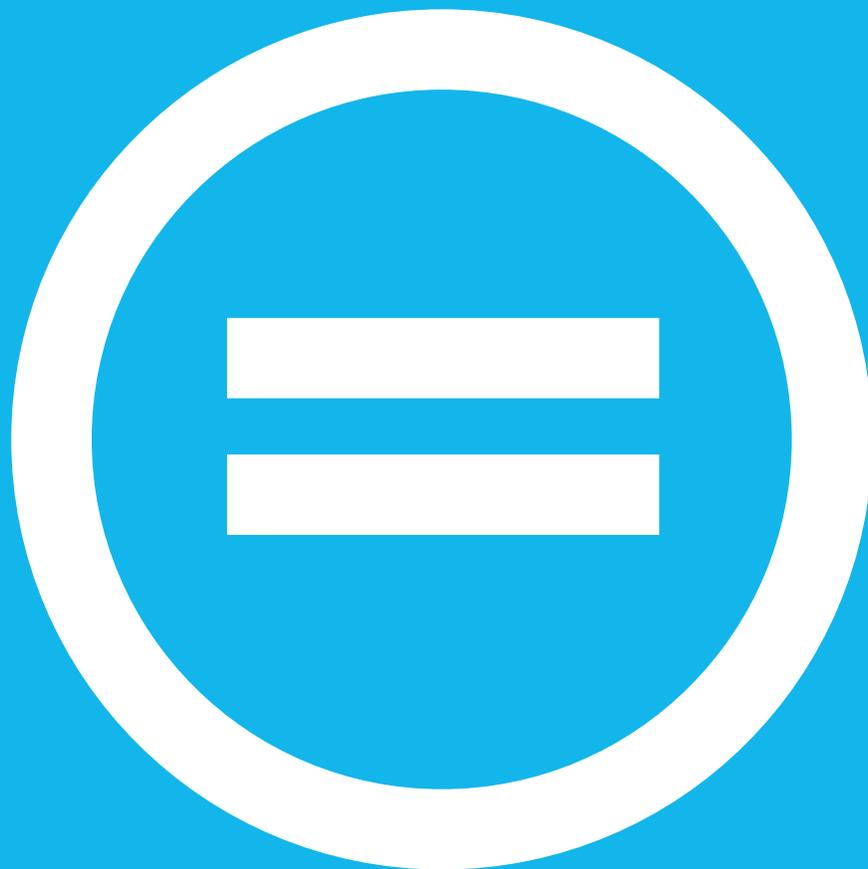

Rebalancing the Opportunity Equation



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Foreword

This third instalment in our Opportunity Equation research confirms an #unignorable reality for far too many: increasingly, it's the things you cannot control—age, immigration status, gender, if you belong to a racialized group, and even your postal code—that are barriers to success in today's GTA.

Young people, immigrants, racialized people, and women must work harder to achieve the income needed to thrive, or even just survive. And the situation is worse in the GTA than it is in the entire country.

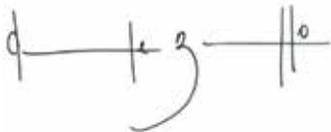
The growth of income inequality is undermining the promise that “diversity is our strength” — and that's a problem. For a region to be great, it needs to be great for everyone.

Inequality keeps our economy from growing. To thrive, we must use all the talent our region's labour market offers—we can't afford for people to be left behind.

At United Way, research guides what we do. It makes issues #unignorable and drives solutions. As an evidence-based organization, we are committed to using data to drive insights about our region. Comprehensive research calls people together to make real and lasting change.

With the data available to us, this report begins with a look at how inequality is impacting certain groups. It is a good starting point, but not exhaustive—more should be done to explore how the GTA's place as the income inequality capital of Canada is impacting other equity-seeking groups in our region including Indigenous peoples, persons with disabilities, and the LGBTQ2S community.

Read this report, act on the recommendations, and be assured that United Way, working with our strong network of community partners, will be doing our part to find solutions that help everyone thrive.



Daniele Zanotti
President & CEO
United Way Greater Toronto

The questions, data, and methods

This report provides an up-to-date portrait of how income inequality has changed across Peel, Toronto, and York from 1980 to 2015 by key socio-demographic characteristics. It also compares the trends in these regions to the trends experienced at the national level.

The socio-demographic characteristics considered in the analysis are:

- **Age:** how gaps in average individual income have changed between young adults (aged 25–34), mid-aged adults (aged 35–64), and seniors (aged 65 and older);
- **Immigration status:** how gaps in average individual income have changed between newcomers (in Canada for five years or less), settled immigrants (in Canada over five years), and the Canadian-born population;
- **Racialization:** how gaps in average individual income have changed between racialized and white groups.*

For each of these characteristics, we examine changes in average individual incomes and the size of the income gap between groups over time. We also look at how these trends vary based on labour force status and gender.

To understand how specific socio-demographic groups relate to income inequality, we divide the income distribution into five equal parts, called quintiles. All incomes are in inflation-adjusted dollars indexed to 2015, the last year of data available for this research.

All the analyses were conducted at the Toronto Region Statistics Canada Research Data Centre (RDC) by Dylan Simone. A detailed description of the data we used and our methods is available in Appendix A: Data sources and methods.

United Way acknowledges that aggregating racialized groups into one category masks the differences between these groups. This approach was, however, the only way to produce reliable analysis at the geographic scales used in this report and that also meets the Research Data Centre’s confidentiality rules.

We acknowledge that there are other groups, in addition to those used in this report, such as Indigenous peoples, persons with disabilities, and the LGBTQ2S community, who are also impacted by growing income inequality. Unfortunately, data is not available from the Census to conduct reliable analysis on these groups at the geographic scales used in this report. However, the evidence in this report should be used by other researchers to develop projects that would provide insights on the experiences of those groups who are not covered in this report.

The figure numbers in this executive summary are the same as the figure numbers in the full report. However, not all of the figures in the full report are included in this executive summary.

* The Employment Equity Act defines visible minorities as “persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.” The visible minority population includes, but is not limited to, the following groups: South Asian, Chinese, Black, Filipino, Latin American, Arab, Southeast Asian, West Asian, Korean and Japanese. United Way chooses to use the term ‘racialized’ instead of ‘visible minority’ in alignment with the Ontario Human Rights Code, which defines race as a social construct and considers terms such as ‘visible minority’ outdated and inaccurate. However, statistics referring to racialized groups come from official sources that use the term ‘visible minority’.

Executive Summary

The Greater Toronto Area (GTA) is a great place to live. It is one of the most diverse regions in the world, where we are held together by a collective identity that is fueled by a shared commitment and interest in one another despite our differences. This shared commitment is built on the trust and reciprocity that exists between community members and is an important reason the GTA is such a desirable place for people to live, raise their families, and grow their businesses.

But there are growing forces undermining that shared commitment to each other: the GTA labour market is increasingly characterized by precarious work; there is a lack of affordable places for people to live; and people continue to face systemic discrimination in the economy and everyday life.

The GTA is also the income inequality capital of Canada—and that inequality is driving many of these divisive trends. Rising income inequality makes our societies less fair by making circumstances outside of an individual's control increasingly determine the range of opportunities a person has access to. This weakens our civic likeness—the glue that holds us together. The growth of income inequality leads to an increasingly divided society where different groups of people have distinct life experiences and trajectories. These social and physical divisions between groups impede many people from having meaningful encounters with people unlike themselves.

In this report, we present a unique analysis that shows how the impacts of income inequality vary across the population in the Toronto region and highlight those groups bearing the burden of these trends. The findings reveal for whom the opportunity equation is not working—income inequality is further disadvantaging those who already face multiple barriers to building a good life and increasingly benefitting those already doing well. The growth of income inequality is negatively impacting access to opportunity, social cohesion, and civic likeness in the Toronto region.

The opportunity equation—individual effort plus access to opportunity equals success—is working for some but not for all. Young people, immigrants, racialized people, and women are seeing that their circumstances—the things about themselves that they cannot control (such as their age, immigration status, whether or not they belong to a racialized group, their gender, and even their postal code)—are barriers to their success in today's GTA. These groups have to work harder to achieve the income needed to thrive, and the situation is worse in the Toronto region than it is in the country as a whole. Income inequality unbalances the opportunity equation.

Fairness and opportunity are core values that bind us together; they are at the heart of the community we all love and feel proud of. The promise of the opportunity equation must be available to everyone for this to remain true. Otherwise, divisions will grow and the GTA of the future will be a less desirable place to live, raise a family, or grow a business. This report helps us to better understand where to focus our resources to make the promise of the opportunity equation a reality for everyone.

Key Findings

1. NOT EVERYONE GETS A SUCCESSFUL START IN LIFE: YOUNG ADULTS IN THE GTA ARE MORE DISADVANTAGED TODAY THAN EVER BEFORE.

4

Young adults have become poorer over time (Figure 1). In real terms, a young person in the GTA is earning less today than they did in 1980.

