

Income segregation in cities

Segregation in metropolitan areas is mostly driven by the most affluent households congregating in specific neighbourhoods.

The concentration of residents in particular neighbourhoods within cities is not random but is often related to characteristics such as household income or country of origin. While the concentration of homogeneous groups of people in different neighbourhoods is to some extent a natural phenomenon of urban development, it might become a problem when it leads to isolation and low access to jobs and services of the most disadvantaged groups. In a sample of ten OECD countries plus Brazil and South Africa, levels of neighbourhood concentration along household income – also called segregation – vary considerably across cities, even within the same country (Figure 4.15). Segregation is highest in Brazil, South Africa and the United States, three countries with a history of both segregation and high income inequality. In contrast, income segregation is relatively low in New Zealand, Denmark, or the Netherlands, countries where overall economic inequality is also low.

In the most extreme case, average income segregation levels in Brasilia, the most segregated city in the sample, are seven times higher than in Auckland, the most segregated city in New Zealand. Within-country differences are less pronounced across richer countries with lower overall levels of inequality, with the exception of France. In France, income segregation is most severe in Paris, where it is almost two and a half times higher than in the French metropolitan area with the lowest level of income segregation, Saint Etienne.

Not all income groups show the same level of segregation. On average, top and bottom income groups are more likely to live separately in neighbourhoods with a low proportion of households from other income groups. In most countries, geographic segregation within cities is highest for rich households (Figure 4.16). Segregation is more prevalent for the richest quintile (in terms of income distribution)

of households than the poorest quintile in all but two countries. Only in Denmark and Netherlands the poor are more likely to live in segregation than the rich. However, these countries generally have low levels of segregation. On average, income segregation tends to be higher in larger, more affluent cities with and more unequal cities (OECD, 2018b).

Source

OECD (2018a), “Metropolitan areas”, *OECD Regional Statistics* (database). <http://dx.doi.org/10.1787/data-00531-en>.

OECD (2018b), “Divided Cities: Understanding Intra-urban Inequalities”, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264300385-en>.

Reference years and territorial level

Metropolitan areas as defined in OECD (2012).

Further information

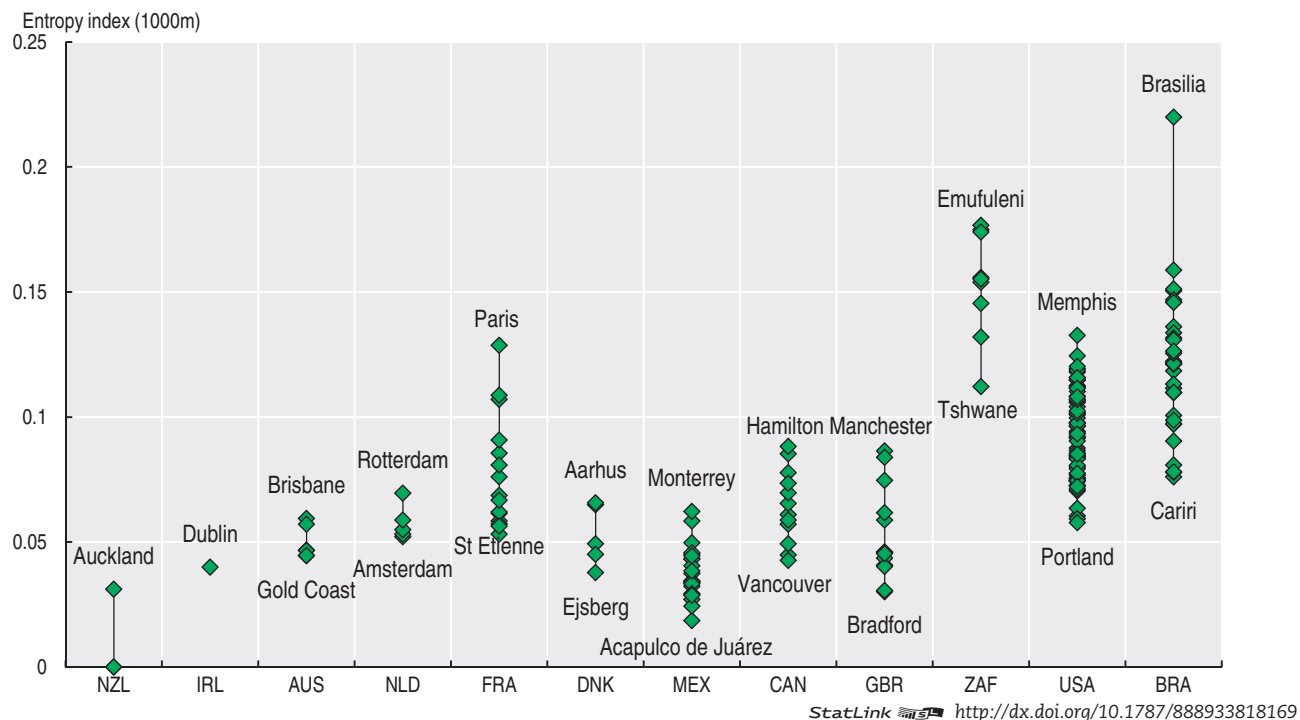
OECD (2012), *Redefining “Urban”: A New Way to Measure Metropolitan Areas*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264174108-en>.

