THE GEOGRAPHY OF TORONTO'S SERVICE CLASS & WHAT IT MEANS FOR THE CITY OF TORONTO

MARTIN
Prosperity Institute

Cities Centre
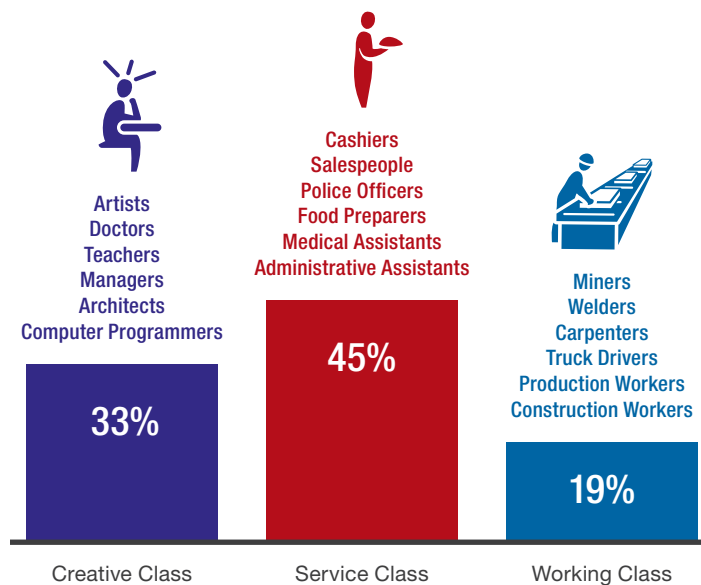UNIVERSITY OF TORONTO

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Background

The Martin Prosperity Institute organizes the labour force into four occupational groups for analysis: the creative class, the service class, the working class, and the fishing, farming, and forestry class (visit martinprosperity.org/terminology for full definitions). This categorization system is a useful way to think about the economy because it classifies workers based on the type of work they are paid to do, rather than simply their qualifications. Creative class workers are paid for their thinking and problem solving skills. Service class workers are paid to perform routine work directly for, or on behalf, of clients. Working class workers are paid to maneuver heavy machinery and perform skilled trades. Farmers, fishers, and other primary extractors are paid to extract natural resources from the ground and seas.

Service class workers all relate to their jobs in the same fundamental way, but they work in a diverse array of environments and industries. Included in the service class are health care support workers, food preparers, building grounds cleaning and maintenance workers, administrative assistants and security guards.

Exhibit 1

Artists
Doctors
Teachers
Managers
Architects
Computer Programmers

Cashiers
Salespeople
Police Officers
Food Preparers
Medical Assistants
Administrative Assistants

Miners
Welders
Carpenters
Truck Drivers
Production Workers
Construction Workers

33% — Creative Class
45% — Service Class
19% — Working Class

The Fishing, Farming and Forestry class makes up less than 3% of the Toronto workforce, so we have not included it here.

THE MARTIN PROSPERITY INSTITUTE'S SERVICE PROJECT

Our Institute is engaged in an ongoing research project on Toronto's service class. It seeks to build demographic profiles of service workers across the city, and also to understand how Toronto could cultivate a competitive advantage in service work. To this point, the Institute has put together a basic demographic profile of the city's service workers and convened discussions with local service

employers, government officials, academics, and other key stakeholders about how employers in the city can improve the job quality, creative content and productivity of routine-oriented service workers.

Despite this recent round of attention, it has generally been the case that of the four occupational groupings, the creative class has courted the majority of the political attention. Policymakers, concerned with the city's relevance in the age of the "knowledge economy", have engaged in initiatives to attract and retain members of the creative class. Here in Toronto, the focus of the reports *Imagine a Toronto: Strategies for a Creative City* (2006) and the MPI's provincial strategy document *Ontario in the Creative Age* (2008) testify to the cachet of creative work in local policymaking circles.

This mayoral brief aims to expand the limited local policy discussion around service work. The brief aims to add to our understanding of service workers in Toronto by answering the question, "Where is Toronto's service class?" Toronto's service class is the largest segment of the city's workforce—making up about 45% of total workers—but where can these workers be found? Related questions are:

- Are service jobs evenly diffused throughout the city or are they concentrated in specific areas?
- Do service workers collocate with other workers?
- How connected are service workers to transit?