- In the last 25 years, the average incomes of young adults in Peel decreased by 22% (from \$47,500 in 1990 to \$36,900 in 2015 – constant \$2015).
- The average income for young adults in Toronto in 2015 was lower than it was in 1980, and just below the national average (\$42,300 in 1980 to \$41,800 in 2015 – constant \$2015).
- In York Region, their incomes decreased by 21% (from \$51,900 in 1990 to \$41,000 in 2015 – constant \$2015).
- Seniors experienced the most consistent increase in average income over the last 35 years. The average income of seniors has surpassed the average income of young people in Toronto and York, and that gap continues to grow.

Young adults have been increasingly concentrated in the bottom of the income distribution over the last 35 years across Canada and in Peel, Toronto, and York. Figure 2 (page 6) shows trends over time in the distribution of each age group along income quintiles for each area. The bottom quintile is highlighted to emphasize the changes experienced by the poorest members of each age group. In 2015, almost one in four young adults were in the bottom quintile in each region, up from about one in six in 1980.

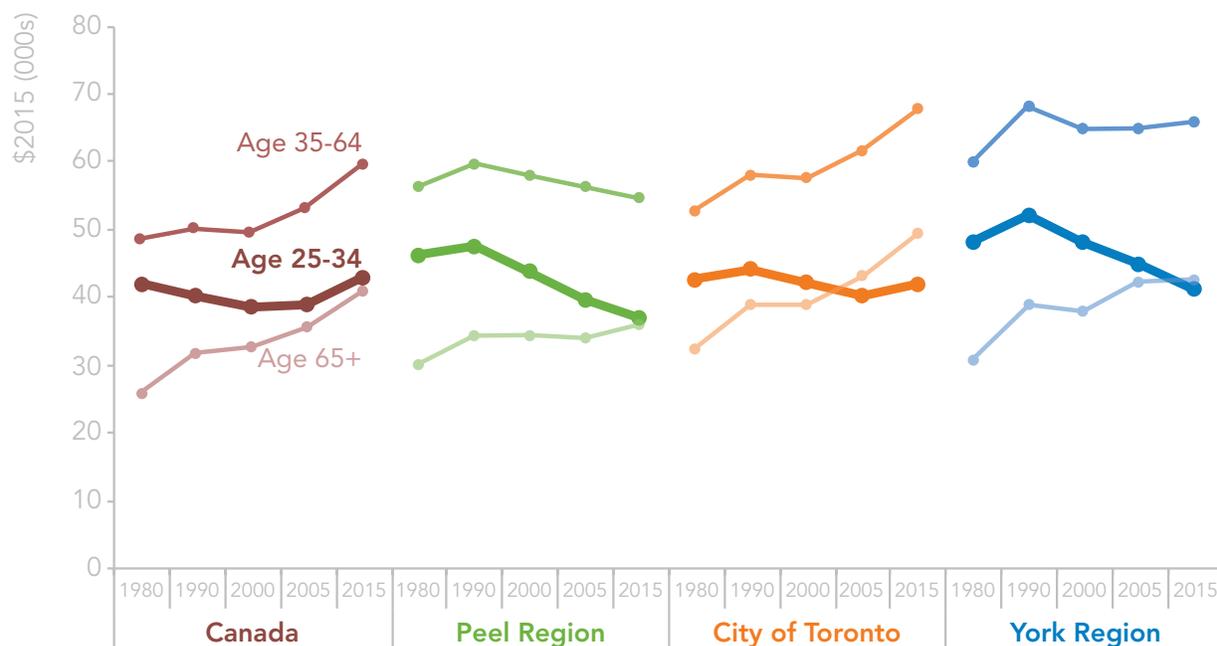
There has been a clear and significant shift away from the bottom quintile for seniors since 1980. This pattern was most pronounced in Peel, where the share of seniors in the bottom quintile decreased from close to 50 per cent in 1980 to 22.4 per cent in 2015.

Young adults today not only start further behind, but they also have less access to the opportunities they need to catch up.

Even if they are in permanent, full-time jobs, the income gap is growing between employed young people and employed mid-aged people (Figure 3 on page 7).

- For every dollar a mid-aged person in a permanent, full-time job in Peel earns, a young person in the same form of employment in Peel earns 71 cents.
- For every dollar a mid-aged person in a permanent, full-time job in Toronto earns, a young person in the same form of employment in Toronto earns 62.7 cents.
- For every dollar a mid-aged person in a permanent, full-time job in York earns, a young person in the same form of employment in York earns 64.7 cents.

Figure 1: Average income (constant \$2015) by age groups, 1980–2015*



Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 and older who reported positive total income (before-tax and after-transfers).

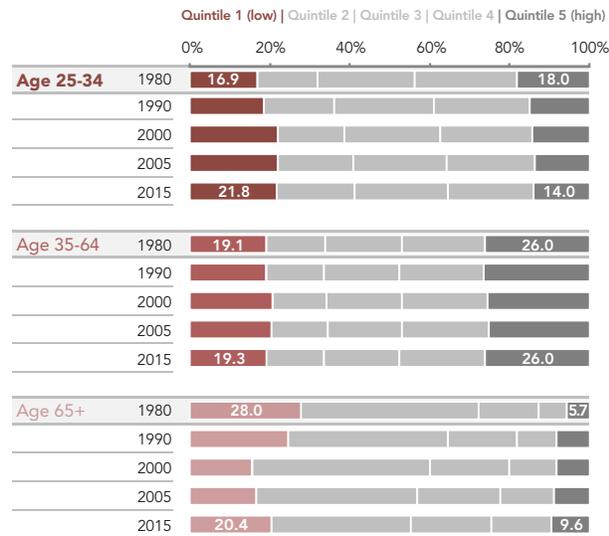
Why is this happening and why does this matter?

Young adults today are facing labour market challenges of a higher magnitude than they did in the past. The nature of work has changed, from a majority of steady, long-term, and living-wage opportunities to employment that is increasingly short-term, precarious, and low-wage. This is creating a divided labour market where young people are at a disadvantage. As people are living and working longer, older workers with years of experience and mature networks appear to be more advantaged in the growing knowledge and professional service economy. At the same time, improvements to Canada's income security system for seniors means that most of those who did not enjoy high incomes or have defined benefit pensions still have a higher income today than previous cohorts. And while older generations have made significant gains from the rapid growth of housing values, this has only served to constrict home ownership for young people and amplify a growing housing affordability crisis in the GTA and elsewhere. These trends mean that this will be the first generation that will not do as well as their parents.

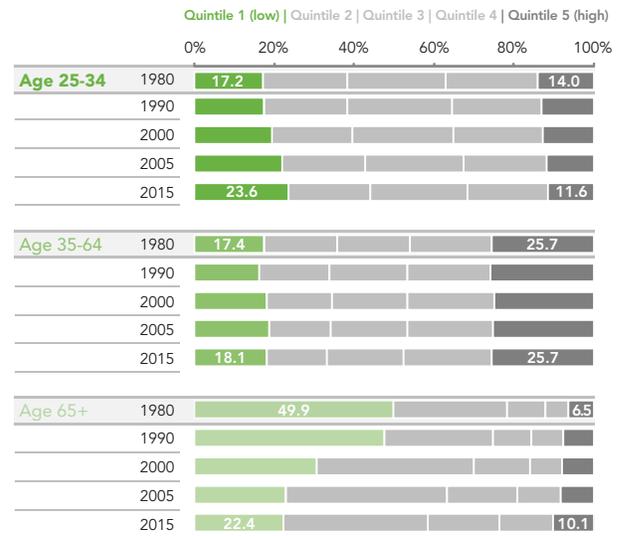
* Figure 1 illustrates trends over time in average individual income for three age groups (young adults, mid-aged adults and seniors) for Canada, Peel, Toronto, and York. Each region is represented in a different colour. Each line on the graph represents a specific age group in shades corresponding to each region's colour.

