

Family income mobility of Canadian taxfilers, 1982 to 2016

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Since the early 1980s, with the exception of the early 1990s recession, more Canadian taxfilers saw their real family after-tax income rise than fall. Over time, they also became more likely to stay on the same rung of the income ladder and were less likely to move up or down relative to other taxfilers.

Falling incomes related to economic downturns

At the height of the recessions in the early 1980s and 1990s, around half of all taxfilers had falling family income over a five-year period, while the other half had rising family income. In all other periods, the number of filers with rising incomes exceeded those with falling incomes.

Since the mid-1990s, on average, about 40% of filers had falling family incomes, compared with 60% with rising incomes. Since 1995, the lowest percentage of filers with falling incomes occurred in the 1997-to-2002 period (35.5%), while the highest rate occurred from 2009 to 2014 (45.3%). The rate was 42.3% in the latest period (2011 to 2016).

Canadian taxfilers are more likely to stay on the same rung of the income ladder

Canadian taxfilers have become more likely to remain on the same rung of the income ladder over a five-year period. From the early 1980s to the early 1990s, just over one-quarter of Canadian taxfilers stayed in the same decile over a five-year period. This increased to nearly one-third by the 2008-to-2013 period and remained there through the 2011-to-2016 period.

This increasing immobility was accompanied by a declining upward mobility. Compared with the 1980s, relatively fewer taxfilers moved to higher income deciles during the last decade. In the 1980s, over 40% of taxfilers moved to higher income deciles in each five-year period. This lowered to and stabilized at around 35% from the early 2000s onwards.

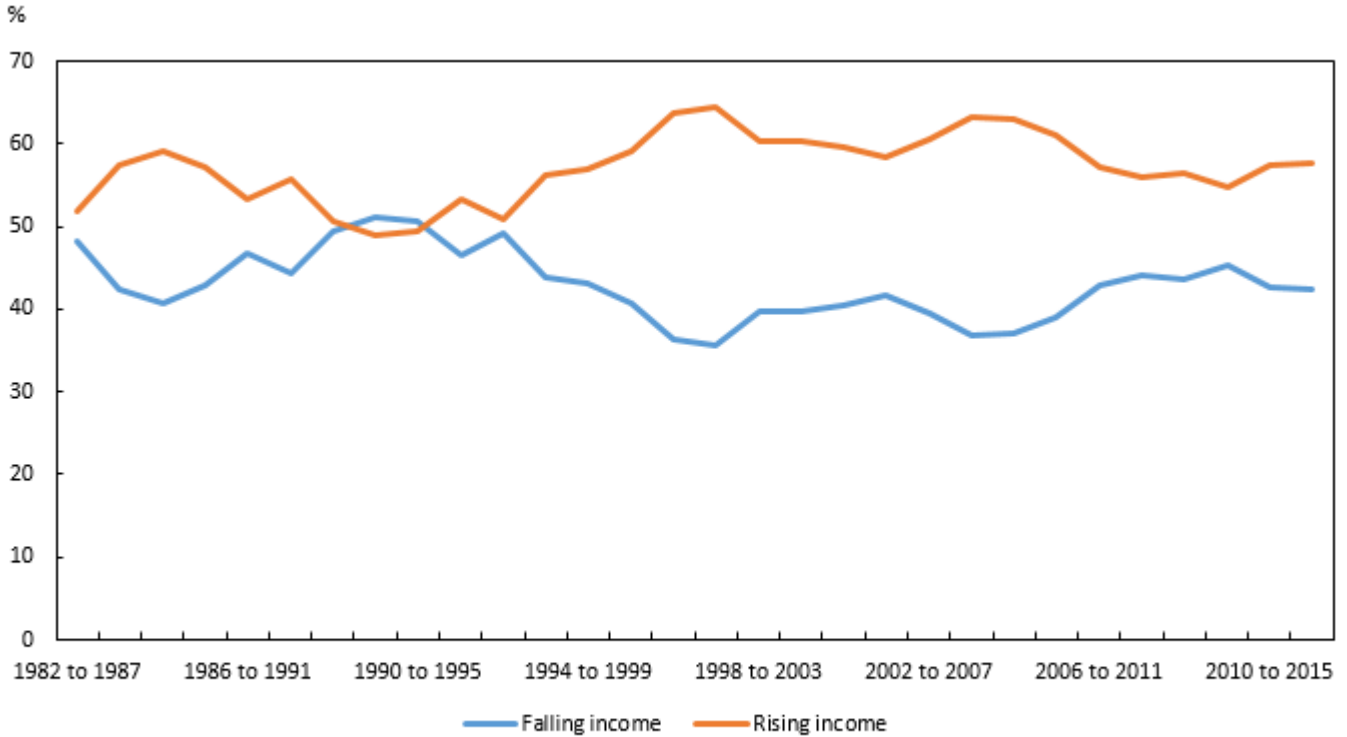
Despite this stabilization of upward mobility since the early 2000s, immobility has continued to increase during the last decade. This trend was accompanied by a decline in downward mobility, as evidenced by relatively fewer taxfilers moving to lower deciles since the early 2000s. With fewer taxfilers moving up and fewer moving down, it is natural to observe a rising immobility.

