





## A MESSAGE FROM FRANCES LANKIN



Why worry about poor neighbourhoods? Shouldn't we concentrate on helping poor people? Of course, United Way of Greater Toronto cares deeply about both. We are concerned about the profound human cost of poverty on individuals and families who struggle not only to survive, but to participate fully as citizens. This report, however, focuses on the geography of poverty, because neighbourhood poverty has a devastating human cost and also damages the economic and social vitality of an entire region, affecting the quality of life for everyone in Toronto.

Healthy neighbourhoods are the hallmark of Toronto's civic success. Their strength comes from the rich mixture of cultures of residents, safe streets, abundant green space, diversity of shops and cultural amenities, and the social infrastructure of community services and programs. All these factors bring Toronto worldwide recognition as one of the best cities in the world.

But there are troubling signs that all is not well with our neighbourhoods. Poverty is rising, and deepening, and the income disparity between rich and poor is widening. Toronto's population is growing much faster in the inner suburbs yet there has been no commensurate investment in social infrastructure.

*Poverty by Postal Code* details the dramatic increase in the number of poor Toronto neighbourhoods. It shows that the city now has many more concentrated areas of poverty than it did 20 years ago. This rapid and extensive growth in the number of neighbourhoods with a high proportion of families living in poverty not only undermines their strength – and Toronto as a whole – it also makes children, single parents, newcomers and visible minorities particularly vulnerable.

We must emphasize that United Way does not wish to stigmatize neighbourhoods or their residents. Rather, our goal is to highlight the real challenges and multiple barriers facing these communities to educate, influence, and create a catalyst for collective action.

The increase in neighbourhood poverty is especially alarming for two reasons. First, we know that the consequences of living in a poor neighbourhood are significant – and long-term – for children and youth, for newcomers to our

country, for the entire community. Second, poor neighbourhoods can spiral into further decline, cause increases in crime and abandonment by both residents and businesses. And, shockingly, Toronto is losing ground faster than any other urban centre in Canada.

*Poverty by Postal Code* was undertaken as part of United Way's ongoing research into social issues, and to help determine its funding priorities. With the assistance of the Canadian Council on Social Development, it was written to provoke governments and communities to act. Neighbourhood decline is not inevitable, and investments in communities do make an enormous difference. That is the lesson to be learned from successful neighbourhood revitalization efforts in the United States and Britain. Both countries experienced the bitter consequences of neighbourhood-based social and economic exclusion; they learned these lessons the hard way – after many of their urban neighbourhoods had become areas of intense, racialized poverty and urban desolation. And both countries have seen these neighbourhoods transformed – through reinvestment and collaboration – into strong, vibrant foundations of healthy cities offering their citizens an improved quality of life and economic opportunities.

United Way of Greater Toronto builds for the future with a history of solid research, thoughtful response, and action. *A Decade of Decline*, released in 2002, provided Toronto with hard evidence of growing poverty and income disparity that occurred during a period of robust economic growth. Despite the economic recovery of the late 1990s, Torontonians were falling behind financially, the gaps between the city's rich and poor had widened significantly, and poverty was increasing in neighbourhoods outside the downtown core.

Three months later, United Way launched *Strong Neighbourhoods, Healthy City*, a pilot to help address the lack of social infrastructure in several of the city's most underserved communities. This strategy funds innovative service partnerships in neighbourhoods across the inner suburbs, directs more donor dollars to these areas, and strengthens social service agencies.

Other United Way research has exposed challenges facing our communities. In 2002, our concern about the loss of access to public infrastructure led to the creation of a special task force, which published *Opening the Doors: Making the*





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*Most of Community Space.* This report linked adequate community programs and the health of the city, and called for the preservation of community use of school and city-owned space.

United Way co-chaired the 2002 Toronto City Summit, participated in the Toronto City Summit Alliance, and was instrumental in calling for the establishment of a tri-partite agreement among the City of Toronto, the province and the federal government to support community services infrastructure, particularly in our poorest neighbourhoods.

*Torontonians Speak Out (2003)* – the result of extensive consultations across the city – described Torontonians’ profoundly mixed feelings about their neighbourhoods. Their clear pride of place is combined with concern about the onset of decline and urban decay in many parts of the city, and a shared anxiety about the lack of programs, services and opportunities for youth. People spoke passionately about wanting a better life for their children. Perhaps the most poignant message was about growing stigmatization, fear that the rest of Toronto might abandon poorer neighbourhoods.

*Poverty by Postal Code* charts profound changes, the rapid, dramatic rise and intensification in the number of high-poverty neighbourhoods, particularly in the former cities of North York and Scarborough. The response from governments and communities must be prompt and comprehensive, aimed at transforming high-need neighbourhoods. The consequences of inaction are grave – for the present, and for the future.

United Way’s concern for Toronto’s future led us to examine families, family poverty, and the trends in the geography of family poverty in this report. Families comprise the most vulnerable, and the largest, group of people living in poverty, and foreshadow limitations on the future, on individual futures, and the city’s future.

In response to these data and community consultations, United Way of Greater Toronto has established new priorities to help address the systemic causes that contribute to poverty. We will apply increased resources to building stronger neighbourhoods, with an emphasis on newcomers and young people. The voluntary sector has a strong role to play in addressing threats to the vitality of our neighbourhoods. We have an opportunity to take action before our neighbourhoods

reach a crisis. But we must act soon. And we must act in partnership – government, business, labour, community organizations, and local residents – to turn the tide of neighbourhood neglect and decline.

