

Urban Hierarchies and the Changing Characteristics of “Urban Professionals” in Toronto and Montreal: Between Convergence and Divergence*

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It has been amply demonstrated in the literature that the decade of the 1980s was a crucial one as regards what Ley (1996) terms the “shuffling of command and control” in the Canadian urban system. Toronto’s position at the summit of the Canadian urban-economic hierarchy became more firmly entrenched than ever before, with the region increasing its lead over the country’s other major advanced tertiary centres in terms of employment in the pivotal financial and business services sectors (Coffey 1994; Ley and Hutton 1991; Polèse 1998). By 1991, some 25% of the Toronto Census Metropolitan Area’s service sector jobs were in finance, insurance, real estate and business services, compared to 20% in the case of Vancouver and 19% in Montreal (Statistics Canada 1994). The 1980s also saw the continuation, if not the culmination, of the decades-long process of shift of Canadian head offices in finance and other crucial sectors of the economy from Montreal to Toronto. Detailed occupational data from the 1996 census underline the supremacy of Toronto in terms of both the absolute and relative numbers of high-level managerial and professional positions in the financial sector (Statistics Canada 1998). Moreover, for senior management occupations in general, the 1995 earnings of those in Toronto were on average almost 40% higher than those of their Montreal counterparts -- a telling indicator of the relative importance of the two cities in high-level corporate decision-making.

Funding to obtain the data on which this paper is based was provided by a research grant to the author from the Social Sciences and Humanities Research Council of Canada.

The 1980s also saw a continuation and consolidation of the process of restructuring of the occupational composition of the labour force resident in the inner cities not only of Toronto and Montreal but of all of Canada's major advanced tertiary centres. The overall trend has been one of rising skill levels or "professionalisation", resulting both from an increase in the numbers of high-level advanced tertiary sector workers in the inner city and from a decline in the numbers employed in manufacturing (Ley 1996). Despite differences in operational definitions, researchers concur that "urban professionals" or the "professional-managerial class" have been over-represented in the inner city compared to the outer city at least since 1981 and that this over-representation increased during the 1990s (Ley 1996; Rose 1996). It is well-established that a strong presence of advanced tertiary sectors in the central city -- sectors that have a high concentration of professionals in their workforce -- is a necessary condition for the emergence and persistence of the gentrification or *embourgeoisement* of inner-city neighbourhoods, although it is not a sufficient condition in the absence of other factors that make the inner-city more appealing than the suburbs to members of this group (see e.g. Bourne 1992; Butler and Hamnett 1994; Caulfield 1994; Ley 1988; Rose 1987). In addition, the increase in numbers of high-income urban professionals and managers has also contributed to the replenishment of long-standing elite areas of Canadian inner cities (e.g. Rosedale, Westmount).

The advanced tertiary workers from whom the ranks of gentrifiers and elite-area residents are drawn are, however, not a homogeneous group. As has been previously explored for the Montreal case (Dansereau and Beaudry 1986; Rose 1987; Rose 1996), inner-city professionals display a marked internal differentiation with respect to age, gender, household structure, type of employment and income -- differences likely to have significant implications for the forms taken by inner-city "revitalisation" dynamics (e.g. intensity of pressure on housing sub-markets, nature of demand for services and facilities, neighbourhood social relations). Much less consideration has been given to variations in the characteristics of urban professionals between advanced tertiary centres, although it has been suggested that the truncation of Montreal's supply of the wealthiest echelons of "urban professionals" resulting from the change in its position in the Canadian urban hierarchy is likely to affect the character of its gentrification, as compared with cities with the stature of a national or global command centre (Rose 1996).

Developing on this idea, the present article uses special compilations of census data to document how the changing relative positions of Toronto and Montreal over the 1980s were reflected in the characteristics of professionals living in the two cities, as regards their distribution by industrial sector, their employment incomes and their age group. While the study is descriptive, it aims to further debate and stimulate comparative research about the factors influencing the dynamics of gentrification and the social practices of the "new urban middle class"

in advanced tertiary centres.¹

For reasons of analytical clarity, the focus here is limited to professionals.² Although both professional and managerial occupations have mushroomed in advanced tertiary centres, the former are more numerous than the latter in both Toronto and Montreal, as can be seen in Table 1.³ Moreover, there are marked differences in the locational behaviour of the managerial and professional categories: as the horizontal percentages in Table 1 show, professionals are relatively over-represented in the inner city, compared to the distribution of the labour force as a whole between the inner and outer cities, whereas this is not the case for managers.

