

# Canadian Income Survey, 2013

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The median after-tax income of Canadian economic families and persons not in an economic family was \$53,500 in 2013, virtually unchanged from 2012.

The median after-tax income of economic families of two or more people was \$72,200, while for persons not in an economic family, the median was \$28,200 in 2013.

## Median after-tax income by family type

Families whose highest income earner was 65 years or older (senior families) had a median after-tax income of \$52,500 in 2013, compared with \$77,100 for non-senior families.

Canadians 65 years or older not living in an economic family recorded a median after-tax income of \$25,700, while their non-senior counterparts reported \$29,800.

For two-parent families with children, median after-tax income was \$85,000.

Among lone-parent families, median after-tax income was \$41,700 in 2013. Lone-parent families headed by a woman had a median after-tax income of \$39,400.

## Components of after-tax income

After-tax income is the total of market income and government transfers, less income tax.

Among economic families and persons not in an economic family, median market income—earnings, private pensions, and income from investments and other sources—was \$50,600 in 2013, virtually unchanged from 2012.

In 2013, two-parent families with children had a median market income of \$92,600. Senior families had a median of \$29,900.

Lone-parent families headed by a woman had a median market income of \$25,200.

Among those not living in an economic family, non-seniors had a median market income of \$30,000, while seniors had a median market income of \$10,400.

The types of government transfers received in 2013 varied by family type. Government transfers, such as Old Age Security, Guaranteed Income Supplement, and Canada and Quebec Pension Plans, accounted for a large part of seniors' income, with the median reaching \$26,600 for senior families. In contrast, median government transfers for non-senior families were \$3,600 in 2013.

The median amount of income tax, including both federal and provincial tax, paid by non-senior families was \$11,700 in 2013, while the median paid by senior families was \$3,100.

## After-tax income distribution among Canadians

To provide an overview of the distribution of after-tax income in Canada, economic families and persons not in an economic family were divided into 10 equal-sized groups, or deciles, from lowest to highest after-tax income.

Economic families and persons not in an economic family needed to have an after-tax income of more than \$130,600 to be in the top decile in 2013. The average after-tax income in the highest decile was \$183,600.

Average after-tax income in the ninth decile was \$113,100, while in the eighth decile it was \$88,300.



Economic families and persons not in an economic family with after-tax income below \$17,300 were in the lowest decile in 2013. Average after-tax income in the lowest decile was \$9,200.

## **Income inequality**

For statistics on income inequality, it is common practice to use income measures based upon after-tax household income that has been adjusted for household size (adjusted after-tax income). Adjusting for household size allows users to look at the income of households of different sizes on a comparable basis.

One way to look at income inequality is to look at the share of income held by various segments of the income distribution. Based on adjusted after-tax income, Canadians in the highest decile accounted for 23.7% of total after-tax income in Canada in 2013, while the lowest decile represented 2.5%. Together, the four lower deciles accounted for 19.8% of total after-tax income.

## **Incidence of low income**

According to the after-tax low income measure (LIM-AT), 4.6 million people, or 13.5% of the population, lived in low income in 2013, virtually unchanged from 2012. The LIM-AT is an internationally used measure of low income. The concept underlying the LIM-AT is that all persons in a household have low income if their household income is less than half of the median income of all households.

In 2013, 16.5% of children aged 17 and under lived in low income. Among children living in two-parent families, 12.8% lived in low income. For children living in lone-parent families headed by a woman, the incidence was 42.6%.

For seniors living in an economic family, the low-income rate was 5.2%, while for seniors not in an economic family, the rate was 27.1%.

## Note to readers

This is the second release of data from the Canadian Income Survey (CIS). It is based on annual income information for the 2012 and 2013 reference years.

This release examines the income of economic families and persons not in an economic family, as well as low income in Canada. As estimates are based on probability samples, differences between estimates are reported only where they are statistically significant at the 95% confidence interval.

### Definitions

An **economic family** refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law, adoption or a foster relationship. This concept differs from the census family concept used for subprovincial data in the Annual Income Estimates for Census Families and Individuals.

This release for the most part analyses income on the basis of medians. The **median** is the level of income at which half the population had higher income and half had lower. Dollar estimates are expressed in 2013 constant dollars to factor in inflation and enable comparisons across time in real terms.

**After-tax income** is the total of market income and government transfers, less income tax.

**Market income** consists of earnings, private pensions as well as income from investments and other sources such as support and disability payments.

**Government transfers** include benefits such as Old Age Security, Guaranteed Income Supplement, Canada and Quebec Pension Plan, Employment Insurance, Social Assistance, Goods and Services Tax Credit, provincial tax credits and various types of child benefits.

**Income inequality** refers to the extent that income is distributed unequally among members of a population. This analysis reports on income inequality using statistics based upon adjusted after-tax income. This adjustment distributes income among the members of the household, and takes into account the economies of scale present in larger households, the increasing number of people living on their own and the decline in family size over time. The adjustment is made by dividing household income by the square root of the household size and assigning this value to all persons in the household. While there are different ways to describe income inequality, this analysis reports on the share of adjusted after-tax income held by various segments of the income distribution.