Immobility rises for all taxfilers, but more so for those from the lower part of the income distribution

Taxfilers from all income deciles experienced rising immobility over time, but the reduced income mobility was most prominent for taxfilers in the lower part of the income distribution. For example, among taxfilers in the second decile, income immobility was typically experienced by under one-quarter in the 1980s. This proportion rose to just over 40% by the 2008-to-2013 period, while for taxfilers in the top decile, it edged up from just under 55% to just over 57%.



Infographic 1 – Percentage of taxfilers with rising or falling family income over a five year period, 1982-1987 to 2011-2016

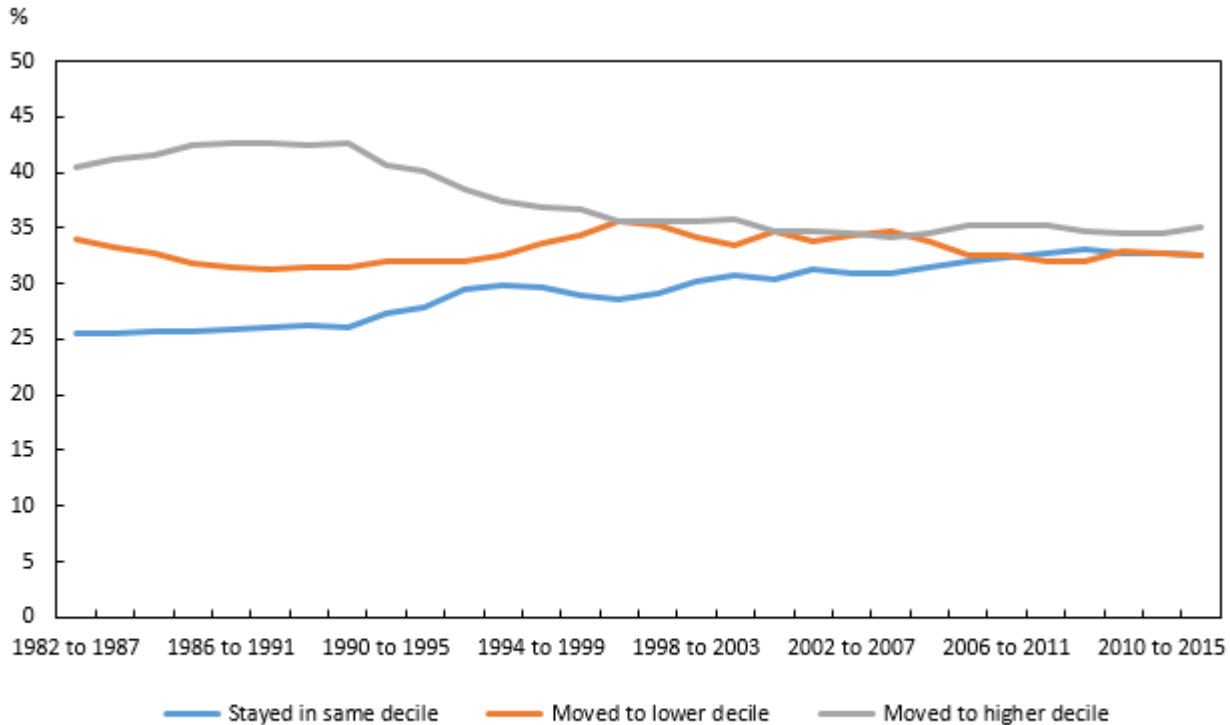


Source: Table 11-10-0059-01.

Against the backdrop of rising immobility, taxfilers in lower deciles became less likely to move up. In the 1980s, at least 60% of taxfilers in the second decile moved up to a higher decile in five years, reflecting, in part, the entry of the baby boomers into their peak earning years. This proportion fell to just under 46% by the 2011-to-2016 period.

In contrast, taxfilers in the top deciles became less likely to move down. In the 1980s, around 47% of the top decile moved down, compared with 43% during the 2005-to-2010 period.

Infographic 2 – Proportion of taxfilers moving to different family income deciles over a five-year period, 1982-1987 to 2011-2016



Source: Table 11-10-0059-01.

Seniors are most likely to stay in the same income decile

Senior taxfilers (65 years and older) were more likely to stay in the same income decile compared with other age groups. For example, while less than 22% of taxfilers aged 18 to 24 stayed in the same decile from 2011 to 2016, senior taxfilers were twice as likely to do so.

Over time, immobility rose strongly for senior taxfilers. On average, about one-third of seniors stayed in the same decile over the five-year periods in the 1980s. This proportion rose to about 39% in the 1990s and since 2000, it rose further to 45%. In contrast, less than 20% of taxfilers aged 18 to 24 stayed in the same decile before 2000, and after 2000, this proportion edged up to 21%.

Immigrants to Canada since 1979 have greater upward mobility than Canadian-born taxfilers

Canadian-born taxfilers were more likely to stay in the same decile than immigrant taxfilers who immigrated after 1979. Moreover, immigrant taxfilers were more likely to move to higher deciles than Canadian-born taxfilers. From 2011 to 2016, nearly 45% of immigrant taxfilers moved to higher deciles, while 33% of Canadian-born taxfilers did so. Immigrant taxfilers were also less likely to move to lower deciles than Canadian-born taxfilers.

Table 1
Five-year family after-tax income mobility, selected groups and periods, Canada

