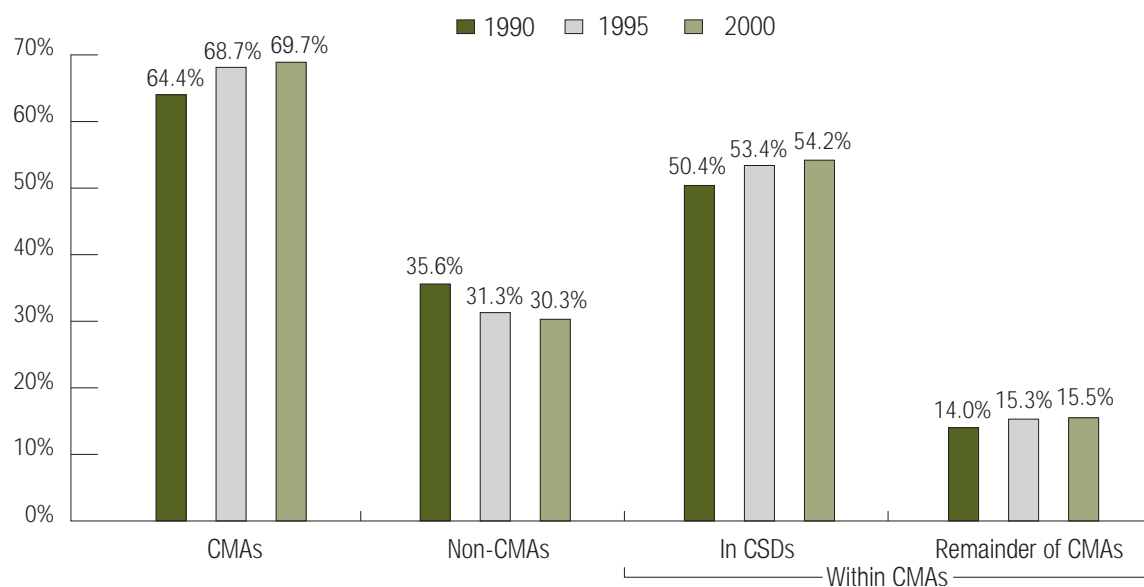
FIGURE 2
POVERTY IN CANADA, 1990 to 2000

	1990	1995	2000	% increase 1990 to 2000
Total population	26,396,000	28,011,400	29,105,705	10.3%
Poor population	4,289,000	5,514,200	4,720,490	10.1%
Poverty rate (%)	16.2%	19.7%	16.2%	

Note: Individuals in the Yukon, NWT, and Nunavut are excluded from these low income statistics. Also excluded are those living on Indian reserves and those in collective dwellings.

Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

FIGURE 3
DISTRIBUTION OF POOR CANADIANS, BY GEOGRAPHIC LEVEL, 1990 to 2000



Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

Between 1990 and 2000, the population of individuals living in poverty became more highly concentrated within Canada's large urban areas. For example, in 1990, 64.4% of poor individuals lived within one of the 25 CMAs examined here; by 2000, this proportion had risen to 69.7%. Conversely, poor Canadians became less concentrated in locations outside large urban areas (that is, in non-CMAs – rural areas and small towns and communities not within large urban regions): 35.6% of those living in poverty lived in non-CMAs in 1990, as compared with 30.3% in 2000.

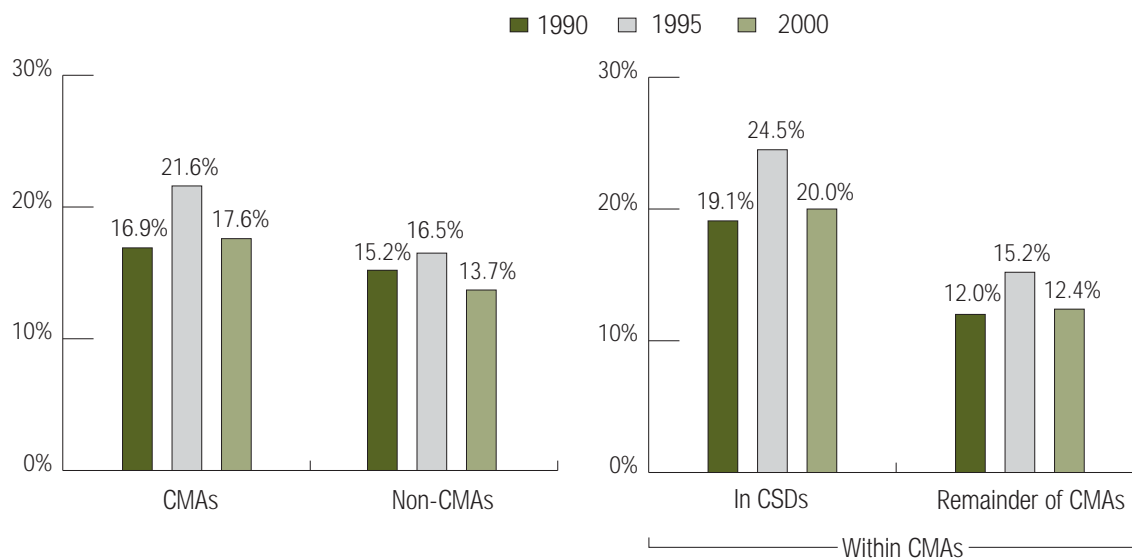
Moreover, the proportion of all Canadians who were poor and lived in the largest cities (CSDs) increased from 50.4% to 54.2% between 1990 and 2000 (see Figure 3). The proportion of Canadians who were poor and lived in the remainder of the CMAs (the urban and rural fringes connected to the largest cities) also increased during the same period, from 14.0% to 15.5%.

As Canadians living in poverty became increasingly concentrated in urban centres, the proportion living in rural areas and smaller towns and communities declined. This transition seems to have taken place largely within the first half of the decade – likely facilitated by, if not spurred by, the economic recession of the early 1990s. Although the urban concentration of the poor occurred at a faster pace during the period of economic recession, it continued

to climb during the subsequent economic recovery. This situation suggests a longer-term trend (coinciding with changing population patterns) that extends beyond a reaction to overall economic downturns.

The story goes beyond the concentration of the poor in urban Canada. The impact of the recession of the early 1990s – as reflected in the incidence of low income – was more pronounced in Canada's largest urban areas than in those areas outside of CMAs. The rate of poverty among people living in CMAs, for instance, jumped from 16.9% in 1990 to a mid-decade high of 21.6% in 1995. Among those living outside these CMAs, the spike in poverty rates (from 15.2% to 16.5%) was not as high during this same five-year period (see Figure 4).³⁷ Rural areas, small communities and small towns in Canada (non-CMAs) seem to have undergone a faster or more decisive recovery by the decade's end than did large urban areas, where the economic recovery took hold more slowly. By 2000, the poverty rate in Canada's CMAs had decreased from its 1995 level, but it still remained above its pre-recessionary level at 17.6% (up from 16.9% in 1990).^{38,39} Residents of large CMAs were more likely to be economically vulnerable at the end of the decade than they had been at the beginning. In contrast, the poverty rate in non-CMAs fell below its pre-recessionary level to 13.7% in 2000 (compared with 15.2% in 1990).⁴⁰

FIGURE 4
POVERTY RATES, BY GEOGRAPHIC LEVEL, 1990 to 2000



Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

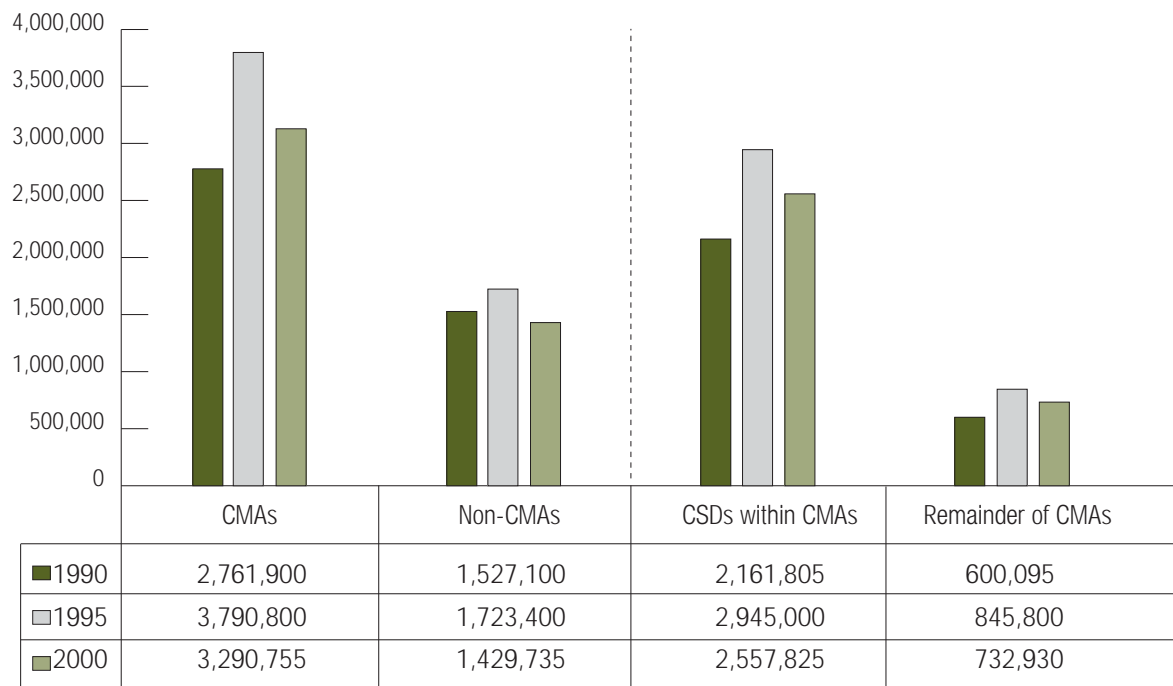
THE IMPACT OF MIGRATION ON POVERTY RATES

There are many possible factors behind the growth in urban poverty, including migration from rural areas and smaller communities to large urban centres. Overall, little documentation exists on the specifics of migration from non-CMAs to CMAs or of its possible impact on poverty rates. Although numerous studies have focused on the issue of youth migration from rural communities to urban areas,^{41,42,43,44,45} it is not clear that patterns of migration from non-CMAs to CMAs play any dominant or consistent role in differences in poverty rates.⁴⁶

Within large urban areas, the large cities (CSDs) experienced the most difficulty. The low income rate for large cities increased between 1990 and 1995 from 19.1% to 24.5%. Although this rate decreased between 1995 and 2000, it remained above its pre-recessionary level at 20.0% at the close of the decade. In the remainder of the CMAs (rural and urban areas just outside the largest cities), the poverty rate was consistently lower than it was in the large central cities in each year. As well, the poverty rate in the remainder of the CMAs rose from 12.0% in 1990 to 15.2% in 1995, returning to a near pre-recessionary level of 12.4% in 2000. Although it may appear that the remainder of the CMAs experienced a better recovery than did the large cities, the reduction in poverty from the mid-decade spike to the end of the decade was 18% for both CSDs and the remainder of the CMAs.

As shown in Figure 5, these poverty data track the economic fortunes of millions of people. Within Canada's 25 largest urban areas (CMAs), the absolute number of poor residents increased from 2,761,900 in 1990 to 3,790,800 in 1995 – an explosion of over a million poor individuals (an increase of 37.3%). This increase was due to a rise in both the rate of poverty and the size of the urban population. By 2000, the number of poor people in large urban areas had declined from the mid-decade spike; however, there were still over half a million more people living in poverty than there were in 1990. In fact, from the beginning to the end of the decade in these large urban areas, the proportional increase (19.1%) in the number of poor people outstripped the increase (14.6%) in the size of the overall population. While the overall population was growing in the CMAs, poverty was growing even faster.

FIGURE 5
NUMBER OF POOR, BY GEOGRAPHIC LEVEL, 1990 to 2000



Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

In contrast, in the areas outside the CMAs – rural areas, small communities and small towns – the overall number of people who were poor actually decreased from 1,527,100 in 1990 to 1,429,735 in 2000 (a reduction of 97,365 or 6.4%).⁴⁷ This decrease in the number of poor individuals occurred in spite of a slight population increase of 325,200 people (3.2%). So, while the general population was growing slightly in non-CMAs, the overall number of poor people decreased over the decade.

Within the CSDs (or the largest cities inside these CMAs), the growth in the number of poor people during the entire decade was 18.3% (or 396,020 individuals), compared with overall population growth of 12.8%. The growth in the poor population in the remainder of the CMAs (areas often associated with the suburbs, small towns and rural areas on the urban fringe) between 1990 and 2000 was 22.1% (while the overall population grew by 18.8%), translating into an additional 132,835 poor individuals. So, while the remainder of the CMAs still contained only about one-quarter of the poor population in large urban areas

by the decade's end, they actually experienced a somewhat faster *rate* of growth in both the number of poor residents and the overall population than did the CSDs themselves.

In this study, we focus primarily on the experience of poverty in large central cities – yet, these data suggest that we may be seeing the beginning of the suburbanization of poverty in Canada. In a recent American study, Berube and Kneebone documented the growth of poverty rates in suburban neighbourhoods during the first half-decade of the 21st century. Although the overall poverty rate in the United States remained higher in large central cities than in the suburbs, the suburbs showed a greater rate of increase in the incidence of poverty. This situation, coupled with population growth in the suburbs, has resulted in a greater number of poor people living in the suburbs than in the large central cities for the first time as of 2005 in the United States.⁴⁸ It will be interesting to examine this trend when the 2006 Canadian Census data become available.

CHAPTER 4: PATTERNS IN LARGE URBAN AREAS



The 1990s brought a mid-decade spike in poverty rates across Canada following the 1991-1992 recession. By the end of the decade, poverty rates were trending down – but at different rates, depending upon where people lived. The aggregate poverty rate among Canadians living in regions or communities outside of CMAs fell more substantially, landing below the pre-recessionary level recorded in 1990. By contrast, Canadians living in large urban areas – notably in core cities – continued to experience relatively high rates of poverty through the “boom” of the late 1990s. Slow economic recovery was also evident in suburban areas for the first time, potentially pointing to the emergence of the suburbanization of poverty, a trend that is now evident in the United States.

This is the global picture. But again, as we note above, the experience of poverty is very much shaped by where people live. “Place” matters. In the following analysis of poverty in large urban areas, we find distinctive patterns of decline and recovery through the 1990s. Some urban areas clearly weathered the recession of the early 1990s better than others. Others recorded substantial mid-decade increases in poverty but were able to bounce back relatively quickly to pre-recessionary levels and, in some cases, even lower levels. Still others were left worse off at the decade’s end. As a result, the urban geography of poverty shifted somewhat through the 1990s.

OVERVIEW OF LARGE URBAN AREAS

Figure 6 presents the poverty rates among the 25 CMAs in this study in 1990, 1995 and 2000. Looking at the whole group, we see little or no change over this period in terms of poverty ranking among CMAs at the top and the bottom of the scale. In all three years, Oshawa had the lowest poverty rate while Montréal had the highest. Kitchener began and ended the decade with the second lowest poverty rate. Similarly, Trois-Rivières began and ended the decade with the third highest rate.

More change occurred, however, among CMAs located in the middle ranks. Among 25 CMAs (using consistent boundaries across all three years), slightly less than one-third (7 of 25) changed rank by 4 or more places during the decade. The greatest changes in ranking appeared for Calgary, Edmonton, Vancouver and Windsor.

Among large urban areas, Calgary, Edmonton and Windsor greatly improved their poverty ranking relative to the others. Calgary climbed 11 positions, from 17th in 1990 to the 6th lowest poverty rate in 2000. Similarly, Edmonton climbed eight positions, from 21st in 1990 to the 13th lowest in 2000. Windsor rose six positions, from 9th in 1990 to the 3rd lowest poverty rate in 2000. By contrast, several CMAs lost ground through the 1990s. Most notably, Vancouver dropped six positions, from 18th in 1990 to 24th (the second highest poverty rate) in 2000. Halifax, Toronto, and Hamilton each dropped four positions during the same period.

FIGURE 6

POVERTY RATES AND RANKING FOR CMAs, 1990 to 2000

CMA	1990		1995		2000	
	% Poor	Ranking	% Poor	Ranking	% Poor	Ranking
Oshawa	9.2	1	12.4	1	9.4	1
Kitchener	11.7	2	14.6	3	11.3	2
Thunder Bay	12.1	3	14.5	2	14.1	5
St. Catharines–Niagara	12.8	4	16.1	6	13.2	4
Victoria	13.5	5	15.4	4	14.4	7
Greater Sudbury	13.5	6	17.3	7	14.9	8
London	13.6	7	17.3	8	15.1	10
Halifax	14.1	8	17.8	10	15.5	12
Windsor	14.6	9	15.7	5	13.2	3
Ottawa–Hull	14.6	10	18.9	11	15.0	9
Toronto	15.0	11	21.1	17	16.7	15
Hamilton	15.5	12	19.0	12	16.7	16
Regina	15.9	13	17.6	9	15.5	11
Chicoutimi–Jonquière	15.9	14	20.7	16	16.4	14
St. John's	16.3	15	19.5	13	17.4	17
Saint John	17.3	16	20.0	15	17.8	18
Calgary	17.7	17	19.8	14	14.1	6
Vancouver	17.9	18	23.3	23	20.8	24
Québec	18.7	19	22.8	20	18.9	21
Saskatoon	18.9	20	21.4	19	18.0	19
Edmonton	19.4	21	21.3	18	16.2	13
Sherbrooke	19.9	22	22.8	21	18.5	20
Trois-Rivières	20.3	23	23.4	24	19.8	23
Winnipeg	20.7	24	23.0	22	19.2	22
Montréal	22.2	25	27.3	25	22.2	25

Note: The lowest number (1) represents the lowest poverty rate and the highest number (25) represents the highest poverty rate.

Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's Censuses for 1991, 1996 and 2001, custom tabulations.

Although the entire group of CMAs experienced an increase (from 16.9% to 17.6%) in the overall poverty rate between 1990 and 2000, Figure 6 reveals that, among individual CMAs, distinctive patterns of decline and recovery appeared – in both the direction of change over the decade and the level of economic volatility as measured by the change in the incidence of low income. Below, we examine these patterns in greater detail.

PATTERNS OF DECLINE AND RECOVERY AMONG CMAs

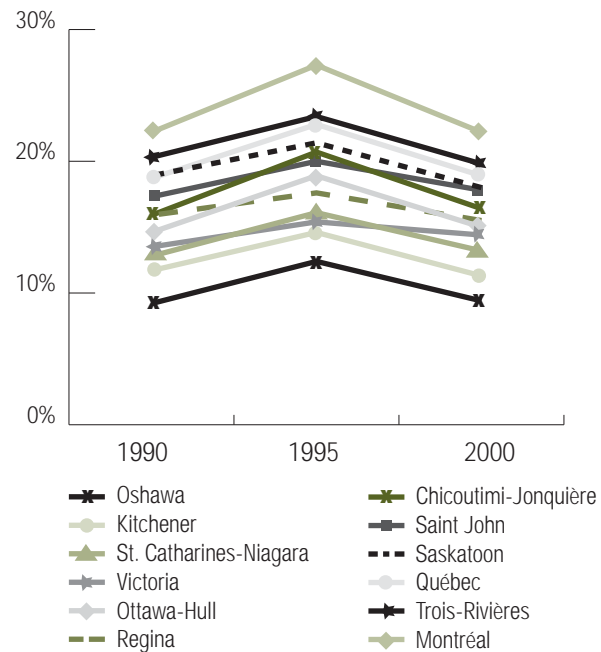
Three distinctive patterns are evident among CMAs when we look at poverty rates over the 1990s. Roughly half of the CMAs (12 of the 25 in this study) made no progress in reducing levels of poverty; the rate of poverty for this group was effectively the same at the beginning and end of the decade. A second group (one-third of the CMAs) lost economic ground over the decade, and a third group (one-fifth) actually made progress in reducing the rate of poverty. We describe these groups below (see also Figures 7, 8, and 9).⁴⁹

Treading Water

Twelve CMAs experienced little or no change in their rates of poverty (within one percentage point of difference) as recorded at the beginning and end of the 1990s. This group includes a diverse range of CMAs in terms of both size and level of poverty. It includes Oshawa and Kitchener, which had the lowest rates of poverty reported in the three years of this study, as well as Montréal and Trois-Rivières, which reported some of the highest levels. Although poverty rates in these CMAs spiked during the recession, the subsequent economic recovery returned them to their pre-recessionary levels of poverty.

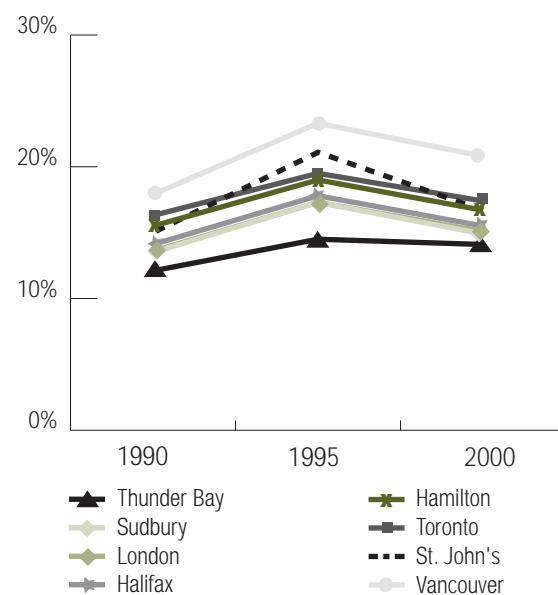
For this group, the overall poverty rate was 18.3% in 1990, climbed to 22.6% in 1995 and then fell back to 18.4% in 2000. Within the group, however, there was variation. Over half of these CMAs experienced very high spikes (over a 20% increase) in their poverty rates in 1995. For example, Oshawa – the CMA with the lowest overall rate in all three years – experienced a very high *rate of increase* in its poverty level by 1995 (a 34.3% increase). Similarly, Chicoutimi-Jonquière and Ottawa-Hull recorded very pronounced spikes in their poverty rates by 1995 (30.2% and 29.5%, respectively), but they bounced back to near pre-recessionary levels in 2000.

FIGURE 7
TREADING WATER: POVERTY RATES, 1990 to 2000



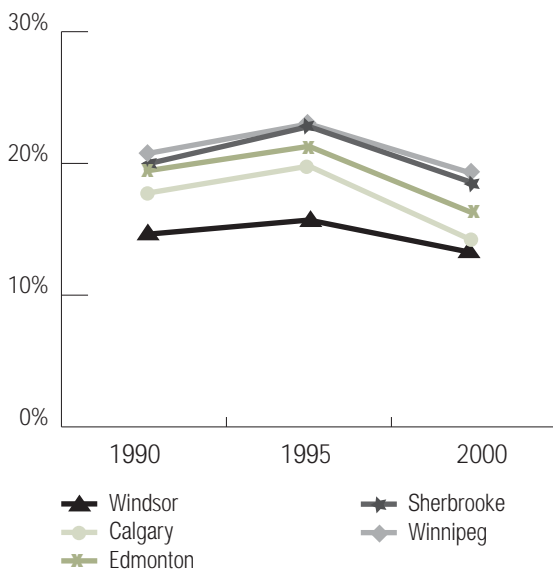
Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

FIGURE 8
LOSING GROUND: POVERTY RATES, 1990 to 2000



Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

FIGURE 9
MAKING PROGRESS: POVERTY RATES, 1990 to 2000



Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

Although the CMA of Montréal did not experience the highest rate of increase by mid-decade, it is noteworthy because it maintained its 44th position throughout the decade. Montréal began the decade with the highest rate of poverty of any of the CMAAs (22.2%); its rate of poverty subsequently rose to 27.3% in 1995 and then fell back to 22.2% once again in 2000.

Others in this group of CMAAs experienced less volatility in their rates of poverty. Regina, Saskatoon, Victoria, Trois-Rivières and Saint John all saw growth in poverty rates of less than 20% between 1990 and 1995 (ranging from a 10.4% increase in Regina to a 15.8% increase in Saint John) and declines of the same magnitude between 1995 and 2000.

Losing Ground

Eight CMAAs lost ground over the 1990s, each having a poverty rate that was at least one percentage point higher in 2000 than in 1990. Again, there was a mix of CMAAs in this group, but the range of poverty rates was narrower than among the CMAAs that were "treading water." At the beginning of the decade, this group's aggregate rate of poverty was 15.2%; by 1995, it rose to 20.9%. However, the period of recovery for this group was weaker than for other CMAAs, with the poverty rate

falling back to only 17.4% by 2000. Over the decade, the poverty level for this group of large urban areas actually increased by 14.7%.

Overall, the CMAAs in the "losing ground" group had the most pronounced mid-decade spikes⁵⁰ in poverty among the 25 CMAAs included in this study – ranging from an increase of 19.4% for Thunder Bay to an increase of 40.9% for Toronto. Six of eight experienced spikes in poverty in excess of 20% between 1990 and 1995. Although the rate of poverty dropped in all eight of these CMAAs between 1995 and 2000, none recovered to their pre-recessionary level.

Three CMAAs stand out in this group. Toronto recorded the greatest increase of any of the CMAAs with a spike of 40.9% between 1990 and 1995 (from 15% to 21.1%). Toronto also had the greatest percentage drop in poverty rates between 1995 and 2000 among this group (a decrease of 21.2%). However, this drop was not enough to return Toronto to its pre-recessionary level; the poverty rate in the CMA of Toronto was 11.0% higher at the end of the decade than it had been at the beginning.

Both Thunder Bay and Vancouver experienced a 16.3% increase in their respective rates of poverty between 1990 and 2000. Vancouver lost a great deal of ground early in the decade with a poverty rate spike of 29.9% between 1990 and 1995: the poverty rate subsequently declined by 10.5% between 1995 and 2000. That noted, Vancouver registered the highest rate of poverty in each of the three years among this group of eight CMAAs that lost ground over the decade. Thunder Bay, on the other hand, had the lowest levels of poverty among the CMAAs in this group throughout the decade and one of the lowest mid-decade spikes in the group. But the years following the spike were relatively difficult for Thunder Bay; the poverty rate fell by only 2.6% between 1995 and 2000. As a result, the poverty rate at the end of the decade (14.1%) was close to the mid-decade high of 14.5%.

Making Progress

A small group of CMAAs emerged from the 1990s with lower levels of poverty (at least one percentage point lower) in 2000 than in 1990: Windsor, Calgary, Edmonton, Sherbrooke and Winnipeg. All of these CMAAs experienced less dramatic spikes in poverty rates in 1995 than almost all other CMAAs – ranging from a 7.8% increase in Windsor to a 14.3% increase in Sherbrooke (with an average increase of 12.9%). During the economic recovery period, all of these CMAAs gained ground, experiencing the strongest recoveries

between 1995 and 2000 and thus achieving lower levels of poverty than recorded in 1990. Reductions in the poverty rates from 1990 to 2000 ranged from 6.9% in Sherbrooke to 20.5% in Calgary. Overall, the aggregate rate of poverty for this group was 13.0% lower in 2000 than in 1990.

Calgary and Edmonton stand out in this group. In 1990, as noted earlier, Calgary's poverty rate ranked 17th among the 25 CMAs and Edmonton ranked 21st. The mid-decade increase in their rates of poverty was comparatively low, at 11.8% and 9.7%, respectively. However, both urban areas showed very strong recoveries between 1995 and 2000, resulting in reductions in poverty of 28.9% in Calgary and 24.0% in Edmonton. Indeed, the story of Calgary and Edmonton is not so much a story of recovery from the recession of the early 1990s as it is a story of economic boom through the late 1990s and into the next decade.

The CMA of Windsor recorded a slight variation of the "making progress" pattern. Windsor experienced the least pronounced mid-decade spike among all CMAs; its poverty rate rose only 7.8%, from 14.6% in 1990 to 15.7% in 1995. Between 1995 and 2000, the poverty rate then fell by 16.1% (to 13.2% in 2000), resulting in an overall reduction in the poverty level of 9.5% over the 1990s. Looking at this one indicator, the impact of the 1991-1992 recession in Windsor was modest in comparison with other large urban areas in Canada.

THE IMPACT OF SIZE: BIGGER IS NOT BETTER

Although all large urban areas experienced the economic trauma associated with the recession of 1991-1992 and recouped at least some of these losses through the last years of the decade, the pattern or trajectory varied. In seeking to understand the different dynamics of urban poverty across Canada, we found two conclusions to be immediately evident. First, the experience of poverty is intricately tied to *place* – local factors (such as the demographic composition of populations and the location of individual communities within the provincial, national and global economy) are important to the telling of the urban poverty story in Canada.⁵¹ (We will come back to this theme later.) Second, evidence suggests that the size of communities, in some cases, may be a key factor as well.

Initial examination indicates an overall trend with respect to size: certainly, larger CMAs appear to have higher rates of poverty than do smaller CMAs. Exploring

further, however, uncovers trends for three distinct groups: CMAs with a population of 500,000 or more (the largest or large CMAs), those with a population below 500,000 but above 250,000 (medium-sized CMAs) and those with a population of 250,000 or less (the smallest or small CMAs).⁵²

With this typology in mind, we see that the largest CMAs tended to have the highest rates of poverty in every year (1990, 1995 and 2000) and the medium-sized urban areas tended to have the lowest rates. Moreover, increasing population size translates – in general – into higher poverty rates among *medium-sized* and *large* CMAs. Our analysis reveals a statistically positive relationship between population size and poverty rates: as the size of the population increases (after the 250,000 threshold), so does the poverty rate. However, the rate of increase slows down when the population is very large; this is indicative of a "curvilinear" relationship (as size increases, so does the poverty rate – but not at an even pace throughout).⁵³ Although our analysis of the impact of size on poverty rates is only preliminary and experimental in nature, it does suggest a possible population threshold, beyond which increasing population size brings along a greater likelihood of higher poverty rates; however, among highly populated urban areas, the impact of increasing size diminishes. This pattern does not appear in smaller urban areas. For smaller CMAs, regression analysis examining the link between population size and incidence of poverty indicates that, while place may matter, size does not.⁵⁴

We have used this preliminary analysis to derive size cut-offs for the 25 CMAs examined here.

Large CMAs

In general, we found the highest poverty rates among the largest CMAs (populations above 500,000). Certainly, the aggregate poverty rate for these CMAs in all three years was higher than the aggregate rate of either the smallest CMAs or the medium-sized CMAs (see Figure 10). As well, the largest CMAs collectively experienced a more pronounced spike in poverty rates in 1995 than either the medium-sized or smallest CMAs: an overall 28.9% increase in poverty between 1990 and 1995, as compared with 21.8% for medium-sized CMAs and 17.9% for small CMAs. The rate of increase in poverty rates ranged from a 9.7% increase in Edmonton to a 40.9% increase in Toronto. Two-thirds of the large CMAs experienced increases in poverty in excess of 20% between 1990 and 1995.

Although the mid-decade spike in poverty among all the largest CMAs was quite high, three in this group stand out: Calgary, Edmonton and Winnipeg. Whereas

their 1990 poverty rates fit well within the higher rates experienced by the largest CMAs, their 1995 spikes were much lower – not only among the large CMAs but also among all CMAs. Between 1990 and 1995, the poverty rates in Calgary and Winnipeg rose by only 11.8% and 11.2%, respectively. Edmonton held to a 9.7% increase in its poverty rate.

These CMAs, notably Calgary and Edmonton, also registered very strong recoveries in 2000 – the strongest among all CMAs in this study. On the strength of the performance of Calgary, Edmonton and Winnipeg, the entire group of large CMAs recorded the highest average rate of recovery between 1995 and 2000 (poverty rates fell by an average of 19.1% among large CMAs, compared with declines of 15.9% among medium-sized CMAs and 14.0% among small CMAs).

Over the decade, Calgary and Edmonton pulled away from the group of large CMAs, with the spread in the rates of poverty widening. By 2000, both CMAs had made significant progress in reducing levels of poverty in their regions. Calgary ended the decade with a 20.5% reduction in its poverty rate, and Edmonton, with a 16.6% reduction. By this measure, Calgary and Edmonton posted the best progress of all the

CMAs. In contrast, Toronto, Vancouver and Hamilton were worse off at the decade's end, with respective increases in poverty rates of 11.0%, 16.3% and 7.8%. Ottawa-Hull, Québec and Montréal gained no ground over the decade.

Medium-sized Urban Areas

The overall poverty rates were generally lower among medium-sized CMAs than among small or large CMAs over the decade. Oshawa, the smallest of the medium-sized CMAs, consistently registered the lowest poverty rates of this group, at 9.2% in 1990, 12.4% in 1995 and 9.4% in 2000. Both London (the largest of the medium-sized CMAs) and Halifax (a mid-range medium-sized CMA) had higher rates of poverty than the other medium-sized CMAs in 1995 and 2000.

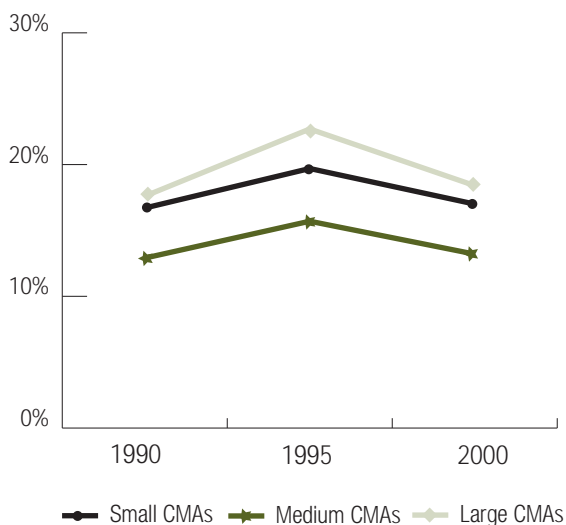
As a group, the medium-sized CMAs experienced an average increase in poverty rates of 21.8% between 1990 and 1995, ranging from 34.3% in Oshawa to 7.8% in Windsor. Indeed, five of seven medium-sized CMAs experienced increases in poverty in excess of 20% between 1990 and 1995. Over the next five years, these CMAs registered an average decline in poverty of 15.9%, with Oshawa and Kitchener reporting the strongest recoveries.