Figure 2: Share (%) of age groups among income quintiles, 1980–2015*

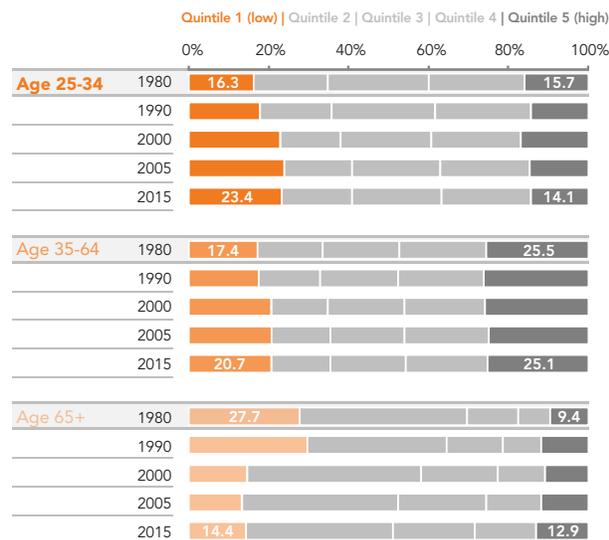
Canada



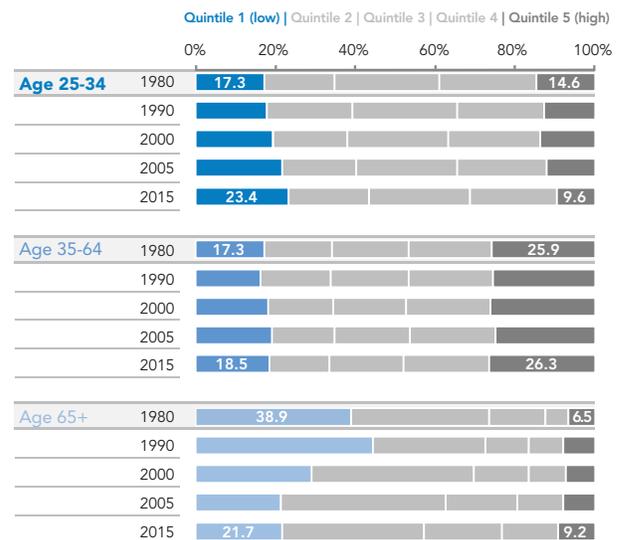
Peel Region



City of Toronto



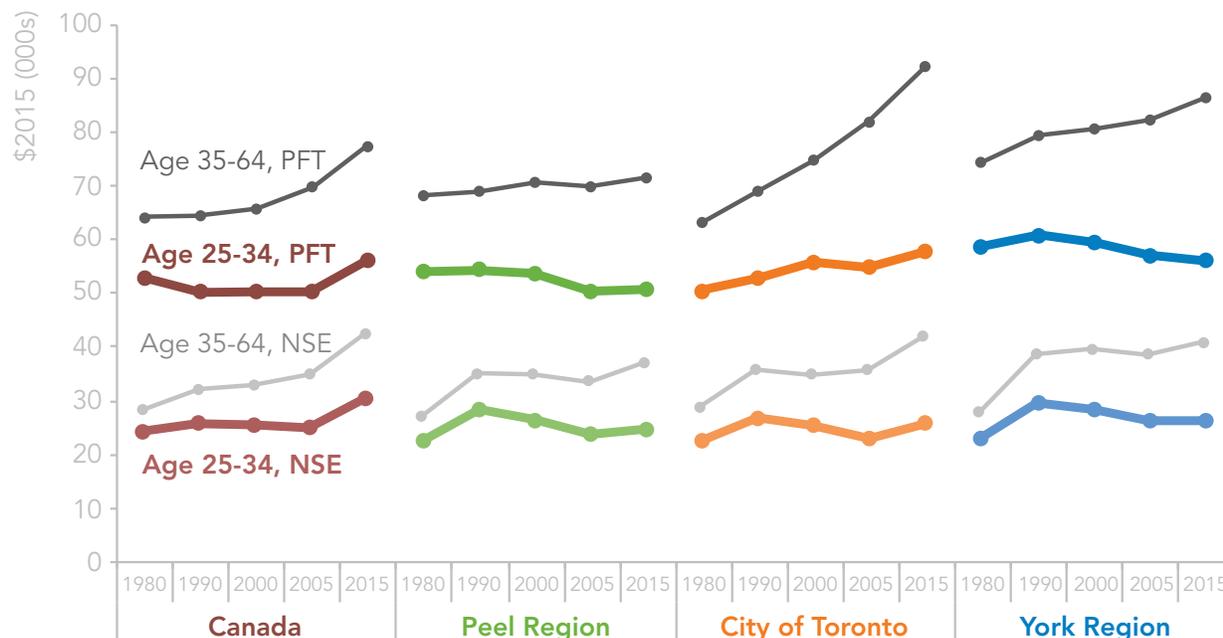
York Region



Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 and older who reported positive total income (before-tax and after-transfers).

* Figure 2 shows the distribution of three age groups (young adults, mid-aged adults, seniors) across income quintiles, over time for Canada, Peel, Toronto, and York. Each region is represented in a different colour and has a set of three bar charts, one for each age group. Each age group has five bars, one for each study year. Each bar is divided into five quintiles, with the bottom and top quintile highlighted. The actual value is provided for the bottom and top quintiles in the earliest and most recent study years.

Figure 3: Average income (constant \$2015) by age groups and employment type, 1980–2015 ‡



Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 to 64 who reported positive total income (before-tax and after-transfers) and who worked in PFT (permanent, full-time employment) or NSE (non-standard employment: temporary full-time, temporary part-time, permanent part-time).

2. IN THE GTA, IT DOESN'T MATTER HOW LONG YOU'VE BEEN IN CANADA—THE FACT THAT YOU WEREN'T BORN HERE MEANS THAT YOU ARE EARNING LESS.

Immigrants, regardless of their years of residency in Canada, have become poorer over time. The average income of longstanding immigrants, who have been in Canada for more than 20 years, has not increased in 35 years, whereas the average income of the Canadian-born population has increased steadily over that time period. Furthermore, a longstanding immigrant in 2015 is making the same income—or lower—than a Canadian-born person made in 1980. In 1980, the incomes of a longstanding immigrant and a Canadian-born person were similar (Figure 6 on pages 9-10).

- In real terms, immigrants in Peel today are making less than they did in 1980—regardless of how long they've been in Canada (Peel immigrants who have been in Canada for 10-19 years earned \$48,800 in 1980 and only \$40,400 in 2015 – constant \$2015).

‡ Figure 3 illustrates trends over time in average individual income for two age groups (young adults and mid-aged adults) working in two forms of employment— permanent, full-time (PFT) and non-standard employment (NSE)—for Canada, Peel, Toronto, and York. Each region is represented in a different colour. Each line on the graph represents a specific age group in the two employment types: young adults are represented in shades corresponding to each region's colour and mid-aged adults are represented in shades of grey.

- In real terms, immigrants in Toronto, who have been in Canada less than 20 years, have lower incomes today than in 1980 (Toronto immigrants who have been in Canada for 10-19 years earned \$43,100 in 1980 and only \$40,200 in 2015 – constant \$2015).
- In real terms, immigrants in York Region, who have been in Canada less than 20 years, have lower incomes today than in 1980 (York Region immigrants who have been in Canada for 10-19 years earned \$56,000 in 1980 and only \$45,500 in 2015 – constant \$2015).
- Incomes for newcomer immigrants, who have been in Canada for less than five years, have also decreased over time.

Immigrants living in Canada for less than 20 years have been increasingly concentrated in the bottom income quintile over time at both the national and regional levels (Figure 7 on pages 11-12). The Canadian-born population is the only group that increased their share in the top quintile over time. This pattern held across Canada, Peel, Toronto, and York.

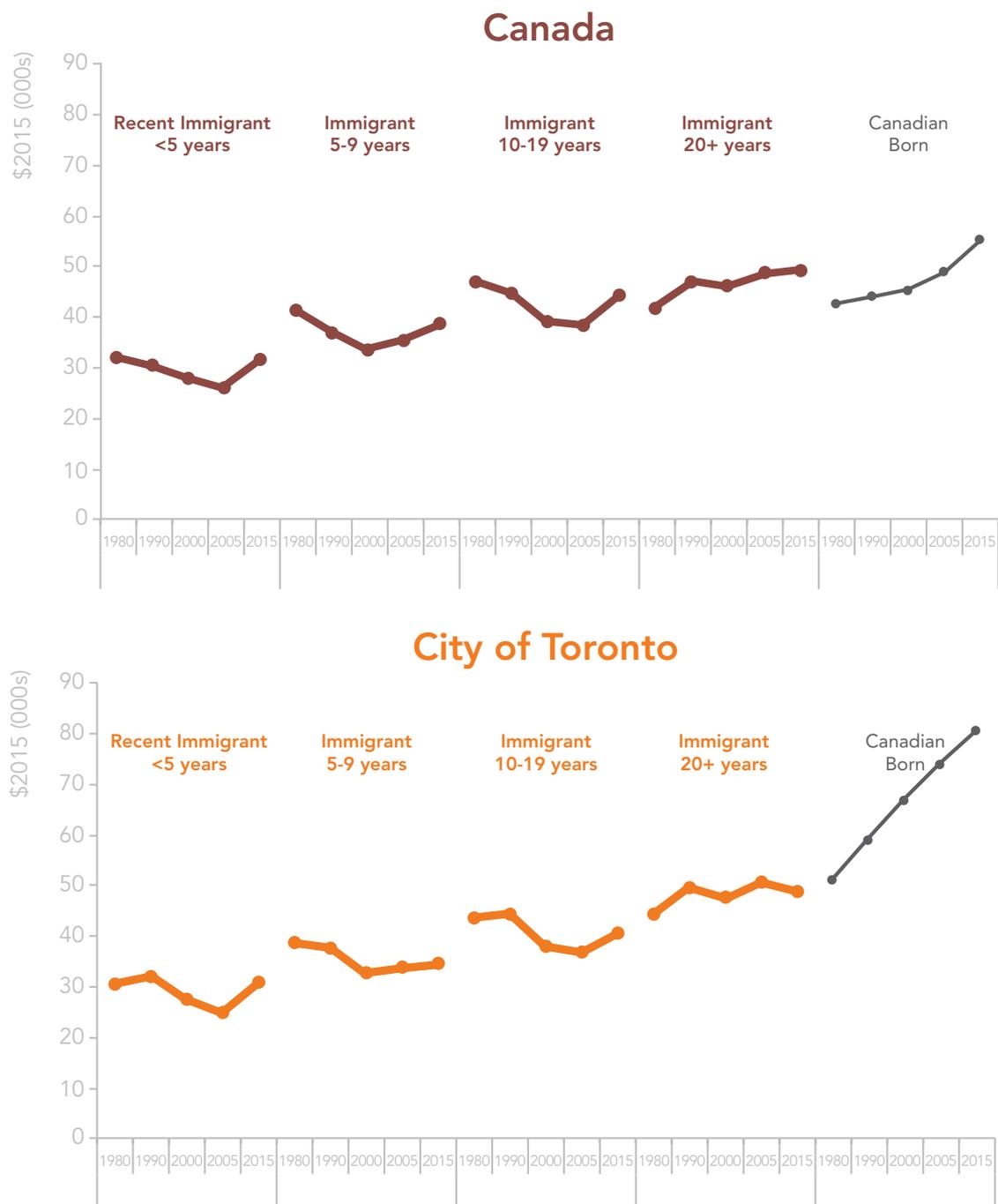
In all three regions and regardless of employment type, the income gap between immigrants and the Canadian-born population grew from 1990 to 2015 (Figure 8 on pages 13-14). That gap is bigger for people in permanent, full-time jobs.