Government action is crucial, and it must start with a renewed commitment to the construction of affordable housing. The expansion of poverty outside the downtown core is inextricably linked to the search for lower housing costs, a search that is proving increasingly elusive. Investments must be made in neighbourhood social infrastructure – facilities, programs and social networks – a system that includes everything from local parks and community centres to crisis intervention programs. These services contribute to the health and vitality of neighbourhoods. They provide a social safety net in times of vulnerability and foster social cohesion.

Finally, governments must review income supports, minimum wage, and programs designed to promote labour market attachment through training, employment, and the economic integration of immigrants. Alleviating poverty cannot happen without a combination of renewed income supports and a market economy that promotes employment. As a society, we have failed to make the most of newcomer skills and credentials. This failure has profound effects on not only individuals and families, but the very cohesion and productivity of our community.

The statistics in *Poverty by Postal Code* are significant, and grim. Rather than provoke despair and paralysis, they can motivate a collective vision – a determination to profoundly change our city. Toronto’s greatest challenge is to restore and rebuild. Our greatest strength is our network of neighbourhoods, a network that connects citizens to one another, promotes the participation of children and youth, and welcomes newcomers. Revitalizing neighbourhoods is an opportunity to reclaim our legacy, while we build a stronger future for everyone in Toronto.

Frances Lankin, President and CEO,  
United Way of Greater Toronto





# INTRODUCTION

## OVERVIEW

*Poverty by Postal Code* is a research study of the geographic concentration of family poverty in the City of Toronto over the past two decades. The findings are deeply disturbing. Twenty years ago, most ‘poor’ families in Toronto lived in mixed-income neighbourhoods. Today, they are far more concentrated in neighbourhoods with high levels of poverty. The increase in the number of higher poverty neighbourhoods in our city has been rapid, and they cover a much broader portion of the city now than they did twenty years ago. The growing spatial concentration of poverty has impacted certain vulnerable groups much more acutely than others. And the challenge of growing numbers of higher poverty neighbourhoods is something that the City of Toronto alone is facing in the Greater Toronto Area.

In presenting the findings of this report, United Way of Greater Toronto emphasizes that it does not wish to stigmatize neighbourhoods or their residents. Our aim is to raise public awareness of the stresses on many of our neighbourhoods and to influence government and community leaders to work together to develop strategies that will turn the tide of growing neighbourhood poverty.

## THE CONTEXT FOR THIS STUDY

In 2003, United Way took steps to establish new priorities for its funding, convening, advocacy, and organizational capacity building activities. The process included a significant research component, aimed at identifying the most pressing social issues in the City of Toronto. Community consultations with 800 Torontonians were conducted to find out what local residents believed to be the critical social issues in their communities. A scan of government policy and funding trends identified service areas that were better funded and more accessible today than five years ago, as well as those that had lost ground.

This study of neighbourhood poverty is a central part of the research work undertaken to inform the new priorities. Building on United Way’s past research work in the areas of poverty and underserved neighbourhoods, its purpose is to understand how the growth in poverty and income disparity between rich and poor has impacted Toronto’s neighbourhoods. In effect,

the study is an examination of the spatial dimension, or the ‘geography’ of poverty in Toronto.

Of fundamental interest are the changes that have occurred over time. Because economies alternate between periods of recovery and downturns, we selected a period of time sufficiently long so that the neighbourhood poverty trends would not simply reflect the consequences of an economic cycle. Therefore the study looks at the changes in the geography of poverty over a twenty-year period, from 1981 to 2001.

To put the study into a broader context, it considered the growth of concentrated neighbourhood poverty in other jurisdictions and how governments of other countries have addressed the problem of neighbourhood decline. It also looked at the importance of neighbourhoods to quality of life, and their effect on the life chances of children and youth growing up in neighbourhoods with a high rate of poverty among residents.





## KEY FINDINGS

- ◆ There has been a substantial rise in the rate of poverty among Toronto's families over the last two decades, with almost one in every five families in 2001 living in poverty.
- ◆ In 1981, the rate of family poverty in Canada and in the City of Toronto was almost identical at 13.0% and 13.3% respectively, but while there was a slight decline in the country as a whole to 12.8%, the rate has climbed in Toronto to 19.4%.
- ◆ The rate of family poverty in the City of Toronto continues to be double the rate in the rest of the Toronto Census Metropolitan Area (CMA).
- ◆ Today, Toronto's 'poor' families are much more concentrated in neighbourhoods where there is a high proportion of families living in poverty compared to twenty years ago. In 1981, just 17.8% of 'poor' families lived in such neighbourhoods, compared to 43.2% in 2001.
- ◆ This trend toward concentration has resulted in a dramatic rise in the number of higher poverty neighbourhoods in the City of Toronto in the last two decades, approximately doubling every ten years, from 30 in 1981, to 66 in 1991, to 120 in 2001.
- ◆ The increase in the number of higher poverty neighbourhoods has been especially acute in the inner suburbs, in the former municipalities of Scarborough, North York, Etobicoke, York and East York, where their combined total of higher poverty neighbourhoods rose from 15 in 1981, to 92 in 2001.
- ◆ Toronto alone is facing the challenge of increasing numbers of higher poverty neighbourhoods. In 2001, the rest of the CMA had only one higher poverty neighbourhood compared to the City of Toronto's 120.
- ◆ There has been a profound shift in the resident profile of higher poverty neighbourhoods, with 'poor' visible minority and immigrant families making up far larger percentages of the total 'poor' family population in these neighbourhoods today, than twenty years ago.