Among medium-sized CMAs, only Windsor posted a lower rate of poverty by the end of the decade, with a 9.5% decrease in the rate. Oshawa, Kitchener, St. Catharines-Niagara and Victoria recouped the losses of the early 1990s but made no appreciable progress in reducing overall levels of poverty through the decade (all were within one percentage point of their 1990 poverty rate). London and Halifax both lost ground from 1990 to 2000.

Small CMAs

The overall poverty rate for small CMAs was higher than for medium-sized CMAs in 1990, 1995 and 2000, but lower than for large CMAs. With the exception of Sudbury and Chicoutimi-Jonquière, the smallest CMAs experienced the least pronounced mid-decade increase in poverty compared with medium-sized and large CMAs (an average increase of 17.9%). Their pattern of recovery was also more muted. Thunder Bay, for example, experienced almost no recovery between 1995 and 2000. Poverty rates rose from 12.1% in 1990 to 14.5% in 1995 and dropped by a mere 2.6% to 14.1% in 2000 (an overall decade increase of 16.3%). On average, this group of CMAs experienced a 14.0% decline in poverty rates between 1995 and 2000, lower than for large and medium-sized CMAs.

FIGURE 10
CHANGE IN POVERTY RATES OVER THE 1990s:
AGGREGATE RATES FOR SMALL, MEDIUM AND LARGE CMAs



Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

Sherbrooke was the only small CMA to end the decade with a lower rate of poverty than at the beginning. Thunder Bay, Sudbury and St. John's all lost ground, while Regina, Chicoutimi-Jonquière, Saint John, Saskatoon and Trois-Rivières effectively stood still during the 1990s (all remained within one percentage point of their 1990 poverty rate at the decade's end).

Interestingly, although there was a significant range in the poverty rates among small CMAs, the spread appeared to close over the decade. In 1990, poverty rates ranged from 20.3% in Trois-Rivières to 12.1% in Thunder Bay, a spread of 8.2 percentage points. By 2000, this gap had closed to 5.7 percentage points, ranging from 19.8% to 14.1%, again in Trois-Rivières and Thunder Bay, respectively.

SUMMARY

The 1990s was a lost decade for many of Canada's largest urban areas. Overall, the rate of poverty rose in a majority of CMAs through the 1990s, reflecting the deep recession of 1991-1992 and the slow recovery period that followed. All CMAs experienced significant mid-decade spikes in poverty (notably Toronto), and all experienced declines of varying magnitudes between 1995 and 2000 – some (but not all) recouping the losses experienced between 1990 and 1995.

By the decade's end, the pattern of urban poverty in Canada had shifted somewhat (see Figure 11). Vancouver and Thunder Bay had higher rates of poverty than at the beginning (a 16.3% increase for both). At the same time, Calgary and Edmonton – areas that had been hit dramatically by the 1981-1982 recession – experienced sizable reductions in poverty through the 1990s. Calgary and Edmonton were able to move from the "high poverty" group of CMAs (those with above average poverty rates) in 1990 to the "low poverty" group by 2000.

Our analysis confirms that both size and place are important in understanding urban poverty trends. Evidence suggests that the size of a CMA (after some critical population mass has been achieved) is one of several factors influencing the dynamics of poverty in large urban areas.

FIGURE 11
POPULATION AND POVERTY RATES, SELECT CMAs and CSDs, 2000

Large CMAs (with populations of 500,000+)	CMAs	CSDs (Large cities within CMAs)	Population	Poverty rate (%)
Toronto	Toronto	Toronto (c)	4,633,415	16.7
		Toronto (c)	2,446,700	22.6
		Mississauga	609,790	12.7
		Brampton	323,860	10.8
		Markham	207,700	12.6
		Vaughan	181,470	8.2
		Oakville	143,520	7.8
		Richmond Hill	131,385	12.6
Montréal	Montréal	Montréal (c)	3,367,785	22.2
		Laval	1,012,375	33.9
		Longueuil	338,220	16.0
Vancouver	Vancouver	Longueuil	126,430	25.2
		Vancouver (c)	1,955,015	20.8
		Surrey	538,095	27.0
		Burnaby	345,065	18.3
		Richmond	190,665	26.4
Ottawa-Hull	Ottawa-Hull	Coquitlam	163,250	23.9
		Ottawa (c)	111,330	21.4
		Gatineau	1,046,670	15.0
		Hull (c)	760,525	23.1
Calgary	Calgary	Gatineau	102,150	16.0
		Hull (c)	64,910	23.1
Edmonton	Edmonton	Calgary (c)	938,435	14.1
		Edmonton (c)	868,810	14.9
Québec	Québec	Edmonton (c)	919,820	16.2
		Québec (c)	654,880	20.0
Winnipeg	Winnipeg	Québec (c)	666,120	18.9
		Winnipeg (c)	164,555	30.6
Hamilton	Hamilton	Winnipeg (c)	656,690	19.2
		Hamilton (c)	606,495	20.3
		Burlington	653,145	16.7
			482,670	25.4
			149,605	8.1

Notes: This table is organized by the size of the population centre.

(c) denotes central city

The rates of low income for all CSDs have been calculated using the 1990 boundaries.

Individuals in the Yukon, Northwest Territories, and Nunavut are excluded from these low income statistics, as are those living on Indian reserves and those in collective dwellings.

Large cities are defined as those with populations of 100,000 or more, or those that historically have been a central city of a CMA.

Kingston and Abbotsford were not part of a CMA in 1996 and therefore are not included in this analysis.

Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 1991, 1996 and 2001 Censuses, custom tabulations.

FIGURE 11 (CONTINUED)

POPULATION AND POVERTY RATES, SELECT CMAs and CSDs, 2000

Medium-sized CMAs (with populations of 250,000 to 499,999)				
CMAs	CSDs (Large cities within CMAs)	Population	Poverty rate (%)	
London		426,295	15.1	
	London (c)	332,240	16.8	
Kitchener		408,720	11.3	
	Kitchener (c)	187,790	13.3	
	Cambridge	108,825	10.1	
St. Catharines-Niagara		369,190	13.2	
	St. Catharines (c)	126,620	15.5	
	Niagara (c)	77,565	14.4	
Halifax		354,420	15.5	
	Halifax (c)	354,420	23.1	
Windsor		304,195	13.2	
	Windsor (c)	205,210	16.8	
Victoria		300,350	14.4	
	Saanich	101,975	11.7	
	Victoria (c)	70,920	24.5	
Oshawa		292,365	9.4	
	Oshawa (c)	137,210	13.5	
Small CMAs (with populations of 100,000 to 249,999)				
CMAs	CSDs (Large cities within CMAs)	Population	Poverty rate (%)	
Saskatoon		221,720	18.0	
	Saskatoon (c)	193,170	19.7	
Regina		189,370	15.5	
	Regina (c)	175,080	16.4	
St. John's		170,490	17.4	
	St. John's (c)	97,335	21.0	
Greater Sudbury		153,190	14.9	
	Sudbury (c)	153,190	18.8	
Chicoutimi-Jonquière		152,045	16.4	
	Chicoutimi (c)	58,400	17.0	
	Jonquière (c)	53,960	18.0	
Sherbrooke		149,255	18.5	
	Sherbrooke (c)	72,615	25.2	
Trois-Rivières		133,495	19.8	
	Trois-Rivières (c)	44,295	27.2	
Saint John		120,935	17.8	
	Saint John (c)	68,125	24.5	
Thunder Bay		119,330	14.1	
	Thunder Bay (c)	106,990	15.1	

Notes: This table is organized by the size of the population centre.

(c) denotes central city

The rates of low income for all CSDs have been calculated using the 1990 boundaries.

Individuals in the Yukon, Northwest Territories, and Nunavut are excluded from these low income statistics, as are those living on Indian reserves and those in collective dwellings.

Large cities are defined as those with populations of 100,000 or more, or those that historically have been a central city of a CMA.

Kingston and Abbotsford were not part of a CMA in 1996 and therefore are not included in this analysis.

Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 1991, 1996 and 2001 Censuses, custom tabulations.

CHAPTER 5: PATTERNS IN LARGE CITIES



Examining our data at the CMA level provides a view of what happens in large urban areas as a whole. However, a complex story emerges from within these areas as well. Poverty is not evenly spread within these CMAs. Many comprise a mix of smaller cities along with the communities and suburban areas that surround them. The importance of how the population and economic infrastructure is configured within these large urban areas is best illustrated by exploring what happens within them.

In this chapter, we examine CSDs,⁵⁵ focusing on large cities within CMAs. As stated earlier, CMAs consist of one or more adjacent municipalities situated around a major urban core. These areas have a high degree of social and economic integration with the urban core. This does not mean, however, that they all face the same economic and social problems. Poverty rates in cities within the same CMA often vary; this is not a function of size. Although the poverty rates of cities located in larger CMAs tend to be higher than those of cities in medium-sized or small CMAs,⁵⁶ a large range of poverty rates exists among CSDs of similar size.

Cities are established through provincial statutes and are not always defined consistently. The boundaries and names of CSDs/municipalities/cities can change from one census to the next because of annexations, dissolutions and incorporations.⁵⁷ These changes often result in fewer, larger CSDs, which make historical data analyses more complex. Between the 1996 and 2001 Censuses, several cities and municipalities underwent significant changes to their boundaries. Toronto, Ottawa, Halifax, Sudbury and Hamilton all experienced boundary changes.

An example will help to illustrate how a change in the boundary of a CSD may cause complications. At present (and for the 2001 Census), the City of Ottawa includes the former cities/townships of Cumberland, Gloucester, Goulbourn, Kanata, Nepean, Osgoode, Ottawa, Rideau, Rockcliffe Park, Vanier and West Carleton.⁵⁸ The poverty rate of this new, larger City of Ottawa was 15.0% in 2000. Using the 1990 boundaries, however, we calculate the poverty rate for Ottawa in 2000 to be 23.1% – a decrease of 5.2 percentage points, not 13.3 percentage points, from the 1995 level. Therefore, for comparative purposes, we have used the 1990 boundaries to calculate poverty rates in this report.

Figure 12 presents poverty rates for selected large cities in 1990, 1995 and 2000, organized by the poverty rate of CSDs in 1990 (based on 1990 boundaries). It reveals the tremendous variation in poverty rates among cities. In 2000, for example, the CSD of Montréal had the highest poverty rate at 33.9%, followed by Québec (30.6%) and Trois-Rivières (27.2%). Unlike the 1996 Census results, where four of the five cities with the highest poverty rates were found in the province of Quebec, cities in British Columbia appeared in the top five in the 2001 Census findings. Consistent with previous years, Oakville had the lowest poverty rate in 2000 at 7.8%. In general, cities in southern Ontario had the lowest poverty rates across the country.

Overall, cities in larger CMAs had higher rates of poverty than those in smaller and medium-sized CMAs in 1990, 1995 and 2000. There was also greater variation in the poverty rates of CSDs located within large CMAs than among those of CSDs in medium-sized and small CMAs.

For example, among CSDs within large CMAs in 2000, there was a 26.1 percentage point spread in poverty rates (ranging from 7.8% for Oakville to 33.9% for Montréal). Among CSDs within medium-sized CMAs, there was a 14.4 percentage point spread (ranging from 10.1% for Cambridge to 24.5% for Victoria). Among CSDs within small CMAs, there was a 10.8 percentage point spread (ranging from 16.4% in Regina to 27.2% in Trois-Rivières). Stated another way, among large CMAs, Montréal's poverty rate was 4.3 times that of Oakville; among medium-sized CMAs, Victoria's poverty rate was 2.4 times that of Cambridge; and among small CMAs, Trois-Rivière's poverty rate was 1.8 times that of Regina.

Further, there was also tremendous variation among large cities (CSDs) located within the same CMA. Large cities that border each other or are found within close proximity of each other in a single CMA can have dramatically different poverty profiles. More specifically, central or core cities have tended to have higher rates of poverty than adjacent or neighbouring "suburban" cities – in Canada and other countries. This complexity is best exemplified by a closer examination of Canada's largest CMAs – Toronto, Montréal and Vancouver.

Within the CMA of Toronto, for example, Oakville, Vaughan, Markham, Brampton, Richmond Hill and Mississauga all had much lower rates of poverty in 1990, 1995 and 2000 than the core city of Toronto. These six CSDs consistently ranked among the top 10 CSDs nationally with the lowest rates of poverty. In comparison, the core city of Toronto ranked 28th, 34th and 30th, respectively, in those years. In each of the three years, the poverty rate of the City of Toronto was nearly three times that of neighbouring Oakville. When we look at the percentage point spread between these two neighbours, we see a 12.4 point spread in 1990 that grew to a 17.7 point spread in 1995 and then fell back to a 14.8 point spread by the end of the decade.

We find a similar story within the CMA of Montréal. While the core city of Montréal had the highest rate of poverty in the country, ranking 44th of 44 CSDs in each year reported here, the neighbouring city of Laval ranked 20th and 22nd in 1990 and 1995 and ended the decade in 17th place. The spread between the two was 17.2 percentage points in 1990, rising to 19.8 percentage points in 1995 and then ending the decade at 17.9 percentage points. In each year

specified, the poverty rate in the city of Montréal was close to two times that of Laval. (The CSD of Longueuil, also located within the CMA of Montréal, registered poverty rates that ranked between those of its neighbours during the 1990s.)

Like Toronto and Montréal, the CSDs within the CMA of Vancouver had different poverty profiles. Again, it was the core city – Vancouver in this case – that registered the highest poverty rates. In 1990, the core city of Vancouver ranked 40th of 44 CSDs, with a poverty rate of 24.8%. The neighbouring cities of Coquitlam, Richmond, Surrey and Burnaby held more favourable positions, ranking 13th, 17th, 19th and 27th, respectively. By 1995, however, poverty profiles within the CMA of Vancouver had changed dramatically. All of the CSDs lost ground; none fully recovered by the end of the decade. By 2000, the spread in poverty rates among the CSDs within the CMA of Vancouver had closed substantially. For example, Burnaby ended the decade ranked 40th (from 27th in 1990) – just behind the city of Vancouver in 41st place. Coquitlam fell from 13th to 29th position between 1990 and 2000. This examination of poverty *within* the CMA of Vancouver demonstrates the complexities of this problem and reminds us of the dynamic character of urban poverty.

The variation evident within Toronto, Montréal and Vancouver adds another layer of complexity to the dynamics of poverty in CMAs. Just as there are pronounced differences in poverty levels within CMAs between the large cities (CSDs) and the urban and rural fringes (the remainder of the CMA), as shown in Chapter 3, there also are differences between large central or core cities and other large "suburban" CSDs. For example, in 2000, Canada's core cities as a group had an aggregate poverty rate of 20.9%, whereas suburban cities – those CSDs that have grown up around central cities – had an aggregate rate of 14.8%.⁵⁹ (This discussion is developed further in *Poverty by Geography: Urban Poverty in Canada, 2000*, which will also be available on the CCSD website.)