Figure notes

4.15-4.16: Data refer to 2014 for the United States; 2013 for Denmark and New Zealand; 2011 for Brazil, Canada, France, Ireland, United Kingdom and South Africa; 2010 for Australia; 2008 for the Netherlands; 2000 for Mexico. National definitions of urban areas have been used in the case of Brazil, New Zealand, and South Africa as the EC-OECD FUA definition was not available for those countries. Source: Authors’ calculations based on income data (see Annex B for data sources).

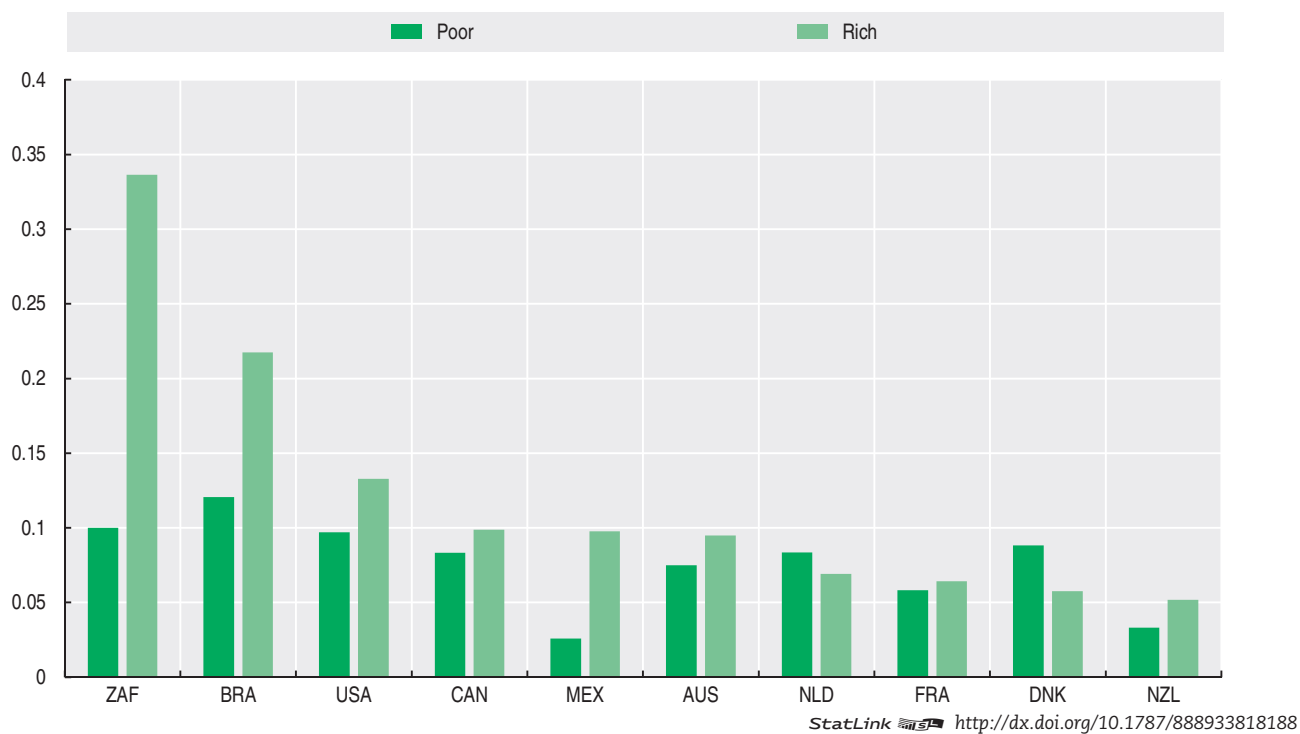
4.15. Income segregation levels across functional urban areas in each country

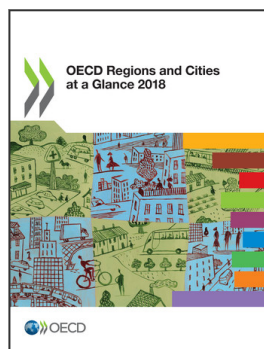
Spatial entropy (1000 m scale), 1 = complete segregation



4.16. Income segregation in the bottom and top income groups by country

Entropy index for top and bottom 20% income groups (1 = complete segregation)





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