## WHY NEIGHBOURHOODS MATTER

Strong and healthy neighbourhoods are the essential building blocks of city life. They are intrinsic to individual quality of living, critical to the overall health and vitality of the city, and important to the life chances of children and youth.

For families and individuals who are less well off, who don't have the same opportunities for making connections beyond their local communities, the local neighbourhood is central to their social, recreational and service needs.

Research confirms that the aesthetic quality of the neighbourhood is one of the most important factors to an individual's satisfaction with the place he or she lives. Safe and attractive neighbourhoods are also fundamentally important to the economic health of the city overall. Cities and countries around the world are recognizing the importance of healthy, inviting and affordable neighbourhoods as a critical element in attracting and retaining the kind of qualified workforce that is required to successfully compete in the knowledge-based, global economy. Neighbourhoods should be affordable and appeal to upper, middle, and lower income workers.

Neighbourhoods may also have detrimental effects where large numbers of people are living in poverty, impacting the life chances of children and youth. The stigmatization of living in a distressed neighbourhood is one way that 'place' can have an independent, negative effect. In community consultations in the summer of 2001, youth in one of Toronto's poorest neighbourhoods told United Way that prospective employers often cease to be interested in employing them once they learn that their address is in Regent Park.

When large numbers of young people are living together in circumstances of socio-economic

disadvantage, peer influence becomes another way that 'place' can matter. In the summer of 2003, United Way had the unique opportunity to talk to residents across the city about their local communities. The lack of constructive learning and recreational activities for their youth was people's top concern throughout most of the city, coupled with the fear of their young people getting caught up in growing gang violence. Unless there is a strong support network of community services and programs to help youth from low-income families get involved in their communities, then the draw of street life can win over our youth.

## THE RESPONSE TO POVERTY CONCENTRATION IN OTHER COUNTRIES

The extreme poverty and disinvestment in central neighbourhoods of cities in the United States, and in many towns and cities in Great Britain, has caused governments in both of these countries to take comprehensive action to revitalize these areas. In fact, today neighbourhoods in these countries are enjoying a renaissance of public policy attention. Fuelled by the need to make their cities more globally competitive, governments in both countries have recognized the need to tackle growing poverty concentration, and the socio-economic problems causing disadvantage to become entrenched in their communities.

In Great Britain, the government's 'Neighbourhood Renewal Strategy' has the ambitious goal of narrowing the socio-economic gap between its most deprived neighbourhoods and the rest of England. The ultimate vision is that in 10 to 20 years, "no one (in that country) should be seriously disadvantaged by where they live". In the United States, the federal government has adopted an equally aggressive approach to revitalizing communities in that country, investing billions of dollars in a range of initiatives





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that will revitalize neighbourhoods, promote economic development, and provide community facilities and services.

While it is too early to see the impact of neighbourhood reinvestment in Great Britain, there is evidence of great success in the U.S. In that country, there has been an astonishing turnaround in the number of high poverty neighbourhoods, declining by more than one-fourth between 1990 and 2000, after doubling over the previous two decades. A decade of strong economic growth in the 1990s and the impact of the government's revitalization efforts are thought, in large part, to lie behind the improvements.

### THE APPROACH TO THE STUDY

This study examined the changing spatial concentration of poverty in the City of Toronto in three ways, by:

- ◆ Determining the percentage of the city's 'poor' families that were living in higher poverty neighbourhoods in each of the three years – 1981, 1991 and 2001;
- ◆ Identifying the number of higher poverty neighbourhoods that existed at each of the three points in time; and
- ◆ Plotting the changes in neighbourhood poverty over time on maps of the City of Toronto.

### THE STUDY QUESTIONS

This report examines the changes in neighbourhood poverty in the city as a whole, as well as in the former municipalities, which make up the new City of Toronto, including Toronto, Scarborough, North York, Etobicoke, East York and York. It asked the following important questions:

- ◆ Are more of the city's 'poor' families living in geographically concentrated areas of poverty today than in the previous two decades?
- ◆ Has the number of high poverty neighbourhoods increased in the City of Toronto over the last twenty years?
- ◆ Have certain areas of the city experienced a greater increase than others?
- ◆ Has the profile of high poverty neighbourhoods changed, and are certain groups more vulnerable to living in high poverty neighbourhoods today, than twenty years ago?
- ◆ Are there differences between the City of Toronto and the rest of the Toronto Census Metropolitan Area<sup>1</sup>, in terms of the change in the number of high poverty neighbourhoods?

### DATA SOURCES AND INTERPRETATION

All neighbourhood income and population data is derived from the long-form, 20% sample of the 1981, 1991 and 2001 census. Poverty is measured using Statistics Canada's low-income cut-offs (LICO). Census tracts were used to define neighbourhoods. All neighbourhood poverty data for 1981 and 1991 is based on the boundaries of the new City of Toronto and include the former cities of Toronto, Scarborough, North York, Etobicoke, York and East York.

The maps on pages 8 and 9 dramatically demonstrate how the geography of poverty has changed in the City of Toronto over the past

<sup>1</sup> The Toronto Census Metropolitan Area includes the City of Toronto, plus 23 surrounding municipalities: Ajax, Aurora, Bradford, West Gwillimbury, Brampton, Caledon, East Gwillimbury, Georgina, Halton Hills, King Township, Markham, Milton, Mississauga, Mono Township, Newmarket, Tecumseth, Oakville, Orangeville, Pickering, Richmond Hill, Uxbridge, Whitchurch-Stouffville and Vaughan.