	1982 to 1987	1987 to 1992	1993 to 1998	1999 to 2004	2005 to 2010	2011 to 2016
	%					
Percentage of taxfilers with rising income						
All taxfilers	51.9	55.7	56.2	60.3	61.0	57.7
Taxfilers in lowest decile	89.9	87.8	82.2	82.2	85.3	84.7
Taxfilers in top decile	26.6	31.7	37.9	43.3	40.8	35.3
18 to 24 years old	54.9	56.7	58.1	61.5	58.6	58.4
65 years and above	34.5	53.8	47.0	49.9	57.7	47.8
Canadian-born taxfilers	51.6	55.4	55.4	59.8	60.1	55.8
Immigrant taxfilers landed in Canada in 1980 or after	70.3	63.7	66.4	64.8	65.8	66.2
Percentage of taxfilers with falling income						
All taxfilers	48.1	44.3	43.8	39.7	39.0	42.3
Taxfilers in lowest decile	10.1	12.2	17.8	17.8	14.7	15.3
Taxfilers in top decile	73.4	68.3	62.1	56.7	59.2	64.7
18 to 24 years old	45.1	43.3	41.9	38.5	41.4	41.6
65 years and above	65.5	46.2	53.0	50.1	42.3	52.2
Canadian-born taxfilers	48.4	44.6	44.6	40.2	39.9	44.2
Immigrant taxfilers landed in Canada in 1980 or after	29.7	36.3	33.6	35.2	34.2	33.8
Percentage of taxfilers who stayed in the same decile						
All taxfilers	25.5	26.1	29.9	30.8	32.1	32.6
Taxfilers in lowest decile	32.5	27.1	31.2	34.6	37.5	38.3
Taxfilers in top decile	51.7	52.9	54.8	56.8	57.2	57.2
18 to 24 years old	18.1	17.6	19.2	20.0	21.0	21.8
65 years and above	30.6	35.4	44.9	42.0	47.4	44.6
Canadian-born taxfilers	25.6	26.3	30.3	31.2	32.8	33.3
Immigrant taxfilers landed in Canada in 1980 or after	18.3	20.1	24.1	26.5	27.9	29.3
Percentage of taxfilers who moved to higher deciles						
All taxfilers	40.5	42.6	37.5	35.8	35.3	35.0
Taxfilers in lowest decile	67.5	72.9	68.8	65.4	62.5	61.7
Taxfilers in ninth decile	23.8	24.2	22.7	22.2	22.1	22.7
18 to 24 years old	45.6	48.2	47.9	48.0	45.7	46.5
65 years old and over	25.3	39.4	21.7	18.0	18.0	16.9
Canadian-born taxfilers	40.3	42.3	36.6	34.9	34.0	32.8
Immigrant taxfilers landed in Canada in 1980 or after	56.3	51.6	50.6	44.0	43.6	44.7
Percentage of taxfilers who moved to lower deciles						
All taxfilers	34.0	31.3	32.6	33.4	32.5	32.5
Taxfilers in second decile	14.3	12.7	14.6	15.4	14.6	14.1
Taxfilers in top decile	48.3	47.1	45.2	43.2	42.8	42.8
18 to 24 years old	36.3	34.1	32.9	32.0	33.3	31.7
65 years and above	44.1	25.1	33.3	40.0	34.6	38.5
Canadian-born taxfilers	34.2	31.5	33.1	33.9	33.2	33.9
Immigrant taxfilers landed in Canada in 1980 or after	25.4	28.3	25.4	29.5	28.5	26.0

