

Concentrated poverty in urban Canada: health issues for consideration

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Issue Statement

In Calgary and Edmonton, like most major cities in Canada, the degree to which the urban poor are clustered into pockets of poverty increased between 1980 and 1995. Concentration of poverty, as it is known, has been associated with several social problems that in turn are linked to negative health outcomes for residents of these neighbourhoods and potentially the public at large. These findings highlight the importance of understanding the impact that the spatial distribution of wealth has on population health for the broad range of policy makers whose work impacts residential location decisions.

Purpose

The purpose of this brief is to create awareness of the potentially harmful effects of poverty concentration and to outline measures to combat concentration increases and their impacts. The following sections are included:

1. Definitions
2. Context
3. Relationship between concentrated poverty and health
4. Initiatives to combat concentrated poverty
5. Implications
6. Questions for further study
7. Conclusion

Definitions

Poverty

There is debate surrounding an appropriate measure of poverty in Canada. (see Kazemipur, 2000 & deGroot-Maggetti, 2002) Many studies such as the one discussed below use the Low-Income Cut-off (LICO) defined by Statistics Canada as the income level at which a family spends more than 56% of its gross income on basic necessities, adjusted by family size and size of community for a given base year. For instance, the LICO for a family of 4 people living in a city of over 500,000 people in 1991 was \$28,081 (Kazemipur, 2000).

High Poverty Neighbourhoods and Concentration of the Poor

A 1997 study by Michael Hatfield for Human Resources Development Canada, discussed concentrated urban poverty in the eight largest Canadian cities. This study was based on measures previously developed by Jargowsky and Bane¹, but tailored by Hatfield to suit the Canadian context.

The study defined *high poverty neighbourhoods* as census tracts (C.T.'s) that have more than twice the national family low-income rate living in "poverty". This was equivalent to 26.0% in 1980 and 26.7% in 1990.

¹Paul A. Jargowsky, *Poverty and Place: Ghettos, Barrios and the American City* (New York, 1996), Russell Sage Foundation and Paul A. Jargowsky and Mary Jo Bane, "Ghetto Poverty in the United States, 1970-1980" in Christopher Jencks and Paul E. Peterson (Editors), *The Urban Underclass* (Washington, 1991) The Brookings Institution, pp.235-273.

Concentration of the Poor is defined as "the percentage of a metropolitan area's poor population that resides in high poverty neighbourhoods"². In the Canadian statistics presented below however, family rather than individual incomes were used.

Income Inequality is the level of disparity in income between the wealthiest and poorest segments of the population.³

Context

Table 1 below shows the prevalence of low-income families⁴ and the concentration of the poor in Calgary and Edmonton in relation to Canada's other major cities.

Table 1: Prevalence of low-income rates and concentration of the poor in major Canadian cities, 1980, 1990 and 1995.

Census Metropolitan Area	Prevalence of low income economic families (%)**			Concentration of the Poor (% of poor in high poverty C.T.'s)*		
	1980	1990	1995	1980	1990	1995
Montreal	17.5	17.5	21.5	30.1	40.1	40.1
Winnipeg	11.1	15.9	16.7	23.5	39.0	36.4
Edmonton	10.8	13.2	17.7	4.1	28.3	18.9
Calgary	7.7	13.4	15	6.4	20.3	8.7
Quebec City	14.1	19.3	11.9	20.8	26.6	25.5
Vancouver	12.6	12.7	15.8	7.2	15.5	13.3
Toronto	11.2	11.6	16.3	14.7	21.4	30.8
Ottawa-Hull	11.2	9.1	13.9	27.5	24.1	28.6

Source: *Hatfield, 1997 and Lee, 2000.

** Statistics Canada, Income Trends in Canada 1980-2001.

In Winnipeg, Edmonton, Calgary, Quebec City and Vancouver, the proportion of the poor living in high poverty neighbourhoods peaked in 1990. By 1995 the rates had fallen but remained higher than in 1980. Declines between 1990 and 1995 were particularly sharp in Calgary and Edmonton where the rates dropped 9.4 and 11.6 percentage points respectively.

Hatfield notes that with the exception of Toronto, the Census Metropolitan Areas (CMAs) which showed major increases in concentrated poverty between 1980 and 1990 were also those CMAs whose real average census incomes increased less than the national average.⁵ Also during this time, the number of high poverty census tracts increased as "tracts adjacent to existing high poverty tracts crossed the threshold into high poverty status themselves." (Hatfield, 1997 p.16)

The decline in concentrated poverty between 1990 and 1995 in Winnipeg, Quebec City, Vancouver and most notably Calgary and Edmonton are unexplained by Lee in his update for the

² Jargowsky and Bane in Hatfield p. 3.