# SUMMARY OF KEY FINDINGS

twenty years. The maps show the 2001 census tract boundaries. Each census tract (or neighbourhood) is coloured according to the level of family poverty within it. An explanation for how the maps are to be interpreted follows.

## FAMILY POVERTY RATES RISING

- ◆ In 1981, the family poverty rate in the City of Toronto was 13.3%. It increased to 16.3% in 1991, then continued to climb to 19.4% in 2001, when approximately one in every five families in the city were living in poverty.
- ◆ While the City of Toronto rate climbed steadily over the twenty-year period, the national family poverty actually declined slightly, from 13.0% in 1981 to 12.8%, in 2001.
- ◆ The poverty rate for families in the City of Toronto continues to be more than double the rate in the rest of the Toronto CMA. In 1991, the rate in the City of Toronto was 16.3%, compared to 7.1% outside of the city. In 2001, the city rate had climbed to 19.4% compared to 8.8% in the rest of the CMA.

## THE CONCENTRATION OF FAMILY POVERTY IS INCREASING

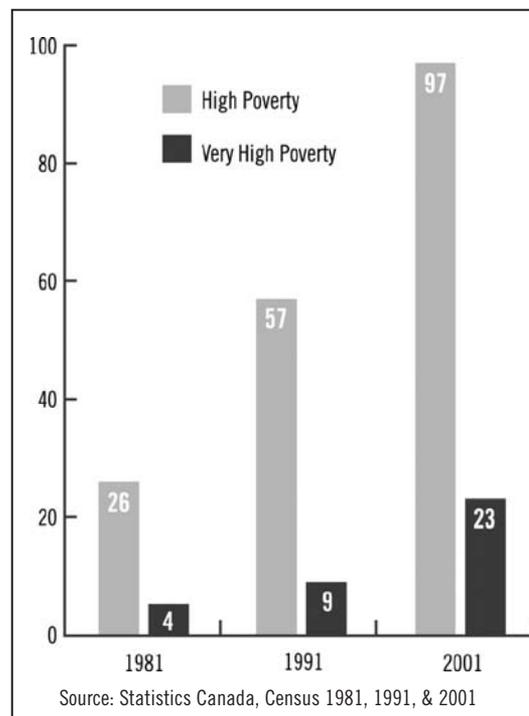
- ◆ Twenty years ago, the vast majority of Toronto's 'poor' economic families lived in mixed-income neighbourhoods. In 1981, just 17.8% of 'poor' families resided in higher poverty<sup>1</sup> neighbourhoods. By 1991, this rose to 29.6%, but by 2001, it reached 43.2%.

<sup>1</sup>The term 'higher' poverty neighbourhoods are ones where 26% or more of the families in the neighbourhood have incomes below the Statistics Canada Low-Income Cut-Off. They include neighbourhoods that have been defined in this study as 'high' poverty, where the range of poverty rates is between 26.0%-39.9%, and 'very high' poverty neighbourhoods where the level of family poverty in a neighbourhood is 40% or more .

## A DRAMATIC RISE IN THE NUMBER OF HIGHER POVERTY NEIGHBOURHOODS

- ◆ Today, there are many more higher poverty neighbourhoods in the City of Toronto than there were twenty years ago, approximately doubling every ten years.
- ◆ In 1981, there were 30 higher poverty neighbourhoods in the City of Toronto; 66 in 1991, and 120 by 2001, which is four times the number twenty years earlier.
- ◆ The percentage increase of 'very high' poverty neighbourhood has been even greater. In 1981 there were only 4 'very high' poverty neighbourhoods. This more than doubled to 9 in 1991, then climbed to 23 in 2001— nearly six times the number in 1981.

