The Dilemmas of Spatializing Social Issues

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Abstract
Cities have established official neighborhood boundaries for targeted social policy in recent decades. The authors propose that a sociological conception of neighborhoods sensitizes us to the potential consequences of imposing categorical divisions onto a largely continuous urban space. The authors specify this idea in three steps. First, they argue that designations affect people’s behavior toward target neighborhoods. Second, the heterogeneity within official boundaries may lead to informational distortion; disadvantaged areas are denied benefits solely because of location. Third, designations may generate negative reputations for targeted areas or extend existing stigma to new areas. To examine these processes, the authors study Toronto’s Priority Area Program (2006–2013). Difference-in-difference models show significant negative effects of the designation on rent, home value, and building permits. The authors provide evidence of informational distortion through income distribution analysis. An analysis of policy documents, newspaper reports, and secondary literature illustrates the stigmatizing aspects that local community members and observers interpreted about the designation.

Keywords
neighborhood, targeting, urban policy, boundary fixation

“Neighborhood” is a complex concept in both academic and policy debates. Its meanings range from substantive (i.e., community) to formal (i.e., administrative unit). Some neighborhoods are more recognizable than others, yet they all are categorical impositions on a continuous urban experience (Suttles 1972). Although neighborhoods are not the only way to administratively subdivide a city, they have been crucial for urban revitalization and poverty relief policies since the 1990s.

Neighborhoods becoming targets of social policy coincides with an interdisciplinary literature that sits at the intersection of two core debates: universal versus targeted and people- versus place-based programs. We make a threefold contribution to this discussion. First, we extend Amartya Sen’s (1992) analysis of the social costs of targeted social policy. Four of the five challenges Sen identified have clear negative implications for targeted neighborhoods. Second, the heterogeneity within official boundaries may lead to informational distortion; disadvantaged areas are denied benefits solely because of location. Third, designations may generate negative reputations for targeted areas or extend existing stigma to new areas.

Building on these insights, we argue that establishing neighborhood boundaries for targeted social policy creates potentially negative externalities. Both boundary fixation and targeting add new information that may affect residents’ and business owners’ decisions regarding designated neighborhoods. Targeted policies may negatively affect the desirability of target areas over time. These social policies can create informational distortion. Moreover, the administrative boundaries hide internal heterogeneities. At the same time, places in need of social assistance may be ignored by falling outside targeted neighborhoods. Targeting also sparks public discussions of the program, with potential reputational consequences for targeted areas. Specifically, community members and other observers (e.g., journalists)

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may understand designation as stigmatizing when the program name becomes an all-purpose label for being beset by social problems.

We examine two core hypotheses: the incentive distortion hypothesis, and the informational distortion hypothesis. We test these through the case of the Toronto Strong Neighbourhoods Strategy (TSNS), implemented between 2006 and 2013, which channeled federal, provincial, and municipal funds to 13 “priority areas” that policy makers believed suffered from the greatest deprivation and correspondingly merited targeted support. Rather than assessing the strategy on crime and service provision (Horak and Moore 2015), we examine the effect of boundary fixation and targeting on the desirability of the priority neighborhoods created.

Our analysis combines three methodological approaches. First, we use difference-in-difference (DID) regression models to examine the effect of an area being designated as “priority” on rent, housing prices, and building permits. These variables capture changes in willingness to invest in these neighborhoods both by locals and outsiders. The geographic unit of observation is the smallest for which census data are publicly available, dissemination areas (DAs). We measure the effects of designation by comparing matched priority and nonpriority DAs. In line with the incentive distortion hypothesis, the results indicate that designating an area negatively affected housing prices, rents, and building permits. The growth of these indicators was significantly lower than other parts of the city with similar locations, built form, and populations. Second, we examine variation in DA-level income distributions. The results are consistent with the informational distortion hypothesis, showing considerable income heterogeneity within and outside designated areas.

Third, we collected 270 newspaper articles and 62 policy documents with mentions of the “priority neighborhoods,” in addition to previous studies and feature magazine articles. We found evidence that the stigmatizing dimension of designation was a recurrent theme in the public discourse. The “priority” label became a shorthand for “poor” or “in need.” Policy makers recognized this process as the press reflected the issue and community members and business owners expressed concerns about stigmatization. Excerpts from these textual data offer additional insights into how incentive and informational distortion were experienced and interpreted locally.

**Targeted versus Universal, People versus Place**

A “new era” of urban policy started in the 1990s (Stone and Stoker 2015). Renewed attention to neighborhoods joined two policy fault lines: the “universal versus targeted” and the “people versus place” debates. The first became more prominent after the 1980s shift from universalist to particularized approaches to social policy (Mkandawire 2005). The second highlights the scope of policy targets (individuals, families, neighborhoods, cities, regions) given the spatial concentration of poverty and distress (Sampson 2012; Sharkey 2013; Stone and Stoker 2015).

These debates overlap when the geographic scales of target and place correspond—in our case, the neighborhood. Here we join these two literatures, something that, to our knowledge, has not been previously done. Their intersection reveals the risks of boundary fixation and targeting for neighborhood-centered social policy and shows how a sociological conception of the neighborhood can add value to this research stream.

**Targeted versus Universal**

Targeted and universalist approaches stem from different policy regimes. In Esping-Andersen’s (1989) typology, liberal regimes (the United States and Canada included) combine means-tested assistance with modest universal transfers, whereas corporatist and social-democratic regimes favor universalism. During the 1980s, the balance between targeted and universal policies in liberal regimes shifted toward the former. The causes for this reorientation are complex and tied to the push toward austerity in the Reagan-Thatcher era following the 1970s “taxpayer revolts.” Within the austerity logic of the time, targeted social policy seemed more suitable through being limited and focused (Mkandawire 2005).

Critics of targeted policies highlight their shortcomings in reducing poverty and inequality. The narrower the beneficiary population, the less political support redistribution policies typically retain (Korpi and Palme 1998). Others underscore hidden costs of targeting, regardless of scope. Amartya Sen (1992) summarized these problems, warning against externalities rather than entirely dismissing the approach; targeted and universal social policy usually coexist (Mkandawire 2005; Skocpol 1991). Table 1 summarizes the problems Sen identified and adds their implications for neighborhoods.

The contribution of Table 1 is to map the general processes identified by Sen (1992) onto the specific target of neighborhoods. Examining the results (the rightmost column) indicates that all five problems have applications with potentially considerable social costs for neighborhoods, except for “administrative and invasive losses.” Target neighborhoods are subject to informational distortion as segments of the city may be omitted from the policy benefits (type I error) despite experiencing similar disadvantages. Target area size enhances potential distortions. As the modifiable areal unit problem (MAUP) dictates, larger areas tend to host greater, even extreme (Grant et al. 2014), internal heterogeneity (Hennerdal and Nielsen 2017; Wong 2009).
Table 1. Sen’s Costs of Targeting and Their Implications for Neighborhoods.