- In Peel, for every dollar a Canadian-born person in permanent, full-time work earns, an immigrant in Canada for ten years or more in the same form of work earns 81.8 cents.
- In Toronto, for every dollar a Canadian-born person in permanent, full-time work earns, an immigrant in Canada for ten years or more in the same form of work earns 67 cents.
- In York, for every dollar a Canadian-born person in permanent, full-time work earns, an immigrant in Canada for ten years or more in the same form of work earns 82.2 cents in York.

Why is this happening and why does this matter?

Immigrants face a challenging labour market in the Toronto region. A lack of recognition for foreign gained experience and credentials leads a disproportionate number of immigrants to work in low-wage, precarious jobs that are often below their education and experience levels. Precarious work can create and reproduce a cycle that limits the ability of many skilled and educated immigrants to move into higher paid work, which can result in long-term differences in life experiences for these groups. These trends mean that despite a growing economy, our region is wasting potential, with people not able to fully utilize their full range of skills and experience in the labour market.

Figure 6: Average income (constant \$2015) by immigration status, 1980–2015*

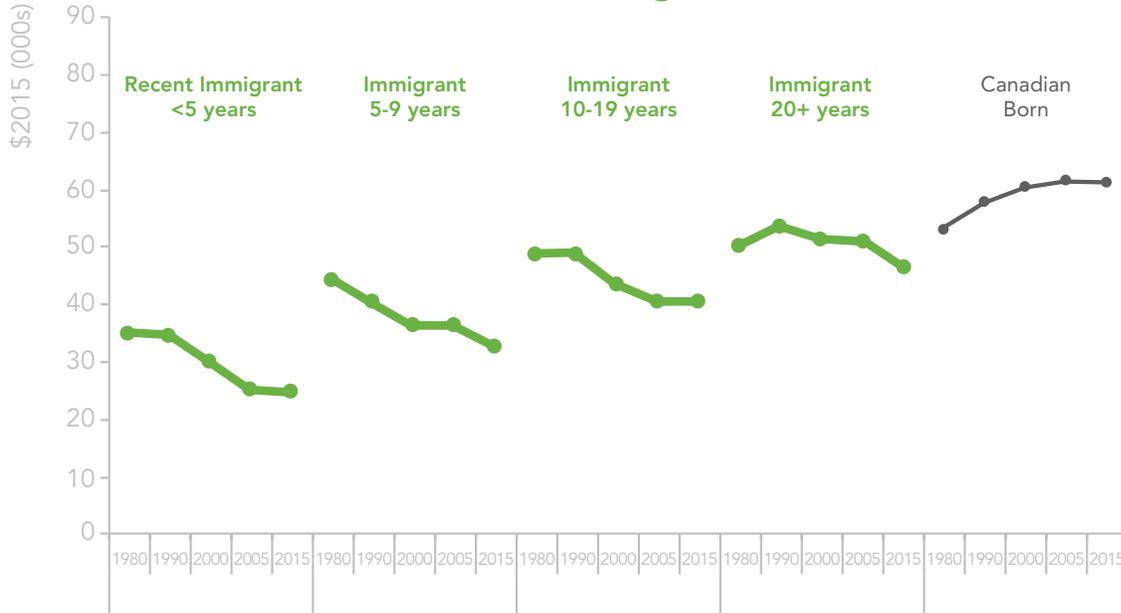


Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 and older who reported positive total income (before-tax and after transfers).

* Figure 6 is a series of graphs that show trends over time in average individual income for five groups (four groups of immigrants and the Canadian-born population) for Canada, Peel, Toronto, and York. Each region has its own graph and is represented in a different colour. In each graph, moving from left to right, each line represents one of the five groups.

Figure 6: Average income (constant \$2015) by immigration status, 1980–2015, cont'd (2/2)

Peel Region



York Region

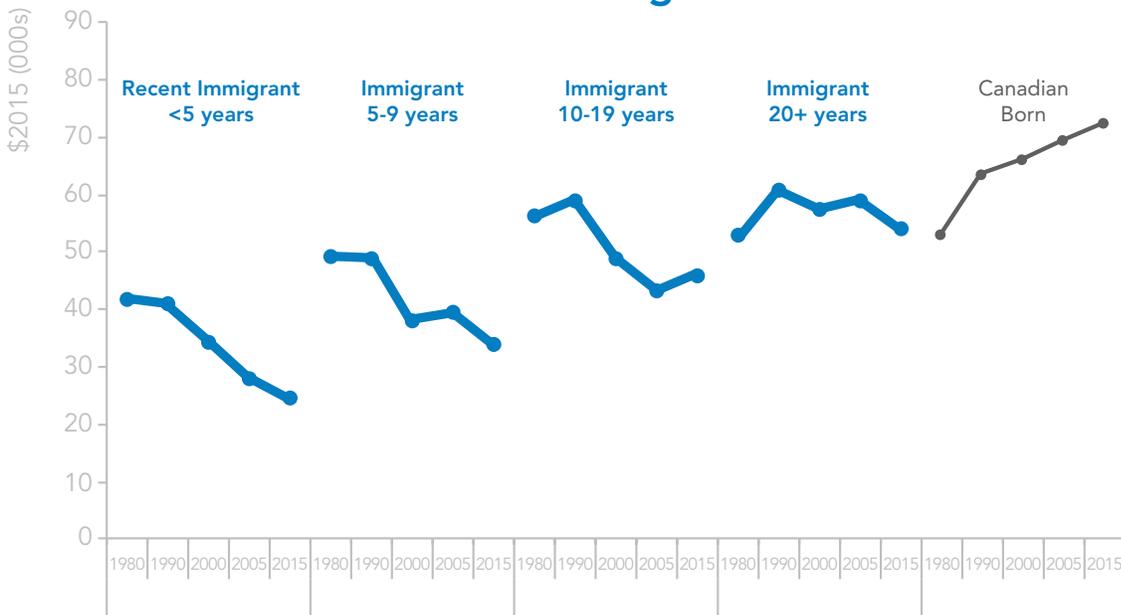
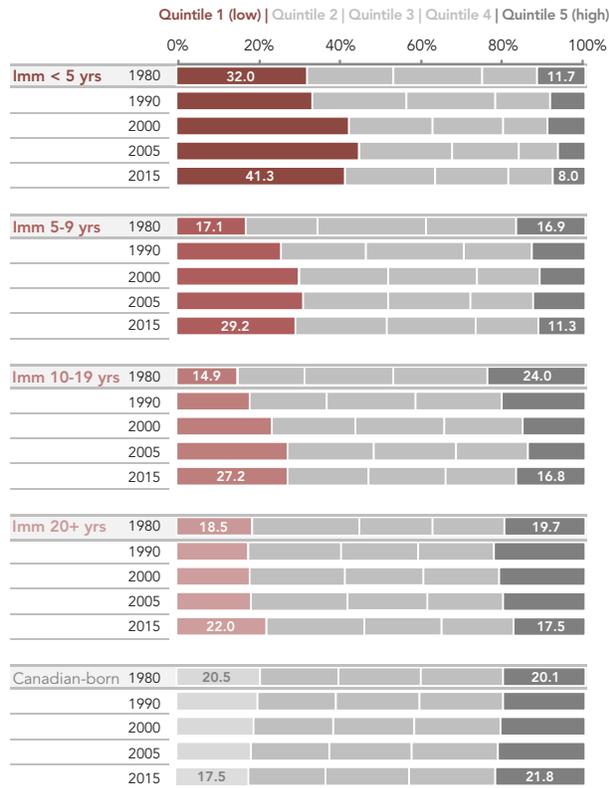
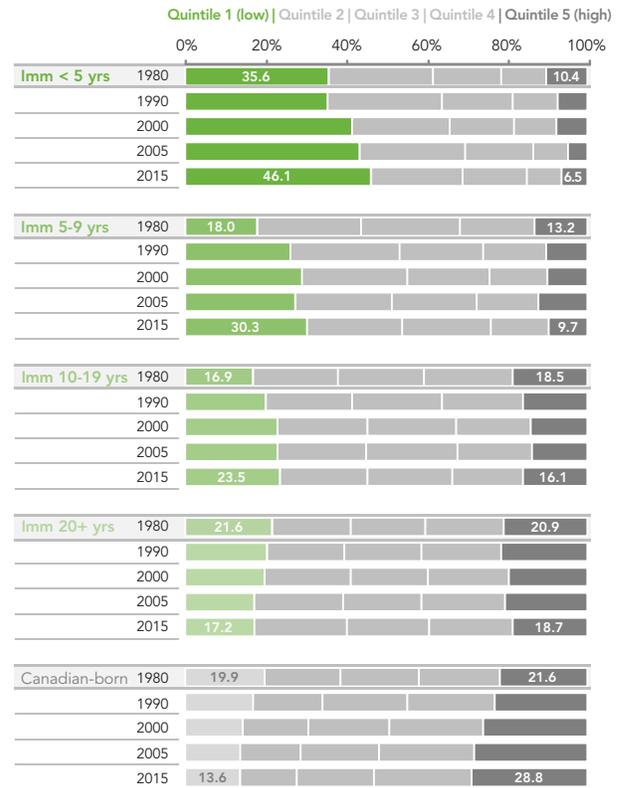