³ For further discussion of income inequality see Wilkinson, R.G. (1996) *Unhealthy Societies: The Afflictions of Inequality*. London, Routledge.

⁴ Low-income economic families of two or more members before taxes, 1992 low-income cut-off base.

⁵ Real average census family income increased 7.9% in Canada, declined 2.6% in Edmonton, and increased 2.9%, 3.9% and 4.1% in Calgary, Vancouver and Montreal respectively between 1980 and 1990. (Hatfield 1997)

1995 data. As shown in Table 1, the concentrations decreased despite increases in the proportion of low-income families in all of the major cities, except Quebec City.

Several researchers in Canada and the United States have discussed the reasons for the rise in poverty concentration in terms of rapid urbanization, manufacturing decline, inner city housing depreciation, racial discrimination in housing markets, increases in income inequality and poverty and government initiatives such as urban renewal strategies, home ownership subsidies, and public housing location decisions. (Hajnal, 1995; Hatfield, 1997; Collins and Williams, 1999; Bradford 2002; Lobmayer and Wilkinson, 2002)

Possible reasons for the variation between Canadian cities that could be explored are:

- Municipal growth rates and pressure for housing within inner city neighbourhoods
- Municipal boundary changes
- Economic recession and differences in local economic engines
- Age and quality of the housing stock
- The racial composition of the CMA and its relationship with low income and poverty concentration trends
- Local government policies that encourage either the dispersion or concentration of poverty such as the location of public housing, quality of urban transportation systems or exclusionary zoning practices.

Relationship between concentrated poverty and health

Neighbourhoods of high poverty concentration have been associated with high levels of unemployment, high school dropouts, teenage pregnancies, increased crime and drug use and decreased motivation to change one's circumstances (Wilson, 1987; Hajnal, 1995; Kazempur, 2000b). While these factors are often seen as a cause or result of poverty alone, some studies show that residing in neighbourhoods of concentrated poverty amplifies these problems (Kohen et. al., 1998; Soubihi et. al., 2001; Dunn, 2002).

Recent research has shown associations between segregation by income and poorer health outcomes for those living in neighbourhoods of concentrated poverty even after individual incomes are controlled for (Waitzman & Smith, 1998; Lobmayer and Wilkinson, 2002). It is thought that neighbourhood characteristics have health implications over and above the effects of individual poverty on health. A report for the Health Determinants Partnership (Dunn, 2002) summarized the pathways through which concentrated poverty may be related to poor health outcomes.

- The social environment plays an important role in the development of children and their school readiness and neighbourhood environments can impact long-term educational, economic and social outcomes.
- Local role models of health enhancing behaviours such as stable employment, educational attainment, and personal health behaviours (nutrition, exercise, sexual practices, etc.) influence children's behaviour.
- Neighbourhoods with employed residents provide better networking opportunities for job seekers compared with neighbourhoods of high unemployment.
- Wealthy residents are more effective lobbyists for health enhancing services from local governments such as police protection or garbage collection and can better influence

location decisions about potentially noxious land uses such as waste sites, factories or major roads.

- Social norms such as the use of cigarettes, alcohol and other drugs vary according to economic status and are environmentally reinforced.
- The resources available to invest in health enhancing public goods such as parks, recreation facilities and schools are greater in wealthier areas, particularly in communities where local taxes finance services. This is much more the case in the United States where there are a far greater number of municipal governments within metropolitan areas than in Canada.

Others suggest that concentrated poverty may perpetuate intergenerational poverty through the above listed pathways (Hatfield, 1997).

Initiatives to combat concentrated urban poverty

There have been few strategies aimed at poverty deconcentration in Canada. Municipalities have instead focussed efforts on area redevelopment plans, and increased resources to support the communities characterized by high poverty (personal communication with R. Gates, City of Vancouver, Nov.12, 2003; D. Kreuzer, City of Edmonton, Nov.18, 2003; S. Woodgate, City of Calgary, Nov. 27, 2003).

A 2002 Canadian Policy Research Networks (CPRN) discussion paper explored how the structure of cities and government policies may impact population health by segregating the poor. The author highlights several studies where researchers call for a response to ease the potential consequences of existing concentration through:

- Locally, culturally appropriate, affordable housing and employment and skills training programs;
- Urban design that facilitates pedestrian movement and interaction between neighbourhoods;
- Civic celebrations where people of different incomes and backgrounds can gather;
- Mixed income housing;
- Quality public transit;
- Spatial configuration of housing, jobs, public spaces and transit systems to enhance civic participation;
- Community capacity building in distressed areas to empower the poor with information resources and networks beyond their neighbourhood;
- Integration of a spatial component to anti-poverty strategies; and
- Upper tier government investment in education health, transit, childcare and affordable housing to mitigate the effects of local poverty concentration.