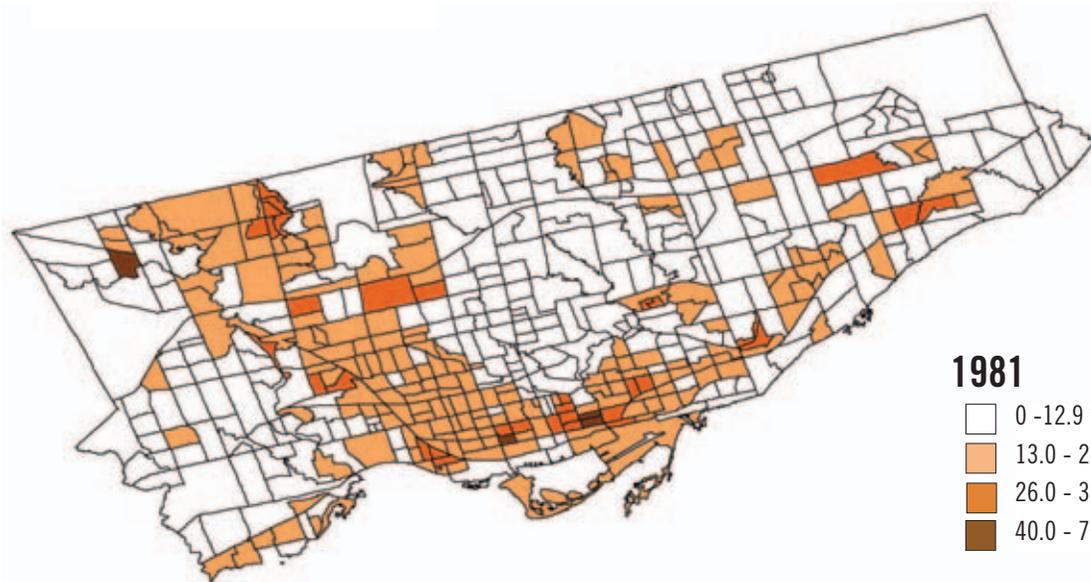
## NUMBER OF HIGHER POVERTY NEIGHBOURHOODS





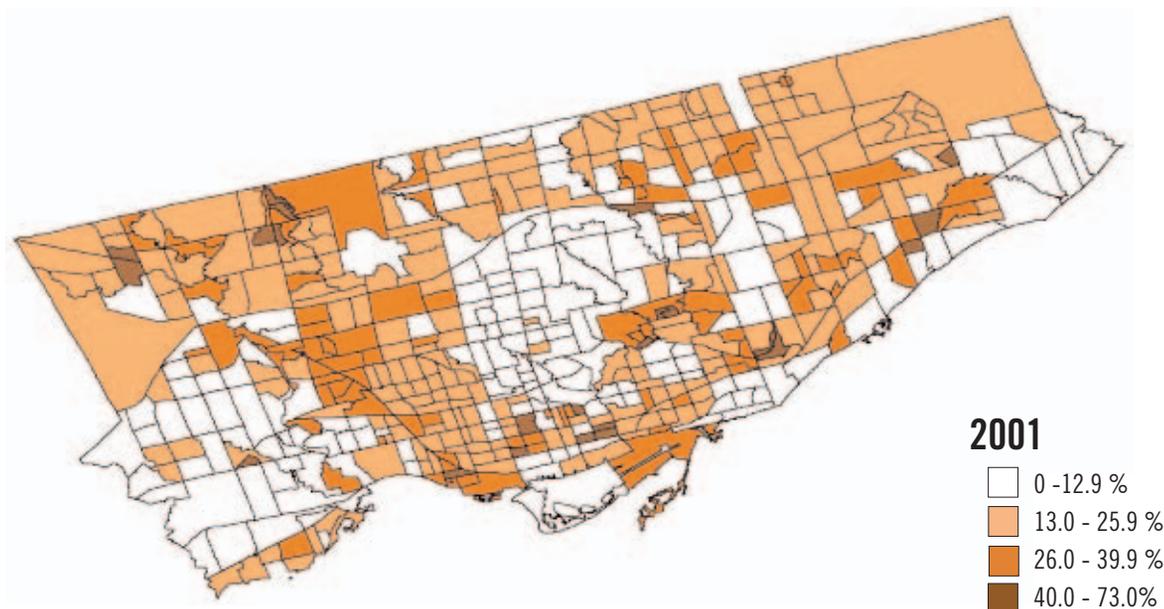
# CITY OF TORONTO: FAMILY POVERTY RATE BY NEIGHBOURHOOD (CENSUS TRACT)

- 0 -12.9 %.....Lower poverty
- 13.0 - 25.9 %.....Moderate poverty
- 26.0 - 39.9 %.....High poverty
- 40.0%+.....Very high poverty





## CITY OF TORONTO: FAMILY POVERTY RATE BY NEIGHBOURHOOD (CENSUS TRACT)



### INTERPRETING THE MAPS

The 1981, 1991 and 2001 maps of the City of Toronto are divided into census tracts, with each tract coloured according to the level of family poverty in the tract, relative to the average national LICO (low-income cut off) or poverty level of 13.0% for Canadian families in 1981. This provides a fixed measure against which changes in poverty levels within census tracts are compared over the 20-year period.

- The census tracts shown in white have poverty rates below the national 1981 average poverty rate for families (0-12.9%).
- The next colour gradation shows census tracts above, to almost twice the national average (13% - 25.9%).
- The third darkest colour gradation shows census tracts with double the national average to nearly 40%, and are considered 'high' poverty areas (26% - 39.9%).
- The darkest census tracts are those that have poverty rates of 40% or greater. The 40% cut-off is derived from U.S. research which shows poverty rates at this level are an indicator of extreme neighbourhood distress, and are considered to be 'very high' poverty neighbourhoods.



## THE NEW CITY OF TORONTO ALONE BEARS THE PROBLEM OF HIGHER POVERTY NEIGHBOURHOODS

- ◆ The growth in ‘high’ and ‘very high’ poverty neighbourhoods are almost exclusively a City of Toronto phenomenon, with only one ‘high and no ‘very high’ poverty neighbourhoods in the rest of the CMA in 2001, compared to the City of Toronto’s 120.
- ◆ While higher poverty neighbourhoods are exclusive to the City Toronto, the number of neighbourhoods with ‘moderate’ poverty levels has grown substantially in the rest of the CMA region, from 31 in 1991 to 82 in 2001 – a 165% increase in just ten years.

## A SHIFT IN HIGH POVERTY TO THE INNER SUBURBS

- ◆ The increase in the number of higher poverty neighbourhoods has been especially acute in the inner suburbs, in the former municipalities of Scarborough, North York, Etobicoke, York and East York, where their combined total of higher poverty neighbourhoods climbed from 15 in 1981, to 92 in 2001.