Figure 12 also shows that there was little or no change throughout the 1990s in terms of poverty ranking among CSDs for those with the lowest and the highest rates of poverty. Trois Rivières, Québec and Montréal, for example, ranked 42nd, 43rd and 44th, respectively, in both 1990 and 2000, having the highest rates of poverty. Similarly, Oakville ranked in first place with the lowest rate of poverty throughout the decade. We

FIGURE 12
POVERTY RATES AND RANKING FOR CSDs, 1990 to 2000

CSDs	1990		1995		2000		Change in Rank 1990 to 2000
	Rank	Pov. rate (%)	Rank	Pov. rate (%)	Rank	Pov. rate (%)	
Oakville	1	6.7	1	9.9	1	7.8	0
Vaughan	2	7.4	3	12.1	3	8.2	-1
Markham	3	7.5	7	14.6	7	12.6	-4
Burlington	4	7.9	2	10.4	2	8.1	2
Brampton	5	8.5	5	13.6	5	10.8	0
Richmond Hill	6	8.6	12	17.5	8	12.6	-2
Saanich	7	10.6	4	12.9	6	11.7	1
Mississauga	8	10.9	10	16.4	9	12.7	-1
Cambridge	9	11.9	6	13.7	4	10.1	5
Oshawa	10	12.2	9	16.3	11	13.5	-1
Thunder Bay	11	12.9	8	15.3	14	15.1	-3
Kitchener	12	13.0	11	16.8	10	13.3	2
St. Catharines	14	14.0	13	17.8	15	15.5	-1
Coquitlam	13	14.0	24	22.3	29	21.4	-16
Gatineau	15	14.5	17	19.5	16	16.0	-1
Niagara Falls	16	15.0	14	18.2	12	14.4	4
London	18	15.2	16	18.8	19	16.8	-1
Richmond	17	15.2	31	26.0	34	23.9	-17
Surrey	19	15.7	21	21.4	23	18.3	-4
Laval	20	16.1	22	21.4	17	16.0	3
Regina	21	16.4	15	18.3	18	16.4	3
Greater Sudbury	22	16.5	20	21.2	24	18.8	-2
Chicoutimi	23	16.9	23	21.6	21	17.0	2
Jonquière	24	17.7	27	23.5	22	18.0	2
Calgary	25	17.8	19	20.6	13	14.9	12
Windsor	26	18.4	18	19.6	20	16.8	6
Burnaby	27	18.5	36	27.8	40	26.4	-13
Toronto	28	19.1	34	27.6	30	22.6	-2
Halifax	29	19.6	29	24.5	31	23.1	-2
Saskatoon	30	20.0	25	22.8	25	19.7	5
St. John's	31	20.7	26	23.4	28	21.0	3
Winnipeg	32	21.1	28	24.3	27	20.3	5
Ottawa	33	21.1	37	28.3	32	23.1	1
Hamilton	34	21.5	35	27.6	39	25.4	-5
Saint John	35	21.9	33	27.0	36	24.5	-1
Edmonton	36	22.8	32	26.0	26	20.0	10
Victoria	37	23.5	30	25.1	35	24.5	2

(table continues on next page)

FIGURE 12 (CONTINUED)

POVERTY RATES AND RANKING FOR CSDS, 1990 to 2000

CSDs	1990		1995		2000		Change in Rank 1990 to 2000
	Rank	Pov. rate (%)	Rank	Pov. rate (%)	Rank	Pov. rate (%)	
Hull	38	23.9	38	29.2	33	23.1	5
Longueuil	39	24.3	40	30.3	38	25.2	1
Vancouver	40	24.8	42	31.0	41	27.0	-1
Sherbrooke	41	26.3	39	29.7	37	25.2	4
Trois-Rivières	42	27.7	41	30.8	42	27.2	0
Québec	43	29.3	43	34.7	43	30.6	0
Montréal	44	33.3	44	41.2	44	33.9	0

Notes: Individuals in the Yukon, Northwest Territories, and Nunavut are excluded from these low income statistics, as are those living on Indian reserves and those in collective dwellings.

Large cities are defined as those with populations of 100,000 or more, or those that historically have been a central city of a CMA. Kingston and Abbotsford were not part of a CMA in 1996 and therefore are not included in this analysis.

The rates of low income for all CSDs have been calculated using the 1990 boundaries.

Source: Prepared by the Canadian Council on Social Development using data from Statistics Canada's 1991, 1996 and 2001 Censuses, custom tabulations.

see more movement, however, among CSDs located within the middle ranks. Among 44 CSDs (using consistent boundaries across all three Census years), only 17 changed rank by four or more places during the decade. The greatest changes in ranking occurred for Coquitlam, Richmond, Burnaby, Calgary and Edmonton – all located within larger CMAs. Overall, there was less variation in poverty rates over the decade among CSDs in smaller CMAs than among those in larger CMAs.⁶⁰

As with our analysis of CMAs, we can further group these CSDs according to their poverty dynamics during the 1990s: treading water, losing ground or making progress.

Treading Water

One group of CSDs experienced little change in their poverty status over the 1990s. The rate of poverty in 2000 was within one percentage point of the rate recorded in 1990 for about one-third (16) of the 44 CSDs examined here. Roughly half of these CSDs (typically those with comparatively lower rates of poverty) experienced high spikes in their rate of poverty in 1995 (over 20%) and, in turn, had relatively strong recovery periods, as reflected in their return

to near pre-recessionary levels in the later half of the decade. For instance, the rate of poverty rose in Laval by 32.9% between 1990 and 1995, and then declined by 25.2% by 2000. Economic volatility was less pronounced in other CSDs such as Regina. With the exception of Windsor and Victoria, Regina recorded the smallest increase in poverty rates from 1990 to 1995 (11.6%) and one of the smallest reductions from 1995 to 2000 (10.4%).

Losing Ground

Over half of the CSDs examined (23 of 44) lost ground during the 1990s, ending the decade with higher rates of poverty than in 1990. Almost all of these CSDs (21 of 23) experienced sharp increases in poverty (in excess of 20%) between 1990 and 1995. Indeed, the poverty rate climbed by over 50% in seven of these CSDs by mid-decade – for Richmond Hill, the poverty rate rose by over 100%. Predictably, this group of CSDs also tended to experience smaller drops in poverty between 1995 and 2000 than CSDs that made progress in reducing poverty or those that saw little or no change in their poverty status.

The most notable trend among the cities that lost ground through the 1990s was the growth in the poverty rate among a select number of suburban CSDs. The CSDs of Coquitlam, Richmond and Burnaby, for instance, had poverty rates more similar to the rate of their anchor or core city of Vancouver by the end of the 1990s than at the beginning. All of these CSDs experienced an increase in poverty of over 45% between 1990 and 2000. The growth of poverty among these suburban cities was a significant factor behind the increases in the poverty rate of the Greater Vancouver Regional District through the 1990s. In the Greater Toronto Area, Markham and Richmond Hill experienced high growth in their rates of poverty over this period as well, closing the gap between them and the City of Toronto – but not to the same extent as seen in Vancouver's Lower Mainland.

Making Progress

Five of the 44 CSDs examined in this study – Cambridge, Calgary, Windsor, Edmonton and Sherbrooke – made progress in reducing poverty over the decade. As a group, these CSDs experienced lower mid-decade spikes in poverty and relatively strong recoveries. Calgary and Edmonton both registered lower poverty rates and improved poverty rankings in 2000 compared with 1990.

SUMMARY

Overall, the trends evident among CMAs were also evident among CSDs. Most large cities struggled with the recession of the early 1990s and most experienced slow recoveries. A majority did not fully recoup their mid-decade losses. However, Calgary and Edmonton again stood out as having experienced significant reductions in poverty at the CSD level.

There continued to be tremendous variation in rates of poverty among cities within the same CMA. As was clear from this analysis, poverty was not evenly spread within these large urban areas. Within all CMAs, central or core cities had substantially higher poverty rates than suburban CSDs located in the remainder of the CMA, and poor residents were more likely to live there. However, in the Greater Vancouver Regional District, there was evidence of growing rates of poverty among its suburban cities – namely, Coquitlam, Richmond and Burnaby. Whether this is a sign of a new, broader trend towards the suburbanization of poverty in some locations remains to be seen. For now, it is evidence of the changing patterns of urban poverty in Canada.

CHAPTER 6: MAKING PROGRESS, LOSING GROUND, TREADING WATER: THREE STORIES



So why did some urban areas in Canada gain ground in terms of poverty rates over the 1990s? Why did others lose ground and yet others tread water? Is it enough to look at overall poverty rates when trying to understand these complex dynamics? The “tales” below are illustrative of the varied stories of urban poverty in the 1990s, pointing out the range of local factors that influence the dynamics of poverty in urban Canada.

MAKING PROGRESS: CALGARY- EDMONTON CORRIDOR

In terms of making progress in poverty rates, one in five CMAs examined in this report registered some overall improvement by the end of the 1990s. For most of these CMAs, the improvement was less than 10% (typically less than two percentage points). Two CMAs, however, experienced noteworthy improvement. Edmonton and Calgary not only had the greatest proportional drops in poverty rates of any CMA between 1990 and 2000 (16.6% and 20.5%, respectively), but together they “bucked the trend” among the largest CMAs by appearing to make great strides in the fight against poverty. But “all that glitters is not gold” – even when “black gold” is involved.

The Calgary-Edmonton Corridor is an area in Alberta extending from Calgary in the south to Edmonton in the north and including about 90% of Alberta’s population. It has become one of the most important economic regions in Canada, exhibiting positive momentum since the mid-1990s – a momentum related to the “vast wealth of natural resources, a rapidly growing and

youthful population and low business costs.”⁶¹ On any number of economic indicators, this region stands out in Canada, and this type of economic performance was evident even during the 1990s.

“Among the provinces, Alberta has shown the steadiest employment growth over the longest period.”⁶² Between 1995 and 2000, Alberta registered the highest average rate of employment growth in the country.⁶³ According to Statistics Canada,⁶⁴ among all provinces in 1990, 1997 and 2003, Alberta registered:

- the highest number of hours worked per population aged 15 and older;
- the highest GDP per hours worked; and
- the highest GDP per capita.

The booming Alberta economy, particularly in the Calgary-Edmonton Corridor, was being fuelled largely by the strength of its energy sector. In 2000, 22% of Alberta’s GDP flowed from primary sector industries (mostly oil and gas).^{65,66} The proximity of these natural resources to the Calgary-Edmonton Corridor, coupled with a “highly competitive business environment,”⁶⁷ has been a major factor in the health of the Alberta economy.

With all this positive economic news – decreasing rates of poverty in the late 1990s and abundant evidence of economic prosperity – one might conclude that the Calgary-Edmonton Corridor had met the challenge of urban poverty head on and won. The findings for the Corridor are particularly striking given the rise

in poverty and inequality experienced after the 1981-1982 recession in Alberta. But, masked by all these indicators are some other disturbing findings. There is evidence that, while the proportion of people living in a low income situation (the *rate* of low income) in Calgary and Edmonton decreased during the last part of the 1990s, the *depth* of low income (the difference between the Low Income Cut-off [LICO] and the average income of those living below it) may have increased, largely because of declining transfer benefits.⁶⁸ In other words, there may have been a lower proportion of people who were poor, but those who were poor experienced a greater depth of poverty.

According to the Edmonton Social Planning Council,⁶⁹ the use of food banks peaked in Edmonton in 1996; however, at the end of the decade, food bank usage (rate per 1,000 population) was still 28% higher than it was in 1993. Similarly, the personal bankruptcy rate (per 1,000 population) peaked in 1997, but failed to decrease substantially by the decade's end. In fact, the personal bankruptcy rate in Edmonton in 2000 was nearly three times what it was in 1993.

Even more conflicting evidence comes to the fore when we look at housing. Calgary, for example, registered an extremely high rate of growth in home ownership between 1996 and 2001 compared with other CMAs across the country (with an increase in home ownership of 47.7%).⁷⁰ According to Canada Mortgage and Housing Corporation,⁷¹ "in recent years, housing starts in Calgary, the fastest-growing city in Canada, have approached the number in Montréal, a city nearly four times larger." But, as noted by Elisabeth Ballerman of the Health Sciences Association of Alberta,⁷² there is a "dark side" to this boom: "the spectacular rise in residential housing prices. For some, they mean a sudden windfall, if only on paper. For others, home ownership has either become a pipe dream, or is accompanied by high ratio mortgages with terms as long as 35 years. For many, however, the question is one of being able to find housing, any housing, even with what is considered a good income." Ballerman also points out that the most "disturbing implications" are for "the most vulnerable in our society" as vacancies for affordable housing disappear.

For those living in the Calgary-Edmonton Corridor, the 1990s were merely the opening chapter in the complex relationship between economic prosperity and the fight against poverty. Since the most recent poverty rates we examine in this study are from the 2001 Census data,

we also can tap into other sources of data that examine the late 1990s and beyond to understand more about the situation in the Corridor and put things in perspective. For example, in its 2006 Position Paper, the Alberta Housing Coalition reveals that, "since 1996, the number of homeless people in Calgary has grown more than 458% (The City of Calgary Biennial Homeless Count) while the total population of the city itself has only grown by approximately 28%." It is estimated that "as many as 50% of people living in Calgary's emergency shelters have jobs. Many are working for minimum wage and simply cannot afford market housing."⁷³ Similarly, according to the Edmonton Housing Trust Fund Homeless Count (2004), the homeless count in Edmonton continued to rise after the 1990s ended. Between 2002 and 2004, the number of homeless people in Edmonton increased by an estimated 14.5%. Perhaps even more disturbing is the finding that 120 families with 276 children under age 17 were included in those counts.⁷⁴

With a rapidly growing economy and high migration from other parts of Canada, the Calgary-Edmonton Corridor was subject to housing shortages beginning in the mid-1990s. However, with rapid increases in housing starts, the real problem has become affordable housing. In fact, the problem is both a lack of affordable housing and inadequate wages for those at the bottom end of the wage spectrum. In a 2007 report,⁷⁵ Public Interest Alberta provides a closer look at the reality of living with low wages in Alberta. The organization produces numerous profiles of the working poor (different combinations of family types for those working in minimum wage jobs at \$7 per hour and those earning \$12 per hour) and compares these profiles with estimated average living costs. Although the average wage rate for Albertans is relatively high (estimated to be \$20.08 per hour in September 2005), there are still many who earn comparatively low wages. For example, "one-quarter of employed Albertans earned less than \$12 per hour in 2005."⁷⁶ These low wage earners fell short of meeting the estimated costs of living in Alberta.⁷⁷ Public Interest Alberta provides the following details:

- "The pooled income of two minimum wage earners falls short of covering the monthly costs for an individual, let alone a family of four."
- For those earning \$12 per hour, "individuals and dual-income families of four earn about two-thirds of their estimated living costs."

During the 1990s, these trends toward inadequate living wages for those at the bottom end of the scale began along with increasing incomes for those at the top end. As noted by the TD Bank Financial Group,⁷⁸ there was a “growing gap between the ‘have’ and ‘have-not’ residents of the Corridor.” According to Patricia Lawrence in a study for the Parkland Institute, “the top 30 percent of income earners took home over half (52.7%) of the total market income in Alberta and the bottom 30 percent took home slightly more than 10 percent (10.3%).”⁷⁹ However, there was little impact from taxes and transfers in correcting this inequity.

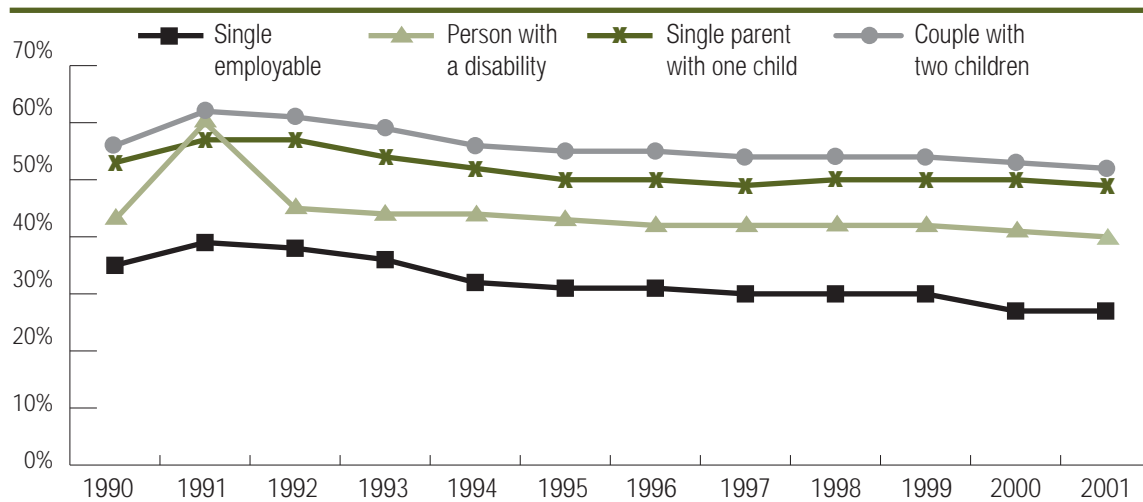
These wage trends were coupled with changes to the government transfer system. During the 1990s, Alberta welfare incomes as a percentage of the LICO fell steadily. For single employable persons, the Alberta welfare income dropped from 39% of the LICO in 1991 to 27% in 2001. For persons with disabilities, the welfare income peaked at 60% of the LICO in 1991, then fell dramatically in 1992 to 45% of the LICO and hovered near this mark for the duration of the decade, registering at 40% of the LICO in 2001. For lone parents with one child, the welfare income peaked at 57% of the LICO in 1991 and declined during the decade to 49% in 2001. For couples with two children, the welfare

income as a percentage of the LICO was highest in 1991 at 62%, falling steadily during the decade to 52% in 2001.^{80,81}

As noted by Picot and colleagues,⁸² “in Alberta, declines in transfers raised low income intensity by 22 percent, which was partially offset by higher earnings (10 percent) for a net change of 12 percent. The changes in transfers mainly affected the low income gap, and tended to increase the gap by 16 percent over the 1990s.” So, while we find falling rates in the incidence of low income in these Alberta CMAs during the 1990s (fewer people falling below the LICO), the intensity of poverty for those who were poor increased. As noted by the City Forecast Committee of Edmonton,⁸³ “the rich got richer and the poor got poorer.” The case of the Calgary-Edmonton Corridor during the 1990s and even beyond demonstrates the complexities of poverty and the fact that economic booms can bring with them prosperity for some, but deep poverty challenges for many others.

A variety of local initiatives throughout Alberta are tackling the challenges associated with the “dark side of the boom.” Organizations such as Public Interest Alberta,⁸⁴ the Edmonton Social Planning Council,⁸⁵ the Alberta

FIGURE 13
ALBERTA WELFARE INCOMES AS A PERCENTAGE OF LICO, SELECT FAMILY TYPES, 1990 to 2001



Notes: Lone-parent with 2-year-old child. Two-parent family with two children aged 10 to 15.
Source: National Council of Welfare, *Welfare Incomes, 2000 and 2001, 2002*.