| Costs of Targeting        | Summary of Sen’s Definition                                                                 | Implications for Geographic Targets (Neighborhoods)                                                                 |
|----------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Informational distortion  | Targeted policies require mechanisms to identify the “deserving” recipients of benefits. Because such mechanisms are imperfect, two types of errors can occur. Either deserving populations do not receive the benefit (type I error), or non-deserving ones do (type II error). Often, efforts to prevent type II errors increase type I errors. | People living in disadvantaged areas are excluded when they reside outside those boundaries.                             |
| Incentive distortion       | Benefits are provided to targets beneath a threshold defined by one or more indicators. Individuals may adjust their behavior accordingly, either to become or to remain beneficiaries. | It is unlikely that people living in geographically defined policy targets can willingly affect aggregated indicators, for instance by reducing their average family income to maintain a benefit. However, individuals’ behavior toward the targeted areas may change. Geographic targeting may influence people’s decisions to invest or not or to move in or out. |
| Disutility and stigma      | Stigmatization is an inherent risk of targeting. Over time, targeted policies may have negative effects on recipients’ self-respect insofar as the labels imposed on them mediate their relations to their immediate others and the broader community. | Stigma is likely to emerge when neighborhoods are officially defined and receive a special status for social policy through being viewed as distressed or dangerous. Neighborhoods may be especially prone to stigma, as receiving benefits is generally highly public and widely advertised, in contrast to individual benefits that may be less publicly noticed. |
| Administrative and invasive losses | Filtering mechanisms for targeted policies often require extensive investigation into personal circumstances by government officials. In general, the more fine-grained the targeting, the more invasive for potential beneficiaries. This argument is often used to favor targeting groups (by gender, race, or age) or geographic areas over individuals or families. | Place-based policies may benefit families unlikely to share sensitive information, such as undocumented immigrants. |
| Political sustainability and quality | The target population of these policies tends to be politically weak. They may lack political influence to maintain quality programs over time. | Political efficacy is unequally distributed among residents of target neighborhoods. For instance, homeowners and landlords may exert more influence than lower income apartment building or public housing tenants. |

Adapted from: Sen (1992).

Spatial targeting makes the MAUP not only a methodological challenge for researchers but a practical problem for policy.

Incentive distortion is another risk, as families and firms may adjust their location or investment decisions on the basis of designation. Information added to target neighborhoods takes the form of officially sanctioned labels. As in labeling theory (Becker 1963; Steensland 2006), this new information may associate with negative and stigmatizing understandings of targeted neighborhoods. Finally, power imbalances within neighborhoods appear in the often conflicting attitudes residents express toward targeted policies after implementation. Our study provides evidence about how the first three externalities manifest in the TSNS and discusses secondary data regarding the fifth.

People versus Place

Defining the scope of targeted strategies is contentious. Some argue for individualized strategies to foster residential mobility (e.g., cash transfers and housing vouchers; Glaeser 2005; Glaeser and Gottlieb 2008; Rosenbaum 1995). Others advance place-based initiatives to enhance quality of life in disadvantaged areas, from loosely defined neighborhoods to counties (Bolton 1992; Neumark and Simpson 2015; Westlund and Bolton 2003). This debate provides insight into motivations behind the revival of neighborhood-based policy in our study period.

Most spatially sensitive social policies tackle two interrelated but separate issues: lack of individual (income, food, job skills) and locational resources (community infrastructure,
Targeted Vouchers, cash transfers (e.g., food stamps), become clearer when we synthesize the aforementioned challenges of neighborhood-centered targeted policies.

Dimensions

Targeted and Universal, and People and Place, as

| People                          | Place                              |
|--------------------------------|------------------------------------|
| Targeted Vouchers, cash transfers (e.g., food stamps), low-income tax credit | Neighborhood revitalization (e.g., priority areas for investment, social infrastructure [libraries, community centers, recreation programs]) |
| Universal Individual social provisions (e.g., universal minimum wage, universal retirement plans, health care) | Decentralization of services (e.g., parks, schools, HIV clinics, fire stations) |

schools, police, jobs) as a consequence of spatial market failures (Crane and Manville 2008; Neumark and Simpson 2014). According to proponents, individual-based policies (e.g., direct transfers) effectively identify families in need, reducing type I and type II errors and incentivizing individuals to move from distressed areas (Glaeser 2005; Rosenbaum 1995). This position highlights limitations in revitalization efforts such as difficulties in assessing their effectiveness (e.g., long-term effects and overlapping policies in the same areas) and their propensity to misplace costs and benefits (e.g., increasing rents because of higher land values) (Busso, Gregory, and Kline 2013; Hanson 2009; Neumark and Simpson 2014; Turner 2017).

Champions of place-based strategies recognize challenges in increasing individual resources (Crane and Manville 2008). For them, place-based policies address issues such as the spatial mismatch of jobs due to racially motivated housing discrimination (Wilson 1987), the networked nature of job opportunity diffusion (Hellerstein, McInerney, and Neumark 2011), and fostering equity in neighborhoods where transportation costs are high (Neumark and Simpson 2014). The emphasis is on public goods in areas of concentrated poverty where adequate individualized data are unavailable (Bolton 1992; Freiler 2004). This perspective downplays residential mobility arguing that many families cannot move outside foci of disadvantage. Those who can often relocate in neighboring areas with only nominally lower levels of poverty (Sampson 2012).

Recently, urban policy scholars have attempted to balance these positions (Galster 2017). Turner (2017), for instance, suggested that the debate relies on a false premise of zero-sum policies. Instead, she proposed a “place-conscious framework” of policy portfolios that combine revitalization strategies with individual support. The goal is to provide families realistic residential choices preventing involuntary mobility. Neighborhoods play a more modest role, as Turner argued that the imposition of arbitrary boundaries on the city for local development distracts from connectivity issues (e.g., transportation to job opportunities).

Targeted and Universal, and People and Place, as Dimensions

The challenges of neighborhood-centered targeted policies become clearer when we synthesize the aforementioned debates, considering the two pairs of categories as dimensions in a two-by-two table and adding specific examples to the intersecting cells (see Table 2). The left column shows social policy debates when recipients’ geographic location is less relevant than providing certain benefits. The targeted-versus-universal debate is typically discussed in this manner. The geographic component is crucial to the right column. Here are revitalization policies that are both place oriented and targeted. At the bottom right we find universal place-based policies, which include decentralizing services such as parks and fire stations by local need, wherever it occurs. We may include within this cell Turner’s (2017) place-conscious approach.

This synthesis clarifies that place-based policies can be implemented without creating neighborhood boundaries and targeting a subset of them. Place-based policies without boundary imposition are common among enterprise zone and other tax reduction initiatives (Neumark and Simpson 2015). For social issues, services can be improved in certain parts of a city on the basis of demand or poor quality (Stone and Stoker 2015). The universal-place approach seeks to improve the quality of people’s immediate surroundings while reducing disadvantages linked to their location (Doering, Silver, and Taylor 2021). For instance, Toronto’s Parkland Strategy identifies underserved areas by assessing current park supply and projected population growth for each block of the city. Identifying these areas does not involve any boundary creation (City of Toronto 2019). New urban fire station locations have often followed similar logics, seeking to reduce emergency response time through assessing current access and service coverage (Yao, Zhang, and Murray 2019). The coverage area for each fire station is flexible, in response to varying demand. Similarly, transit infrastructure increases access to job opportunities across neighborhoods, while equalizing school funding and teacher pay reduces the weight of school districts for home purchasing decisions (Alini 2017; Herman 2013). Although Table 2 shows that the bottom-right approach is conceptually possible and has been used in some cases, the top-right approach predominates. This reflects the turn to neighborhood-based social policy since the 1990s (Freiler 2004; Stone and Stoker 2015), the consequences of which are the main focus of our study. We return to the possibility of a universal-place–oriented approach in the “Discussion” and “Conclusion” sections.
Neighborhood Boundaries and Meaning

The people-versus-place debate is mostly agnostic to the geographic level of aggregation. In the regional economics literature, counties, cities, and neighborhoods are often treated as interchangeable (for a review, see Neumark and Simpson 2015). However, neighborhoods have properties that may have implications for social policy targeted toward them. We highlight two ways this can occur and suggest that incorporating a sociological conception of neighborhood adds an important but neglected perspective. First, neighborhood-oriented targeted social policy imposes categorical divisions onto an otherwise (relatively) continuous space, potentially creating new social divides. Second, neighborhood reputations are important to individuals’ self-conceptions and decision-making processes. Interventions altering neighborhood reputation run the risk of affecting how individuals evaluate neighborhood quality and desirability.