These are the central questions associated with the geography of the service class. As we shall see, they are questions that highlight important issues for much of Toronto's workforce.

Where the service class works

Service Class—Share of All Occupations (Place of Work)

Exhibit 2

	0% - 20%
	21% - 40%
	41% - 60%
	61% - 80%
	81% - 100%
	TTC Rapid Transit
	Expressway

0   2.5   5   10 km
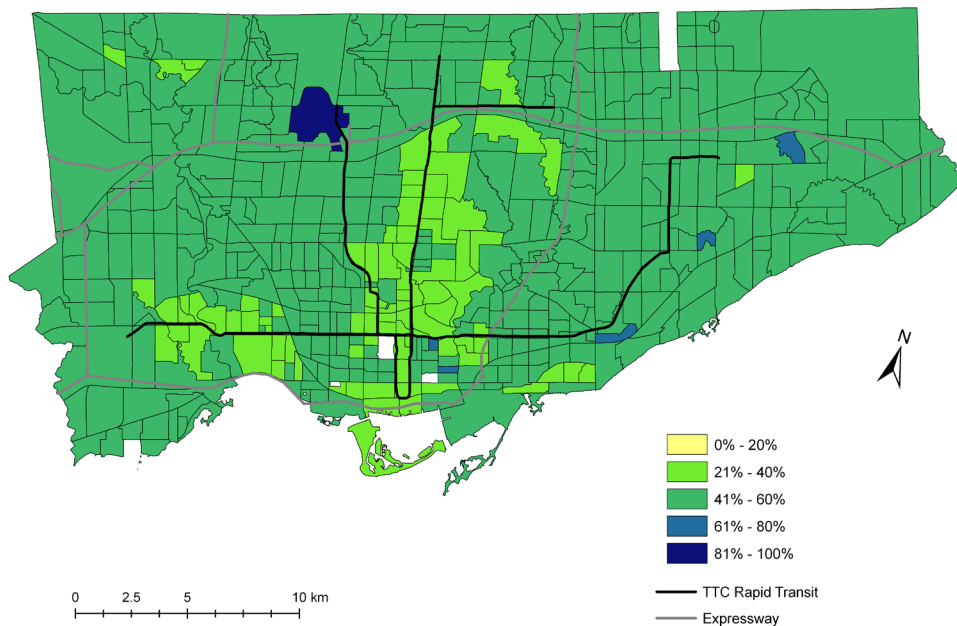
Map by Zara Matheson, Martin Prosperity Institute
Data Source: Statistics Canada

The first map shows the concentrations of service class workers in each of Toronto's census tracts. Census tracts are statistical units containing populations of between 2,500 and 8,000.

Not only is the service class the largest occupational group in the economy, it is also the most ubiquitous. The even geographic distribution of service work makes sense when one considers the
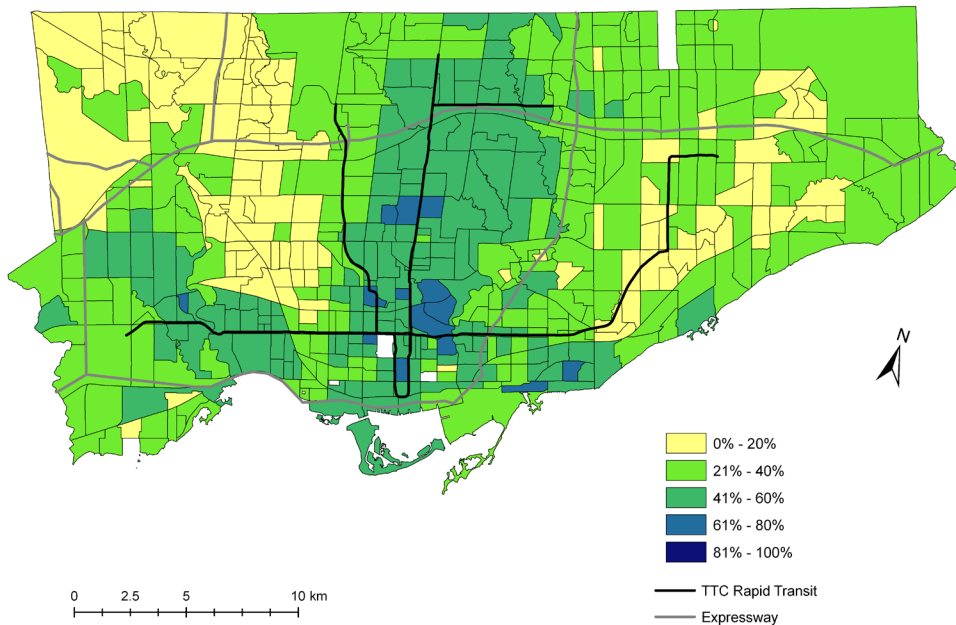
geographical pattern of establishments that tend to employ a lot of service workers. For instance, restaurants, banks, gas stations, dry cleaners, and salons all tend to be spread out across the urban landscape. Consumers are not willing to travel far to purchase shawarmas or haircuts. Instead they demand these services at the neighborhood level, and service workers must be widely dispersed as a result. The wide range of service workplaces also helps to explain these geographic dispersions. Large contingents of service workers can be found in virtually every type of building from large institutions like hospitals and schools, to office buildings, to factory workers to private homes.

