

Poverty by postal code taking tremendous toll

Hamilton has one of the highest levels of income disparity between neighbourhoods



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“For economic productivity and growth, our country needs as much talent as we can find, and we certainly can’t afford to waste it. The opportunity gap (between rich and poor) imposes on all of us both real costs and what economists term “opportunity costs.”

— Robert D. Putnam, *Our Kids: The American Dream in Crisis*

Hamilton’s renaissance is surely good news. Our economy is growing larger, more diverse, with new job opportunities and unemployment rates below the provincial average. Hamilton continues a streak of annual billion-dollar building permit totals. Property values are rising, especially in and around the downtown core. Culturally, the city has a new energy and dynamism.

But not everyone is sharing in this prosperity. A new report for Hamilton Community Foundation by Sara Mayo of the Social Planning and Research Council drives home that there are really two Hamiltons: one city reaping the benefits of the new economy, and another city being left farther and farther behind.

Hamilton’s employment rate — the percentage of all working-age residents with a job — is slightly better than the Ontario average, but 57 per cent of Hamilton workers have insecure employment with unpredictable hours and little to no benefits or sick pay.

For many Hamiltonians, the main effect of the Renaissance has been to drive up rents and reduce the number of rental units through condo conversions. Even when apartments remain rentals, affordable units are disappearing due to evictions and upscaling renovations.

In the past year the rental vacancy rate in Hamilton shrank from 4.5 per cent to 1.8

per cent, while rents for available apartments jumped 4.1 per cent. 32 per cent of Hamilton households rent (compared to 22 per cent province wide) and 43 per cent of Hamilton renters pay more than 30 per cent of their income on rent. Among the lowest income renters in the city, a staggering 69 per cent of their income goes to rent.

Income inequality has increased significantly across the entire developed world over several decades. But as Richard Harris, Jim Dunn and Sarah Wakefield demonstrate in a June 2015 research paper, Hamilton is faring worse than most Canadian cities.

The Hamilton Census Metropolitan Area (CMA) has gone from being one of the most equitable in Canada in 1980 to one of the most unequal today. Hamilton now has one of the highest levels of income disparity between neighbourhoods.

Hamilton has been hit harder by income polarization in part because the loss of good-paying manufacturing jobs. But municipal policy has compounded the income segregation of neighbourhoods. Suburban zoning for maximum heights and minimum lot sizes excludes lower-income residents. Car-oriented land use and low transit service levels outside the core further segregate Hamiltonians, concentrating low-income residents in the lower city.

So Hamilton has become one of Canada’s most inequitable cities, and the inequality is highly polarized across neighbourhoods. This was the central message of the Spec’s Code Red report, which found a staggering 21-year difference in life expectancy between the city’s richest and poorest neighbourhoods.

So what do we need to do differently and how do we ensure that the prosperity from this renaissance reaches more inclusively across Hamilton?

We can start using some policy tools right away to reduce neighbourhood inequality: zoning new developments and re-zoning existing neighbourhoods to encourage more mixed housing options; ensuring that social services are distributed through the city rather than concentrated in one spot; and investing in high-service transit across the entire city.

Every neighbourhood in Hamilton can

and should include affordable housing and provide mobility without every adult needing to own a car.

The Provincial commitments for all-day GO train service and light rail transit present a tremendous opportunity to intensify our neighbourhoods with new mixed-income housing that works for families as well as young singles.

Education can also help close the gap. Our schools reflect the polarization of our neighbourhoods, and concentrated school poverty is devastating for academic performance. Our school boards must continue to reduce concentrated poverty and graduate more students by thoughtful boundary adjustments and by placing desirable programs of choice in schools located in low-income neighbourhoods.

We need to attract and retain more post-secondary graduates and especially more immigrants, who disproportionately tend to be entrepreneurial. The City recognizes it needs to do better at reaching out to new Canadians and innovative institutions like Mohawk College are also seizing the opportunity to play key roles.

Ultimately, Hamilton can’t meet these challenges on its own. We need strong commitments from the Provincial and Federal.

With a federal election coming up, this is the perfect time to talk about a national affordable housing strategy, which Canada had until it was scrapped in the 1990s. Affordable housing does not just mean social housing: crucially, it also means ensuring that private-sector housing, including rental accommodation, remains widely accessible.

The evidence is clear. Poverty by postal code is taking an enormous toll on Hamilton’s health and well-being. We know that policy tools exist that can begin to change this trajectory so that all of our citizens share in our new-found prosperity. The question is do we have the courage and the political will to act?

Terry Cooke is president & CEO of Hamilton Community Foundation, Ontario’s first community foundation celebrating 60 years of driving positive change in Hamilton.