Figure 7: Share (%) of immigrant and Canadian-born groups among income quintiles, 1980–2015*

Canada



Peel Region

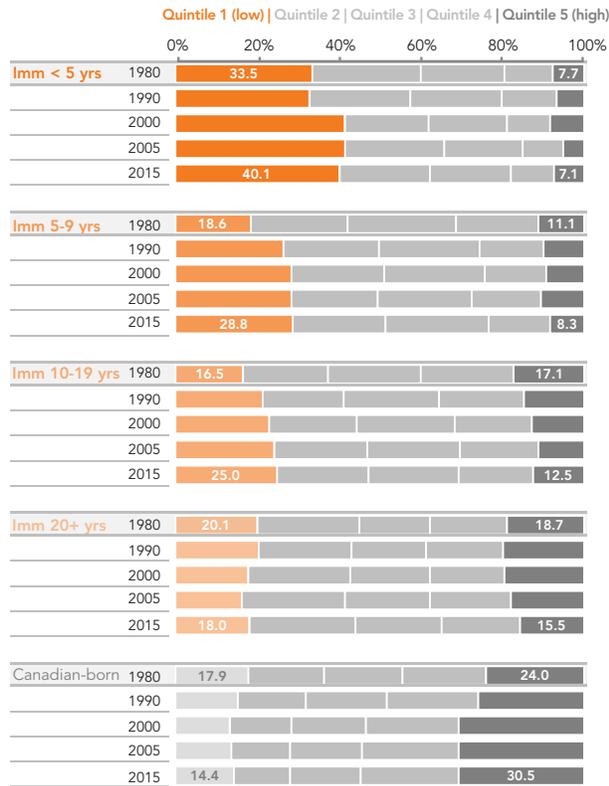


Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 and older who reported positive total income (before-tax and after transfers).

* To interpret Figure 7 see the explanation of Figure 2 on page 6.

Figure 7: Share (%) of immigrant and Canadian-born groups among income quintiles, 1980–2015, cont'd (2/2)

City of Toronto



York Region

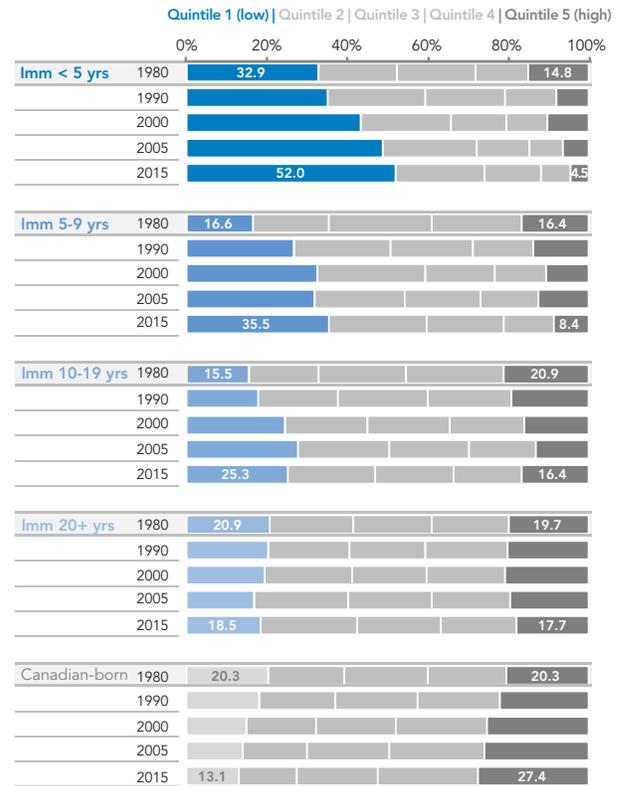
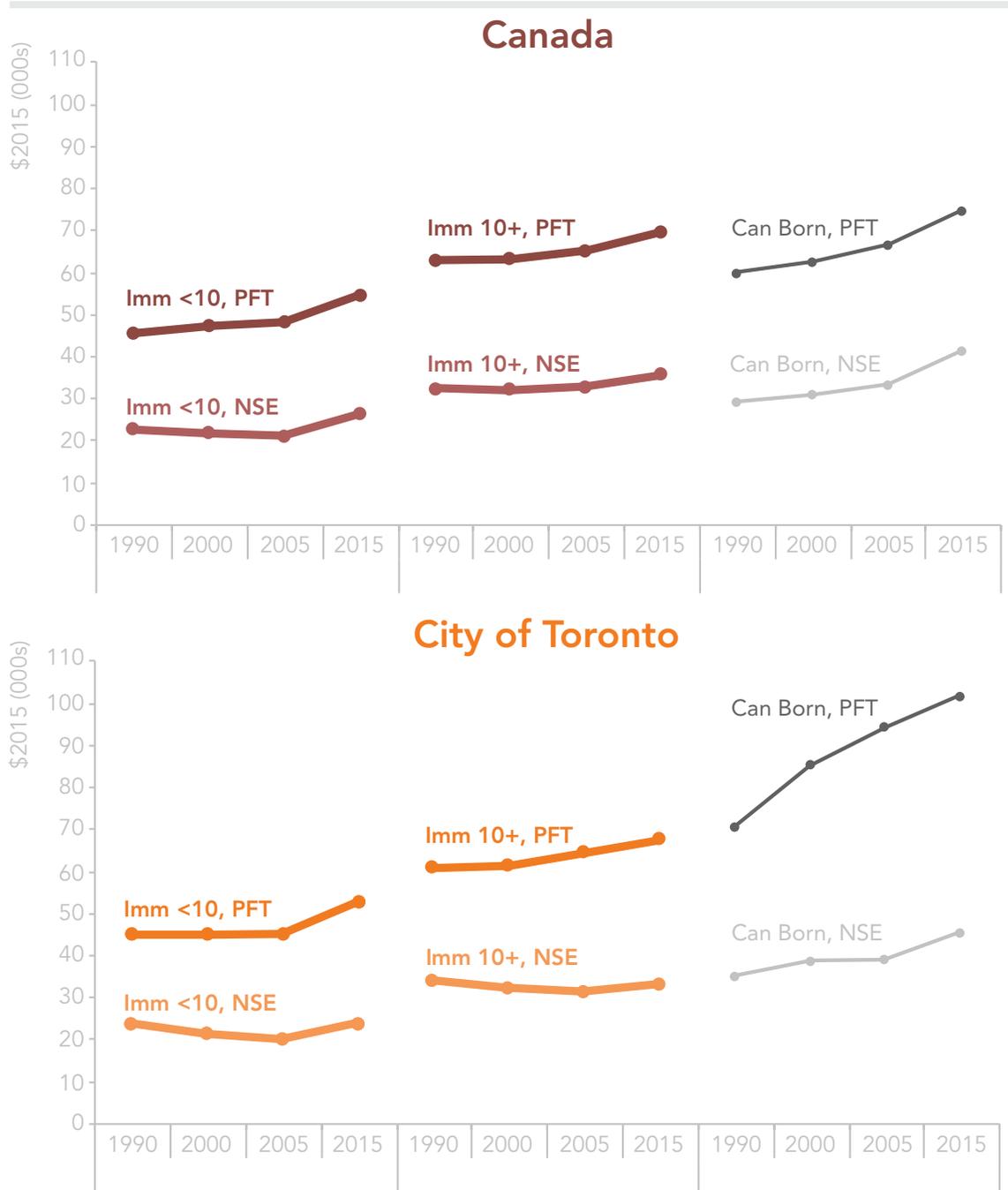