There are 188 census tracts (of 531 in Toronto) where more than 50% of jobs are in the service class, and these areas are widely distributed across the city, from Etobicoke to Downtown Toronto to North York to the furthest reaches of Scarborough. Some of these census tracts might contain large establishments (like call centres) that employ very high percentages of service workers. Other tracts might contain very low numbers of total jobs because they are largely residential.

Where the creative class works

Creative Class — Share of All Occupations (Place of Work) Exhibit 3

Legend:
- 0% - 20%
- 21% - 40%
- 41% - 60%
- 61% - 80%
- 81% - 100%
- TTC Rapid Transit
- Expressway

0   2.5   5   10 km

**Uses a 2-digit NOCS
Map by Zara Matheson, Martin Prosperity Institute
Data Source: Statistics Canada

The geographic pattern of the creative class stands in stark contrast to that of service workers. The areas with the highest shares of creative jobs are found in the old city of Toronto, especially around the downtown core. Census tracts in Scarborough and East York tend to have very low levels of creative class employment, while the bulk of Etobicoke also has low creative class levels.
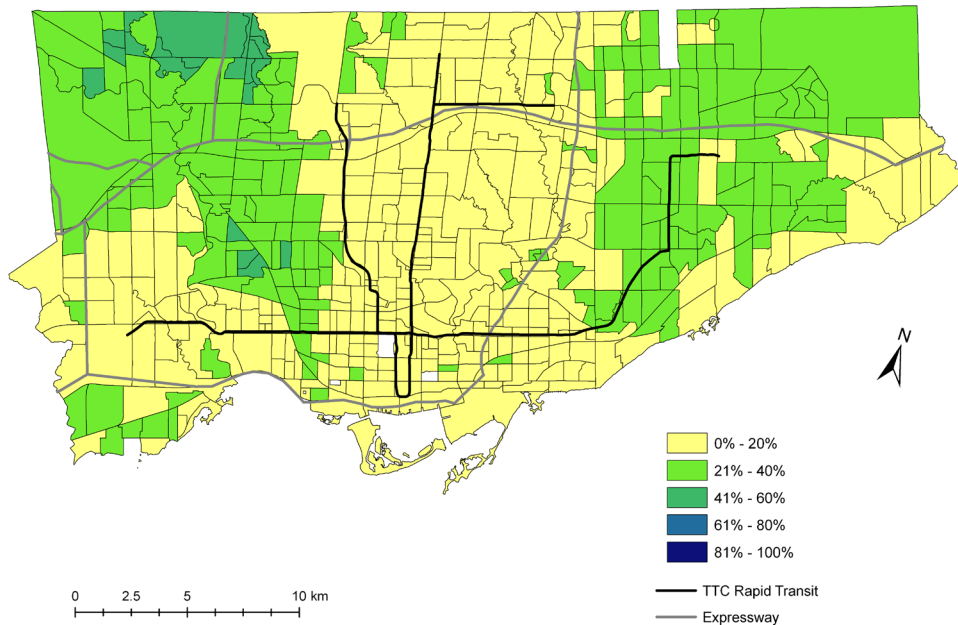
It has been said that the primary role of service class workers is to "serve the creative class" through jobs in hospitality services and food services. If this were the case universally, we would expect the ratio of service to creative jobs to be roughly the same across the city. But such a relationship cannot be observed everywhere. While creative and service work makes up more than 80% of employment in the downtown core, there are many areas beyond downtown Toronto (especially in Scarborough and East York), where the working class and the service class combine to form more than 80% of the workforce. Clearly, there are many service jobs that are not dependent on close geographic