Inner-City Professionals in Toronto and Montreal: Sectors of Employment

Looking first at the distribution of professionals by industrial sector, Table 2 clearly shows the greater importance of the finance, insurance, real estate and business services group (hereinafter referred to as FIRE/BS) in Toronto. Nevertheless, a partial convergence of sectoral profiles of the two cities' professionals was taking place in the 1980s as the education, health, social and government services group in Montreal -- a pillar of Montreal's advanced tertiary sector since the Quiet Revolution and a major contributor to the growth of its new middle class (Levine 1990; Rose and Villeneuve 1993) -- declined in relative importance as an employer of professionals (growing slowly in absolute terms)

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1. This analysis draws on a larger dataset which covers the CMAs of Vancouver, Edmonton, Toronto, Ottawa, Montreal, Quebec City and Halifax (1981 boundaries), differentiating each into an "inner" and "outer" zone. The definition of the inner city is quite inclusive: for Toronto it is that of a 1979 CMHC study adopted by Ley (1988); in the case of Montreal a slightly larger zone than CMHC's was chosen in order to include a number of census tracts that had been excluded by CMHC either because of the recency of their housing stock (Île-des-Soeurs) or because they were not considered close enough to downtown (Côte-des-Neiges, Park-Extension, Villeray) a situation that has since changed considerably with transit improvements.
 2. The occupational classification (into 7 categories) used in this data set was first developed by Villeneuve and Rose on the basis of 4-digit categories of the 1971 Canadian Standard Occupational Classification; it was slightly adapted for use with the revised 1980 classification. The Villeneuve and Rose classification distinguishes "managers" from "professionals" and uses a more restrictive definition of each than that employed by Ley. The "professional" category excludes specialised technicians and comprises occupations in which power is conferred through control over knowledge and information rather than through control over people (see Villeneuve and Rose (1988) for a more detailed discussion). Only in 1991 did Statistics Canada introduce a new National Occupational Classification whose major categories are based on these kinds of criteria (for an example of its use at the intra-urban scale, see Siemiatycki and Isin (1997)).
 3. It is also more difficult to interpret the data pertaining to the managerial category because it includes not only those associated with the advanced tertiary sector but also, for example, managers of the whole gamut of small retail businesses.

while profes- **TABLE 1 Percentage of Employed Labour Force by Occupational Structure and Zone of Residence (vertical percentages) and Distribution of the Resident Labour Force between Zones (horizontal percentages, in brackets), Toronto and Montreal CMAs, 1991**

	Toronto			Montreal		
	Inner city	Outer city	CMA	Inner city	Outer city	CMA
Number of All occupations	278 530 (15.0)	1 575 650 (85.0)	1 854 180 (100)	271 575 (20.3)	1 063 675 (79.7)	1 335 245 (100)
Managers	11.6 (13.9)	12.7 (86.1)	12.6 (100)	10.2 (18.0)	11.8 (82.0)	11.5 (100)
Professionals	22.3 (19.3)	16.4 (80.7)	17.3 (100)	20.9 (27.1)	14.4 (72.9)	15.7 (100)
Supervisory occupations	4.4 (13.5)	5.0 (86.5)	4.9 (100)	4.4 (17.8)	5.1 (82.2)	5.0 (100)
White Collar						
Specialised and technical	19.1 (14.3)	20.2 (85.7)	20.0 (100)	20.7 (19.5)	21.9 (80.5)	21.6 (100)
Non-specialised sales & service	26.5 (14.7)	27.2 (85.3)	27.1 (100)	28.7 (20.8)	27.9 (79.2)	28.1 (100)
Blue Collar						
Skilled blue-collar	6.7 (11.8)	8.9 (88.2)	8.5 (100)	6.4 (13.9)	10.1 (86.1)	9.3 (100)
Low-skilled blue collar	9.5 (14.8)	9.6 (85.2)	9.6 (100)	8.7 (20.2)	8.8 (79.8)	8.8 (100)

Source: Statistics Canada, Censuses of 1981 and 1991, special compilations. CMA boundaries are those of 1981.