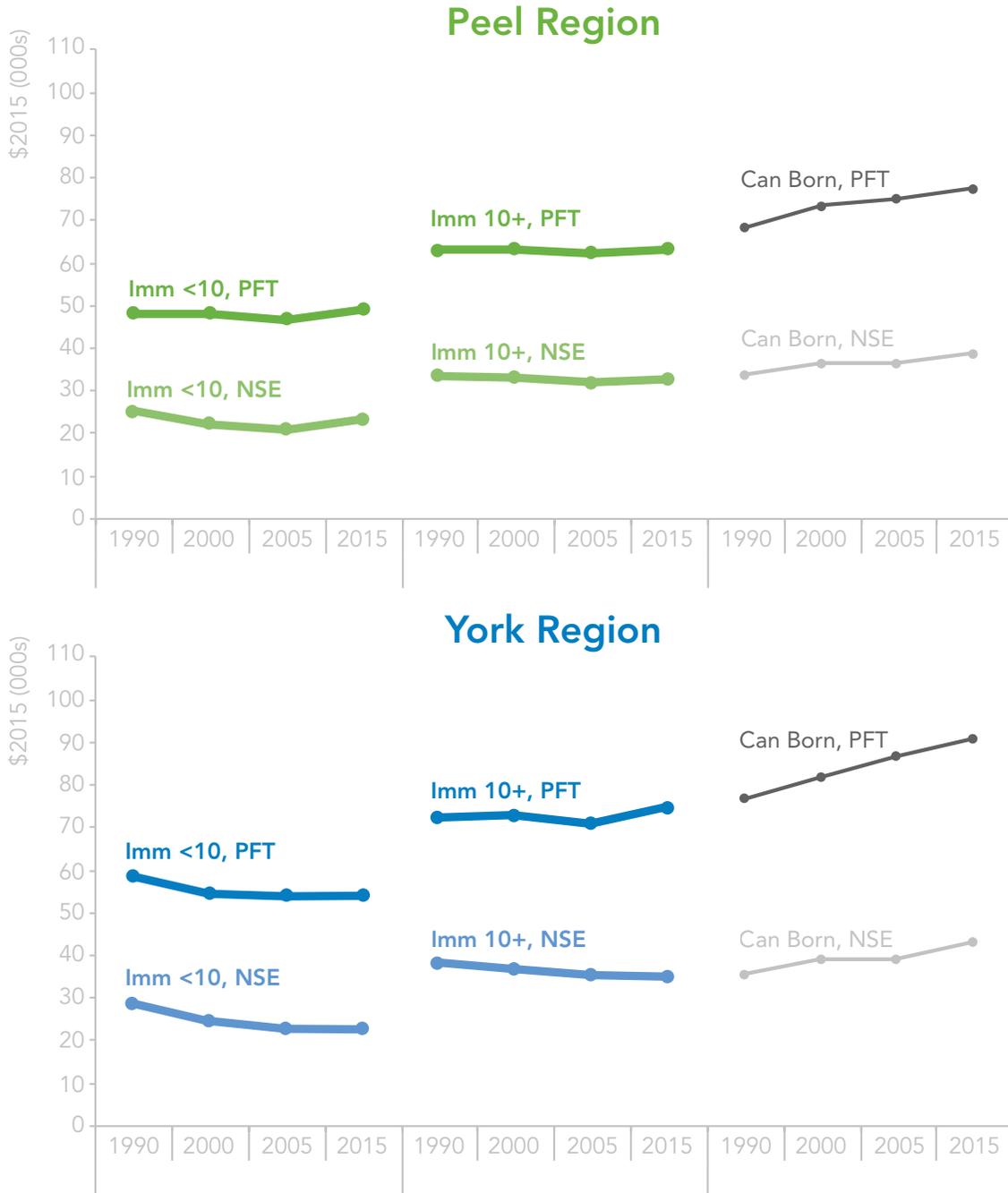
Figure 8: Average income (constant \$2015) by immigration status and employment type, 1990–2015*



Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 to 64 who reported positive total income (before-tax and after transfers) and who worked in PFT (permanent, full-time employment) or NSE (non-standard employment: temporary full-time, temporary part-time, permanent part-time).

* Figure 8 is a series of graphs that show trends over time in average individual income for three groups (two groups of immigrants and the Canadian-born population) working in two forms of employment—permanent, full-time (PFT) and non-standard employment (NSE)—for Canada, Peel, Toronto, and York. Each region has its own graph and is represented in a different colour. In each graph, moving from left to right, each line represents one of the three groups in the two forms of employment: the Canadian-born population in PFT and NSE, immigrants <10 years in PFT and NSE, and immigrants 10+ years in PFT and NSE.

Figure 8: Average income (constant \$2015) by immigration status and employment type, 1990–2015, cont'd (2/2)

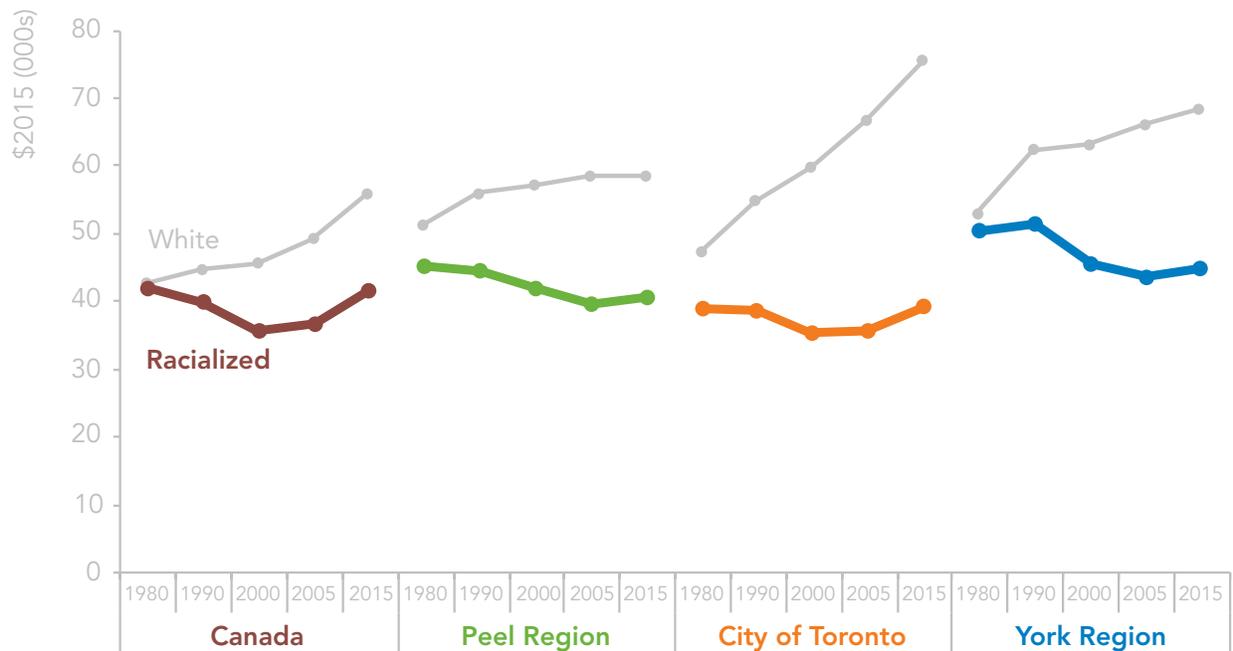


3. THE RACIAL DIVIDE IN THE GTA HAS REACHED A HISTORIC HIGH.

Racialized groups have become poorer over time. Incomes for racialized groups have not increased in 35 years and the income-gap between racialized and white groups has increased (Figure 11).

- In real terms, racialized groups in Peel and York regions are earning less today than they did 35 years ago (in Peel – from \$45,000 in 1980 to \$40,300 in 2015; in York – \$50,400 in 1980 to \$44,800 in 2015 – all constant \$2015).
- For every dollar a white person in Peel earns, a racialized person in Peel earns 69.2 cents.
- For every dollar a white person in Toronto earns, a racialized person in Toronto earns 52.1 cents.
- For every dollar a white person in York earns, a racialized person in York earns 66 cents.

Figure 11: Average income (constant \$2015) by racialized status, 1980–2015[‡]



Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 and older who reported positive total income (before-tax and after transfers).

[‡] To interpret Figure 11 see the explanation of Figure 1 on page 5.

Racialized groups were also increasingly concentrated in the bottom income quintile from 1980 to 2015 across Canada, Peel, Toronto, and York (Figure 12).

- In 2015, almost one in four racialized people were found in the bottom quintile in Peel (24.1 per cent), up from approximately one in five in 1980 (18.8 per cent).
- In 2015, over one in four racialized people were found in the bottom quintile in Toronto (25.4 per cent), up from approximately one in five in 1980 (19.1 per cent).
- In 2015, over one in four racialized people were found in the bottom quintile in York (26.3 per cent), up from approximately one in seven in 1980 (16.4 per cent).
- Meanwhile, the representation of white groups has continually decreased in the bottom quintile and increased in the top quintile for each region over the last 35 years.

The gap has grown the most between racialized and white groups in permanent, full-time employment (Figure 13 on page 18).

Why is this happening and why does this matter?

