

High-income trends among Canadian tax filers, 2015

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, November 15, 2017

Top 1% share of total income rises nearly 1%

The top 1% of individual tax filers saw their share of total income rise by almost one percentage point from 2014 to 2015, the result of a sharp increase in the dividend income from Canadian corporations. This was the first increase in the share of total income going to the top 1% since 2006.

The top 1% of Canadian tax filers held 11.2% of the nation's total income in 2015, up from 10.3% in 2014, but 0.9 percentage points below the peak of 12.1% in 2006. The average total income for the top 1% rose 12.2% from 2014 to \$529,600 in 2015.

The top 1% of tax filers paid, on average, \$183,000 in income taxes to the federal, provincial and territorial governments in 2015, up 13.5% over 2014. They accounted for 22.2% of total income taxes paid by all tax filers, up from 20.5% in 2014 but below the peak of 23.3% in 2007.

The median total income of all filers was \$33,400 in 2015. To be in the top 1% in 2015, a tax filer must have earned a total income of at least \$234,700. Just under 270,930 Canadian tax filers were in the top 1%. To be in the top 5% required a total income of \$120,100, while to be in the top 10% required \$92,800.

The number of women in the top group continues to grow

Female tax filers continued to increase their representation at the top of the income distribution. Women accounted for a record 23.2% of the top 1% of tax filers in 2015, up from 21.7% in 2014. This was the largest yearly gain since 1989. The share of men in the top 1% fell from 78.3% to 76.8%.

Growth throughout the income distribution

Income growth was seen across the income distribution from 2014 to 2015. The real average income of all tax filers rose 2.6% from 2014 (\$45,900) to 2015 (\$47,100), the largest year-over-year increase since 2005-2006.

The bottom 50% of tax filers saw a 3.4% increase in average total income, compared with a 2.3% gain for the top half. However, the growth in the top half was concentrated in the top 1%. Excluding the top 1%, the top half of tax filers saw a 0.9% increase in average income, compared with a 12.2% gain for the top 1%.

As a result, the shares of income for the top 1% and bottom 50% increased, while the share of income for tax filers from the 51st to 99th percentiles fell 1.2 percentage points.

Dividends are the most important factor behind the increase in top income share

High-income tax filers typically receive a large share of the total dividends from Canadian corporations. From 1982 to 2015, the top 1% of tax filers received, on average, about 40% of total dividend income from Canadian corporations.

As of the late 1990s, dividends also overtook interest and investment to become the second most important income source (after employment income) for the top 1% of tax filers.

In 2015, the top 1% of tax filers received on average \$102,300 of dividend income, up sharply from \$66,700 in 2014.



The growth in dividend income was the most important factor in the 0.9 percentage point increase in the total income share of the top 1% of tax filers in 2015. Specifically, dividends accounted for 0.7 percentage points of this increase, while employment income accounted for the remaining 0.2 percentage points.

Largest decline of top 1% of Canadian tax filers in Alberta

In 2015, two provinces (Ontario and British Columbia), saw the strongest annual gains in the number of top 1% of Canadian tax filers living in their province, while Alberta was the lone province with a substantial decline.

The number of top 1% of tax filers living in Ontario rose by nearly 4,000 from 2014 to 111,145 in 2015, while the number living in British Columbia increased by 1,635 to 31,495.

Much of these increases in the top 1% of tax filers took place in cities. Vancouver accounted for 1,380 (84%) of the 1,635 additional top 1% of tax filers in British Columbia. Of the nearly 4,000 additional top 1% of filers in Ontario, Toronto accounted for 1,660 (42.1%), followed by Hamilton (10.2%), Kitchener–Cambridge–Waterloo (7.9%), Oshawa (6.9%) and Windsor (6.2%).

In contrast, the number of the top 1% of Canadian tax filers living in Alberta went down in 2015, an indication of the early impact of the downturn in oil prices. The number of filers fell by 3,390, from 68,575 in 2014 to 65,185 in 2015, the largest yearly decline since 1987.