First, consider neighborhood boundaries. Neighborhoods have blurrer boundaries in practice compared, for example, with cities or counties, especially in that moving from one city to another often involves different legal jurisdictions (Card and Krueger 1993), urban political regimes (Stone 1993), urban planning regulations, transportation systems, and urban cultures (Silver and Clark 2016). Even within deeply interconnected metropolises, subnational administrative borders create markedly different urban experiences. The border between Ottawa (anglophone Ontario) and Gatineau (francophone Quebec) is a case in point (Veronis 2015). Areas within cities, by contrast, are more fluid, and neighborhood boundaries—and their meanings—are relatively less clear to individuals.

Geographically targeted policy may reinforce a conception of neighborhoods as independent units with clear boundaries. Urban scholars have long rejected the “neighborhood as an island” construct. Social isolation and segregation were at the core of 1950s critiques of designing neighborhoods separated by greenbelts and highways (Mumford 1954). For others such as Jacobs (1961) and Suttles (1972), neighborhoods are, to some extent, arbitrary. In their view, amid the otherwise continuous city, neighborhoods convey meaning for residents in relation (interdependence or opposition) to external agents: other areas or governmental agencies. In fact, moving across nearby neighborhood (census tract) borders often has little effect on people’s quality of life (Sampson 2012; Sharkey 2013). Yet neighborhood targeting reifies neighborhood boundaries and inscribes them into the city’s official stance toward not only the distribution of resources but its definition of what parts of the city, and who, count as “problems.”

A second important sociological insight is that people attribute meaning and reputation to neighborhoods despite their blurry boundaries. Urbanites routinely rank neighborhoods as desirable or not depending on location and mobility within the city. Positive forms of neighborhood identity may emerge from grassroots organizing efforts against local authorities, developers, or other land-based stakeholders (Jacobs 1961; Martin 2003; Suttles 1972). Meanwhile, neighborhood effects research shows that negative reputations are sturdy and have direct implications in the reproduction of place-based inequality (Sampson 2012; Sharkey 2013). More generally, the meaning and reputation of neighborhoods are linked to people’s cognitive maps, activity spaces, and identities (Filomena, Verstegen, and Manley 2019; Galster 2019; Lynch 1960; Pinchak et al. 2021; Sampson 2012; Suttles 1972).

Officially sanctioning neighborhood boundaries for social policy therefore carries symbolic implications. It generates new information about the meaning of living within one part of the city versus another. Building on Sen (1992), we argue that targeted policy interventions can contribute to creating or expanding negative reputations. Highly publicized place-based social programs cast labels upon everything that falls within target areas, from residents to properties and businesses. Such labels, in turn, mediate people’s relationships (e.g., desirability) toward target neighborhoods (Galster 2019). In sum, neighborhood reputations matter because “people act as if they matter” (Sampson 2012:59).

Although boundaries are not necessary to identify neighborhoods—they may have folk names linked to their centers (e.g., iconic buildings, parks)—they do matter for policy decisions (Galster 2019; Talen 2019). Social policy in the 1990s featured neighborhoods as foci of concentrated disadvantage and advantage (Freiler 2004; Stone and Stoker 2015). Efforts to establish meaningful neighborhood boundaries for administrative purposes were facilitated through geographic information system software (e.g., ArcGIS) and data. This trend expanded the imposition of official neighborhood boundaries in cities worldwide in the 2000s, including Toronto.

To date, however, research on the effects of targeted neighborhood boundaries is scarce. Of the more than 100 studies on place-based policies Neumark and Simpson (2014) reviewed, only 7 are discussed with neighborhoods as their explicit unit of analysis. Six of these studies demonstrated positive effects on employment and/or income, although effects were generally small and concentrated within specific sectors (e.g., manufacturing and service). Moreover, among the six types of place-based policies Neumark and Simpson (2015) identified, only community development initiatives, such as those for affordable housing and urban redevelopment (e.g., the United Kingdom’s New Deal for Communities), had an explicit focus on neighborhoods. Other programs target counties, regions, or ad hoc “areas” that do not overlap census tract or ZIP code boundaries (e.g., Bondonio and Greenbaum 2007). Yet studies on programs such as enterprise zones rely on census tract–level data to assess their effectiveness. For instance, of the 11 studies Neumark and Simpson (2014) reviewed on enterprise zones, 9 exhibit mostly positive, although modest, effects on
employment rates and income. At the same time, 3 of these studies demonstrated large effects on home prices, indicating that such policies can bring about unplanned results (e.g., gentrification) (Busso et al. 2013; Freedman 2013; Reynolds and Rohlin 2015).

Regional economics research on the spillover effects of place-based programs pays some attention to boundaries. Neumark and Kolko (2010) found no evidence of positive spillover effects of California’s enterprise zones on job creation in contiguous areas. Hanson and Rohlin (2013) identified negative spillover effects on new establishments and firms in census tracts adjacent to federal empowerment zones across the United States, while Papke (1993) summarized similar evidence for the United Kingdom: firms relocated to targeted industrial areas. Overall, enterprise zone studies suggest that policy incentives affect how firms move across neighborhood boundaries, thus affecting employment opportunities, but do not address the impact of such boundaries on the overall reputation of neighborhoods.

Bogota’s residential socioeconomic stratification system provides a compelling precedent in this direction. Scholars have examined the effect of this system on housing prices (Gallego, Montoya, and Sepulveda 2016), urban planning (Yunda 2019), and residential segregation (Aliaga-Linares and Álvarez-Rivadulla 2010), stressing the system’s impact on neighborhood reputation. The city’s classification is based on a continuous assessment of each dwelling’s external attributes (e.g., visible construction materials) and its surroundings (e.g., paved roads and street lighting). The resulting strata are used for service subsidies (lower strata) and consumption taxes (upper strata). Bogota residents have adopted this system to signal socioeconomic status, to the point that some include their strata in their personal descriptions on dating Web sites (Uribe-Mallarino 2008). Gallego et al. (2016) found that upward classification changes in neighborhood stratum were associated with ensuing increases in housing prices. Others have shown that areas of the city assigned to higher strata have received increased attention from investors, reinforcing preexisting segregation patterns (Aliaga-Linares and Álvarez-Rivadulla 2010; Yunda 2019). Although the effects of neighborhood targeting in Bogota are evident, additional studies are needed to determine whether these processes hold in other contexts.

**Hypotheses and Empirical Predictions**

Although the TSNS is not as far reaching as Bogota’s system, we investigate whether even less rigid programs such as Toronto’s can add a new layer of information to decision making with potentially negative externalities. Specifically, we quantitatively assess two formal hypotheses about externalities from boundary creation joined with targeting. Additionally, we provide qualitative evidence about a third externality, stigmatization, tied to these hypotheses.

**Hypothesis 1:** The incentive distortion hypothesis: Imposing administrative boundaries for targeted social policy may affect people’s behaviors toward designated areas.