Housing Coalition,⁸⁶ the United Way⁸⁷ and municipal government organizations across the province such as the City of Calgary's Community and Neighbourhood Services⁸⁸ – to name only a few – are all involved in monitoring the "crisis" and developing strategies to ameliorate the negative consequences of the phenomenal growth that Alberta continues to experience.

LOSING GROUND: GREATER VANCOUVER REGIONAL DISTRICT

For nearly a third of the CMAs examined here, the 1990s weren't simply a lost decade – they were a decade of loss. Among the CMAs experiencing a setback in the fight against poverty, Vancouver tied with Thunder Bay as the CMA losing the most ground in terms of poverty rates, with a 16.3% increase in the rate of poverty between 1990 and 2000. Moreover, among the CMAs experiencing higher decade-end poverty rates, it was Vancouver that registered the highest poverty rate in each of the three Census years. Even Thunder Bay, which suffered a similar percentage rise in the rate of poverty throughout the decade, did not have such a high rate. By the decade's end, the poverty rate in Vancouver was 20.8%, compared with 14.1% for Thunder Bay and 17.4% for St. John's (the second highest rate in this group).

Although the economic recovery was underway in most other parts of Canada by the end of the 1990s, British Columbia continued in a slump. As noted by White and colleagues,⁸⁹ "BC's real GDP per capita fell from 8% above the average in the rest of Canada in 1992 to 8% below by 2001, after which it began to recover." The prolonged economic downturn of the 1990s in British Columbia can be associated with a 25% reduction in residential construction during the 1990s, market difficulties experienced with non-energy resources (such as forestry and mining) and the impact of the 1997-1998 Asian crisis. During the last couple of decades, the economy of British Columbia has become quite closely linked with that of Asia. In response to the monetary crisis that began to hit Asia in 1997, there was a decrease in exports from British Columbia during the last part of the decade. While the rest of Canada was in recovery mode from the recession of the early 1990s, British Columbia (Vancouver and area, in particular) was being hit with a new economic crisis. This impact is reflected in the 2000 poverty statistics for Vancouver.

According to White and colleagues,⁹⁰ the British Columbia economy has strengthened since 2001. However, there has also been a shift in the nature of exports (decreasing proportion of exports in forestry products) and the destination of such exports (increasing exports to Asia and decreasing exports to the United States). This suggests that, in future, we are likely to see poverty in Vancouver being increasingly linked to economic trends in Asia and not just in North America. Again, this underlies the need for "place-based" analysis when dealing with poverty at the local level.

The Greater Vancouver Regional District comprises several large cities. In the past, it was the historic core of this large urban area (the CSD of Vancouver) that registered the highest rates of poverty. For example, in 1990, the poverty rate in the CSD of Vancouver was 24.8%, ranking it in 40th position among the 44 CSDs considered in this study. In the surrounding cities of Coquitlam, Richmond, Surrey and Burnaby, the poverty rates were much lower (14.0%, 15.2%, 15.7% and 18.5%, respectively).

By 1995, however, these surrounding cities began to display poverty rates much more similar to the historic core. The poverty rate rose to 22.3% in Coquitlam, 26.0% in Richmond, 21.4% in Surrey and 27.8% in Burnaby. At the same time, the poverty rate in the CSD of Vancouver rose to 31%. These mid-decade increases also caused the CSDs within the CMA of Vancouver to drop in their poverty rate ranking among the 44 CSDs considered here. Coquitlam dropped from 13th to 24th rank; Richmond, from 17th to 31st; Surrey, from 19th to 21st; Burnaby, from 27th to 36th; and Vancouver, from 40th to 42nd. The city of Vancouver and its surrounding suburban cities are an example of the increasing "suburbanization" of poverty.

Although the poverty rates within all CSDs in the CMA of Vancouver decreased somewhat from their mid-decade highs by 2000, the decreases were slight and left the cities with poverty rates well above pre-recessionary levels. In terms of rank change throughout the decade, it was large cities within the CMA of Vancouver that suffered by far the greatest losses. Throughout the course of the 1990s, the CSDs in the CMA of Vancouver had dropped as follows:

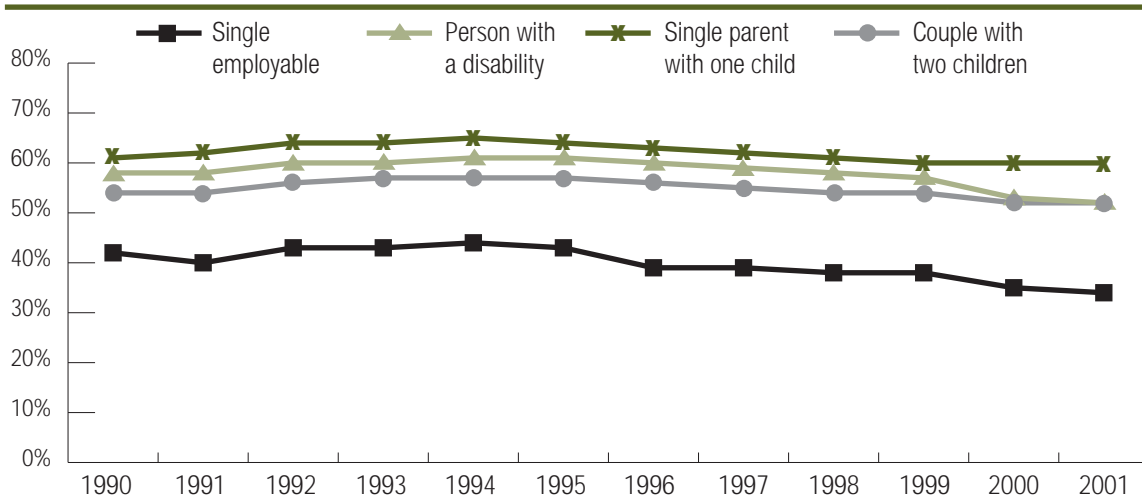
- Richmond dropped 17 places.
- Coquitlam dropped 16 places.
- Burnaby dropped 13 places.
- Surrey dropped 4 places.
- Vancouver dropped 1 place.

The dynamics of poverty within the CMA of Vancouver have also been strongly attached to the recent immigrant population. Heisz and McLeod⁹¹ found that the poverty rate among recent immigrants in the CMA of Vancouver increased from 26.7% in 1990 to 37.4% in 2000; the increase among those who were not recent immigrants was considerably less (from 14.7% to 15.4%). Heisz and McLeod also established that recent immigrants made up an increasing proportion of the population in the CMA of Vancouver throughout the 1990s (from 8.8% in 1990 to 16.6% in 2000). During this same period, however, their share of the poor population grew even more – from 14.9% in 1990 (when they formed 8.8% of the general population) to 32.6% in 2000 (when they formed 16.6% of the population). It appears that the negative impact of the recession of the early 1990s along with the slow recovery of the late 1990s in British Columbia was disproportionately borne by the recent immigrant population. Heisz⁹² points out in another article that, “[in] Toronto and Vancouver, the employment rate fell substantially only among recent immigrants.” Recent immigrants were increasingly more

likely to work part-time or part-year. As well, they were more likely to be underemployed. “In Vancouver, for example, 31% of recent immigrants with a university degree were employed in jobs with low-skill levels, compared with 13% of Canadian-born graduates”⁹³ by 2000.⁹⁴

These dynamics in Vancouver were at play against the backdrop of welfare policy changes during the 1990s. From mid-decade onward, welfare incomes as a proportion of the LICO began to drop as the British Columbia government tightened welfare eligibility rules – resulting in a drop in caseload numbers – as well as making some cuts to the benefit rates.⁹⁵ The dramatic drop in the overall poverty ranking of the CSDs within Vancouver is not surprising given the likely interaction of economic trends affecting the province and these welfare policy changes. The Canadian Centre for Policy Alternatives and the Social Planning and Research Council of B.C.⁹⁶ provide a discussion of changes to the welfare system in British Columbia, warning that changes made again in 2002 must be monitored closely. Since poverty data

FIGURE 14
BRITISH COLUMBIA WELFARE INCOMES AS A PERCENTAGE OF LICO, SELECT FAMILY TYPES, 1990 to 2001



Notes: Lone-parent with 2-year-old child. Two-parent family with two children aged 10 to 15.

Source: National Council of Welfare, *Welfare Incomes, 2000 and 2001, 2002*.

from the 2006 Census are not yet available at the time of writing, it will be interesting to see what has happened to poverty rates within Vancouver between the 2001 and 2006 Censuses. The report entitled *Vancouver's Vital Signs*⁹⁷ points to numerous warning signals looking forward, including the "significant growth in the number of homeless counted in the City of Vancouver. Between 2002 and 2005, the number of homeless increased 106%."

Community groups in the Greater Vancouver Regional District have been engaged in anti-poverty initiatives for many years. Historically, these efforts have focused on areas such as the Lower Eastside; more recently, groups have formed such as Vibrant Communities-Surrey to tackle growing poverty in other communities across the Lower Mainland.

TREADING WATER: SAINT JOHN

For nearly half the CMAs examined here, there was nearly no change in poverty rates from 1990 to 2000. Despite experiencing a mid-decade spike in response to the recession, these CMAs either recovered or very nearly recovered to their pre-recessionary poverty levels. In the middle of this pack, we find the CMA of Saint John, New Brunswick. Although almost unremarkable among the CMAs that were "treading water" during the 1990s, Saint John is actually an excellent example of the persistence of high poverty and the concentration of poverty within the urban core.

When we look at the CMA level, we find Saint John to be a good example of treading water – a poverty rate of 17.3% in 1990 that spiked to 20% in 1995 and fell back to 17.8% in 2000. However, if we examine the CSD of Saint John, we find a more disturbing trend. At the beginning of the decade, the urban core (CSD) of Saint John registered a higher poverty rate (21.9%) than the entire CMA (17.3%). By mid-decade, the poverty rate in the CSD of Saint John had spiked to 27%, compared with 20% in the CMA. However, while the CMA of Saint John recovered to near pre-recessionary levels by 2000, its urban core did not. In the CSD of Saint John, the poverty rate dropped from the mid-decade high of 27% to only 24.5% in 2000. This drop did not return the CSD of Saint John to its pre-recessionary level (of 21.9%). So, while it appears that the CMA of Saint John was treading water during the 1990s, the urban core

was actually losing ground. In Saint John's case, examining poverty rates over time at the CMA level masks the dynamics of poverty within this large urban area.

As noted by Kurt Peacock in a 2005 report entitled *Poverty and Plenty: A Statistical Snapshot of the Quality of Life in Greater Saint John*,⁹⁸ "it is fair to state that Greater Saint John is in fact made up of two distinct communities: an historic inner city, where the majority of the region's most vulnerable residents are found, and fast-growing suburbs, where median household incomes are the highest in New Brunswick."⁹⁹ Saint John exemplifies the trend towards the urbanization of poverty. Unlike a growing number of urban areas in the United States and, to a lesser extent, in Canada (Toronto and Vancouver, for example) that display a trend toward the increasing suburbanization of poverty, Saint John is a classic example of rising prosperity in the suburbs combined with an increasingly impoverished urban core. Peacock notes that "all of the very high poverty neighbourhoods found in the Saint John CMA are within city limits."¹⁰⁰ When we examine poverty in Saint John, we need to turn to measures of concentration of poverty to truly understand the local dynamics.

By examining poverty at the neighbourhood level (defined here as a census tract), we find that the spatial distribution and concentration of poverty within large urban areas is not always the same in all CMAs. Some neighbourhoods have an unusually high proportion of people living in poverty compared with others. What are the implications for people living in these areas? This type of concentration of poverty is thought by some to have a negative impact on those who live in these neighbourhoods that goes beyond living in a household with low income. In effect, this type of concentration may multiply the impact of poverty. However, even for people who are not living in low income households, living in a high poverty neighbourhood could have constraints on their socio-economic opportunities as well (see Appendix 1: Patterns of Neighbourhood Poverty for more details).

Two basic measures of concentration are presented here. The first measure, the *neighbourhood poverty rate*, is really a measure of the proportion of the total population (whether poor or not) in a CMA who live in a high poverty neighbourhood (that is, what proportion of all residents are living in poor neighbourhoods).¹⁰¹ The

implications of this measure are for the population as a whole. The second measure, the *neighbourhood concentration of the poor*, is a measure of the proportion of the poor population in a CMA who live in a high poverty neighbourhood. The implications of this measure are for those people living in poverty (those who experience a multiplied impact from being poor in a poor neighbourhood). Unfortunately, we have data for these concentration measures only for 1995 and 2000, so we are unable to track changes in concentration throughout the 1990s.

In general, these concentration measures improved between 1995 and 2000 in CMAs across the country. Given trends in poverty rates during this period, this is exactly what we would expect. However, Saint John is among a handful of CMAs in Canada that continue to have very high levels of concentration of poverty in specific neighbourhoods over time – despite some improvement during the late 1990s. In 2000, one in six neighbourhoods in Saint John (eight of 46 census tracts) had rates of poverty over 40%. When we examine the proportion of the total population of the CMA living in neighbourhoods with “very high” rates of poverty (40% of the neighbourhood living below the LICO), we see that Saint John ranked second only to Montréal in 2000. The neighbourhood poverty rate (the proportion of the total population living in a high poverty neighbourhood) in the Saint John CMA in 2000 was 10.7% (Montréal had a rate of 12.4%). For the Montréal CMA, the 2000 rate of neighbourhood poverty was actually a great improvement over its 1995 rate of 21.9%. Although Saint John also improved its neighbourhood poverty rate in the last half of the 1990s, the improvement was much less pronounced, going from 12.6% in 1995 to 10.7% in 2000; this suggests that high concentrations of poverty in Saint John may be quite persistent over time.

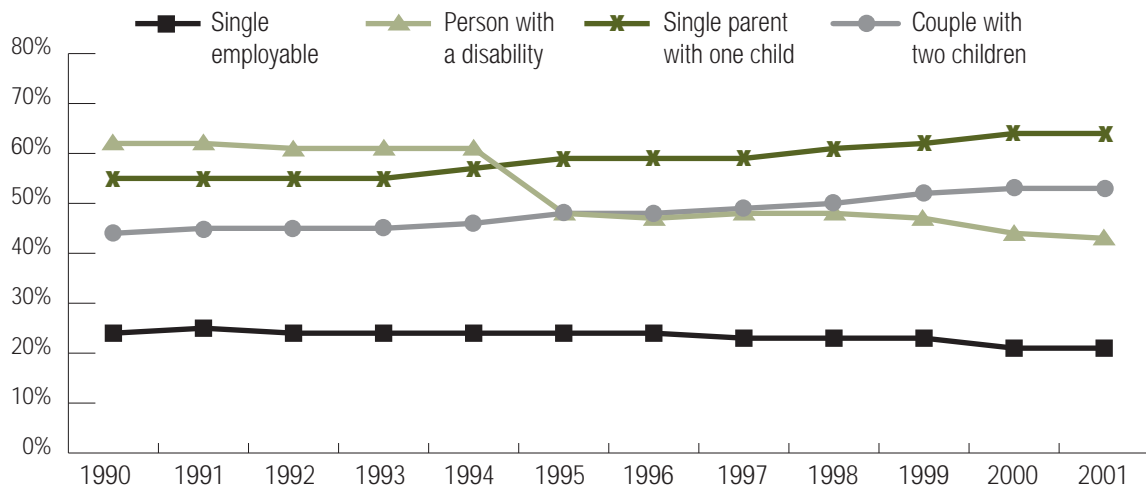
The concentration measure that best illustrates the poverty challenges facing Saint John, however, is the *neighbourhood concentration of the poor* – the percentage of individuals living in poverty who also live in high poverty neighbourhoods. This measure provides us with an indication of the extent to which those living in poverty may experience the multiplied impact of being poor in a poor neighbourhood. Of the CMAs presented here, Saint John ended the 1990s with the highest rate of neighbourhood concentration of the poor.¹⁰² Edging out Montréal (which had a 26% rate of concentration of the poor), Saint John stood out among the CMAs in this

study with 27.4% of its poor population living in a “very high” poverty neighbourhood in 2000. In 1995, Montréal had the highest rate of neighbourhood concentration of the poor with 40.8% of its poor population living in a “very poor” neighbourhood, compared with 31.4% for Saint John. However, Montréal made much more progress on this front than Saint John did during the last half of the decade. From 1995 to 2000, Montréal’s rate of neighbourhood concentration of the poor dropped from 40.8% to 26.9%, while Saint John’s rate dropped from 31.4% to 27.4% – again suggesting that high concentrations of poverty are very persistent in Saint John.

