

August 9, 2016

HUFF  
POST

BUSINESS  
CANADA

## Toronto Has One Of The World's Largest 'Super-Rich Wealth Gaps': Study

The Huffington Post Canada | By [Daniel Tencer](#)

Posted: 08/09/2016 9:14 am EDT



A growing gap between Toronto's rich and poor can help explain how one of the country's most progressive cities elected Rob Ford for mayor, says the co-author of a new study on billionaires.

Researchers have been saying for years Toronto is seeing an increase in inequality and a segmenting of its population by wealth, but [a new study from the University of Toronto's Martin Prosperity Institute](#) puts this into some perspective.

The earnings gap between Greater Toronto's billionaires and the rest of the population is the fourth-largest in North America, behind only Mexico City, Seattle and Dallas. On this measure, it is a more unequal city than major "billionaire capitals" like London and New York, the study found.

-Advertisement-

x



*Yachts docked along Toronto's waterfront. (Photo: Niloo138 via Getty Images)*

Worldwide, Toronto ranked 19th among most unequal cities, on a list topped by Bangalore and Mumbai — two Indian cities where billionaires' palaces rise out of the slums.

“The magnitude of [it] is staggering, with the fortunes of the super-rich ranging from 100,000 to more than 600,000 times greater than the economic condition of the average person” among the top 20 cities on the list, the report said.



***That's not an apartment building:** That's the Mumbai home of billionaire Mukesh D. Ambani, chairman of India's Reliance Industries Ltd. Two Indian cities — Bangalore and Mumbai — top the list of world cities with the largest super-rich wealth gaps. (Photo: Adeel Halim/Bloomberg via Getty Images)*

"We were surprised about how big the gap is between the rich and everyone else in Toronto," Richard Florida, a renowned urban studies expert and co-author of the report, told The Huffington Post Canada.

"I think that the super-rich wealth gap in Toronto is compounded by the fact that Canada's estate tax is so lax. Billionaires can essentially hand their wealth down from generation to generation."

Canada has no inheritance tax, but treats the estates of deceased people as a sale. Canada Revenue Agency charges tax on half of the "sold" estate.



*Richard Florida speaks at an event at Miami Beach Urban Studios on December 3, 2015 in Miami Beach, Florida.  
(Photo: Alexander Tamargo/Getty Images)*

In an [interview with Metro News](#), Florida suggested this growing divide within the city helps explain the Rob Ford phenomenon.

“We like to think of ourselves as a progressive city. We even tried to brush Rob Ford under the rug. ... But he is the product of these objective conditions of a huge gap between the super rich and everyone else.”

Rank	Metro	Super-Rich Wealth Gap
1	Bangalore	646,407
2	Mumbai	602,816
3	Mexico City	524,975
4	Manila	349,459
5	Delhi	248,732
6	Rio de Janeiro	245,720
7	Seattle	224,073
8	Sao Paulo	201,955
9	Bangkok	187,226
10	Hangzhou	177,032
11	Jakarta	166,600
12	Beijing	158,513
13	Santiago	138,779
14	Shanghai	122,147
15	Dubai	114,150
16	Dallas	109,065
17	Paris	108,282
18	Stockholm	104,356
19	Toronto	103,140
20	Tokyo	100,298

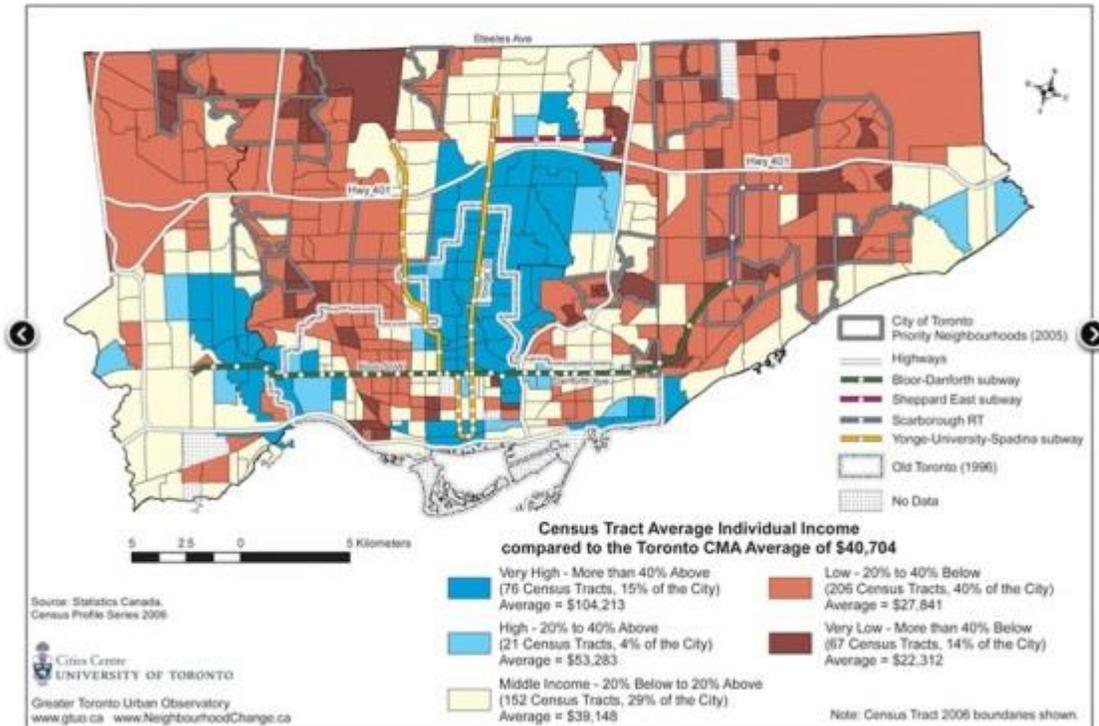
Exhibit 31: Global Cities with the Largest Gaps between Billionaires and the Average Person

*Toronto ranks among the top 20 cities with the largest super-rich wealth gap. (Chart: Martin Prosperity Institute)*

## A segregated city

David Hulchanski, an urban studies researcher at the University of Toronto, charted four decades' worth of changing incomes in Toronto and concluded in a 2010 study that [Canada's largest city is segregating along income lines](#).

**MAP 3: AVERAGE INDIVIDUAL INCOME, CITY OF TORONTO, Relative to the Toronto CMA, 2005**



**D. Hulchanski**

A map showing the "three cities" forming within Toronto, from David Hulchanski's 2010 report.

Hulchanski sees "three cities" forming within Toronto: "City 1," an upside-down "T" running along the city's transit corridors, which is becoming "a predominantly high-income area;" "City 2," surrounding the City 1 area, is the shrinking middle-income part of the city. Finally, there is "City 3," the transit-deprived northwest and northeast corners of the city, where the city's poor are congregating, and where incomes have fallen "substantially" since 1970 relative to the rest of the city.

This economic reality was reflected in the latest municipal election, when centrist John Tory, a favourite of the downtown crowd, beat conservative Doug Ford, who had replaced his ailing brother Rob in the race and who got the support of many of the city's working-class suburbs.

Tory swept the wealthy "City 1" area, while the poorer "City 3" voted overwhelmingly for Ford.



**James Mirtle** ✓  
 @mirtle

[Follow](#)

Toronto seems kind of divided

8:36 PM - 27 Oct 2014

↩️ ↻️ 142 ❤️ 45