proximity to the workplaces of creative clients. Indeed, virtual services like telemarketing and customer service are not necessarily even performed for clients anywhere in the city of Toronto.

Where the working class works

Working Class—Share of All Occupations (Place of Work)

Exhibit 4

Legend:
- 0% - 20%
- 21% - 40%
- 41% - 60%
- 61% - 80%
- 81% - 100%
- TTC Rapid Transit
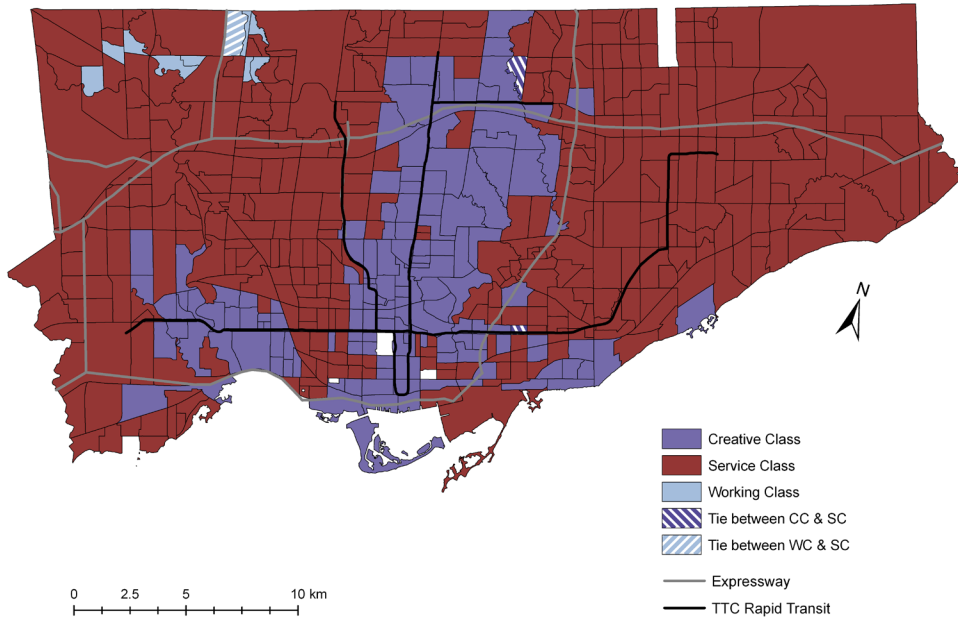- Expressway

0   2.5   5   10 km

Map by Zara Matheson, Martin Prosperity Institute
Data Source: Statistics Canada

The working class has an entirely different distribution than the other two occupational classes. Working class occupations tend to be clustered around the borders of the City of Toronto in areas that contain heavy manufacturing and processing. They make up less than 10% of jobs in most of the downtown core and indeed the entire old city of Toronto. The working class composes such a relatively small proportion of Toronto occupations (18.7%) that it is not a focus in the rest of this brief.

Looking deeper

The next two maps combine place of work data by projecting the dominant occupational class of each census tract. Each census tract is shaded according to the occupational group that has the highest share of jobs.

When a map of the dominant occupational class by place of work is overlaid with the TTC subway line, a very clear pattern emerges. Of the 174 census tracts that are within 500m of a subway station, 93 (53.4%) are dominated by the creative class, 79 (45.4%) are dominated by the service class, and two are an even mix of service and creative class. Across the entire city, only 21% of service-dominant tracts are within 500m of a subway station, while a full 65% of creative-dominant tracts are. Even though the service class makes up a plurality of jobs, the creative class has significantly better access to the city's fastest transit infrastructure.