This phenomenon of high neighbourhood concentration of the poor in Saint John is outlined in *Poverty and Plenty*. In that report, Peacock describes the demographic trends at play within Saint John: the movement of middle-class families to the wealthier suburbs and the increasing concentration of lone-parent families and other vulnerable groups in the urban core, particularly in certain neighbourhoods. Peacock notes that, in “very high” poverty neighbourhoods in Saint John (all of which are within the CSD or urban core), “one in three households is headed by a single mother.”¹⁰³ The poverty rate among lone-parent families has been consistently higher in Saint John than in other CMAs across the country. In fact, Peacock points out that: “the incidence of poverty among lone-parent families is virtually the only indicator related to poverty in which Saint John led the country over a period of twenty years.”¹⁰⁴ This concentration of the poor among vulnerable groups presents a significant challenge in the fight against poverty in Saint John.¹⁰⁵

Although welfare rates as a percentage of the LICO for lone-parent families in New Brunswick remained somewhat stable during the 1990s (even increasing slightly toward the end of the decade), they were still not high enough to pull this segment of the population out of poverty. In fact, New Brunswick’s welfare incomes have been among the lowest in the country. It is important to note that, even in the “best years,” welfare incomes for lone parents in New Brunswick were still less than two-thirds the level of the LICO. For single employable persons, welfare incomes in New Brunswick throughout the 1990s were almost consistently less than one-quarter of the LICO. For another vulnerable group in society, persons with disabilities, welfare income as a percentage of the LICO actually dropped from 61% in 1994 to 48% in 1995.

FIGURE 15
NEW BRUNSWICK WELFARE INCOMES AS A PERCENTAGE OF LICO, SELECT FAMILY TYPES, 1990 to 2001



Notes: Lone-parent with 2-year-old child. Two-parent family with two children aged 10 to 15.
Source: National Council of Welfare, *Welfare Incomes, 2000 and 2001, 2002*.

Saint John faces many urban core challenges, as outlined in *Poverty and Plenty*. Aging housing stock in high poverty neighbourhoods, low levels of education among people living in high poverty neighbourhoods and a lack of employment opportunities in higher paying jobs within the city core all plague Saint John and make it difficult to successfully wage the war on poverty within the urban core. For example, in “very high” poverty neighbourhoods in Saint John, two in five adults lack a high school diploma. Yet recent reports at the local level indicate declining unemployment and skill shortages. Peacock points out that “there exists in the community’s most vulnerable neighbourhoods a potential labour force pool in the thousands that could – given the proper support and training – fill much of the region’s growing labour force demand.”¹⁰⁶ Saint John provides us with an understanding of the importance of examining the local dynamics and spatial distribution of poverty and the impact of high neighbourhood concentrations of poverty.

In Saint John, different community groups have mobilized in response to the persistently grim statistics in the city core, making the reduction of poverty a community endeavour. In 2005, the Human Development Council, the Urban Core Support Network, the Business Community Anti-Poverty Initiative and the municipal government joined forces to establish a new poverty reduction organization, Vibrant Communities Saint John. The coalition’s inaugural report, *Poverty and Plenty*, cited here, has helped empower traditionally low income neighbourhoods by giving them the statistical data needed to make the case for neighbourhood renewal. Since the report’s release, four of the five vulnerable Saint John neighbourhoods identified have begun to develop their own localized strategies to reduce poverty. As well, the Saint John Police Force has updated its Community Policing Model and increased its presence in three vulnerable communities.

CHAPTER 7: SUMMARY AND CONCLUSIONS



Evidence from various studies points to a longer-term trend towards growing income polarization and inequality in Canada, certainly since 1980. Market income inequality rose over the entire period, spiking predictably in each recessionary period and then falling back later in the 1980s and the 1990s, but not to pre-recessionary levels. Individuals and families at the top of the income scale realized most of the economic gain in the late 1990s, while incomes among individuals and families at the bottom of the income scale fell or stagnated. The tax and transfer system mediated some of the growing disparity, but certainly not all.¹⁰⁷ Millions of low income individuals and families were left behind in the 1990s.

The pattern of disparity evident at the national level was playing out in Canada's large urban areas. We see this in the stubbornly high rates of poverty between 1980 and 2000 in many urban areas and large cities across Canada. Specifically, our analysis of urban poverty in the 1990s reveals the following:

- Poverty in Canada remained primarily an urban problem – a disproportionate number of poor people lived in CMAs. In 2000, some 64.3% of the Canadian population lived in CMAs, whereas 69.7% of the poor population lived in these areas.
- The number of poor people living in CMAs grew at a faster rate than the total population in these large urban areas. Between 1990 and 2000, the number of poor residents grew by 19.1%, whereas the whole population in CMAs grew by 14.6%.
- Although only one-quarter of poor urban residents lived in areas outside of the large cities located in CMAs (the remainder of the CMAs), the rate of growth in the poor population between 1990 and 2000 was higher in these suburban areas than the rate of growth in the large cities (CSDs) themselves. Could we be seeing the beginning of the suburbanization of poverty – at least in some areas – that has become quite pronounced in the United States?
- Strong economic growth in CMAs in the latter half of the 1990s helped reduce poverty after the increases associated with the recession of 1991-1992. However, the overall poverty rate did not reach its pre-recessionary level. The poverty rate among residents of CMAs increased from 16.9% in 1990 to 21.6% in 1995, falling back to 17.6% in 2000.
- Larger CMAs (with populations of 500,000+) experienced higher poverty rates and contained a larger proportion of the total poor population. These larger CMAs had an average poverty rate of 18.4% in 2000, as compared with 13.2% for medium-sized CMAs (with populations of 250,000 to just under 500,000) and 17.0% for the smaller CMAs (under 250,000).
- In medium-sized and large CMAs, there was an overall tendency for poverty rates to increase with population size – although this relationship was curvilinear in nature. For the smallest CMAs, size appeared to make little difference. There may be a certain threshold before the impact of size on poverty rates comes into play.

- While size matters in some instances, place matters as well. Across Canada, the experience of urban poverty varied. Some large urban areas experienced a mid-decade spike in poverty after the 1991-1992 recession, followed by a recovery that returned them to near pre-recessionary levels; they were treading water through the 1990s. Others lost ground and ended the decade with higher rates of poverty than at the beginning. Still others made progress, recording strong recoveries that achieved poverty rates lower than those at the beginning of the decade.
- Even within large urban areas, there was tremendous variation in poverty. For example, residents of central or core cities tended to have higher levels of poverty than residents of the urban, rural and suburban fringe (remainder of the CMA). The aggregate poverty rate for these central city dwellers was 20.9% in 2000, as compared with 14.8% among those living in large suburban cities.
- The 1990s changed the historic relationship between large central or core cities and adjacent suburban cities in Toronto and Vancouver. In both cases, many of these neighbouring suburban cities failed to recover by the decade's end and began to approach a poverty profile that was more similar to that of the historic core city. For example, in 1990, the poverty rate in Richmond and Coquitlam was 15.2% and 14.0%, respectively, compared with 24.8% in the city of Vancouver. By 2000, the poverty rate had increased to 23.9% in Richmond and to 21.4% in Coquitlam. Although Vancouver still had the highest rate of poverty in this urban region (at 27.0%), the gap narrowed considerably between Vancouver and several of its neighbouring communities.
- In Montréal, however, the historic core city of Montréal hovered in 44th place among 44 CSDs throughout the decade, while the neighbouring large suburban city of Laval improved its ranking by decade's end from 20th to 17th place – further magnifying the difference in poverty profiles between these two cities.

It will be important to continue tracking the patterns of urban poverty to see if the gains of the period from 1995 to 2000 are sustained over time. To this end, monitoring the health of local labour markets and the protection afforded by income security programs will be valuable. On balance, the evidence is mixed. For instance, although rates of unemployment have been relatively low, notably in Western Canada, some areas of the country experienced increases between 2000 and

2005. Several CMAs in Ontario (including Oshawa, Hamilton, Toronto and Windsor) and the Montréal area have been hard hit by employment losses in the manufacturing sector, related to high energy costs and reduced exports caused by the appreciating Canadian dollar. Regina also has lost ground in the employment arena.¹⁰⁸ Improvements in the stock of full-time jobs have been patchy at best, cycling up and down in different regional labour markets.¹⁰⁹ The protection provided by income security programs for working-age families has steadily eroded since the mid-1990s.¹¹⁰ The Employment Insurance Program now provides protection for only an estimated 20% to 25% of workers in Canada's major urban centres such as the Greater Toronto Area or the Lower Mainland of British Columbia, despite recording large annual surpluses in the Employment Insurance Fund.¹¹¹ Aggregate poverty rates for CMAs from 2000 through 2004 suggest that poverty rates have oscillated in many communities since the gains reported in 2000.¹¹² And the levels of income inequality among families continue to grow. Although all families benefited from the positive economic conditions between 1996 and 2004, families in the top quintile continue to benefit disproportionately, outstripping the bottom and middle quintiles.¹¹³

Rising inequality in urban areas has implications for a range of individual and community outcomes. Certainly, a well-established association exists between poverty and adverse outcomes such as poorer health, low birth weight, lower educational attainment and a host of chronic illnesses. A considerable body of research also has found a strong association between living in poor neighbourhoods and several health and social problems.¹¹⁴ Studies from Europe and the United States suggest that the level of inequality in a community may be more important in predicting individual and social well-being than a society's aggregate level of wealth. Mounting evidence shows that societies with lower levels of disparity experience better health outcomes, less crime, stronger civic engagement and improvements in other measures of social capital and cohesion.

These research findings are troubling in light of the growing level of family income inequality documented above and stubbornly high rates of poverty in Canada through the 1990s. As noted earlier, large cities have been a source of both social stress and social innovation. The problem remains as to how to take advantage of the opportunities that cities afford and to mitigate the negative consequences linked to growing inequality in our urban areas.

This challenge has been taken up in Great Britain and the United States. In 1998, the British government launched the New Deal for Communities, aimed at England's most distressed communities, following up in 2001 with the Neighbourhood Renewal Strategy to help narrow the socio-economic gap between the most deprived neighbourhoods and the rest of England. In the United States, the government has invested billions of dollars through a range of initiatives, including the Community Empowerment Fund, Empowerment Zones, the Enterprise Community Initiative and Community Development Block Grants – all of which are designed to nurture business, investment and job creation and (or) provide for community facilities and services (such as housing) in distressed communities.^{115,116}

There are no common paths forward. The situation in each urban area – indeed in all communities – is unique. While there are common factors that are useful in understanding the dynamics of poverty across communities, the impact of these factors tends to vary widely from city to city. We do know, however, that various strategies are needed to address the challenges of poverty. We also know that the issues related to urban poverty – such as income, housing, employment, education, social networks and transportation – are interdependent, demanding an integrated approach to be successful.

Therefore, Canada needs both universal or general policies that target all individuals as well as strategies that are spatially focused or targeted. Séguin and Divay make the point that “aspatial” policies are critical urban poverty tools; policy interventions by the federal and provincial governments in key areas such as health, education and income security have important territorial effects, especially in high poverty areas, since they provide low income residents with high quality public services wherever they live. At the same time, “targeted” initiatives are important to reinforce the positive impact of universal policies as well as to create the vehicles and institutional structures through which local stakeholders from diverse backgrounds can be engaged and leadership fostered. Local partnerships are best positioned to identify the unique dimensions of local challenges and potential solutions.^{117,118}

Recent research in the United States shows a stunning turnaround in the number of high poverty neighbourhoods between 1990 and 2000, following the exponential growth between 1970 and 1990. Economic growth in hand with government efforts is largely credited with reducing the concentration of urban poverty, although there are now concerns that the economic downturn after 2000 along with the weakening state of many older suburbs may yet threaten hard-won progress.¹¹⁹ That being said, concerted actions on the part of other governments to revitalize their communities, and evidence of their success, highlight the need to take action here in Canada to reduce inequality and poverty that continue to circumscribe the life chances of millions of people living in Canada's large urban areas.

APPENDIX 1: PATTERNS OF NEIGHBOURHOOD POVERTY



The focus on poverty in urban areas may seem incongruous after many years of positive economic growth. Yet, comparatively high levels of poverty continue to undermine the health and well-being of significant numbers of Canadians, the majority of whom live in urban centres. The pattern – or geography – of urban poverty is not uniform, however. Just as poverty rates vary within and between large urban areas, so too do the levels and the degrees of concentration of neighbourhood poverty.

We present our analysis of neighbourhood poverty in urban areas through the latter half of the 1990s (we were unable to obtain the comparable 1990 data for a three-year comparison). Specifically, we look at changes in the rate and concentration of neighbourhood poverty among Canadian census metropolitan areas (CMAs) between 1995 and 2000. Neighbourhood poverty is defined here as the proportion of residents living in neighbourhoods where the rate of poverty is “very high” – in excess of 40%. Whereas other studies have looked at longer time frames, we examine a relatively short period. The impact of the specific time frame (1995 to 2000) – a period of recovery after the recession of the early 1990s – is clearly evident in the decline in the aggregate neighbourhood poverty rate and the degree of concentration of poverty within CMAs, findings that are consistent with the decline in poverty at all levels of geography in Canada through this period. This period marks a break in the steady rise in the number of poor neighbourhoods and the growing concentration of the poor in Canada’s poorest neighbourhoods that has characterized urban Canada since the 1980s.

LONG-TERM GROWTH IN NEIGHBOURHOOD INEQUALITY AND HIGH POVERTY NEIGHBOURHOODS

The focus on neighbourhood poverty has been fairly recent in Canada. Not so in the United States, where the spatially concentrated patterns of urban poverty emerged in the 1970s and 1980s.^{120,121,122, 123}

American researchers have shown that a host of negative consequences flow from high concentrations of poverty in urban centres – for both the low income residents in these neighbourhoods and the broader community – including high levels of welfare reliance, delayed child development, low educational attainment, persistent unemployment and family dysfunction. In his landmark study on poverty in the United States, *The Truly Disadvantaged*,¹²⁴ William Julius Wilson attributed differences between the experiences of poor families living in inner cities and the experiences of poor families living elsewhere to “concentration effects.” Wilson argued that social isolation – stemming most often from long-term joblessness – produced both short-term and long-term negative outcomes in terms of people’s ability to form positive social networks, achieve life goals and actively participate in society.

Canadian research on neighbourhood poverty has been limited in comparison with American research, but it points in a similar direction.^{125,126,127,128,129, 130,131,132,133,134} As in the United States, studies in Canada have identified a long-term trend towards the urbanization of poverty, accompanied by a greater concentration of poor households within large urban areas, economic marginalization and increased social isolation.

These studies have also shown variations among cities: some are more significantly affected by inequality and income polarization than others.

For instance, Myles and colleagues¹³⁵ demonstrated the increase in neighbourhood inequality among Canadian CMAs from 1980 to 1995. They found that growing income inequality among families (linked to the neighbourhood distribution of employment and earnings) was a leading factor in accounting for the increase in neighbourhood inequality, but in some urban areas (Edmonton, Calgary, Québec and Winnipeg), economic segregation also played a significant role through this period. Looking at 1980 through 2000, Heisz and McLeod also confirmed the increase in neighbourhood income inequality, especially from 1990 to 2000 in most CMAs. On average, incomes fell or stagnated in lower income neighbourhoods but rose significantly in higher income neighbourhoods.¹³⁶

Other studies have documented the increase in the number of high poverty neighbourhoods in Canada's urban centres. In a 1997 study, for instance, Hatfield tracked the increase in high poverty neighbourhoods through the 1980s.¹³⁷ He defined high poverty neighbourhoods as census tracts where the family poverty rate was at least double the national average for that year. Using this threshold, Hatfield identified a total of 334 high poverty census tracts in 1980 that were home to 11.8% of all poor families in Canada. By 1990, the number of high poverty census tracts had grown to 507, and 17.3% of poor Canadian families lived in these areas. Kevin Lee extended this analysis in the 2000 publication of the Canadian Council on Social Development (CCSD) entitled *Urban Poverty in Canada: A Statistical Profile*. According to Lee, by 1995, the number of high poverty census tracts had increased to 548, with 17.9% of Canada's poor families living there.¹³⁸

In a more recent study (2004) entitled *Poverty by Postal Code: The Geography of Neighbourhood Poverty, 1981–2001*, the CCSD examined the growth in poor neighbourhoods in one urban area: Toronto. This study clearly illustrated the marked rise in the level and concentration of neighbourhood poverty in Toronto over the 20 year-period from 1981 to 2001.¹³⁹ Whereas, in 1981, poor neighbourhoods tended to be located in the former City of Toronto, by 2001, these neighbourhoods

were distributed across the entire city, resulting from a dramatic intensification of neighbourhood poverty in Toronto's inner suburbs – in the former municipalities of Scarborough, North York, Etobicoke, East York and York.

Overall, the proportion of Toronto neighbourhoods with poverty rates above the 1981 average rate of 13.0% climbed from 46% in 1981 to 66% in 2001. The largest increase was in the number of "moderate" poverty neighbourhoods (defined as neighbourhoods with a poverty rate between 12.0% and 25.9%), which grew from 166 in 1981 to 223 in 2001. The greatest percentage increases were in the "high" and the "very high" poverty categories. In 1981, there were 26 "high" poverty neighbourhoods (with poverty rates between 26.0% and 39.9%) and four "very high" poverty neighbourhoods (with poverty rates over 40%); by 2001, the number of "high" poverty neighbourhoods had climbed to 97 and the "very high," to 23. At the same time, there was an increase in the percentage of Toronto's poor population living in "high" and "very high" poverty neighbourhoods. In 1981, just 17.8% of poor economic families lived in these neighbourhoods. By 2001, this proportion reached 43.2%.