## TRENDS IN THE SPATIAL CONCENTRATION OF POVERTY IN THE FORMER MUNICIPALITIES

- ◆ There has been a continuous rise in the poverty rate among families in all the former municipalities over the twenty-year period, with the exception of the former City of Toronto. It experienced a slight easing of the poverty rate between 1991 and 2001, after increasing in the previous decade. In 1981 the former City of Toronto had the highest rate of family poverty of all the municipalities. Twenty years later in 2001, Scarborough, North York, York, and East York all had higher rates than the former City of Toronto in that year.
- ◆ All of the former municipalities experienced a significant increase in the number of ‘higher’ poverty neighbourhoods over the twenty-year period, with North York and Scarborough having the greatest increases, 29 and 22 neighbourhoods respectively.
- ◆ By 2001, a far greater percentage of the ‘poor’ families in all the former municipalities were living in higher poverty neighbourhoods.
- ◆ *The Former City of Toronto:* There was a 27% increase in the number of families in the former City of Toronto, and a 21% increase in the number of ‘poor’ families. At all three points in time, the top two neighbourhoods with the highest rates of poverty in the city were located in the former City of Toronto. The trend in neighbourhood income levels in the former City of Toronto differed in one important way from all the other former municipalities. It experienced an increase in *both* the number of higher poverty and the number of ‘lower’ poverty neighbourhoods. This reflects the further widening of the income disparity





between rich and poor in the former city. The number of 'higher' poverty neighbourhoods increased from 15 in 1981 to 28 in 2001, while the number of 'lower' poverty neighbourhoods increased from 49 to 61. The increase in the number of neighbourhoods with 'lower' poverty was the result of the robust condominium booms of the last decade and a half and the continued gentrification of downtown neighbourhoods.

- ◆ *The Former City of North York:* By 2001, North York had more higher poverty neighbourhoods than any of the former municipalities, increasing from 7 in 1981, to 36 in 2001. The number of families living in the former city increased by just 8.7% over the last two decades, but the number of 'poor' families grew by 81%. By 2001, almost half of its 'poor' families (48.9%) were living in higher poverty neighbourhoods, up from 18.8% in 1981.
- ◆ *The Former City of Scarborough:* There was a 31% increase in the number of families in the former city, but an dramatic 136.6% increase in the number of 'poor' families between 1981 and 2001. There was also a significant intensification of neighbourhood poverty in the former city over the twenty-year period, with the number of 'higher' poverty neighbourhoods increasing from 4 in 1981 to 26 in 2001. The number of 'moderate' poverty neighbourhoods increased from 19 to 60. By 2001, almost 40% of its 'poor' families were living in higher poverty neighbourhoods, up from 13.9% in 1981.
- ◆ *The Former City of Etobicoke:* The number of families in Etobicoke increased by only 6.6% between 1981 and 2001, but the number of 'poor' families grew by a much larger 70%. There was a significant intensification of neighbourhood poverty in the

former city, although not as great as in most other areas. In 1981, the area had 2 higher poverty neighbourhoods, increasing to 10 by 2001. The concentration of family poverty increased from 7.7% in 1981 to 35.3% in 2001.

- ◆ *The Former City of York:* There was a 10% increase in the number of families in York, but a 54% increase in the number of 'poor' families. A major difference between York and the other former municipalities was the fact that most of its neighbourhoods had 'moderate' poverty levels in 1981, while the majority of neighbourhoods in all the other municipalities twenty years ago had 'lower' poverty. The major change that occurred in York in the last two decades was an intensification of neighbourhood poverty from 'moderate' to 'high' levels. By 2001, the former city had 12 higher poverty neighbourhoods, up from 2 in 1981. By 2001, almost half of the 'poor' families in the area (48.5%) were living in higher poverty neighbourhoods, up from 12.4% in 1981.
- ◆ *The Former Borough of East York:* There was a 7% increase in the number of families in East York, but there was an 88% increase in the number of 'poor' families between 1981 and 2001. The major change that occurred in this area was a shift in neighbourhood poverty levels from 'lower' to 'moderate' poverty, and from moderate to 'high' levels. In 1981 the area had no higher poverty neighbourhoods, but by 2001, it had 8. The concentration of poverty among all the former cities was highest in East York, with 52.1% of its 'poor' families living in high poverty neighbourhoods in 2001, compared to 10.6% in 1991.