Exhibit 5

Creative Class
Service Class
Working Class
Tie between CC & SC
Tie between WC & SC

Expressway
TTC Rapid Transit

0   2.5   5   10 km

Map by Zara Matheson, Martin Prosperity Institute
Data Source: Statistics Canada

The challenge of commuting to work is highlighted when we refer back to the maps for service class workers. The scattered spatial distribution of low-paid service work would be best served by a transit system that connected much more uniformly across the city. These transit "deserts" are clearly aligned with areas where service class workers live or work (or both).

Exhibit 6

Transit Score

Low   High

TTC Rapid Transit
Expressway

0   2.5   5   10 km
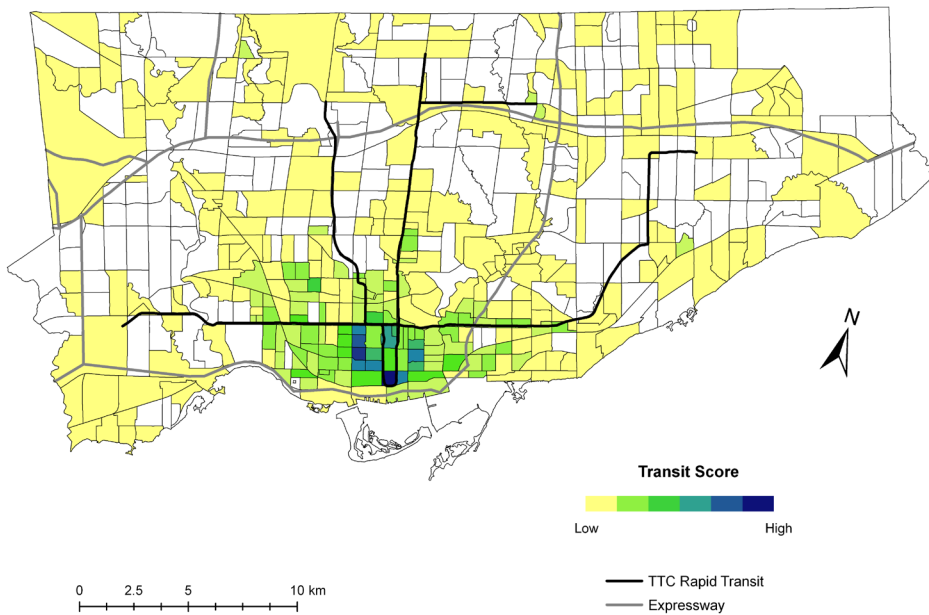
Map by Zara Matheson, Martin Prosperity Institute
Data Source: Statistics Canada

The map above illustrates the intensity of transit service in the City of Toronto by census tract. It was produced using publicly available data from the Toronto Transit Commission. The shading is determined using a unique formula that considers the service level at timed stops (measured as the average number of stops that a streetcar, bus, or subway makes per hour), which is then weighted by transit type (where subway = 1, streetcar = 0.5, and bus = 0.25) within 1 km of the census tract's centroid.[1] Once again, the areas best connected to transit are located downtown, in close proximity to both the subway system and frequent streetcar service. A transit system that better served the full geographic range of service class jobs would raise scores across the entire city.

Service class workers have much lower average incomes than creative class workers—$46,000 compared to $75,000 in the Toronto CMA—and are thus more likely to depend on public transit. This suggests a troubling mismatch between the transit network and the location of service class jobs.

The municipal agenda and Toronto's service class

This brief has established that Toronto's largest occupational class, the service class, is distributed differently across the city than the other two classes, and that it is not fully served by the city's transit infrastructure. The following ideas are some potential policy responses to the issue..

POLICY IDEAS

Improve transit options with faster bus service

This survey of the geography of the service class has revealed that service jobs are much more widely diffused throughout the city than fast transit infrastructure. It has also shown that service class workers tend to be poorly served by the highest-quality public transit services. The disconnect between the two suggests that some transit-related improvements would ameliorate the transportation options of service workers.