TABLE 2 Professionals in the Toronto and Montreal CMAs: Percentage Distribution by Sector of Employment, 1981 and 1991

Industrial sector	1981		1991	
	Toronto CMA	Montreal CMA	Toronto CMA	Montreal CMA
Total professionals	204 120 100%	155 345 100%	320 770 100%	209 900 100%
Finance, insur., real estate and bus. services	25.8%	17.8%	30.1%	24.0%
Construction, distrib. and other services	8.3%	8.9%	7.4%	7.9%
Consumer and miscellaneous services	11.9%	10.1%	11.4%	10.9%
Education, health, social and gov. services	40.6%	52.1%	40.2%	47.0%
Manufacturing, primary industries	13.4%	11.1%	10.8%	10.4%

Source: Statistics Canada, Censuses of 1981 and 1991, special compilations. CMA boundaries are those of 1981.

TABLE 3 Inner City Share of CMA Professionals, Both Sexes, for each Sectoral Group, and Absolute Numbers and Average 1990 Employment Incomes of Professionals, Toronto and Montreal, 1991

Industrial sector	Toronto inner city			Montreal inner city		
	share of CMA professionals (CMA=100%)	N	Mean employ. income	share of CMA professionals (CMA=100%)	N	Mean employ. income
Total professionals	19.3%	61 980	\$46 045	27.1%	56 885	\$38 204
Finance, ins., real estate and bus. services	21.3%	20 610	\$56 077	28.3%	13 815	\$42 150
Construction, dist. and other producer services	10.5%	2 500	\$43 961	18.8%	2 745	\$39 902
Consumer and miscellaneous services	24.6%	9 005	\$32 871	35.3%	8 010	\$28 810
Education, health, social and gov. service	19.8%	25 490	\$43 908	26.7%	28 105	\$39 301
Manufacturing, primary industries	12.6%	4 380	\$39 539	21.8%	4 210	\$34 703

Source: Statistics Canada, Census of 1991, special compilations. CMA boundaries are those of 1981.

sionals in the FIRE/BS group experienced rapid relative and absolute growth. While the latter might at first sight appear surprising in view of the tendency of major corporate head offices to draw ancillary business and professional services with them when they relocate to another city, we must recall that the 1980s saw a continued growth in the francophone Quebec business class which enabled Montreal to consolidate its role as the "regional" financial and business services centre for Quebec (Polèse 1990).

We next examine variations by sectoral group in the extent to which professionals in the Toronto and Montreal CMAs opt for an inner-city residence. Table 3 shows that in both cases, professionals in the consumer and miscellaneous services group are markedly over-represented in the inner-city relative to the locational patterns of professionals as a whole. This sector includes professionals in the arts and cultural industries, whose singular importance among the new middle class in the inner city was first documented by Dansereau and Beaudry (1986) in research based on 1971 and 1981 census data for the Montreal case. In both CMAs, professionals in FIRE/BS also have a greater proclivity for inner-city living than do professionals in general, but only slightly so. Thus, although Toronto's dominant position in the urban hierarchy has generated a large concentration of FIRE/BS professionals, they are not disproportionately concentrated in the inner city compared to the rest of the CMA. It would, however, be premature to infer from this that the concentration of FIRE/BS professionals in Toronto does not infuse the gentrification dynamic with a particular intensity and character. For, as can be seen from Table 3, this group is by far the highest-earning category of professionals, which means that their consumer power (and hence the ir

influence on housing and consumer service demand) is likely to be disproportionate. One simple proxy for measuring this consumer power is through the calculation of aggregate employment incomes. In the Toronto case, this yields the result that the employment incomes of inner-city professionals in the FIRE/BS group account for 40.5% of aggregate employment incomes of all inner-city professionals (whereas they comprise only 33% of all inner-city professionals in terms of their numbers alone). In Montreal, in contrast, there is much less difference between the weight of FIRE/BS professionals' incomes among those of all inner city professionals (27%) and their weight in terms of numbers (24%).

Income Trends among Professionals in the "FIRE" and Business Services Industries

We have seen that a higher percentage of Toronto's professionals are in the FIRE/BS group than in the Montreal case, but also that the inter-city differences in distribution of professionals by industrial sector diminished somewhat over the 1980s. But what happens when we look at changes over the decade in the earnings of professionals in this "motor" sector of the advanced tertiary sphere, comparing the two CMAs and also their inner cities? Is the entrenchment of Toronto's position in the urban hierarchy and the "regionalisation" of Montreal's position reflected in a divergence of FIRE/BS professionals' incomes?