Researchers are quick to point out that this concentration does not (yet) resemble the historic pattern in the United States. That is to say, while there has been an increase in the number of poor neighbourhoods and in the concentration of the poor in these neighbourhoods, they do not yet exhibit the same range of problems as chronically poor American neighbourhoods. For example, Ley and Smith's study of Montréal, Toronto and Vancouver shows that, even in areas where there is a high concentration of poverty, there is still a social mix. According to these authors, it is "unusual for poor census tracts to experience all aspects of deprivation generally associated with chronic poverty."¹⁴⁰ Further, they show that the pattern of economic segregation is not static; many census tracts that were poor in 1971 were not poor in 1991 because of factors such as gentrification and urban redevelopment in central cities, the dispersion of social housing and the dynamic character of the residential housing market. Thus far, Canada seems to have avoided the entrenched problems that characterize many large urban areas in the United States. As well, as we demonstrate below, the geography of urban poverty continued to shift through the period from 1995 to 2000.

RATE AND CONCENTRATION OF NEIGHBOURHOOD POVERTY, 1995 to 2000

The growth in the level and concentration of neighbourhood poverty in Canada through the latter half of the 20th century was not a steady climb. As with all economic cycles, levels of poverty rose and fell. Overall, from 1995 to 2000, the aggregate rate and concentration of neighbourhood poverty fell. Fewer residents of large urban areas (including those who were poor) lived in “very high” poverty neighbourhoods at the end of this five-year period. The pattern of economic recovery, however, did vary.

For this study, we adopted a 40% threshold to classify “very high” poverty neighbourhoods: if 40% or more of the population in a particular neighbourhood (census tract) was living below the LICO for that area, we defined it as a “very high” poverty neighbourhood. The previously mentioned studies by Hatfield and by Lee are examples of using other cut-offs, such as twice or greater than the national rate of poverty.^{139,140} However, we chose the 40% threshold in keeping with the bulk of existing research.^{143,144, 145,146.}

- **There was a decline in levels of neighbourhood poverty through the late 1990s.**

After years of growth in the numbers of high poverty neighbourhoods, the number and proportion of “very high” poverty neighbourhoods declined through the latter half of the 1990s. Of the 4,284 census tracts¹⁴⁷ in CMAs in 2000, 295 (6.9%) were “very high” poverty census tracts, having a poverty rate of 40% or more.¹⁴⁸

As the number of “very high” poverty census tracts decreased between 1995 and 2000, the rate of neighbourhood poverty among all CMAs fell substantially as well. In 1995, one in 10 CMA residents (10.4%) lived in a “very high” poverty neighbourhood; by 2000, one in 20 (5.4%) lived in a “very high” poverty neighbourhood. This translates into a decline of roughly 800,000 people, from 1.8 million in 1995 to just over 1 million in 2000, living in “very high” poverty neighbourhoods.¹⁴⁹

In 1995, every large urban area in Canada had neighbourhoods where 40% or more of the residents lived in poverty, with the exception of St. Catharines-Niagara. By 2000, however, there were several exceptions: the CMAs of Calgary, Oshawa, Kitchener and, again, St. Catharines-Niagara (see Figure A-1).

FIGURE A-1

NEIGHBOURHOOD POVERTY RATES* FOR CMAs, 1995 and 2000

CMAs	1995 (%)	2000 (%)
St. Catharines-Niagara	0.0	0.0
Kitchener	1.2	0.0
Calgary	3.0	0.0
Oshawa	1.9	0.0
Thunder Bay	0.7	0.6
Victoria	1.4	1.4
London	2.5	1.5
Chicoutimi-Jonquière	5.0	2.0
St. John's	6.8	2.1
Edmonton	10.5	2.3
Halifax	4.4	2.5
Vancouver	6.7	2.9
Greater Sudbury	6.0	4.2
Toronto	9.1	4.3
Sherbrooke	15.0	4.6
Saskatoon	7.9	4.8
Ottawa-Hull	9.4	5.0
Windsor	5.8	5.3
Hamilton	8.7	7.4
Regina	5.3	7.6
Trois-Rivières	14.1	8.0
Winnipeg	16.7	8.8
Québec	11.8	9.0
Saint John	12.6	10.7
Montréal	21.9	12.4
All CMAs	10.4	5.5

Note: Neighbourhood poverty rate refers to the percentage of individuals in a CMA who reside in census tracts that have a poverty rate of 40% or more.

Source: Prepared by Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

In 1995 and in 2000, seven CMAs had neighbourhood poverty rates that were higher than the average for all CMAs in those years. Notably, Montréal had the highest proportion of its population living in “very high” poverty neighbourhoods in both years. Over one in five (21.9%) Montréalers lived in “very high” poverty neighbourhoods in 1995. Although this rate dropped substantially by the end of the decade to 12.4% (over one in eight), it was still high compared with other large urban areas in Canada.

Saint John exceeded the aggregate CMA rate in both years as well; one in eight (12.6%) residents lived in “very high” poverty neighbourhoods in 1995 and just over one in 10 did so in 2000. Saint John did not demonstrate the dramatic drop that Montréal did during this time frame, and its rates of neighbourhood poverty were comparatively high.

The largest decrease in the rate of neighbourhood poverty was experienced by the CMA of Sherbrooke (from one in seven residents in 1995 to one in 20 in 2000). During this period of economic recovery, Sherbrooke managed to cut its neighbourhood poverty rate to one-third of its mid-decade rate. However, despite Sherbrooke’s dramatic improvement in its neighbourhood poverty rate between 1995 and 2000, it still had a comparatively high urban poverty rate in 2000, standing in 20th position out of 25 CMAs (see Figure 6 in Chapter 4).

The second largest decrease in the rate of neighbourhood poverty occurred in Edmonton (which dropped its rate from 10.5% to 2.3% between 1995 and 2000). Unlike Sherbrooke, however, Edmonton also greatly improved its overall poverty ranking among the 25 CMAs, progressing from 21st place in 1990 to 13th in 2000, thereby turning a page after years of high poverty rates in the aftermath of the 1980s recession.

As noted above, Saint John did not significantly improve its poverty ranking through the late 1990s. Hamilton also stands out as having made meagre progress in reducing neighbourhood poverty levels in comparison with gains achieved elsewhere. Despite a 1.3 percentage point decline, Hamilton moved from the group of CMAs with below-average neighbourhood poverty rates in 1995 to the above-average group in 2000 – reflecting in part its fall in the ranking of overall poverty rates from the 12th to the 16th position among the 25 CMAs included in this study.

All but one CMA decreased its rate of neighbourhood poverty between 1995 and 2000. (It is important to remember, however, that these data relate to only two points in time – and a period of economic recovery at that – so a long-term downward trend cannot be assumed). The only exception was the CMA of Regina, which saw its neighbourhood poverty rate increase from 5.3% in 1995 to 7.6% in 2000. Interestingly, Regina was one of the CMAs that returned to near its pre-recessionary overall poverty rate in 2000 after the 1995 spike experienced in all CMAs, improving its poverty ranking very slightly during the decade. Despite this improvement, a higher proportion of the population of Regina lived in “very high” poverty neighbourhoods in 2000 than in 1995.

- **The neighbourhood concentration of poverty declined between 1995 and 2000.**

Figure A-2 presents data on the neighbourhood concentration of poverty. The concentration of poverty refers to the proportion of *poor individuals* (those below the Low Income Cut-off) who reside in “very high” poverty neighbourhoods.

Those CMAs with high neighbourhood poverty rates had relatively high concentrations of poverty as well. In 2000, over one in five poor persons lived in “very high” poverty neighbourhoods in the CMAs of Saint John, Montréal, Québec, Winnipeg, Regina, and Hamilton.

Nevertheless, there were significant decreases in the neighbourhood concentration of poverty in Montréal and Winnipeg. The largest decreases were recorded in Sherbrooke and Edmonton. Sherbrooke moved from 23rd place out of 25 CMAs in 1995 to 13th in 2000, continuing the decline in neighbourhood concentration of poverty reported between 1980 and 1995.^{150,151} Edmonton improved its standing considerably after substantial increases through the 1980s and early 1990s. St. John’s and Ottawa-Hull also experienced a significant decline in the proportion of poor residents living in “very high” poverty neighbourhoods.

As expected, there was little change in the situation of those CMAs that had low levels of neighbourhood concentration of the poor in 1995. Hamilton and Québec, while having comparatively high neighbourhood concentrations of poverty, also made little progress in this regard from 1995 to 2000.

Regina and Windsor bucked the trend of declining neighbourhood concentration of poverty. In these two urban areas, the proportion of poor residents living in “very high” poverty neighbourhoods grew over the period, albeit very slightly in the case of Windsor.

FIGURE A-2

CONCENTRATION* OF POOR INDIVIDUALS IN CMAs, 1995 and 2000

CMAs	1995 (%)	2000 (%)
St. Catharines-Niagara	0.0	0.0
Kitchener	3.4	0.0
Oshawa	6.8	0.0
Calgary	7.5	0.0
Thunder Bay	2.7	2.4
London	6.1	4.0
Victoria	4.1	4.0
St. John's	15.0	5.1
Chicoutimi-Jonquière	11.9	5.5
Edmonton	23.0	6.5
Vancouver	13.5	7.3
Halifax	12.0	7.9
Sherbrooke	33.1	10.9
Greater Sudbury	16.0	11.9
Toronto	20.5	12.2
Saskatoon	18.7	12.6
Ottawa-Hull	24.5	14.8
Windsor	17.4	17.5
Trois-Rivières	28.8	18.8
Hamilton	22.4	21.3
Regina	17.0	23.5
Winnipeg	38.0	23.6
Québec	27.0	23.7
Montréal	40.8	26.9
Saint John	31.4	27.4
All CMAs	23.9	14.9

Note: Concentration refers to the percentage of poor individuals in a CMA who reside in high poverty census tracts with a poverty rate of 40% or more.

Source: Prepared by Canadian Council on Social Development using data from Statistics Canada's 2001 Census, custom tabulations.

These data demonstrate that, in most CMAs, the majority of both poor and non-poor residents lived outside of "very high" poverty neighbourhoods between 1995 and 2000. Nevertheless, significant pockets of concentrated poverty continued to exist in Canada in 2000, notably in Montréal, Saint John, Winnipeg, Québec and Regina. The cut-off we used to define "very high" poverty neighbourhoods is quite high (40% or more). As *Poverty by Postal Code* reveals,¹⁵² there has been growth in "moderate poverty" and "high poverty" neighbourhoods. Improvements through the last half of the 1990s documented in this study need to be evaluated against the longer-term trend towards greater concentration of the poor in poor neighbourhoods over the past decades.

The size of a CMA did not appear to influence the proportion of a CMA's population living in "very high" poverty census tracts. While medium-sized CMAs clearly had lower rates of poverty and lower levels of neighbourhood poverty, both large and small CMAs were represented among those with higher levels of neighbourhood poverty and neighbourhood concentration of the poor.

LOOKING FORWARD

Income inequality in urban areas – indeed, in communities of all sizes – has implications for an array of individual and community outcomes. There is a well-established association between poverty and adverse outcomes such as poorer health, low birth weight, lower educational attainment and various chronic illnesses. In addition, a strong association has been found between living in poor neighbourhoods and several health and social problems.¹⁵³

Less evidence exists, however, about the precise impact of neighbourhoods on individual well-being. According to Séguin and Divay,¹⁵⁴ the limited body of Canadian studies on neighbourhood effects suggests that the characteristics of neighbourhoods are certainly relevant, but that other factors such as family or personal characteristics may be more important in shaping the life chances of individuals, particularly in Canada, where – until the 1990s – there was a stable social safety infrastructure.¹⁵⁵

This observation is not meant to suggest that healthy communities – including those that enjoy low levels of poverty – are unimportant to quality of life. Rather, the issue raised by the research on neighbourhood effects has more to do with how best to target potential action to mitigate the impact of urban inequality and poverty. In fact, research strongly confirms that a comprehensive and integrated approach is necessary to foster social and economic well-being at the community level.

Canadian research confirms that the economic status of neighbourhoods – or even larger geographic areas – can change in a relatively short space of time. Although the overall number of “moderate” to “very high” poverty neighbourhoods has grown since 1980, notably in the largest urban areas, such disadvantage is not always a permanent state. Like individuals, communities can and do move in and out of disadvantage. The stories of different urban areas highlighted in this study support these findings and illustrate the potential for transformative action. Some urban areas have been relatively successful in stemming the rise in the rate of neighbourhood poverty between 1995 and 2000, whereas others continue to face significant challenges. Tracking neighbourhood poverty in future years will be important to see whether the successes achieved are sustained.

APPENDIX 2: DEFINING LOW INCOME



This study uses the Low Income Cut-off (LICO) as its measure of low income.¹⁵⁶ The LICO was developed in the 1960s by Statistics Canada. In basic terms, the LICO is set by averaging the amount a family or an individual spends on food, clothing and shelter. If this cost is more than a certain percentage of the family or individual's income, then the family or individual falls under the threshold. In 2000, if individuals or families spent more than 54.7% of their total annual income on these essentials, they were considered to be living in "straitened circumstances." Statistics Canada calculates LICOs for seven family sizes – from unattached individuals to families of seven or more persons – and for five community sizes – from rural areas to urban areas with a population of more than 500,000.¹⁵⁷

Figure A-3 presents the LICOs for the 2000 income year. The Urban Poverty Project of the Canadian Council on Social Development (CCSD) focuses primarily on the situation of people living in census metropolitan areas with a population of at least 100,000. As such, households are identified as poor by comparing their total pre-tax income with the appropriate LICO for their family size in either of the first two columns of the table that relate to community size.

It is important to note that Statistics Canada does not define its LICOs as poverty lines. However, many researchers, including the CCSD, believe that these cut-offs have provided a useful and reliable assessment of low income over time and, as such, serve as an important benchmark of relative income deprivation. For these reasons, the LICOs are used as income measures in this research.

FIGURE A-3
LOW INCOME CUT-OFFS (LICOs), CANADA, 2000

Family size	Size of Area of Residence				
	Population of 500,000 or more	Population of 100,000 to 499,999	Population of 30,000 to 99,999	Small urban regions	Rural regions (farm & non-farm)
1 person	\$18,371	\$15,757	\$15,648	\$14,561	\$12,696
2	\$22,964	\$19,697	\$19,561	\$18,201	\$15,870
3	\$28,560	\$24,497	\$24,326	\$22,635	\$19,738
4	\$34,572	\$29,653	\$29,448	\$27,401	\$23,892
5	\$38,646	\$33,148	\$32,917	\$30,629	\$26,708
6	\$42,719	\$36,642	\$36,387	\$33,857	\$29,524
7+ persons	\$46,793	\$40,137	\$39,857	\$37,085	\$32,340

Source: Statistics Canada, 2001 Census.

APPENDIX 3: GLOSSARY



Readers may also wish to consult an extensive glossary of terms used in different components of the CCSD's Urban Poverty Project, which is available on the Council's website at <http://www.ccsd.ca/pubs/2007/upp/>.

Economic Family: two or more household members related by blood, marriage, common-law, or adoption.

- Couples: families headed by a married or common-law couple; they are further identified as those with or without children under age 18.
- Lone-parent families: families headed by one parent (male or female) and their children under age 18.
- Other families: families headed by couples, lone parents or non-parents living with relatives other than children under age 18.
- Working-age families: families in which both the head of the family and the spouse are under age 65.
- Senior families: families in which either the head or the spouse is aged 65 or older.

High Poverty Neighbourhood: a census tract in which the poverty rate is at or above a certain cut-off. In this study, we have chosen to use the 40% cut-off for consistency with other research. This means that a census tract in which 40% or more of the population lives below Statistics Canada's Low Income Cut-off is defined as a high poverty neighbourhood.

Incidence/Rate of Low Income: the percentage of economic families or unattached individuals who spend 20% more than average on food, shelter and clothing.

Low Income Cut-off (LICO): Statistics Canada's measure of low income based on income and family expenditure patterns. The LICO is used to define households and persons in poverty. In this report, the pre-tax LICO is used to calculate the incidence of low income. (See also Appendix 2.)

Neighbourhood Concentration of the Poor/Poverty: the proportion of poor people in a census metropolitan area who live in high poverty neighbourhoods. This proportion is determined by considering all residents living below the Low Income Cut-off (LICO) *and* living in a high poverty neighbourhood as a proportion of all those who are living below the LICO in all neighbourhoods combined. It is a measure of the concentration of the poor in high poverty neighbourhoods (as defined above).

Although neighbourhood poverty rates (see below) and the neighbourhood concentration of the poor are highly correlated, they measure distinct aspects of neighbourhood poverty. A census metropolitan area with a very low overall poverty rate may have few poor areas and a low rate of neighbourhood poverty. However, the few people who are poor could be clustered in a high poverty neighbourhood, resulting in a high neighbourhood concentration of the poor.