The dispersion of affordable housing throughout a city is one means of deconcentrating poverty. Currently in Alberta, municipalities do not have the ability to mandate a proportion of residential properties as affordable housing in new developments as Vancouver can through its municipal charter (personal communication S.Woodgate, City of Calgary, Nov. 27, 2003) However, the City of Calgary is currently reviewing its land use bylaw and city plan to determine how these may be impeding affordable housing in the city (personal communication with K. Donnelly, City of Calgary, Dec. 9, 2003)

Internationally there are examples of strategies aimed at deconcentration. The United States Government's Section 8 program provides tenant-housing subsidies in the form of vouchers to residents of high poverty neighbourhoods, to provide them with a greater number of housing options and encourage poverty deconcentration. This program is in an experiment and monitoring stage and has not been implemented for all low-income neighbourhood families. Study results show many families moved into safer neighbourhoods with better schools although some have experienced difficulties adjusting to new neighbourhoods, or finding suitable housing. Longitudinal data to indicate social outcomes of these programs is not yet available. (Varady and Walker, 2003)

In the Netherlands, government policies promote “social mixing” through the housing stock by decreasing the proportion of social rented units in disadvantaged neighbourhoods and replacing them with newly built market housing to make the areas more attractive for affluent households. Program critics however, point out faults such as the allegedly low need for such a program due to low levels of income inequality in the Netherlands; assumptions that it will promote social interaction between income groups; the potential to undermine existing social networks; and that the program’s rationale is not supported by empirical evidence (Uitermark, 2003). As well, the restructuring program will in effect decrease the overall number of low-cost social housing units by 94,000. (Uitermark, 2003).

Implications

If there is indeed an association between concentrated urban poverty and health, and if residence in a poor neighbourhood contributes to self-perpetuating poverty, the increasing levels of poverty concentration should be of concern not only to municipal planners but also to health providers and upper tier government policy makers.

Evidence linking concentrated poverty with negative social outcomes is mounting but debated. Some research contests the assertion that heterogeneous income neighbourhoods facilitate social mixing, increase employment opportunities for lower income residents, or impact views and attitudes of lower income neighbours (Varady and Walker, 2003). Uitermark suggests that the measures taken by the Dutch government are unjustified and drastic, given the lack of empirical evidence linking social mixing with improved "liveability".

Initiatives taken in the United States and in the Netherlands are aimed at deconcentrating poverty. Strategies such as those proposed by the CPRN are conservative measures, many of which have already been incorporated into the civic strategies of Canadian cities. With the relatively low rates of poverty concentration found in Calgary and Edmonton in 1995, a focus on preventing concentration would be more appropriate than deconcentration efforts. The monitoring of poverty concentration and the careful study of policies that promote or discourage it appears to be the best strategy until further evidence is gathered.

Questions for further study

The Statistics Canada definition of concentrated poverty provides a means of monitoring changes over time and a follow up study with 2000 data should be undertaken, in particular, in cities where rates have swung widely such as Calgary and Edmonton. However the percentage of people living in high poverty neighbourhoods and the size of the geographic area (in this case census tracts) do not necessarily correspond to points at which concentration becomes behaviour

altering or health damaging. Qualitative analysis to examine these issues would provide valuable information in exploring the link between poverty concentration and health.

The degree of concentrated urban poverty in Calgary and Edmonton differs from many other major cities in Canada despite similar increases in low-income rates across the country. A case study investigation of what causes the rises and falls in concentrated urban poverty, including an assessment of provincial funding and municipal policy, community programs, and local economic engines and growth trends should be undertaken to further explore the differing trends.

Initiatives to combat concentrated urban poverty such as is the case in the Netherlands and the United States, should be monitored to assess their impact on community well-being prior to intervention and assessment of applicability to the Alberta context.

There may be benefits for those living in neighbourhoods of concentrated poverty such as increased social cohesion and community networks or access to commonly needed services. The potential for negative impacts of poverty dispersion should be weighed against potential dispersion benefits.

The City of Vancouver's municipal charter that allows the City to mandate a 25% dedication to affordable housing in new developments should be assessed for potential application in the Alberta context.

Conclusion

Concentrated urban poverty in Canada appears to be increasing and the evidence to support the claim that it is health damaging is mounting. However, further research and monitoring of the causes and effects of poverty concentration and initiatives to combat them are required prior to policy action.

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