Comparison of the employment incomes of professionals in the FIRE/BS group resident in the two CMAs (Table 4) points to a growing divergence over the 1980s in favour of Toronto.⁴ Considering first the data for both sexes combined, it can be seen that the gap is greater and has widened fractionally more over the decade for inner-city residents than for their suburban counterparts. Although absolute earnings are not presented here for reasons of space, it should be mentioned that the observed changes are due both to a decline in real earnings in the Montreal case (drops of 9% in the CMA overall, 3% in the inner city and 12% in the suburbs) and to an increase in the Toronto case (respectively 6%, 17% and 3%).

There was little difference in the gender breakdown of professionals in FIRE/BS in the two cities in each of the reference years (in both cases, the percentage of women increased from the 38-39% to the 45-46% range). Nevertheless, to avoid the possibility of the income findings being affected by a composition effect, the Montreal/Toronto ratio was also calculated separately for males and females (Table 4). In fact, although both female and male professionals in Montreal lost ground relative to their counterparts in Toronto in 1990 compared with 1980, the earnings differential widened much more among male professionals. This could well be a symptom of the absolute and relative transfer of some higher-

4. Income data for 1980 were inflated to 1990 values using the respective CPIs for the two CMAs.

paying jobs (almost invariably held by males) from Montreal to Toronto
TABLE 4 Ratio of Montreal to Toronto Employment Incomes of Professionals in Finance, Insurance, Real Estate and Business Services, by Sex and Zone of Residence, 1980 and 1990

	Ratio of Montrealers' to Torontonians' employment incomes		
	Inner city	Outer city	CMA
Both sexes			
1980	0.91	0.98	0.96
1990	0.75	0.83	0.82
Males			
1980	0.88	0.94	0.93
1990	0.73	0.82	0.80
Females			
1980	0.91	0.99	0.97
1990	0.80	0.86	0.85

Source: Statistics Canada, Census of 1991, special compilations. CMA boundaries are those of 1981.

over this period.⁵

Finally, does age structure play a role in explaining the growing income gap between FIRE/BS professionals in the two cities? It has been stressed elsewhere with regard to inner-city professionals in general, that the numbers and high earnings of the over-45s make them an increasingly important component among “gentrifiers” and the major target of the high-end condominium market (Preston et al. 1993; Rose 1996). According to our data set, in both Toronto and Montreal, inner city professionals aged over 45 in the FIRE/BS group earned significantly more than their suburban counterparts in 1990. For example, taking the case of males in Toronto and considering the CMA value to be 1, the earnings of inner city residents yield an index value of 1.30 compared to 0.93 for the outer city; the Montreal figures are very similar.⁶

Moreover, when we examine the locational patterns of the highest-earning segment of FIRE/BS professionals, namely those aged 45 and over, the portrait of trends in the two cities is a contrasting one. In 1980 this age group comprised 22% of the FIRE/BS professionals living in Montreal’s inner city (and also 22% for the CMA as a whole). By 1991, the proportion had fallen to 19% in the inner city (and had dropped slightly, to 21%, in the CMA as a whole). In Toronto, in contrast, the share of the over-45s among the inner-city group increased over the same period from 17% to 20% (with a smaller increase, from 22% to 23%, in the CMA as a

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5. Women’s incomes relative to men’s are greater in Montreal than in Toronto (65% versus 62% in 1990 for the CMA and 69% versus 63% for the inner city); as shown elsewhere, this is more a reflection of lower male earnings in Montreal than it is of high female ones in Toronto (Rose 1999).
 6. In the younger age groups, the Montreal professionals living in the inner city earn the same or slightly less than their suburban counterparts, whereas in Toronto they earn consistently more, although, compared to what we see among the over-45s, the differences are modest (e.g. 1.11 vs 0.98 in the case of women aged 30-34).

whole).

These data show that one of the effects of the Toronto area's "capture" of a greater share of Canada's highest-earning professionals over the 1980s was an influx into the inner city of those aged 45 and over working in the FIRE/BS sectors, an influential group not only as regards their role in the "command and control" process, but also in terms of consumer purchasing power. This did not happen to nearly the same extent in Montreal. Researchers have stressed the continued importance of face-to-face "networking" to the labour process of professionals in financial and business services – which takes place in various "consumption spaces" as well as in the office (see e.g. Ley 1996). In this context we might also mention a small but growing sub-market in the condominium sector in national or international cities like Toronto toward fully "wired" live-work units suitable for the self-employed, telecommuting or video-conferencing professional. This brief paper's findings thus suggest some intriguing avenues for future comparative research as to the implications of differences in the characteristics of the new urban middle class for the nature of housing, service and amenity demands in the two inner cities and for the ways that urban professionals use the semi-public spaces of gentrified landscapes.

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