Neighbourhood Poverty Rate: the proportion of the total population in a census metropolitan area that resides in high poverty neighbourhoods or census tracts (whether these residents are living below the Low Income Cut-off or not). It is more a measure of the citizens' economic surroundings than of the citizens' own particular economic circumstances. (See also the definition of neighbourhood concentration of the poor above.)

Poor: persons in households with incomes below Statistics Canada's Low Income Cut-offs (LICOs).

- Poverty line: the LICO threshold amounts.
- Poverty rate: proportion of the population living in households below the LICO.
- Poverty gap: dollar amount difference between a household's total income and the LICO.

ENDNOTES



- ¹ Canadian Council on Social Development. *Urban Poverty Project. Community Profiles for Social Planning Organizations*. Ottawa: Canadian Council on Social Development, 2007. Available from: http://www.ccsd.ca/pubs/2007/upp/community_profiles/spo/Urban_Poverty_Community_Profiles_SPO_Edition.pdf.
- ² The research for this report was based on custom tabulations of Census data from 1991, 1996 and 2001. The pre-tax Low Income Cut-offs (LICOs) produced by Statistics Canada were used to measure poverty. Please see Appendix 2 and the Glossary in Appendix 3 for further details. Information gathered about income always refers to the income of the previous year, called the "reference year." Therefore, when we discuss income (and related concepts such as low income or the LICO), we are actually referring to the years 1990, 1995 and 2000.
- ³ Frenette, Marc, David Green and Kevin Milligan. *Revisiting Recent Trends in Canadian After-Tax Income Inequality Using Census Data*. Analytical Studies Branch Research Paper Series, Cat. 11F0019MIE, No. 274. Ottawa: Statistics Canada, 2006.
- ⁴ Heisz, A., A. Jackson and G. Picot. *Winners and Losers in the Labour Market of the 1990s*. Analytical Studies Branch Research Paper Series, Cat. 11F0019MIE, No. 184. Ottawa: Statistics Canada, 2002.
- ⁵ Picot, G., and J. Myles. *Income Inequality and Low Income in Canada: An International Perspective*. Analytical Studies Branch Research Paper Series, Cat. 11F0019MIE, No. 240. Ottawa: Statistics Canada, 2005.
- ⁶ Picot, G., R. Morissette and J. Myles. *Low-Income Intensity During the 1990s: The Role of Economic Growth, Employment Earnings and Social Transfers*. Cat. 11F0019, No. 172. Ottawa: Statistics Canada (Business and Labour Market Analysis Division), 2003.
- ⁷ Please see Appendix 3 for the definition of the poverty gap.
- ⁸ For a recent analysis of homelessness in Canada and efforts to combat it, see the Wellesley Institute's *Blueprint to End Homelessness in Toronto*, October 26, 2006. Available from: <http://wellesleyinstitute.com/theblueprint>. See also *Taking Responsibility for Homelessness: An Action Plan for Toronto*, by the Mayor's Homelessness Action Task Force, City of Toronto, 1998. Available from: http://www.toronto.ca/pdf/homeless_action.pdf.
- ⁹ Canadian Association of Foodbanks. *HungerCount 2006*. Available from: http://www.cafb-acba.ca/documents/HungerCount_2006_EN_WEB.pdf.
- ¹⁰ Toronto Community and Neighbourhood Services. *Cracks in the Foundation: Community Agency Survey 2003*. City of Toronto, February 2004. Available from: http://www.toronto.ca/divisions/pdf/cns_survey_report.pdf.
- ¹¹ In this report, we do not examine rural poverty. Depending upon how one defines "rural" and "poverty," the literature provides somewhat competing views of whether the rate of rural poverty is increasing or decreasing. The issues involved in urban poverty and rural poverty are distinct and should be framed differently. The experience of low income in rural areas comes

- with its own unique challenges that compound the stresses of living in poverty, such as limited access to transportation, health care and other key supports and services that are more readily accessible in urban areas. These barriers constitute real and persistent challenges for the rural poor. Please see *Understanding Freefall: The Challenge of the Rural Poor*, Interim Report, by the Standing Senate Committee on Agriculture and Forestry, December 2006.
- ¹² Slack, Enid, Larry S. Bourne and Heath Priston. *Large Cities under Stress: Challenges and Opportunities. Report prepared for the External Advisory Committee on Cities and Communities*. Toronto: University of Toronto, 2006.
- ¹³ Gertler, Meric. *Urban Economy and Society in Canada: Flows of People, Capital and Ideas*. Ottawa: Policy Research Institute, 2001. Cited in Bradford, Neil. *Why Cities Matter: Policy Research Perspectives for Canada*. Ottawa: Canadian Policy Research Networks, 2002, p. 12.
- ¹⁴ For a more extensive discussion of the geographies used in the Census, see Statistics Canada's 2001 *Standard Geographical Classification (SGC), Volume I: The Classification and Volume II: Reference Maps* (Cat. 12-571-X and 12-572-X). Available from: <http://www.statcan.ca/bsolc/english/bsolc?catno=12-571-X> and http://www.statcan.ca/cgi-bin/IPS/display?cat_num=12-572-X. See also the Geography section of the 2001 Census Dictionary (Cat. 92-378-XIE). Available from: <http://www12.statcan.ca/english/census01/Products/Reference/dict/geotoc.htm>.
- ¹⁵ United Nations Secretary-General Kofi Annan, speaking to a meeting of United Cities and Local Government, in New York, September 9, 2005. Available from: <http://www.unhabitat.org/content.asp?cid=1635&catid=357&typeid=6&subMenuId=0>.
- ¹⁶ *Ibid.*
- ¹⁷ Several reports have documented the rise in urban poverty in Canada, including these two: (1) Lee, Kevin K. *Urban Poverty in Canada: A Statistical Profile*. Ottawa: Canadian Council on Social Development, 2000; and (2) Heisz, Andrew, and Logan McLeod. *Low Income in Census Metropolitan Areas: 1980–2000*. Cat. 89-613-MIE, No. 01. Ottawa: Statistics Canada, 2004.
- ¹⁸ Statistics Canada. *A Profile of the Canadian Population: Where We Live*. Census Cat. 96F0030XIE2001001. Ottawa: Statistics Canada, 2001.
- ¹⁹ Gertler, Meric. *Canadian Cities Confront Globalization: Flows of People, Capital and Ideas*. Working Paper No. 10. Los Angeles: Center for Globalization and Policy Research, School of Public Policy and Social Research, UCLA; 2002, pp. 4-6.
- ²⁰ Federation of Canadian Municipalities. *Falling Behind: Our Growing Income Gap*. Ottawa: FCM, 2004.
- ²¹ Federation of Canadian Municipalities. *Building Prosperity From the Ground Up: Restoring Municipal Fiscal Balance*. Ottawa: FCM, 2006.
- ²² Bradford, Neil. *Why Cities Matter: Policy Research Perspectives for Canada*. Ottawa: Canadian Policy Research Networks, 2002, p. 5.
- ²³ Conference Board of Canada. *Metropolitan Outlook*. Ottawa: Conference Board of Canada, Spring 2001. Montréal Urban Community accounts for 49% of Quebec's GDP; Greater Toronto Area accounts for 44% of Ontario's GDP; Winnipeg accounts for 67% of Manitoba's GDP; and Vancouver accounts for 53% of British Columbia's GDP.
- ²⁴ Federation of Canadian Municipalities. *Bridging the Innovation Gap: Count Cities In*. Ottawa: FCM, August 2002.
- ²⁵ *Ibid.*
- ²⁶ Gertler, Meric. *Canadian Cities Confront Globalization: Flows of People, Capital and Ideas*. Working Paper No. 10. Los Angeles: Center for Globalization and Policy Research, School of Public Policy and Social Research, UCLA; 2002.
- ²⁷ Berridge, Joe. *Why Cities Matter: Cities in the New Canada*. Submission to TD Forum on Canada's Standard of Living. Toronto: Urban Strategies Inc., 2002.
- ²⁸ Bourne, Larry. "The Changing Dimensions of Inequality and Social Polarization in Canadian Cities." In Kim, I., ed. *The Diversity of Urban Development and Urban Life*. Seoul: National University Press, 2002.
- ²⁹ O'Connor, A., Chris Tilly and Lawrence Bobo, eds. *Urban Inequality*. New York: Russell Sage Foundation, 2001.

- ³⁰ Marcuse, Peter, and Ronald van Kempen, eds. *Globalizing Cities: A New Spatial Order?* Oxford: Blackwell, 2000.
- ³¹ Bradford, Neil. *Why Cities Matter: Policy Research Perspectives for Canada*. Ottawa: Canadian Policy Research Networks, 2002, p. 8.
- ³² *Ibid.*
- ³³ Polèse, Mario, and Richard Stren. "Understanding the New Sociocultural Dynamics of Cities: Comparative Urban Policy in a Global Context." In Polèse and Stren, eds. *The Social Sustainability of Cities: Diversity and the Management of Change*. Toronto: University of Toronto Press, 2000, p. 8. Cited in Bradford, Neil. *Why Cities Matter: Policy Research Perspectives for Canada*. Ottawa: Canadian Policy Research Networks, 2002, p. 8.
- ³⁴ Bunding, Trudi, and Pierre Filion, eds. *Canadian Cities in Transition*. Toronto: Oxford University Press, 2001.
- ³⁵ This includes only the 25 CMAs that are common to all three Census years found in our analysis. Neither Abbotsford nor Kingston was included as a CMA for this purpose.
- ³⁶ These low income figures exclude individuals living in the Yukon, Northwest Territories and Nunavut, as well as those living on Indian reserves and those in collective dwellings.
- ³⁷ Lee, Kevin K. *Urban Poverty in Canada: A Statistical Profile*. Ottawa: Canadian Council on Social Development, 2000.
- ³⁸ These rates represent 2,761,900 poor individuals in CMAs in 1990 and 3,290,755 in 2000.
- ³⁹ Heisz and McLeod found a similar increase in the rate of poverty among CMAs. According to their findings, 16.3% of the people living in CMAs across Canada were poor in 1990, 20.7% were poor in 1995 and 16.7% were poor in 2000. See: Heisz, Andrew, and Logan McLeod. *Low Income in Census Metropolitan Areas, 1980–2000*. Cat. 89-613-MIE, No. 01. Ottawa: Statistics Canada, 2004.
- ⁴⁰ These rates represent 1,527,100 poor individuals in non-CMAs in 1990 and 1,429,735 in 2000.
- ⁴¹ Fellegi, I. P. *Understanding Rural Canada: Structures and Trends*. Cat. 21F0016XIE. Ottawa: Statistics Canada, 1996.
- ⁴² Bollman, Ray D. *Factors Driving Canada's Rural Economy, 1914 to 2006*. Cat. 21-601-MIE, No. 83. Ottawa: Statistics Canada, 2007.
- ⁴³ Bollman, R. D., and R. Beshiri. *Rural and Small Town Canada: A Demographic Overview*. Presented to the Conference on the New Rural Economy, Alfred, 2000.
- ⁴⁴ Tremblay, J. *Rural Youth Migration Between 1971 and 1996*. Cat. 21-601-MIE01044. Ottawa: Statistics Canada, 2001.
- ⁴⁵ Hajesz, D., and S. P. Dawe. "De-mythologizing Rural Youth Exodus." In Bollman, R. D., and J. M. Bryden, eds. *Rural Employment: An International Perspective*. Wellingford: CAB International, 1997, pp. 114-134.
- ⁴⁶ Existing studies have not provided the detailed evidence required to make this particular link. In fact, determining the extent of such migration is somewhat tricky. Differences exist across the country and over time. Sometimes migration from rural to urban areas is greater for one age group, typically those aged 15 to 25 years, and is often linked with educational advancement. Bollman and Beshiri reported net in-migration from urban to rural areas in some instances (particularly during the 1970s and early 1990s) that actually resulted in a "brain gain" (the in-migrants tended to be more highly educated and more highly mobile as a result). (See: Bollman, R. D., and R. Beshiri. *Rural and Small Town Canada: A Demographic Overview*. Presented to the Conference on the New Rural Economy, Alfred, 2000.) Audas and McDonald concluded that, during the 1990s in Canada, "while there [was] a significant out-migration from rural areas, there [was] also a countervailing flow of people from urban to rural areas that more than [offset] it." (See: Audas, Rick, and Ted McDonald. "Rural-Urban Migration in the 1990s." In *Canadian Social Trends*, Summer 2004, Statistics Canada Cat. 11-0080XPE, pp. 16-24.) Yet, there is concern over rural to urban migration resulting from a declining agricultural economy. Azmier and Stone noted the following: "While statistics show that some rural youth do return after living in urban areas, there is still a significant overall net loss of rural youth in the West to the urban centres ... Each of the provinces is affected to varying degrees by this problem ..." (See: Azmier, Jason, and Liam Stone. *The Rural West, Diversity and Dilemma*. Canada West Foundation, June 2003, p. 5.) See also: Standing Senate Committee on Agriculture and Forestry. *Understanding Freefall: The Challenge of*

the Rural Poor. Interim Report. December 2006.

- ⁴⁷ The recession brought a mid-decade spike of an additional 196,300 poor persons in non-CMAs from the beginning of the decade. However, by 2000, this number had dropped by 293,665, for a net decade decrease of 97,365.
- ⁴⁸ Berube, Alan, and Elizabeth Kneebone. *Two Steps Back: City and Suburban Poverty Trends 1999-2005*. Living Cities Census Series. Washington: Brookings Institution, 2006.
- ⁴⁹ The estimates presented here of percentage changes are derived from calculations based on the unrounded percentages (obtained from calculations using the underlying numbers). Our estimates of the percentage increases and decreases have been rounded to a single decimal place for presentation purposes. In some cases, this means that calculations done using the rounded percentages will not agree with the more precise ones appearing in this report.
- ⁵⁰ The aggregate increase in poverty rates for this group of CMAs was 37.5% between 1990 and 1995. However, this average estimate is highly influenced by the extremely high increase recorded by the CMA of Toronto. Nonetheless, as a group, these CMAs had a mid-decade spike in poverty rates that was quite high in comparison with the other CMAs. The aggregate decrease was 16.6% between 1995 and 2000.
- ⁵¹ There are other important drivers of low income, including low levels of income security benefits – many of which, such as social assistance and employment insurance – vary from province to province and from region to region.
- ⁵² Only CMAs with populations in excess of 100,000 are included in this study.
- ⁵³ Using population sizes and poverty rates for 2000, for example, our regression analysis of CMAs over 250,000 indicates that population size (plus a “decay term” of population size squared) may explain a fair amount of the variance in poverty ($R^2 = 0.58$, for instance). A scatter plot shows that the relationship between size and poverty is not best defined as a purely linear function. We used numerous transformations in an effort to find the best fit (although we did not exhaust all possibilities), and we found that using a quadratic equation seemed to provide the best model. Our purpose in doing this was purely experimental, designed to help us determine effective cut-offs to distinguish between small-, medium- and large-sized CMAs.
- ⁵⁴ For example, using population sizes and poverty rates for 2000, our regression analysis indicates that, for CMAs with under 250,000 residents, population size explains hardly any of the variance in poverty rates ($R^2 < 0.01$). However, we did not examine areas below the CMA level. We have no indication one way or another as to whether size matters for smaller urban areas not included in this study.
- ⁵⁵ A CSD (census subdivision) is a municipality or an area that is deemed to be equivalent to a municipality for statistical reporting purposes (e.g., an Indian reserve or an unorganized territory). See also the Census Geographies in Chapter 1 for further details.
- ⁵⁶ The average poverty rate of cities in the larger CMAs (20.2%) was higher than the average for cities in the medium-sized and smaller CMAs (16.5%) – a difference of 3.7 percentage points.
- ⁵⁷ Please refer to the section on Census Geographies in the Glossary on the CCSD’s Urban Poverty subsite for further information on changes that occurred between 1996 and 2001. Available from: <http://www.ccsd.ca/pubs/2007/uppl/>
- ⁵⁸ Prior to amalgamation, the population of the City of Ottawa was 323,300 in 1996. However, in 2001, Ottawa’s population was 760,525 as a result of amalgamation and the population increase across the region.
- ⁵⁹ The aggregate rates of poverty presented for core or central cities and suburban cities were derived using cross-sectional data for 2000. They do not appear in the tables presented in this report.
- ⁶⁰ Of the five cities that experienced significant changes to their boundaries during the study period (Halifax, Toronto, Ottawa, Sudbury and Hamilton) by amalgamating neighbouring cities, all experienced increases in their poverty rates over the 10-year period when we maintain the original boundaries, as we have here, to provide consistency in our analysis over time. However, if we compared poverty rates using the new boundaries, all but one of these cities would show decreases in their poverty rates between 1990 and 2000. The city of Hamilton, for example, would show a decrease of 1.7 percentage points using the new boundaries, in contrast to the increase of 3.9 percentage points in its poverty rate depicted here using its old boundaries.

- ⁶¹ TD Bank Financial Group. "An Update on the Economy of the Calgary-Edmonton Corridor: More Action Needed for the Tiger to Roar." In *TD Economics Topic Paper*, October 3, 2005, p. 1.
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