Yet proposing better transit is hardly an urban planning revelation. The real challenge is how to expand higher-order transit across the area of the entire city in a relatively short time frame and at reasonable cost. The short planning window for implementing high-speed, high-frequency bus service—three to five years, or even faster in the case of the simplest schemes—makes it an attractive option for addressing the transportation-related challenges of that face Toronto's service class. Developing express bus routes and bus rapid transit (BRT) along key corridors would be a relatively inexpensive yet effective municipal intervention that would enhance the geographic mobility of the service class. As ridership growth and finances permit, these corridors could be upgraded to light rail or subways in time.

Strategic improvement of bus service across Toronto is a plausible policy response that deserves to be part of the conversation, even as the city considers other transit solutions that are faster and have a higher capacity.

Change the way the City of Toronto measures service work

The City of Toronto's internal economic analysis should begin to consider service work as an occupational group as well as an industrial one. By recognizing service work for *what* it is (the provision of routine services) and not *what kind of company* it takes place in, the city can improve the recognition of service workers.

Currently, the city is undercounting Toronto's service economy. Each year the City of Toronto completes the *Toronto Employment Survey* (TES), a document that is used by local policymakers and non-profit groups to benchmark the size and relative composition of the city's economy. According to the 2009 TES, service work is defined as being, "primarily made up of restaurants, auto-related uses and accommodation", and makes up only 12% of the city's labour force, far less than other sectors like manufacturing and office. The TES undercounts the size of the service economy because it divides the workforce according to type of establishment and not type of occupation. Since workers who

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[1] A "centroid" is the geometric center point of a census tract. A rough centroid is the simple average distance between the north/south and east/west boundaries. A more accurate, but unnecessary, centroid may be determined from the integration of all opposing points in a shape.

perform services are distributed across many different establishments (and many different places in the city) it makes the most sense to count them according to occupational categories.

The preceding maps and analysis on transit connectivity and the service class would not have been possible been possible without considering the service class as an occupational group. We would encourage more emphasis on occupational analysis in the city's work, a research path that would likely uncover further insights beyond those we've shared here.

Create a governance solution for the Service Class

Due to the diffuse nature of the service class, it would be impossible to designate a certain area of the city as a "service district" in a way that parallels the Entertainment, Discovery, Fashion or Distillery districts (and others). At the same time, the spatial distribution of the service class suggests that these low-paid service workers might face some of the deepest challenges in the city, and that they have a unique set of needs that require further research and more appropriate measurement. In the absence of these enhancements to present understanding, there are still several options that could advance the common challenges of the service class.

An advisory group is one potential way to deal with this barrier of service class organization and communication. There is currently no organized institution serving the common interests of service class workers. A Service Worker Advisory Group ("SWAG") could be created to give this occupational group a voice at the city. A second option would be to capitalize on the organizational strength of the BIAs (Business Improvement Areas) by mandating that each BIA must have at least one service class worker representative on its board. The same prescription could be applied to the Toronto Housing Board and the TTC Advisory Committee.

A third solution would be for City Council to create "Service Improvement Areas" (SIAs) that capitalize on the BIA model but place a special emphasis on improving the quality and provision of service work across the city. The SIAs would be composed of service employers and employees within a defined area who would present the City of Toronto a unified voice on neighbourhood issues on behalf of their membership. An SIA could also account for the wide variety of jobs that comprise the service class (from lower to higher income) and create a political conduit that is reflective of the complex needs of this class of workers.

SOME KEY QUESTIONS

How has reading more about the structure and determinants of the service class made you think differently about service work?

Have you ever been a member of the service class? When? What did you appreciate/value about your position, and how might it have been improved?

Do you see any opportunities for the City of Toronto to improve the working environment for low-paid service workers? If so, how?

How, if at all, should city policy address the disconnect between the locations of affordable real estate and service jobs?

Do you believe that consciously improving the representation of service class members on decision-making boards (like the BIAs and housing and transit teams) would be a productive intervention to enhance the city's livability for service workers? Why or why not?

How would you describe the significance of the service class to Toronto's economy?

ACKNOWLEDGMENTS