

High-income trends among Canadian taxfilers, 1982 to 2012

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, November 18, 2014

Canada's top 1% of taxfilers saw their share of total income fall to a six-year low in 2012.

The top 1% held 10.3% of total income in 2012, down from 10.6% in 2011, and well below the historical peak of 12.1% reached in 2006.

The share of the top 5% of taxfilers declined from 25.1% in 2006 to 23.6% in 2012, while the share of the top 10% of taxfilers fell from 36.1% to 34.9% during the same period.

The decline in top income shares in Canada was in contrast to the United States, where the income share of the top 1% increased from 18.0% in 2006 to 19.3% in 2012. Since hitting a low of 16.7% in 2009, the total income share for the top 1% in the United States had grown by 2.6 percentage points by 2012, while, in Canada, it had declined by 0.4 percentage points during the same period, falling from 10.7% to 10.3%.

The six-year period between 2006 and 2012 also marked, for the first time since 1982, a prolonged period in which the total income shares of the bottom 90%, 95% and 99% of Canadian taxfilers rose or stabilized.

Taxfilers needed to earn a total income of \$215,700 to be among the top 1% in 2012, a \$3,000 increase from \$212,700 in 2011. The threshold to be included in the top 5% was \$112,100 and for the top 10% it was \$86,700.

Top income shares buck the national trend in several provinces

While the top 1%, 5% and 10% income shares dropped at the Canada level in both the 2011 to 2012 and the 2006 to 2012 periods, several provinces bucked the national trend.

Between 2011 and 2012, the share of income going to the Canadian top 5% living in Newfoundland and Labrador rose from 18.3% to 19.9% and in Prince Edward Island it rose from 10.7% to 11.4%. In turn, the top 10% income shares went from 29.7% to 31.5% in Newfoundland and Labrador and from 18.1% to 18.6% in Prince Edward Island.

The top 1% income share in Quebec, and the top 5% and 10% income shares in Saskatchewan and Alberta also went up moderately between 2011 and 2012.

Top income shares did rise more markedly in several provinces between 2006 and 2012. The top 1% income share went from 4.4% to 5.6% in Newfoundland and Labrador. The top 5% income share rose from 13.9% to 19.9% and the top 10% share from 22.4% to 31.5%.

In Prince Edward Island, the income share of the top 5% increased from 9.4% to 11.4% and for the top 10% went from 16.3% to 18.6% during the same period.

The top 5% income share in Saskatchewan rose from 18.2% to 21.8%, while the income share of the top 10% filers went from 29.0% to 34.5% between 2006 and 2012. Top income shares also went up slightly in New Brunswick over the same timeframe.

In Alberta, the income share of the top 10% of Canadian taxfilers living in that province went down after the recession, but, by 2012, it had recovered to reach 50.4%, just shy of the 2008 peak of 50.8%.

Changes in provincial distribution of the top 1% income taxfilers from 2000 to 2012

While Ontario still had the largest proportion (41.5%) of the country's top 1% taxfilers in 2012, this share has been declining since its peak of 51.7% in 2000.



The proportion of the top 1% of taxfilers living in Quebec was relatively stable during this period, declining from 17.2% in 2000 to 16.6% in 2012.

In 2005, Alberta surpassed Quebec as the province with the second largest proportion of Canadians in the top 1%, and has remained there since. Alberta was home to 12.7% of the top 1% of Canadian taxfilers in 2000 and this share had increased to 22.8% by 2012.

British Columbia also had a relatively large and stable share of the top 1% of Canadian taxfilers from 2000 to 2012. British Columbians represented 10.7% of the top 1% of Canadian taxfilers in 2000, edging up to 11.1% by 2012.

Two provinces had small, but increasing, proportions of Canada's top 1% taxfilers. Saskatchewan moved from the seventh-ranked province in 2000 (1.5%) to fifth place in 2008 (2.1%), a spot it still holds. The Newfoundland and Labrador share of the top 1% of taxfilers increased from 0.7% in 2005 to 1.0% in 2012, and it surpassed New Brunswick's share in 2011.

Manitoba, New Brunswick and Nova Scotia all experienced declines in the proportion of top 1% taxfilers living in the province between 2000 and 2012.

Proportion of women with top incomes at an all-time high

Although Canadian men represent the vast majority of the top income groups, the number and share of women in top 1% reached a 31-year high in 2012.

Among the 261,365 top 1% taxfilers, more than one in five (21.3%) in 2012 were women. That was almost twice their proportion in 1982.

Women's share also doubled among the top 5% and the top 10% of taxfilers between 1982 and 2012. In 2012, women accounted for 25.2% of the top 5%, up from 12.0% 30 years earlier. Women's share in the top 10% rose from 14.3% to 29.8% over that three-decade period.

Note to readers

Data for 2012 have been added to the Longitudinal Administrative Databank (LAD). This databank now spans 31 years, from 1982 to 2012, and contains information about individuals and census families.

