High-income Canadians, 2020

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Data from the 2021 Census of Population showed the significant impacts the COVID-19 pandemic had on the earnings of middle- and lower-income Canadians in 2020 and the important role COVID-19 income relief programs played in offsetting these losses. This analysis highlights the impacts of the economic disruption caused by the pandemic on high-income Canadians using the 2020 Longitudinal Administrative Databank.

Average income of filers rises overall, but falls for those with the highest incomes

From 2019 to 2020, the average total income of Canadian tax filers overall rose by 5.5% to $54,200. Tax filers in the bottom half of the distribution benefited from a much larger increase, as their average income grew by 19.2% to $22,100. These increases for the overall and bottom half of the income distribution are tied to the impact of COVID-19-related government transfers programs introduced in 2020.

The patterns of income growth were quite different for individuals in the very highest parts of the income distribution. Overall, Canadians with the highest incomes from 2019 to 2020 experienced the largest declines in average income. Average total income of Canadians in the top 1% of income fell by $5,500 to $512,000. Individuals in the top 0.1% saw average total income fall by $67,800 from 2019 to 2020, while those in the top 0.01% experienced the largest drop of $506,800 during the same period.

Changes in the income of high- and lower-income filers means that the top 1% captured a lower share of total income relative to recent years. In 2020, the top 1% accounted for 9.4% of total income, its lowest value since 2016, and before then, 1996.

Decreases in dividend income for high-income groups in 2020 outweigh changes in wage and salary income

The effect of the pandemic on wage and salary income in 2020 was small for high-income individuals, relative to their total income. Individuals in the top 1% and top 0.1% experienced decreases in average wage and salary income, falling by $2,200 to $315,700 for the top 1%, and by $13,000 to $1,002,300 for the top 0.1%.

In contrast, in 2020, the wage and salary incomes of Canadians in the top 0.01% increased by $81,600 to $3,511,200.

The pandemic had a strong impact on financial markets in 2020 and this is reflected in large decreases in dividend income from Canadian corporations for tax filers in the high-income groups. Individuals in the top 1% had an average decrease of $10,500 in dividend income to $77,300 in 2020. The drop in dividends was even larger for filers in the top 0.1%, falling by $82,600 to $348,600, and the top 0.01%, dropping by $592,900 to $1,543,400.

The relatively small changes in wages and salaries for the top tax filers were outweighed by the larger decreases in dividend income, resulting in decreases in average total income for high-income Canadians in 2020.

Women continue to increase their representation at the top of the income distribution

Average income declined for both men and women in the top 1%. For women, it declined by 0.6% to $451,100 and for men, by 1.0% to $532,700.

Women accounted for a record 25.4% of the top 1% of tax filers in 2020, up from 24.7% in 2019. Their representation also continued to rise in the top 0.1%, with 18.8% of filers being women in 2020, an increase of 0.8 percentage points since 2019.

In 2020, for those in the top 1%, income from wages and salaries rose for women, up by $2,600 to $225,300, but fell for men, down by $2,500 to $346,500. In 2020, the dividend income of women in the top 1% fell by $11,200 to an average of $78,500, while that of men in the top 1% fell by $10,300 to $76,900.

Table 1
Selected statistics by income groups, Canada, 2019 to 2020

	2019	2020	2019 to 2020
	dollars		dollar change
Total Income groups			
Top 0.01%			
Threshold value	2,995,100	2,829,100	-166,000
Average income	6,458,900	5,952,100	-506,800
Average income males	6,635,300	6,182,000	-453,300
Average income females	5,318,400	F	...
Average income from wages and salaries	3,429,600	3,511,200	81,600
Average income from wages and salaries, males	3,679,100	3,759,100	80,000
Average income from wages and salaries, females	1,816,700	F	...
Average income from dividends	2,136,300	1,543,400	-592,900
Average income from dividends, males	2,045,700	1,480,200	-565,500
Average income from dividends, females	2,722,000	F	...
Top 0.1%			
Threshold value	795,900	789,200	-6,700
Average income	1,787,500	1,719,700	-67,800
Average income males	1,842,400	1,777,600	-64,800
Average income females	1,536,100	1,469,800	-66,300
Average income from wages and salaries	1,015,300	1,002,300	-13,000
Average income from wages and salaries, males	1,106,200	1,092,400	-13,800
Average income from wages and salaries, females	599,200	613,500	14,300
Average income from dividends	431,200	348,600	-82,600
Average income from dividends, males	413,800	334,400	-79,400
Average income from dividends, females	510,800	409,800	-101,000
Top 1%			
Threshold value	252,100	253,900	1,800
Average income	517,500	512,000	-5,500
Average income males	538,300	532,700	-5,600
Average income females	453,700	451,100	-2,600
Average income from wages and salaries	317,900	315,700	-2,200
Average income from wages and salaries, males	349,000	346,500	-2,500
Average income from wages and salaries, females	222,700	225,300	2,600
Average income from dividends	87,800	77,300	-10,500
Average income from dividends, males	87,100	76,900	-10,200
Average income from dividends, females	89,700	78,500	-11,200
Bottom 50%			
Average income	18,500	22,100	3,600
All tax filers			
Average income	51,400	54,200	2,800

... not applicable
F too unreliable to be published
Source(s): Table **11-10-0055-01**, Longitudinal Administrative Databank (**4107**) and custom tabulations.

Table 2
Percentage of male and female tax filers, Canada, 2019 and 2020

	2019	2020
	%	
Top 0.01%		
Male tax filers	86.6	86.0
Female tax filers	13.4	F
Top 0.1%		
Male tax filers	82.1	81.2
Female tax filers	17.9	18.8
Top 1%		
Male tax filers	75.3	74.6
Female tax filers	24.7	25.4

F   too unreliable to be published
Source(s):   Table **11-10-0055-01**, Longitudinal Administrative Databank (**4107**) and custom tabulations.

Note to readers

Data for 2020 have been added to the Longitudinal Administrative Databank (LAD). This databank now spans 39 years, from 1982 to 2020, 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 of individuals and their families. The LAD contains a wide variety of income and demographic variables, and its large sample ensures reliable data for Canada, the provinces, the territories, census metropolitan areas and some sub-provincial regions.

All dollar figures in this release are expressed in 2020 constant dollars unless otherwise noted.

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

As 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 tables: 11-10-0024-01 to 11-10-0026-01 , 11-10-0054-01 to 11-10-0056-01 , 11-10-0058-01, 11-10-0059-01 and 11-10-0061-01.

Definitions, data sources and methods: survey number 4107.

The *Longitudinal Administrative Data Dictionary* (12-585-X) contains a description for each of the income and demographic variables in the Longitudinal Administrative Databank, including name, acronym, definition, source, historical availability and historical continuity.

Derived from the LAD, data tables for 1982 to 2020 on Canadian tax filers with high incomes (11-10-0055-01 and 11-10-0056-01), on the low-income dynamics (11-10-0024-01, 11-10-0025-01 and 11-10-0026-01) and family income mobility of Canadian tax filers (11-10-0059-01 and 11-10-0061-01), and on effective tax rates (11-10-0054-01 and 11-10-0058-01) are now available for various provinces and selected census metropolitan areas.

The Income, pensions, spending and wealth portal, which is accessible from the Subjects module of the Statistics Canada website, provides users with a single point of access to a wide variety of information related to revenue, pensions, spending and wealth.

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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).