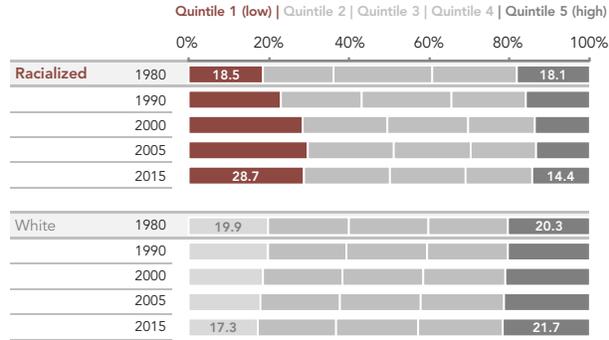
The rise of precarious employment, the decline of unionized manufacturing, and the persistence of experiences of discrimination have continued to make the labour market challenging for many racialized groups in the Toronto region. The growing population of racialized persons, combined with the increasing costs of living in one of Canada's most expensive regions, means that these trends can make daily life a challenge and the ability to get ahead an increasingly distant dream for many.

Persistence of the gender income gap

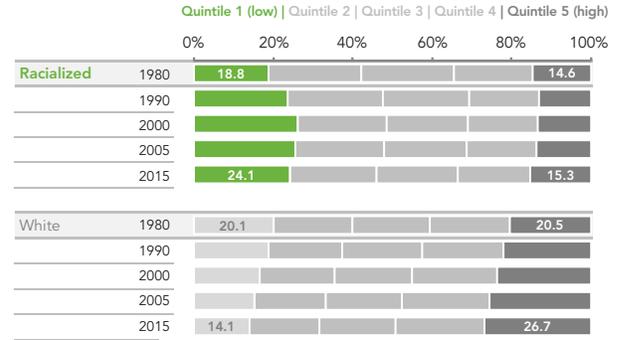
Across the different socio-demographic groups, the gap in average incomes between women and men has largely persisted. The only exception is between women and men in non-standard employment where the income gap is closing as the result of a deteriorating situation for young men, immigrant men, and racialized men in this type of employment.

Figure 12: Share (%) of racialized and white groups among income quintiles, 1980–2015*

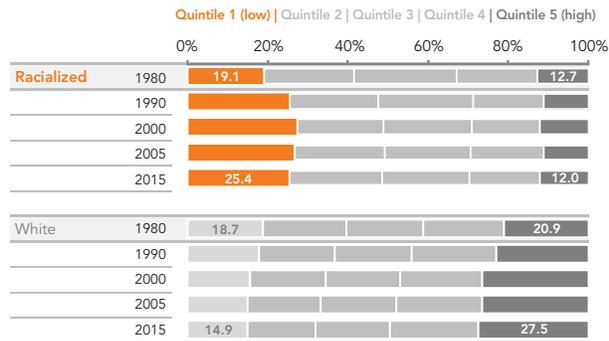
Canada



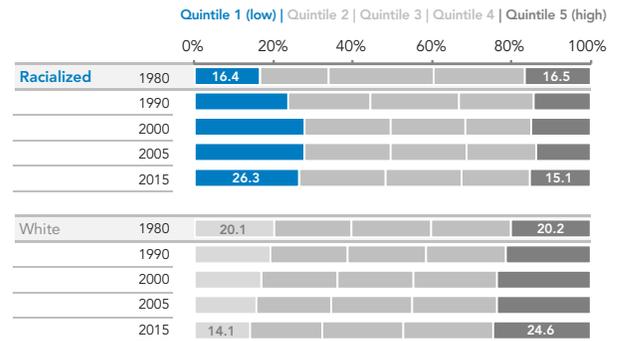
Peel Region



City of Toronto



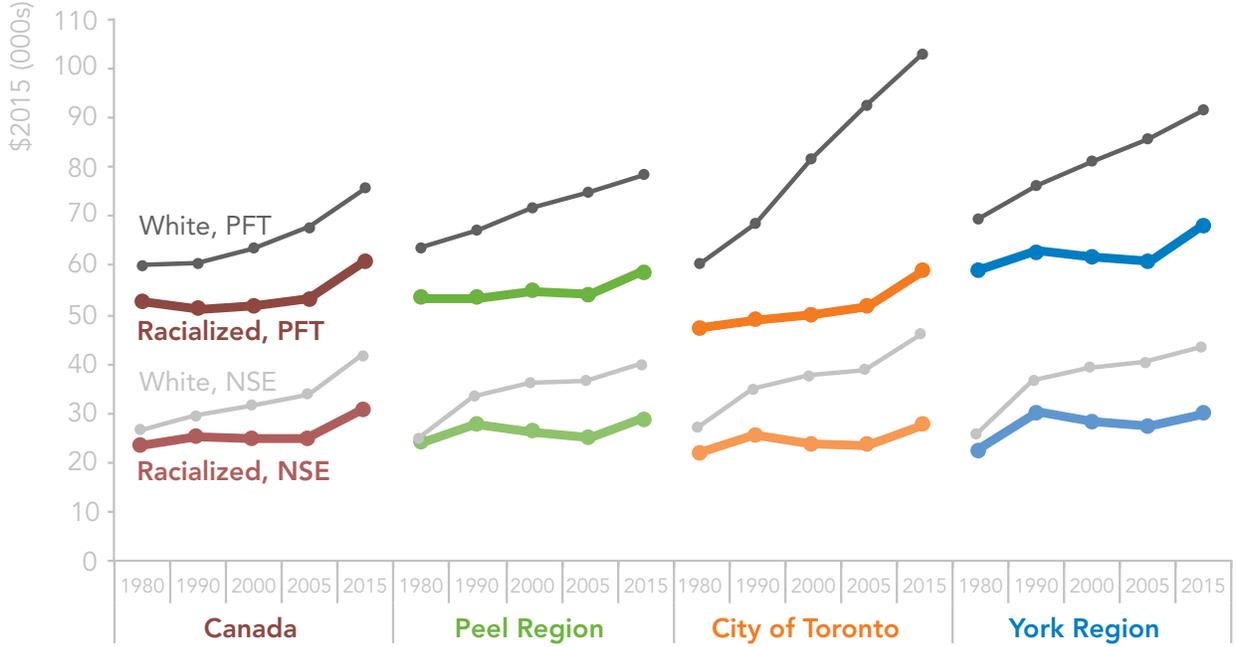
York Region



Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 and older who reported positive total income (before-tax and after-transfers).

* To interpret Figure 12 see the explanation of Figure 2 on page 6.

Figure 13: Average income (constant \$2015) by racialized status and employment type, 1980–2015*



Source: Calculated by the authors using the census microdata accessed through the Toronto Statistics Canada Research Data Centre. Data calculated for all individuals aged 25 to 64 who reported positive total income (before-tax and after transfers) and worked in PFT (permanent, full-time employment) or NSE (non-standard employment: temporary full-time, temporary part-time, permanent part-time).

* To interpret Figure 13 see the explanation of Figure 3 on page 7.

Rebalancing the Opportunity Equation: Conclusion and Recommendations

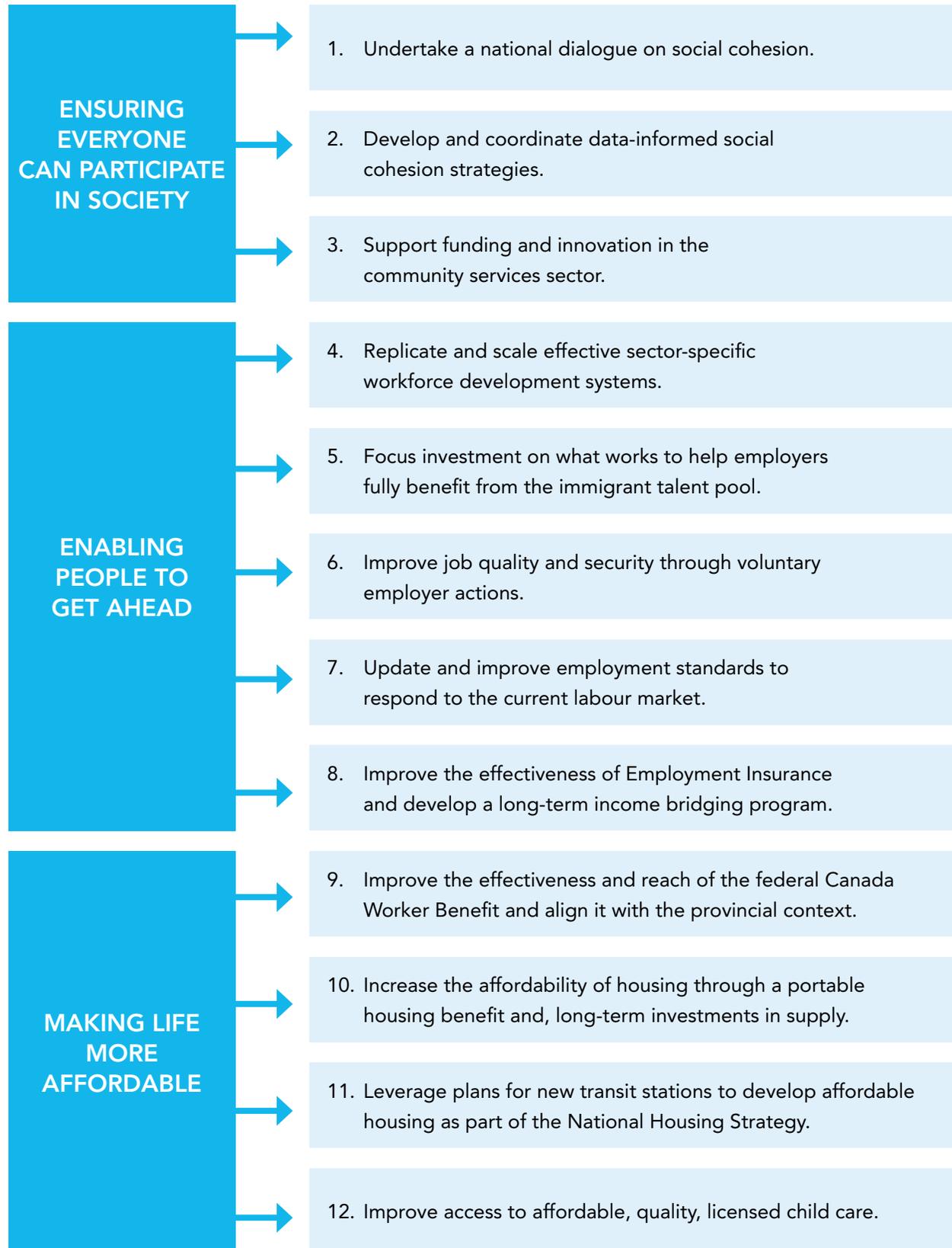
In 1980, most young people could look forward to upward social mobility, immigrants could largely depend on the notion that their incomes would catch up to those of the Canadian-born population, and it was believed that over time the income gap between racialized groups and white groups would narrow.