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## THE CHANGING PROFILE OF HIGH POVERTY NEIGHBOURHOODS

- ◆ **Children:** Between 1991 and 2001, there was a 100% increase in the number of children being raised in higher poverty neighbourhoods (80,590 in 1991 vs. 160,590 in 2001), and their numbers were disproportionately larger than in the city as a whole.
- ◆ **Youth:** There was a 60% increase in the number of youth living in higher poverty neighbourhoods over the twenty-year period, rising from 60,940 in 1991 to 97,520 in 2001. As the very large numbers of children in these communities get older, the number of youth will increase further.
- ◆ **Lone Parents:** One-in three lone parents are now living and raising their families in higher poverty neighbourhoods. There were 21,890 lone parent families living in higher poverty neighbourhoods in 1981, and by 2001 this has increased to 41,955 – a 91.7% increase since 1991.
- ◆ **Immigrants:** Thirty per cent of the total immigrant family population in the City of Toronto now live in higher poverty neighbourhoods. In 1981, the size of the immigrant family population in higher poverty neighbourhoods was 62,300. By 2001, it had increased to 311,500 – a 400% increase over the twenty years. There has also been a major shift in the ‘poor’ family population in these communities. Twenty years ago, the newcomer family population accounted for less than half of the total ‘poor’ family population in higher poverty neighbourhoods. By 2001, it accounted for two-thirds.
- ◆ **Visible Minorities:** One-third of the visible minority family population in Toronto now lives in higher’ poverty neighbourhoods. In 1981, the size of the visible minority family population in higher poverty neighbourhoods was 41,600. By 2001 this number has risen to 333,500, 8 times what it had been in 1981. There has also been a major shift in the number of poor visible minority families in higher poverty neighbourhoods. In 1981, visible minority families accounted for 37.4% of the total ‘poor’ family population in higher poverty neighbourhoods, but by 2001 this has increased to 77.5%.
- ◆ **Unemployment Rates:** As expected, unemployment rates in higher poverty neighbourhoods were greater in 1981, 1991 and 2001, than in the city as a whole. However, in 2001, 90% of the employable population in higher poverty neighbourhoods were working, as were 87% in ‘very high’ poverty neighbourhoods (compared to 93% for the rest of the city). Therefore the explanation for high poverty levels in these communities cannot be because large numbers of residents are not working at all. It is far more likely because they are working in very low-paying, and more precarious forms of work, such as part-time employment.
- ◆ **Lack of High School Education:** The percentage of residents in ‘higher’ poverty neighbourhoods without a high school education dropped from 46.5% in 1991 to 33% in 2001, signalling an overall improvement in the levels of education.
- ◆ **Housing Costs:** Households in ‘higher’ poverty neighbourhoods no longer differ that much from Toronto’s tenant population as a whole, in terms of the percentage that is paying more than 30% of their income on rent. By 2001, 48% of the renter households in higher poverty neighbourhoods, and 43% of all renter households in the city were paying in excess of 30% of their income in





rent. Just ten years earlier, only 12.6% of all renter households paid this much. Housing affordability problems are clearly intensifying in all communities across the city, not just in those with high rates of poverty.

policy agenda. And in the United States, huge new investments in cities, are being carried out, in recognition that strong and healthy neighbourhoods are necessary to the future sustainability and competitiveness of cities.

## IMPLICATIONS

For many years Toronto has enjoyed a reputation as one of the best cities in the world to live. The findings from this study raise serious doubts about how much longer the city can maintain this status. In just twenty years, there has been an astounding expansion and deepening of highly concentrated poverty in the city.

When United Way of Greater Toronto asked Torontonians about their local communities in 2003, their responses gave the data in this report greater meaning. Torontonians talked about their deep concerns about growing poverty, the lack of stable, good paying jobs, the difficulties that newcomers experience entering the labour market, the lack of facilities and services for their youth, growing youth violence and alienation, and in some communities, a withdrawal of business and services.

Perhaps their most poignant message was about growing community stigmatization, and their fear that the rest of Toronto might "write off" their neighbourhoods. At every consultation residents spoke passionately about their concern for their children's futures and whether they would have a chance of a better life. Seeing how dramatically neighbourhood poverty has intensified in twenty years leaves no doubt we cannot allow it to continue.

The critical question is what can be done to turn the tide of neighbourhood distress? In countries like Great Britain, neighbourhood revitalization has shot to the top of the public





# SUMMARY & RECOMMENDATIONS

## 1. NEW DIRECTIONS FOR UNITED WAY

In March 2004, United Way of Greater Toronto adopted a new set of priorities to direct the organization's funding, convening, public education, and capacity building activities over the next few years. United Way took account of what Torontonians said were the most pressing social issues in their communities. It considered the funding and policy changes that governments have made over the past few years, and their impact on the city's social services sector and its ability to adequately meet the needs of communities across the city. The Board also took account of the growth of poverty in Toronto and the profound changes in the concentration of poverty, which are revealed in this study of neighbourhood poverty. United Way will strongly focus energies in four important areas through a combination of approaches, which include increasing funding, bringing community partners together to work toward solutions to social issues, and building the capacity of social service organizations to effectively meet the needs of their communities. United Way has made a commitment to:

### **ESTABLISH A STRONG PUBLIC VOICE ON SYSTEMIC ISSUES.**

United Way will target issues that are adversely impacting the quality of life and well being of vulnerable Torontonians, giving priority attention to the systemic issues of poverty and income disparity, lack of affordable housing, the social services sector's need for core sustainable funding, and the societal issue of family violence.

### **BUILD STRONG NEIGHBOURHOODS.**

United Way will take a lead in finding solutions to the infrastructure and funding gaps of underserved neighbourhoods in Toronto,

especially in the inner suburbs, and the community development needs of neighbourhoods across the city.

### **SET YOUTH ON PATHWAYS TO SUCCESS.**

United Way will work with community partners to address the service needs of Toronto's youth with the goal of helping our young people make a successful transition to productive adulthood.

### **HELP NEWCOMERS FULFILL THEIR POTENTIAL AND PROMISE.**

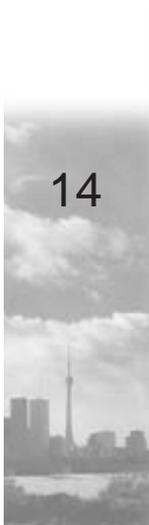
United Way will be an active participant in the work of the Toronto Region Council for Immigrant Employment, which is finding solutions to the labour market barriers impacting newcomers. Through its own funding and capacity building work, United Way will also help newcomers settle and integrate into Toronto's social and economic life.