Recipient neighborhoods may become less desirable for potential residents and local businesses through being officially labeled as concentrations of social problems. Information signaling the “decline” of a neighborhood is a powerful incentive to push people out or disinvest in it (Galster 2019:146). Poor program implementation and underfunding amplify this negative perception. The effects of designation can be measured by changes over time in variables such as home value, rent, and building permits (Bertaud 2018; Galster 2019). Following our first hypothesis, creating neighborhood boundaries should negatively affect the trajectory of these three outcomes in targeted areas compared with otherwise similar areas. This comparison is important because behavioral changes could also arise from differences in income or demographic composition, or features of the built environment, such as availability of parks and green space or housing types.

**Hypothesis 2:** The informational distortion hypothesis: Boundary imposition for targeted social policy may direct resources toward recipients for which they are not intended and away from those for whom they are intended.

Formally, neighborhoods are one level of sociospatial data among others. As spatial analysts have noted, broader units of aggregation hide internal heterogeneity (Wong 2009). Ignoring such heterogeneity leads to persistent misrepresentations of spatial units as a whole (e.g., districts and census tracts) as deprived and stagnant (Small, Manduca, and Johnston 2018). Specifically, drawing geographic boundaries for targeted policy has two underappreciated implications. Relatively well-off individuals (e.g., homeowners) are included among the vulnerable residents (e.g., apartment dwellers). The former moreover have more economic and political resources to influence policy decisions. Families living in precarious conditions (e.g., overcrowded apartment complexes) may also be excluded from the policy’s benefits because of their location outside target neighborhoods. Both mechanisms are particularly important in cities where poverty is concentrated within a few blocks rather than over large areas (Horak and Moore 2015). The problem is that policy makers draw boundaries despite acknowledging the heterogeneity they hide and their consequences.

To test these hypotheses empirically, we derive empirical predictions for each. Regarding the incentive distortion hypothesis, we consider the following:

**Proposition 1:** Areas located within the boundaries created by targeted social policy should experience...
reduced investment and housing demand after the boundary is created compared with otherwise similar areas located outside the boundaries.

Regarding the informational distortion hypothesis:

Proposition 2: Targeted and nontargeted neighborhoods should exhibit substantial internal heterogeneity in income spanning both low- and high-income areas.

These externalities—incentive and informational distortion—interact with a third identified in the literature, stigmatization, particularly when programs get media attention (Lindgren 2009; Rajput 2013; Sriskandarajah 2020). Targeting social policy to certain neighborhoods over others is a form of social differentiation generally based on assessing an area as distressed, disordered, disadvantaged, dangerous, or beset by poor services. Through public debate, the designated neighborhoods’ boundaries bind together the collective representations of places within them (intersections, housing complexes, parks, among others), and their reputations are extended to other neighborhoods with the program’s name. For example, an intersection with a “bad” reputation, such as Toronto’s Jane-Finch, becomes the name for a much larger area, thereby stretching its negative image homogeneously throughout what is a highly differentiated region. If the entire program becomes associated with the areas with the worst preexisting reputation, negative sentiment becomes attached to the program itself and is carried across all designated areas (Hancock and Mooney 2013; Sharpe 2013). It follows that we would expect to find evidence in prior research, media reports, and policy documents of the designation being associated with neighborhood stigma.

Data and Methods

To test proposition 1, we compare trajectories of home value, rent, and business permits of targeted and nontargeted areas at a lower level of spatial aggregation: census DAs. To test proposition 2, we compare income distributions of targeted versus nontargeted neighborhoods. Finally, we analyze newspaper articles, policy documents, and previous studies with a view to the stigmatizing aspects of the TSNS designation. The following section articulates our analytical strategy in more detail.

DID Models

We use DID models to test the incentive distortion hypothesis. This method tracks trajectories of otherwise similar areas within targeted and nontargeted neighborhoods, before and after they were designated. It accounts for other factors that might explain these postdesignation trajectories, such as income, demographic characteristics, built form, or predesignation trajectories.

Data for our DID models come from two main sources: Statistics Canada and the City of Toronto’s Open Data Catalogue. From the former, we obtained census DA profiles for every 5-year period between 1996 and 2016, 10 years before and after the designation, respectively. These profiles include demographic and socioeconomic data aggregated at the DA level. Each DA contains between 400 and 700 persons (Statistics Canada 2018). From the Open Data Catalogue, we obtained annualized building permits and calculated the number of building permit applications submitted per DA per year. Ancillary tree coverage information uses data from Kardan et al. (2015) that measures street tree density at the DA level, from 2007 satellite imagery combined with a tree data set compiled by City of Toronto field experts around 2009 to 2010 (see Kardan et al. 2015 for more details). Although DAs are our main units, we confirmed our findings using census tracts. Each tract aggregates several DAs, and the boundaries of the former coincide with the latter in the same year. We also use the 140 official neighborhood boundaries as a second level of variation in our multilevel models, to account for the clustering of DAs within neighborhoods. Neighborhood boundaries respect census tract and DA boundaries.

Administrative regions are inconsistent over time and are routinely modified to reflect population changes. In growing cities, such regions become smaller as the population grows denser. Most researchers face this issue using geographic harmonization. However, these procedures inevitably introduce errors and are often labor intensive to implement (Allen and Taylor 2018; Logan, Stults, and Xu 2016). To circumvent this problem, we use Dias and Silver’s (2021) network-based method for representing and analyzing spatiotemporal data. This approach identifies geographic regions that are related to one another across multiple time points. Our goal was to connect DAs from different census years. We define two or more geographic units as temporally related when the shared area between them equals at least 5 percent of the area of the smallest geographic unit. This is a conservative threshold to prevent “spurious connections caused by small fluctuations” between the geographies of different census years (Dias and Silver 2021:176). A series of temporal paths result, each identified by the corresponding DA for each year. Among other advantages, this method avoids the question of how to apportion the variables. Instead, we retain all attributes of each year’s geographic regions within the temporal paths (see examples in supplementary materials).

The dependent variables of our study are average monthly rent, average home value, and number of building permits. These measures indicate the demand of each area of the city (Bertaud 2018; Galster 2019). As DAs normally cover small regions, this increases the likelihood of having either zero renters or zero homeowners within any given DA. Our models therefore restrict the analysis to DAs for which the outcome variables have values higher than zero. We also explored models using a combined measure of overall
housing demand for verification that yielded similar results (see supplementary materials).

The third variable of interest, building permits, is measured as a cumulative sum. Although building permit data are available from the early 1990s, the city cautions that permits prior to 2000 may not reflect consistent standards, which were harmonized by 2000. Therefore, our analysis of building permits covers 2000 to 2018 (we exclude 2019 and 2020 because these years were not complete during the time of analysis). Building permits at such a small geographic level are highly variable. We chose to use cumulative sums to smooth the trends while preserving as much information as possible. Therefore, at each year we are measuring the incremental addition of building permits relative to past years. This measurement approach is substantively appropriate to our question: it enables us to examine the degree to which designated versus otherwise similar undesignated DAs subsequently accumulated different overall investment.

A DID approach offers two main advantages. Methodologically, DID estimates treatment effects by regressing the outcome on the indicator for the groups (in our case, priority area and non–priority area), an indicator for the period (in our case, before and after 2006, when the program was implemented), the interaction between the two, and pretreatment controls (Gelman and Hill 2007:228–29). Substantially, estimating effects on variation rates in rent and home value means that our findings do not indicate stagnating housing prices within the designated areas that would correspond to increasing affordability. Accurate measures of housing affordability must account for absolute costs of housing (rather than changes over time) in relation to income and housing supply (Bertaud 2018).