The findings of this report indicate that these prospects are no longer true for many people as income inequality has grown, reducing opportunities and making the GTA a less fair place to live. This has resulted in growing gaps between the haves and the have nots, with each group connected by common backgrounds and circumstances that are beyond their control. For the 'haves', those backgrounds and circumstances are an advantage, making the opportunity equation more likely to result in a good life. For the 'have nots', those backgrounds and circumstances make the opportunity equation less likely to work. Income inequality is further disadvantaging those who already face multiple barriers to building a good life, and increasingly benefitting those already doing well. The growth of income inequality is negatively impacting access to opportunity, social cohesion, and civic likeness in the Toronto region.

It is time to rebalance the opportunity equation for the GTA by improving aspects of access to opportunity for everyone. There is no single remedy to increase opportunity, mitigate the impacts of inequality, and build social cohesion and civic likeness. Rebalancing the opportunity equation will require wide-ranging interventions and will have to involve many players who can undertake multiple, coordinated actions. Everyone has a role to play—governments, civil society, the private sector, the community service sector, and labour. We all play a role in enabling or halting these trends. In fact, many people, organizations, and sectors are already involved in implementing policies, programs, and practices that help rebalance the opportunity equation, giving us a strong foundation from which to build.

This report lays out twelve recommendations, organized under three overarching goals, that we view as necessary next steps for rebalancing the opportunity equation. It also highlights the existing policies, programs, and practices that can be used as a springboard for each recommendation.

Twelve recommendations in summary



Ensuring everyone can participate in society

People's income, and therefore many of their experiences and opportunities, are shaped by factors they cannot control, such as their age, immigration status, race, gender, or even their postal code. Over time, the incomes of young people, immigrants, racialized people, and women have not grown as much as those of other groups, a situation which fosters economic and social divisions and ultimately weakens social cohesion and civic likeness.

As Canada evolves and grows, it is increasingly important for us to understand these trends and take actions to remove barriers to participation. Collecting data is important, but so is taking action, listening to, and amplifying the voices of people who are disproportionately affected by these trends. The recommendations are to:

- Undertake a national dialogue on social cohesion to address the cultural shift in attitudes that is foundational to reaffirming our commitment to working across difference and removing barriers.
- Develop and coordinate data-informed social cohesion strategies to create policy change that addresses systemic barriers within institutions.
- Support funding and innovation in the community services sector so it can better meet the growing demand for services that help promote inclusion and level the playing field.

Enabling people to get ahead

It has become increasingly difficult for people to get ahead. As income and opportunity gaps grow, it is increasingly important to make targeted investments in the knowledge, skills, and capacities of groups facing barriers to enable them to find secure, stable jobs with a future. It is also important to create the conditions for quality jobs to grow.

This section proposes five recommendations in areas that serve as important avenues for people who are trying to get ahead. The recommendations are to:

- Replicate and scale effective sector-specific workforce development systems to link the supply and demand sides of the labour market, focusing on in-demand skills.
- Focus investment on what works by scaling successful community-based approaches to improve education and credential recognition, provide employment-focused language and soft-skills training, and work directly with employers, so that employers can fully benefit from the immigrant talent pool.
- Improve job quality and security through voluntary employer actions, thereby creating more good, stable jobs.
- Update and improve employment standards to respond to the current labour market in order to protect vulnerable workers who are negatively impacted by precarious work.
- Improve the effectiveness of Employment Insurance and develop a long-term income bridging program for precarious workers in need of a source of short-term income support that bridges them in between jobs.

Making life more affordable

One of the key challenges for the expanding group of GTA residents at the low end of the income distribution is that life has become unaffordable. The cost of housing in Canada has surged for both home owners and renters while wages for many have remained stagnant. The demand for transit has grown, while the supply has not kept pace. Child care is limited and unaffordable for many.

This section calls for action to improve access to the assets that are necessary for individuals and families to succeed. The recommendations are to:

- Improve the effectiveness and reach of the federal Canada Worker Benefit and align it with the provincial context to help make work pay.
- Increase the affordability of housing through a portable housing benefit and long-term investments in supply to help ease the housing crisis across the GTA.
- Leverage plans for new transit to develop affordable housing as part of the National Housing Strategy as a springboard for social participation and inclusive economic opportunity.
- Improve access to affordable, quality, licensed child care to help women fully participate in the labour market and help families get by.

A call to action

Our vision is for a GTA that truly welcomes and supports people to achieve success, no matter their background or circumstances. This vision is for a socially cohesive region where everyone can participate, get ahead, and where everyone has a stake in, and is part of, the solutions.

The future of our city-region depends on the choices we make today. It is imperative that we begin a discussion about who we want to be tomorrow, and what actions are going to get us there. For our part, we believe that we can foster civic likeness by aiming for fairness, trust, and reciprocity to ensure our region continues to be a great place to live. We believe we can work together to rebalance the opportunity equation so that everyone in our region has the chance to build a good life.

Appendix A: Data sources and methods

The analyses in this report focus on documenting changes in average incomes over time and income gaps between groups along the following socio-demographic variables:

- Age: young adults (25-34), mid-aged adults (35–64), and seniors (65+)
- Immigration status: newcomers (< 5years), different cohorts of longstanding immigrants, and Canadian-born
- Visible minority status: racialized groups and white groups

We have also divided the income distribution into five equal groups (quintiles) and examined where the groups above were located along quintiles and how this has changed over time.

United Way acknowledges that aggregating racialized groups into one category masks the differences between these groups. This approach was, however, the only way to produce reliable analysis at the geographic scales used in this report and that also meets the RDC's confidentiality rules.

We also acknowledge that there are other groups, in addition to those used in this report, such as Indigenous peoples, persons with disabilities, and the LGBTQ2S community, who are also impacted by growing income inequality. Unfortunately, data is not available from the Census to conduct reliable analysis on these groups at the geographic scales used in this report. However, the evidence in this report should be used by other researchers to develop projects that would provide insights on the experiences of those groups who are not covered in this report.

The analyses were further stratified by gender and labour force status, with a specific focus on standard employment (permanent full-time) and non-standard employment (temporary full-time, temporary part-time, permanent part-time). All analyses were provided for Peel, Toronto, and York, as well as the national level.

This work was conducted in collaboration with the Neighbourhood Change Research Partnership (NCRP) at the University of Toronto. The analyses were conducted at the Toronto Region Statistics Canada Research Data Centre (RDC) and followed vetting rules set by Statistics Canada to maintain anonymity and reliability in the master data files. Access to the raw microdata of the Census of Canada was obtained through the RDC Program of Research, a joint initiative for large projects between Statistics Canada, the Social Sciences and Humanities Research Council (SSHRC), and the Canadian Institute of Health Research (CIHR).

Income measure and income units

Total income was used in conducting the analyses. Total income, also called before-tax (but after-transfer) income, includes market income plus government transfers. We used this measure to allow for comparisons over the 1980 to 2015 study period. Prior to 2005, the Census did not collect information on taxes paid. While the after-tax measure is preferable as it represents the actual income that individuals receive, the choice of income definition is dependent on the availability of data. The main focus of this study is trends over time, which are largely not affected by income type.

Individuals have been used as income reporting units as this study is about trends in socio-economic status of various groups and the relative position of these groups to that of their counterparts. Individual income also reflects the wage structure and the workers' position within the labour market.

Data sources

This study used microdata files for the 1980–2015 Census. The census microdata provides the most reliable data for analyzing changes in income distribution, despite the lack of information on taxes before 2006. The almost complete population coverage and very large sample sizes allow for more detailed and robust analyses at smaller geographic scales, which is the focus of this study.

2010 NHS data were not included in trend analyses because NHS data is not comparable to previous census releases or that released in 2016, given the different methodology and target population reached.



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