**Low income** in this release is calculated using the after-tax Low Income Measure (LIM-AT). Individuals are defined as having low income if their adjusted after-tax income falls below 50% of the median adjusted after-tax income. Adjusted after-tax income is derived by dividing household income by the square root of the household size and assigning this value to all persons in the household.

Other low income lines (Low-income Cut-off and Employment and Social Development Canada's Market Basket Measure) are available in CANSIM tables 206-0092 and 206-0093 and in the article "[Low Income Lines, 2013-2014](#)" as part of the Income Research Paper Series ([75F0002M](#)). Low-income statistics based on each measure are available in CANSIM tables 206-0041 and 206-0042.

### Historical comparison

The CIS reports on many of the same statistics, such as individual and family income, as did the Survey of Labour and Income Dynamics (SLID), which last reported on income for the 2011 reference year. The CIS uses a different methodology compared with that used in SLID, and until revised historical statistics are prepared and analyzed to ensure that they are as comparable as possible with the current CIS results, the results of the CIS should not be compared with those produced by the SLID or other previous income surveys.

Statistics Canada will release a revised series of income statistics that will allow for the comparison of 2012 and 2013 data to earlier years by December 2015. For more information on the differences between CIS and SLID, see the report "[Note to Users of Data from the 2012 Canadian Income Survey](#)."

**Table 1**  
**Income statistics by selected family types, 2012 and 2013**

	2012				2013			
	After-tax income	Market income	Government transfers	Income tax	After-tax income	Market income	Government transfers	Income tax
median (2013 constant dollars)								
<b>Economic families and persons not in an economic family</b>	<b>53,400</b>	<b>50,400</b>	<b>5,300</b>	<b>6,300</b>	<b>53,500</b>	<b>50,600</b>	<b>5,300</b>	<b>6,400</b>
Economic families	72,300	72,500	6,800	9,800	72,200	72,600	7,000	9,800
Senior families	52,800	30,900	26,300	3,200	52,500	29,900	26,600	3,100
Non-senior families	77,600	83,300	3,600	11,700	77,100	82,800	3,600	11,700
Two-parent families with children	85,400	92,500	4,400	13,600	85,000	92,600	4,300	13,400
Female lone-parent families	39,400	25,200	10,400	F	39,400	25,200	11,000	F
Persons not in an economic family	27,500	22,600	1,500	2,100	28,200	23,100	1,600	2,400
Seniors	25,300	9,400	17,000	400	25,700	10,400	17,000	700
Non-seniors	28,600	29,400	700	3,100	29,800	30,000	600	3,300

F too unreliable to be published  
Source(s): CANSIM table [206-0011](#).

**Table 2**  
**Income statistics by after-tax income decile, economic families and persons not in an economic family, 2013**

	Upper after-tax income limit	Average after-tax income
	dollars	
<b>All deciles</b>		<b>66,600</b>
Lowest decile	17,300	9,200
Second decile	26,200	21,500
Third decile	35,200	30,900
Fourth decile	44,000	39,600
Fifth decile	53,500	48,700
Sixth decile	65,300	59,200
Seventh decile	79,100	71,900
Eighth decile	98,400	88,300
Ninth decile	130,600	113,100
Highest decile	.	183,600

. not available for any reference period  
Source(s): CANSIM table [206-0031](#).

**Table 3**  
**Persons in low income (after-tax low income measure), 2012 and 2013**

	Persons in low income			
	2012	2013	2012	2013
	thousands		%	
<b>All persons in low income</b>	<b>4,682</b>	<b>4,649</b>	<b>13.8</b>	<b>13.5</b>
Persons under 18 years <sup>1</sup>	1,100	1,114	16.3	16.5
In two-parent families	722	708	12.9	12.8
In female lone-parent families	314	331	44.5	42.6
Persons 18 to 64 years	2,976	2,955	13.3	13.1
In economic families	1,963	1,896	10.6	10.1
Not in an economic family	1,013	1,058	27.0	28.0
Persons 65 years and over	606	579	12.1	11.1
In economic families	228	198	6.2	5.2
Not in an economic family	378	382	28.5	27.1

1. Data do not add up to the total, as some components have been excluded.

Source(s): CANSIM table [206-0041](#).

Available in CANSIM: tables [206-0011](#), [206-0021](#), [206-0031](#) to [206-0033](#), [206-0041](#), [206-0042](#) and [206-0091](#) to [206-0093](#).

**Definitions, data sources and methods: survey number [5200](#).**

The article "[Low Income Lines, 2013-2014](#)," as part of the *Income Research Paper Series* ([75F0002M](#)), is now available from the *Browse by key resource* module of our website under *Publications*.

Custom tabulations are available upon request.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).