Selecting a comparable control group is important for causal strategies based on observational data. In our case, we selected a control group using Mahalanobis distance matching (King 2018; King and Nielsen 2019). This method identifies a subgroup of undesignated paths that approximate the designated ones. The matched DAs were obtained from calculating a standardized (Mahalanobis) distance between all DA paths using the available pretreatment variables. Each designated DA was then matched to the closest available undesignated ones, while unused undesignated DAs were pruned (King 2018:12–15). The predesignation variables we used for matching are the 2006 average monthly rent, average home value, and/or the cumulative sum of building permits, depending on the models; changes in these values prior to 2006 (to find areas on similar pretreatment trends); mean household income; proportion of visible minorities; proportion of BA holders; proportion of never married population; proportion of apartments in buildings above five stories; proportion of detached housing; longitude and latitude (to account for spatial autocorrelation); total population; and street tree density (an indicator of desirability). The matching process yields a set of control cases similar to those in the designated areas. For example, as Table 3 shows, prior to matching, the differences in mean household income and share of visible minorities were $19,971 and 28.2 percent, whereas after matching they were $613.05 and 2.35 percent for the rent model.

The control variables used for the matching help select areas with similar sociodemographic and built environments. Accordingly, we control for alternative explanations to the observed variation in our outcomes of interest. The differences between priority areas and the rest of the city could be explained by changes in income or demographic composition, or by the proportion of green space in those areas, rather than resulting from the designation. We included geographic coordinates in the matching to ensure that the control DA paths are near the designated ones. Figure 1 shows that the designated and control paths are in proximity to one another (see supplementary materials for an example using only one DA path).

Our DID models are multilevel with random intercepts and can be formulated as

\[ Y_{djc} = \gamma_g + \pi_j + \beta D_{g_p} + \lambda X_{djc} + \epsilon_{djc}, \]

where \( Y_{djc} \) is any of our three output variables for DA path (or DA) \( d \) in neighborhood \( j \) and census year \( c \). The group-specific effects are denoted as \( \gamma_g \) (\( g = 1 \) for designated DA paths or DAs; otherwise, \( g = 0 \)). The second term, \( \pi_j \), accounts for spatial clustering at the neighborhood level. Moreover, \( X_{djc} \) is the vector of observed DA path (or DA) covariates, including all the variables used for the identification of the control group (see above). Finally, \( D_{g_p} \) is an interaction term that denotes the designation status of any given DA path or DA; i.e., \( D = 1 \) for designated DAs after 2006 and 0 otherwise. Therefore, \( \beta \) is our main statistic of interest, as it represents the effect of the designation (Angrist and Pischke 2009; Wing, Simon, and Bello-Gomez 2018; Zeldow and Hatfield 2019).

**Income Distribution Analysis**

We test the informational distortion hypothesis by comparing income distributions between designated and undesignated areas. Our variable of interest is the mean household income. We present a visual comparison between a sample of designated and undesignated neighborhoods and a broader analysis of DA-level income distribution across the city.

We use control DAs obtained from the Mahalanobis distance matching model for home value to identify comparable official neighborhoods (see Figure 1).\(^2\) We ranked each undesignated neighborhood according to its share of matched

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\(^1\)Data on crime and social housing are not available at the DA level. Nonetheless, we conducted supplementary analyses using neighborhood-level crime rates for 2004 to 2011 in our models (data from

\(^2\)The control groups obtained through matching for the three outcome variables are almost indistinguishable from one another.
DAs. We selected four of these neighborhoods with at least 30 percent of matched DAs (above the 70th percentile) and four nearby priority areas. We illustrate these eight income distributions through histograms, adding the bottom and top city-wide quintile thresholds to indicate the low- and high-income benchmarks. This graphic representation identifies both undesignated and “deserving” DAs (type I error) and designated but “undeserving” DAs (type II error).

Second, we split the distribution of DA-level mean household income into quintiles for the designated and undesignedated neighborhoods. We also select the 13 neighborhoods with highest proportion of matched DAs for additional comparison, along with all undesignated DAs. This analysis provides a broader image of the internal heterogeneity fixed boundaries tend to hide. The presence of high-income DAs in priority areas, and of low-income ones in matched neighborhoods, would indicate informational distortion.

Analysis of News Articles and Policy Documents

We analyze 270 news articles, 62 policy documents, and a selection of qualitative studies (articles and theses) and magazine features about the priority areas. Our goals are (1) to identify instances in which journalists, policy makers, academics, and community leaders acknowledge stigmatization as a potential problem arising from the program and (2) to describe how priority neighborhood residents understood the significance of this stigmatization.

We collected 270 news articles about the TSNS for the period from 2000 to 2018 from the top four newspapers by daily circulation in Toronto: the *Toronto Star*, the *Globe and Mail*, the *National Post*, and the *Toronto Sun*. The policy document data come from the City of Toronto’s public archives, specifically, the Toronto City Council and committees’ meetings, agendas and minutes for 2008 to 2018, and the legacy documents repository for 2004 to 2007. The details of the selection process of both the news articles and the policy documents are in supplementary materials. Finally, we identified an additional set of qualitative studies and magazine feature articles (from publications such as *Toronto Life* and *Spacing*) that discuss the impact of the priority neighborhood program on their residents and the city at large.

The news articles, policy documents, and secondary literature provide quotations offering additional support to our two hypotheses. We provide background information about the TSNS and its reception below.

### Toronto’s Priority Neighborhoods

The contemporary City of Toronto is the result of the provincial decision to amalgamate metropolitan Toronto’s six municipalities in 1998. The subsequent rise of high-poverty neighborhoods and gun violence led the new City of Toronto to create 140 social planning neighborhoods to target its policy interventions. The geographical boundaries of each neighborhood were established around two to five census tracts encompassing on average 4,000 residents. The goal was to provide a stable grid to assess changes over time (City of Toronto 2020).

In 2004, the United Way for Greater Toronto highlighted rising poverty within the inner suburbs and proposed a plan to develop “strong neighborhoods,” featuring concepts such as inclusivity, vibrancy, cohesion, and safety (Freiler 2004; United Way of Greater Toronto 2004). The focus was on infrastructure, funding, and service gaps. Soon after, the city
created the Strong Neighbourhoods Task Force (SNTF), a coalition of nonprofit and local service organizations. Safety was a major issue during this period. In 2003, after a series of high-profile gang-related gun murders, Mayor David Miller (2003–2010) proposed a community safety plan (CSP). The CSP identified four “at risk” areas: Malvern, Jamestown, Kingston-Galloway, and Jane-Finch.

The SNTF released a report in 2005 identifying 13 priority neighborhoods (City of Toronto 2005). The “priority” designation identified neighborhoods in need of investment toward reducing crime, increasing opportunities for youth, and improving services. Neighborhoods were measured using proximity to services—libraries, schools, community centers, and settlement and employment support—and socioeconomic factors—income, education, and knowledge of English or French (City of Toronto 2006). The report recommended nine priority neighborhoods and added four at-risk areas suggested in the CSP. Councilors negotiated priority areas’ boundaries attempting to bring their constituencies within them (Horak and Moore 2015). As the targets grew, so did the support base in the city council. Therefore, some priority areas do not strictly follow the official neighborhood boundaries.

The program produced mixed although mostly disappointing results. According to Horak and Moore’s (2015) assessment, the strategy materialized in “multiple, loosely coordinated programs, often short in duration, launched by a variety of actors who pursued sometimes-incommensurable goals and methods” (pp. 199–201). Funding was a major concern. The original design aimed to channel resources from the three levels of government and the nonprofit sector. In practice, federal and provincial support fluctuated along political realignments. The program spent about $190 million until 2013. This is a substantial investment but nevertheless low compared with the $1 billion revitalization project of a single neighborhood in the city, Regent Park, financed through a public-private alliance.