Note(s): Other mobility statistics, statistics for other groups and periods as well as those on individual earnings and other income concepts can be found in Table 11-10-0059-01. See Table 11-10-0061-01 for the corresponding year-over-year statistics.

Source(s): Table 11-10-0059-01.

Note to readers

Data tables containing income mobility statistics for Canadian taxfilers' individual and family incomes are now available (Tables 11-10-0059-01 and 11-10-0061-01). The tables are based on the 1982-to-2016 Longitudinal Administrative Databank (LAD) for Canada and various provinces and selected census metropolitan areas.

Family refers to census family, the only family concept available in the LAD. Census family refers to a married or common-law couple, with or without children, or a lone parent with at least one child. Children can be of any age in the LAD.

Income deciles in this Daily split taxfilers into 10 equal groups according to their after-tax family income. The bottom decile consists of the 10% of taxfilers with the lowest incomes while the top decile consists of the 10% of taxfilers with the highest incomes. These deciles are referred to as rungs on the income ladder.

Falling or rising incomes refers to the change in a taxfiler's family's after-tax income over a five-year period after adjusting for inflation using the all-items Consumer Price Index.

Immobility occurs when a taxfiler stays in the same income decile in the last year of a five-year period compared with the first year of that period.

Downward mobility in this article occurs when a taxfiler has a lower income decile in the last year of a five-year period compared with the first year of that period.

Upward mobility in this article occurs when a taxfiler has a higher income decile in the last year of a five-year period compared with the first year of that period.

Immigrants – Since immigrants who arrived in Canada prior to 1980 cannot be identified in the LAD, they are included in the group of **Canadian-born** taxfilers, and those who are marked as **immigrant taxfilers** consist of those who arrived in Canada in 1980 and after.

Available tables: [11-10-0059-01](#) and [11-10-0061-01](#).

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

For definitions, concepts or technical details, please consult the research paper "[The evolution of income mobility in Canada: Evidence from the Longitudinal Administrative Databank, 1982 to 2012](#)".

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; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).