In Alberta, the vast majority (69%) of the decline in the number of the top 1% of tax filers occurred in Wood Buffalo, down from 5,460 in 2014 to 3,130 in 2015. Calgary accounted for another 785 (23%) of the drop in tax filers, while Edmonton saw a gain of 395.

Table 1
Selected high income statistics, Canada, 2014 and 2015

	2014	2015
	%	
Shares for selected percentiles		
Top 0.01% share of total income	1.2	1.6
Top 0.1% share of total income	3.5	4.3
Top 1% share of total income	10.3	11.2
Top 1% share of income taxes	20.5	22.2
Top 1% share of dividend income	32.5	41.4
51st to 99th percentiles share of total income ¹	72.8	71.6
Bottom 50% share of income	17.1	17.2
Proportion of women in top 1%	21.7	23.2
Proportion of men in top 1%	78.3	76.8

1. The total income share of tax filers in the 51st to 99th percentiles is equal to 100 less the share of the top 1% and the bottom 50% of tax filers.

Source(s): Longitudinal Administrative Databank and CANSIM table [204-0001](#).

Table 2
Average income and income taxes, top 1% of tax filers, Canada, 2014 and 2015

	2014	2015
	dollars	
Selected statistics for top 1% of tax filers		
Average total income	471,900	529,600
Average income taxes	161,300	183,000
Average dividend income	66,700	102,300

Note(s): Dollar figures are adjusted to 2015 value with the all-items Consumer Price Index.

Source(s): Longitudinal Administrative Databank and CANSIM table [204-0001](#).

Table 3
Number of top 1% of tax filers: Canada, provinces, territories and selected cities, 2014 and 2015

	2014	2015
	number	
Canada	268,505	270,925
Newfoundland and Labrador	3,240	3,225
Prince Edward Island	F	F
Nova Scotia	3,730	3,490
New Brunswick	2,270	2,105
Quebec	40,595	40,990
Ontario	107,205	111,145
Manitoba	5,585	5,990
Saskatchewan	6,535	6,360
Alberta	68,575	65,185
British Columbia	29,860	31,495
Territories	565	640
All census metropolitan areas	221,105	226,220
Montréal, Quebec	27,490	27,740
Toronto, Ontario	67,495	69,155
Ottawa–Gatineau, Ontario and Quebec	9,145	9,265
Calgary, Alberta	34,490	33,705
Edmonton, Alberta	15,680	16,075
Vancouver, British Columbia	20,410	21,790
All census agglomerations	25,330	22,965
Wood Buffalo, Alberta	5,460	3,130
Outside of census metropolitan areas and census agglomerations	22,070	21,740

F too unreliable to be published

Note(s): Cities refer to census metropolitan areas and census agglomerations.

Source(s): Longitudinal Administrative Databank and CANSIM table [204-0001](#).

Note to readers

Data for 2015 have been added to the Longitudinal Administrative Databank (LAD). This databank now spans 34 years, from 1982 to 2015, and contains information about individuals and their census families.

The LAD consists of a 20% longitudinal sample of Canadian tax filers 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, census metropolitan areas and some sub-provincial regions based on aggregations of postal codes.

The LAD also contains information from the Longitudinal Immigration Database. It covers immigrants who landed between 1980 and 2015 and provides information on their key characteristics at landing. Information from Tax Free Savings Accounts for 2015 has also been added to the LAD.

Derived from the LAD, data for 1982 to 2015 on Canadian tax filers with high incomes as well as data on the low-income dynamics of Canadian tax filers are now available on CANSIM for various provinces and selected census metropolitan areas.

All dollar figures in this release are expressed in 2015 constant dollars unless otherwise noted.

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 and a small share of tax filers die each year, statistics contained in these tables should be interpreted in the context of living tax filers, not the whole population.

Available in CANSIM: tables [204-0001](#), [204-0002](#) and [204-0101 to 204-0103](#).

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

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

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