Given scarce resources, councilors of priority areas were more responsive to the interests of their wealthiest constituents: homeowners. The composition of the priority areas was highly heterogeneous, partly because of their geographic scope. As much as 20 percent of the city lived in designated areas. Within neighborhoods like Jane-Finch in northwestern Toronto, for instance, visible minority groups living in public housing apartment buildings had less access to the local councilor than their neighboring Italian-descendant homeowners (Horak and Moore 2015).

A concern shared by all parties was the risk for stigmatization. This was clear already in 2001 during preliminary public consultations. According to the United Way of
Greater Toronto (2004), “The stigmatization of living in a distressed neighbourhood is one way that ‘place’ can have an independent, negative effect” (p. 5). However, neither the report nor any other policy document of the same period proposes concrete measures to prevent further stigmatization arising from targeted interventions. In the following section, we show evidence that stigmatization came to be understood as one of the negative externalities of the priority neighborhood designation.

**Findings**

**The Incentive Distortion Hypothesis**

Consider first evidence regarding the incentive distortion hypothesis (proposition 1). We find that differences in average rent, average home value, and the cumulative sum of building permits between designated and undesignated DA paths and DAs increase over time. Figure 2a shows the trends for all DA paths and DAs without matching. The growing disparities are apparent across all variables. The difference in the cumulative sum of building permits between designated and undesignated areas grew over three times between 2006 and 2018. The differences in home value and rent more than doubled for the same groups.

As expected, the differences are less dramatic between matched groups (Figure 2b). Matched priority and undesignated DA paths follow closer trajectories, but the distance becomes wider after the designation occurs in 2006. The effect of designation is particularly strong in the four neighborhoods selected by the CSP, even compared with the priority areas identified by the SNTF (Figure 2c). The distance between undesignated and CSP designated DAs tripled for all three outcome variables.

Table 4 provides additional support to the hypothesis that designation negatively affected the variation rates of the three outcome variables. The table summarizes three fitted DID models. In all three, the estimated interaction term between the designation (priority area) and the period (after 2006) is sizable and negative. For otherwise comparable DAs, becoming part of a priority neighborhood negatively affected their desirability. The trajectories of rent, home value, and accumulated building permits in the period after the designation reflect this impact. The expected mean change in rent before and after 2006 decreased by nearly $30 for designated DA paths. Similarly, the designation negatively affected the expected mean change in home value by more than $69,000 during the same period. The expected change in number of building permits shows the same negative pattern, as the estimated effect of the designation was to reduce the cumulative sum of building permits by about 13.

Our supplementary analyses using harmonized census tracts as the unit of analysis show similar results.

In general, the results are consistent with proposition 1. They suggest that boundary imposition generated incentive distortion. The larger effects on home versus rental prices are suggestive, aligning with previous research showing the sensitivity of home values to place-based policies (Busso et al. 2013; Freedman 2013; Reynolds and Rohlin 2015), perhaps indicating that designation plays a larger role in home-buying decisions when individuals are more invested in long-term neighborhood conditions (Galster 2019). This would be an interesting area for additional research.

**The Informational Distortion Hypothesis**

The DID results suggest that the TSNS reduced the desirability of target areas. Public debates questioned the program’s efficacy allocating municipal resources during its implementation. The press brought attention to communities in need that did not receive the attention given to the priority areas:

Most people don’t know about the off-the-radar marginalized area[s]…in the East Mall, West Mall and Capri neighbourhoods…. Home to low-income residents, including single-parent families, newcomers and working poor, the area has been starved of health and social services. It should be Toronto’s 14th priority neighbourhood, but doesn’t qualify because it’s in the wrong postal code, said [youth program coordinator Keddone] Dias. Surrounded by middle-class residential neighbourhoods, the pocket doesn’t show up as one of the city’s most needy. As a result, the cycle of poverty and violence has been ignored, she added. (Ferenc 2010)

This quotation shows that local actors on the ground recognized that the priority designation generated informational distortion: it included high-income areas (type I error) and omitted nearby ones with similar sociodemographic and physical compositions (type II error).

Figure 3 provides additional evidence consistent with the informational distortion hypothesis. Figure 3 shows 2006 mean income distribution within priority areas and nearby neighborhoods in the west (Figure 3a) and east (Figure 3b) ends of the city. In each, there are two different undesignated official neighborhoods (bottom) that fall geographically between two priority areas (top). At least 30 percent of each of the four undesignated neighborhoods’ DAs were selected as control for the home value DID model through matching (see above). The similarities in income distribution between designated and undesignated areas are directly observable as the scales are the same in the eight graphs. All include two vertical dashed lines indicating the bottom ($43,826) and top ($91,292) citywide quintile thresholds. In the Beechborough-Greenbrook and Brookhaven-Amesbury neighborhoods in western Toronto, 36 percent and 20 percent of their DAs, respectively, were excluded from the designation despite falling below the low-income threshold and their proximity to two priority areas. In eastern Toronto, most DAs (80 percent) of the (undesignated) Ionview neighborhood are below
Figure 2. Graphs (a) and (b) show trajectories comparing undesignated (red) and designated (light blue) dissemination area (DA) paths on average monthly rent (left), average dwelling value (middle), and the cumulative sum of building permits (right) before (a) and after (b) matching. In graph (a), the markedly different trajectories respond to comparing the priority areas with the rest of the city. Graph (b) shows narrower trajectories albeit the growing gap between undesignated and designated areas across the three outcomes remains. Finally, graph (c) splits the priority areas between neighborhoods designated by the community safety plan (CSP) (green) and those included by the Strong Neighbourhoods Task Force (SNTF) (light blue). The plots in graph (c) show that the gap between undesignated and designated DA paths grows wider over time for the CSP priority areas. Each outcome (column) has a different scale.
the low-income threshold compared with 32 percent in the (designated) Flemingdon Park–O’Connor and 41 percent in the (designated) Eglington East–Kennedy Park priority areas. Both figures also show a few high-income DAs included in all four priority areas, most strikingly in Lawrence Heights.

These figures illustrate the more general issue of heterogeneity across designated and undesignated neighborhoods.

Table 5 shows that more than 438 DAs (76 percent) within priority areas have an average household income above the bottom quintile, including 42 (7 percent) in the top one. Conversely, among undesignated neighborhoods citywide, 399 DAs (13 percent) are in the bottom quintile. The proportion of low-income areas is about the same within the 13 undesignated neighborhoods with highest proportion of matched DAs. These results are consistent with proposition 2 and suggestive of the informational distortion hypothesis.

**Stigmatization**

We now examine the perceived neighborhood stigmatization in the public discourse about the TSNS. Our claim is not that stigma was the most common or only theme in the public conversation. Others included the program’ implementation challenges (e.g., funding), the political alignments around it, and success cases of community projects funded through the TSNS. However, stigmatization was a recurrent topic that routinely surfaced both in journalists’ investigations of the program’s reception and in official city consultations.

The TSNS and the “priority neighborhood” label were widely discussed in media debates when the program was launched in 2005. The discussion was not restricted to a few policy experts but was part of a wider public discourse. The TSNS was advertised by then Mayor Miller as a flagship response to the upsurge in gun violence and was heavily criticized by his political opponents. Miller’s successor, Rob Ford, was among the fiercest critics of what he called “hug-a-thug programs” (Grant 2012). To give a sense for how common discussions of the priority neighborhood program were, articles on that topic appeared 27 percent as frequently as articles on perhaps the most salient national policy issue, economic inequality, over a similar period (Baumann and Majeed 2020).