## 2. PUTTING NEIGHBOURHOODS ON THE PUBLIC POLICY AGENDA

The very first step which must be taken is to create a broader understanding of the importance of healthy neighbourhoods as essential building blocks for achieving a high quality of life and for ensuring Toronto's long-term health and vitality. The second step is to build wider awareness of the growing distress within so many of our neighbourhoods.

*Neighbourhoods must move to the top of the public policy agenda, with the goal that no one in our city should be disadvantaged or excluded from the mainstream, based on where they live.*

*Governments at all levels must make a commitment to reverse the spiral of growing neighbourhood distress and disadvantage by delivering improved economic prospects and jobs, safer neighbourhoods, decent and*





*affordable housing, accessible community programs and services, and by fostering a renewed involvement and commitment in community among residents.*

### 3. MAKING HOUSING AFFORDABLE

Twenty years ago, there was less poverty. There was also less geographic concentration of poverty because families could find affordable housing in mixed neighbourhoods in almost all parts of the city. Relentlessly rising housing costs, coupled with stagnating incomes, mean that today, low-income families are gravitating to, and becoming concentrated in, the least expensive areas of the city. The lack of affordable housing is a serious impediment to the long-term health of the city, and has been widely recognized by the Homelessness Task Force, social advocates, and business organizations like the Toronto Board of Trade. Little more can be said that hasn't already been said, except that the findings of this study provide still more evidence of the serious consequences for the city's future if this lack of affordable housing continues for families trying to work and raise their children. The new federal/provincial 'Affordable Housing Program' will support the development of far fewer units than are needed in Toronto and the rest of the province. Most importantly, they will provide only shallow housing subsidies and will be unaffordable for low-income families and individuals.

*Senior levels of government must make affordable housing a priority by reinvesting in the development of 'truly' affordable non-profit housing and rent supplement programs.*

### 4. PROVIDING LIVEABLE INCOMES

Current minimum wages do not provide a 'living' wage in cities like Toronto where the cost of living is extremely high. A single parent with one child in Toronto would need almost double the current minimum wage just to be at the Statistics Canada low-income cut-off. Seniors, whose only income is the OAS and the Gains Supplement, are left with only about \$100 per month, after paying average market rents in the City of Toronto. Because these income security benefits are not fully indexed to inflation, low-income seniors are falling further behind each year. Social assistance rates, unchanged for years, are also losing ground to inflation, leaving recipients in ever deepening poverty. Eligibility for employment insurance has been restricted and the qualifying periods significantly shortened. For households impacted by these programs and policies, for those working at the minimum wage or living on fixed or low incomes, life in the City of Toronto has become quite simply, a matter of survival.

*There is an urgent need for senior levels of government to adjust the levels of all income security programs and wage policies so they are in line with the real costs of living and raising families in large urban areas like Toronto.*

*The Toronto City Summit Alliance should bring together a cross section of representatives from business, labour, government, and the community to develop strategies to address these income security issues.*



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## 5. CREATING EMPLOYMENT AND RETRAINING OPPORTUNITIES

Major economic changes, like the loss of manufacturing jobs in cities, may not easily be turned around, but what we can do is make better provisions for people to acquire new job skills that are marketable in the new economy. A range of initiatives will help to create better employment opportunities for the underemployed. One example is to open up eligibility for federally funded retraining programs to people who do not have prior or recent attachment to the labour force, such as newcomers and marginalized people. Other solutions include reducing the barriers to accreditation for newcomers and creating job mentorship programs for those who are trying to gain Canadian work experience in their area of expertise; and expansion of bridge-training programs to help internationally trained individuals to employ their skills more quickly. There is also an urgent need to promote economic development strategies at the local, community level.

*Senior levels of government must develop business investment and job creation initiatives in distressed communities, like those implemented in Great Britain and the United States, to rebuild the economic vitality of distressed communities.*

## 6. INVESTING IN SOCIAL INFRASTRUCTURE

The residential areas in the inner suburbs, built primarily in the 1950s and 1960s, were comprised largely of single family homes. They also included high- and mid-rise apartments that were originally marketed to single and retired people, and young couples as an affordable,

pre-ownership form of accommodation. The social infrastructure that was put in place to support these communities was built to serve much lower densities of people, and middle-income households. This study reveals a major transformation in large parts of the inner suburbs, from areas that twenty years ago had relatively few families living in poverty, to areas with 'high' and 'very high' poverty levels. Residents from these communities are anxious about the serious lack of facilities and services in their communities, especially for youth. The numbers of youth in the city's distressed neighbourhoods will increase substantially in the next few years, so it is critically important to address the infrastructure needs now. In some communities, there are almost no services or community social and recreational facilities at all. The social infrastructure needs of the city's underserved communities are great and addressing these needs requires the commitment of a broad range of funders.

*Community funders and government at all levels must work together to build long-term, multi-pronged solutions for stronger neighbourhoods in Toronto. This includes investments in new social infrastructure in high needs neighbourhoods, sustainable funding for existing and new social service organizations, and new investments to help local citizens and community groups develop ownership of their communities and become active participants in the development of solutions to local community problems.*

*Community funders and government should give particular emphasis to the needs of the city's vulnerable youth, through an ambitious investment plan for a range of programs to help youth develop their full potential for future employment, and in academics, athletics and the arts.*