The LAD consists of a 20% longitudinal sample of Canadian taxfilers and provides researchers and analysts with a tool for studying the changes in income experienced by individuals and their families. The LAD contains a wide variety of income and demographic variables such as employment income, self-employment income, registered retirement savings plan contributions, alimony, age, sex, and census family composition. Its large sample ensures reliable data for Canada, the provinces and territories, census metropolitan areas, and some subprovincial regions, based on aggregations of postal codes.

The LAD also contains information from the Longitudinal Immigration Database. It covers immigrants landed between 1980 and 2011 and provides information on their key characteristics at landing. Information from Tax Free Savings Accounts for 2012 has also been added to the LAD.

Derived from the LAD, data for 1982 to 2012 on Canadian taxfilers with high incomes are now available on CANSIM for various provinces and selected census metropolitan areas.

In this release, all dollar figures are expressed in 2012 constant dollars and statistics on taxfilers, high income thresholds and income shares are all extracted from CANSIM Table 204-0001.

Total (or before-tax) income consists of income from earnings, investments, pensions, spousal support payments and other taxable income plus government transfers and refundable tax credits.

Since not all individuals file income tax returns, statistics contained in these tables should be interpreted in the context of living taxfilers, not the whole population.

**Table 1
Canadian taxfilers by income, selected years**

	Income threshold	Taxfilers	Income			Taxfilers	
			Total	Men	Women	Men	Women
	2012 dollars	number	% of total income			% of taxfilers within income group	
Top 1%							
1982	154,100	151,340	7.1	6.3	0.8	88.6	11.4
2006	210,300	242,435	12.1	10.2	1.9	80.5	19.5
2011	212,700	258,465	10.6	8.7	1.9	78.9	21.1
2012	215,700	261,365	10.3	8.4	1.9	78.7	21.3
Top 5%							
1982	92,200	756,770	19.1	16.8	2.3	88.0	12.0
2006	105,400	1,212,200	25.1	20.0	5.1	76.4	23.6
2011	109,900	1,292,335	23.8	18.4	5.4	74.6	25.4
2012	112,100	1,306,835	23.6	18.3	5.3	74.8	25.2
Top 10%							
1982	74,900	1,513,475	30.2	26.1	4.1	85.7	14.3
2006	81,900	2,424,350	36.1	27.5	8.6	72.2	27.8
2011	85,400	2,584,685	35.1	25.8	9.3	69.7	30.3
2012	86,700	2,613,730	34.9	25.7	9.2	70.2	29.8
Bottom 90%							
1982	74,900	13,620,460	69.8	42.0	27.8	48.5	51.5
2006	81,900	21,818,935	63.9	32.8	31.2	45.5	54.5
2011	85,400	23,261,730	64.9	33.0	31.9	45.6	54.4
2012	86,700	23,522,670	65.1	33.0	32.0	45.6	54.4
Bottom 95%							
1982	92,200	14,377,165	80.9	51.3	29.6	50.3	49.7
2006	105,400	23,031,085	74.9	40.3	34.7	46.7	53.3
2011	109,900	24,554,080	76.2	40.3	35.9	46.7	53.3
2012	112,100	24,829,565	76.4	40.5	35.9	46.7	53.3
Bottom 99%							
1982	154,100	14,982,595	92.9	61.9	31.1	51.8	48.2
2006	210,300	24,000,850	87.9	50.1	37.8	47.8	52.2
2011	212,700	25,587,950	89.4	50.1	39.4	47.7	52.3
2012	215,700	25,875,035	89.7	50.3	39.4	47.8	52.2

Table 2
Provincial/territorial distribution of Canadian top 10% taxfilers, selected years

	2006		2011		2012	
	number of taxfilers	% of total income within jurisdiction	number of taxfilers	% of total income within jurisdiction	number of taxfilers	% of total income within jurisdiction
Canada	2,424,350	36.1	2,584,685	35.1	2,613,730	34.9
Newfoundland and Labrador	22,350	22.4	35,995	29.7	39,345	31.5
Prince Edward Island	4,660	16.3	5,550	18.1	5,625	18.6
Nova Scotia	46,225	24.5	48,700	24.3	48,285	24.2
New Brunswick	30,180	19.8	35,195	21.9	34,770	21.5
Quebec	407,370	26.6	425,075	25.8	429,160	25.9
Ontario	1,071,495	40.0	1,078,085	37.9	1,063,210	37.2
Manitoba	57,265	24.9	65,265	25.7	66,070	25.7
Saskatchewan	58,750	29.0	86,815	34.1	90,810	34.5
Alberta	393,955	49.6	467,330	49.7	501,955	50.4
British Columbia	318,725	35.8	321,285	33.8	319,270	33.1
Territories	13,375	48.5	15,390	49.9	15,230	49.1

Available in CANSIM: tables [204-0001](#) and [204-0002](#).

Definitions, data sources and methods: survey number [4107](#).

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Brian Murphy (613-617-9481; brian.murphy@statcan.gc.ca), Income Statistics Division.