The public debate around priority neighborhoods had a marked geographic component, associating negative images with the targeted areas. Previous research has shown that the peripheral neighborhoods of Toronto are overall underrepresented in the media, but when they are featured, it is often in relation to crime. A study about the Kingston-Galloway priority area found that its media mentions, often centered on gun violence, increased in the years after the designation (Rhodes 2015). In 2008, as much as 30 percent of the media coverage of priority neighborhoods was about crime, compared with only 10 percent in downtown Toronto, where

### Table 4. Fitted Multilevel Difference-in-Difference Models.

| Predictor                                | Rent Estimate | Home Value Estimate | Building Permits Estimate |
|------------------------------------------|---------------|---------------------|---------------------------|
| Priority area × after 2006               | –29.17*** (5.21) | –69,048.27*** (4,258.27) | –13.25*** (2.75) |
| Priority area                            | 1.67 (5.11)   | –6,374.08 (5,427.36) | –5.84 (3.38) |
| After 2006                                | 171.81*** (2.53) | 23,911.21*** (2116.82) | 51.64*** (1.36) |
| Difference in rent (1996–2006)           | –106.53*** (3.04) | –80,152.15*** (4,340.81) | |
| Difference in home value (1996–2006)     |            |                     | 35.95*** (4.13) |
| Difference in cumulative sum building permits (2000–2006) |   |                     | 164.32*** (4.19) |
| Cumulative sum building permits (2006)   |            |                     | |
| Average monthly rent (2006)              | 316.84*** (3.89) | 227,661.95*** (5,471.49) | –2.19 (1.88) |
| Average household income (2006)          | 22.31*** (4.10) | 10,854.31*** (3,496.27) | .69 (2.07) |
| Proportion visible minorities (2006)     | –11.40*** (3.99) | –27,264.48*** (4,053.24) | –6.85*** (2.31) |
| Proportion BA holders (2006)             | 22.77*** (3.94) | 13,437.40*** (3,250.28) | 1.08 (1.95) |
| Proportion never married (2006)          | 3.47 (3.36)   | 16,443.34*** (7,777.22) | –1.88 (1.69) |
| Proportion apartments with five or more stories (2006) | 11.97* (4.65) | –17,767.14*** (3,343.40) | –5.35*** (1.92) |
| Proportion detached housing (2006)       | 16.72*** (4.57) | 25,059.96*** (3,988.68) | –5.68* (2.33) |
| Street tree density                      | –1.73 (3.82)  | 1,310.42 (3,041.51) | –7.11*** (1.83) |
| Latitude                                 | –12.70* (5.89) | –5,879.98 (6,813.52) | 6.30 (4.30) |
| Longitude                                | 17.00*** (5.62) | 5,967.92 (6,494.59) | –4.11 (3.77) |
| ICC                                      | .02 neighborhood | .04 neighborhood | .03 neighborhood |
| Observations                             | 13,310        | 13,545              | 23,238         |

*Note: Standard errors are reported in parentheses. Each column expresses the coefficients in the original units, that is, rent and home value in dollars, building permits as integers, proportions as percentages, and longitude and latitude in degrees. ICC = intraclass correlation.*

*p < .05. **p < .01. ***p < .001.
Figure 3. Income distribution of designated priority areas and undesignated nearby neighborhoods in western (a) and eastern (b) Toronto.
crime rates are in many cases higher (Lindgren 2009). The overrepresentation of negative coverage relative to underlying crime rates is a key indication of stigmatization.

Out of the 270 articles, 21 percent mention Malvern, 16 percent Jane-Finch, 11 percent Jamestown, and 11 percent Kingston-Galloway, while between 2 percent and 8 percent mention the remaining nine priority areas. This is an indication of how the four CSP neighborhoods—the same that became less attractive to residents and investors after the designation—became emblematic for the whole program.

By routinely linking priority designation to a host of social problems, news reports tied the program name to a sense of stigma associated with residence in priority areas. When discussing gun violence incidents, for example, authors often use the priority designation to characterize the neighborhoods where they occurred, thereby associating all parts of all designated areas with the specific incident. An article in the Globe and Mail reads, “Monday night’s shooting took place just outside the priority neighbourhood of Kingston-Galloway, one of 13 poverty-stricken pockets the city has earmarked for extra funding for social services” (Grant 2012). The connection between the designation and recurrent social problems in news stories appears even years after the designation was removed. In a 2016 piece about higher car insurance costs for poor neighborhoods, a journalist wrote, “Malvern, at the north east end of Toronto, has already been stigmatized by high crime rates and social segregation, earning its ‘Priority Neighbourhood Area’ status in 2005” (Beeston 2016). That same year, a Toronto Star piece on a police program referred to Lawrence Heights by its former priority area status:

“It’s mostly financial. They can’t afford to go out and spend 30 or 40 bucks [on bicycle helmets],” he [Constable Mir Lodhi] says of families in a neighbourhood identified by the city as a “priority area” until 2013. (Reynolds 2016)

In this case, the label continued to define the reputation of the neighborhood even after it had lost the official designation.

Stigmatization became a central issue in public discussion of the program itself, especially as commentators reflected on its impacts. This public reflection on how community members experienced the program as stigmatizing became more prominent when the program was reconsidered in 2011. That year, the councilor of Etobicoke North, the ward where the Jamestown priority area is located, sent a letter to the chair of the Community Development and Recreation Committee requesting the removal of the “priority neighborhood” label as it “would assist in attracting private investment and contribute to a sense of pride among residents of these neighbourhoods” (Crisanti 2011). The chair of the committee, Giorgio Mammoliti, supported Crisanti’s request, as he found that additional funding channeled to these areas had yielded scarce results in five years. During consultations around revisions to the program, youth from the Weston–Mt. Dennis and Jane-Finch priority areas raised stigmatization, skeptical that a new label would make any difference: “there is stigma attached to living in a ‘priority neighbourhood’; even if the name changes these communities are still being ‘singlyed out’ as ‘poor’ and ‘needy’” (City of Toronto 2014:86).

Academic and journalistic accounts of the program’s impact have echoed such concerns. In a recent ethnographic piece, a young resident of the Malvern priority neighborhood compared the designation with labeling “bad food,” as it singles out something undesirable:

When you are still labeled a priority neighbourhood it is like...labelling bad food right. ’Cause no one is gonna want to touch it, no one wants to consume it, no one wants to share it, it is bad food, they want to throw it out. It is putting everything beside the trash and not calling it trash, calling it garbage. (Srisankanarajah 2020:17)

Rajput (2013) made a similar point, commenting on an interview with a youth organizer: “youth from priority neighbourhoods have to deal with the stigmatization of their neighbourhood and face stereotypes” (p. 21). The program has left such an imprint that it was considered among the major factors driving the real estate market in the mid-2010s. A 2014 Toronto Life article reads, “Neighbourhoods that received the [priority] designation have had to bear the stigma of being singled out for poverty,” and, after the designation’s change to improvement areas, “will home buyers be incensed to learn that their gritty-but-gentrifying neighbourhoods are suddenly on the poor list?” (Kupferman 2014).
Overall, considerable evidence suggests negative images routinely associated with the priority neighborhood program in the press. Although some neighborhoods received prior negative attention, particularly the CSP ones, the “priority area” designation unified them around a single spatial category. Policy makers identified stigmatization as a risk since its inception, yet the negative associations of the designation continued for years. As the program became sedimented into the city’s common culture, the term priority neighborhood became an all-purpose name for an area overrun by social problems.

Discussion

The “new era” of urban policy pays considerable attention to neighborhoods. They lie at the intersection of targeted and place-based social policy. Critics of targeting have identified multiple negative externalities, especially informational and incentive distortion, and stigma (Mkandawire 2005; Sen 1992). These externalities are common to all targeting, not only individualized ones. Targeting delimited geographic regions adds a layer of information to them. Suddenly, entire areas of the city are singled out as “needy,” thus producing or exacerbating existing stigma. Our study suggests that these processes were at work in Toronto’s priority areas.

In line with the incentive distortion hypothesis, we find reduced housing demand and investment in targeted neighborhoods following their designation. The official recognition of priority status was particularly detrimental for neighborhoods (e.g., Malvern and Jane-Finch) where negative images were already the center of their media coverage. Here, postdesignation differences in mean rent, mean home value, and the cumulative sum of building permits between otherwise similar undesignated and CSP areas roughly tripled over the period of study. The effects of spatial targeting, especially at the scale of entire areas of the city, appear over time and may last long after the designation is removed. Our findings align with what the city’s consultation reports had identified as one of the program’s challenges: “Concerns from businesses [as] they don’t want to move into areas labeled ‘priority’” (City of Toronto 2012:40).

Regarding the informational distortion hypothesis, we have shown that fixing neighborhood boundaries produces informational distortion in two ways. First, creating discrete geographic units overemphasizes their internal coherence when, in fact, they are internally discontinuous (Small et al. 2018). As MAUP scholars argue, aggregate measures at the scale of larger geographic units increase the likelihood of (sometimes extreme) unobserved heterogeneity (Grant et al. 2014; Hennerdal and Nielsen 2017; Wong 2009). Targeted neighborhood programs make this methodological challenge a practical policy problem. In Figure 3, we have shown the dispersion in income distribution when the data are disaggregated at the DA rather than neighborhood level. Second, geographic targeting necessarily leaves out “deserving” families living in similarly disadvantaged neighborhoods. The press had already noticed the issue in news stories showing pockets of poverty in the city outside the priority areas (Ferenc 2010). We have shown that this phenomenon is quite pervasive.

Newspaper articles, policy documents, and secondary literature reveals a sense of stigma around priority neighborhoods. Stigma was visible in public debates around local politics, policing, crime, and service provision. News stories featuring crime and gun violence used the program’s name as a shorthand for “at risk” areas. In fact, crime rates in most priority neighborhoods (except the CSP ones) were not markedly different from nearby nondesignated areas or the downtown core while the program was in place. Moreover, Malvern, one of the CSP designated areas, experienced a reduction in crime rates in the following years (Friesen et al. 2018; Toronto Police 2020). The label “priority,” however, had negative connotations even after the policy changed the name of the designation to Neighbourhood Improvement Areas in 2013.

One limitation of our study is that we are not measuring changes on the issues the TSNS expected to affect more directly: service provision, crime rates, social capital, and social integration. Horak and Moore (2015) showed the mixed results of the program after interviewing residents, local organizers and city officials. Rather, our focus has been on indicators of the changing desirability of the designated areas by comparison with the rest of the city. Nonetheless, we conducted supplementary analyses using the same method (DID after matching), and the results show that the designation did not have a significant impact on indicators of social well-being such as interpersonal trust and confidence in institutions.

The review of the existing literature on urban policy revealed the possibility of elaborating the relatively neglected conception of “place-conscious” policy that operates at the intersection of universal and place-based policy orientations to approach issues such as individual poverty, lack of social services, and concentrated crime may be more effectively addressed through policy designs beyond fixed boundaries (Stone and Stoker 2015; Turner 2017). As Turner (2017) and others (Neumark and Simpson 2014) have argued, targeted place-based policies pay little attention to access to services across neighborhoods and, thus, the importance of mobility (e.g., public transit) for people living in disadvantaged parts of the city. More generally, place-conscious approaches that combine universalism with place-oriented thinking constitute an exciting area for future research. The availability of fine-grained spatial data has increased recently, creating new opportunities for scholars to discover bases of urban organization and interconnection without relying on administrative or any other type of boundary (Arríbas-Bel 2014; Silva et al. 2019). For example, researchers use Internet data from sources such as Yelp, Google Places, Twitter, Flickr, and Foursquare, as well as government registries of individual
businesses, to identify types and scopes of urban activity spaces that may spill across boundaries or occur at smaller scales (Arribas-Bel and Bakens 2019; Olson et al. 2021; Silva et al. 2014). Street grid data from sources such as Open Street Maps permit rich analyses of connectivity that go beyond location within or adjacent to neighborhood boundaries (Boeing 2017). Smartphone location and social media data offer information about the degree to which diverse parts of cities are interconnected that can capture the extent to which individuals move between and within official neighborhood borders, as well as opportunities to identify gaps in activities and services afforded to and used by residents (Dong, Ratti, and Zheng 2019; Phillips et al. 2019; Vargas-Calderón and Camargo 2019).

Although researchers have begun to tap into these possibilities, their implications for policy and service delivery are still nascent. Precisely how to exploit these potentials is an open question. One could imagine real-time monitoring systems to identify gaps in use and opportunities for an array of services at a fine-grained level, along with powerful tools to evaluate the impact and uptake of new initiatives. Such possibilities in turn raise challenging questions about privacy and trust. Although we do not have ready-to-hand answers, our study provides further evidence that targeted policy based on boundaries may constitute an impediment, practically and intellectually, to exploring and grappling with these possibilities.

**Conclusion**

Although the place-conscious synthesis of universal and place-based thinking provides an interesting direction for future research and policy, the results of this study primarily provide a cautionary note for the spatialization of social policy, in agreement with existing literature on neighborhood-based policy in places such as Bogota. The priority area program in Toronto shows that the externalities caused by the combination of spatial boundary fixation and targeting may have important implications for the neighborhoods involved. The 2013 changes in the TSNS, and the ongoing evaluation of the program, aim to respond to problems of incentive and informational distortion, and stigma. The program expanded its coverage from 13 to 31 smaller geographic targets and changed the name of the designation. The trends we have identified until 2016 (rent and home value) and 2018 (building permits) suggest that more needs to be done in this direction. For instance, the larger negative effect of the designation on home value versus rent opens research avenues on targeted policy and home buyers’ decision-making processes regarding neighborhood selection. Interviewing stakeholders (e.g., realtors) may offer insights in this regard.

The implications of our analysis for the use of geographic boundaries in targeted policy stems both from the empirical evidence and from our contribution to social and urban policy theories. We identify four policy orientations by synthesizing two debates, “targeted versus universal” and “people versus place,” as overlapping dimensions. The TSNS is a prime example of the predominant targeted-place approach. We believe that considering alternatives from a universal-place framework may help provide disadvantaged parts of the city the attention and services they require without the negative externalities of targeting.

Our goal is not to dismiss the use of geographic targets for urban policy. Future comparative work may identify conditions under which our hypotheses do or do not hold. Policy must factor in the trade-offs of targeting. Given that cities across North America and other regions have implemented similar strategies, our recommendation is that they address neighborhood needs while acknowledging their complexity. Neighborhood reputations matter for people, and they should matter for decision makers too. The actions of policy makers themselves feed into their cities’ information flows, reaffirming the old sociological dictum that “if men define their situations as real, they are real in their consequences.” The challenge, then, is to design urban policy accordingly.

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**Supplemental Material**

Supplemental material for this article is available online.

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