

High-income Canadians and capital gains, 2021

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Incomes of the top 1% of tax filers rose 9.4% to \$579,100 in 2021. This occurred in the context of COVID-19 pandemic restrictions easing, many government benefit programs winding down, the labour market recovering, and the Canadian house prices and stock market indexes increasing in 2021.

Recovery produces uneven income gains in 2021

According to data based on the tax filings of individuals, the average total income of the top 1%, excluding capital gains, rose by 9.4% to \$579,100 in 2021. Filers in the top 0.1% saw their average total income increase by 17.4% to \$2,086,100, while those in the top 0.01% saw their average total income increase 25.7% to \$7,731,400. These increases more than offset the small declines observed in the top ranks of income earners in 2020.

In contrast, filers in the bottom half of the distribution saw their average total income decline \$1,400 from 2020 to \$21,100 in 2021. This decrease was due in part to the lowering or ending of government transfers.

Accordingly, the share of total income earned by the top 1%, a commonly used measure of income inequality, rose from 2020 to 2021. In 2021, the top 1% of tax filers received 10.4% of aggregated income earned by tax filers, up from 9.4% in 2020 and the highest level posted since 2015.

In 2021, wages and salaries drove increased incomes for the top income earners. People in the top 1% saw their average wage and salary income rise by 12.0%, while those in the top 0.1% saw an increase of 24.6% and those in the top 0.01% saw an increase of 34.5%.

Dividend income is also an important component of total income for the highest income groups. In 2021, these top groups saw large increases in dividend income, which returned this item to its pre-pandemic level. Filers in the top 1% received an average dividend income of \$90,200 (+12.9% compared with 2020), those in the top 0.1% received \$429,500 on average (+19.2% compared with 2020) and those in the top 0.01% received \$2,009,700 on average (+26.0% compared with 2020).

Women continue to increase their representation at the top

Women's representation in the top income groups continued to rise in 2021, continuing this long-standing trend. Overall, women composed 26.1% of the top 1% of income tax filers, up from 25.4% in 2020. The share of women in the top 1% has been increasing steadily since this series started in 1982, when the share was 11.4%.

Capital gains rise sharply in 2021

Income estimates, including those reported above, normally exclude capital gains, which are the net realizations from the sale of an asset or other property. However, for the study of top incomes, it is common to also examine income with capital gains added in.

Looking first at patterns in capital gains received, the amounts received in capital gains rose sharply in 2021. That year, 12.2% of tax filers received capital gains, which had an average value of \$37,600. Capital gains values tend to be skewed, with a small proportion of tax filers receiving relatively large capital gains. For example, 5% of capital gains recipients received \$131,100 or more in 2021. These figures are all much higher than those in 2019 and 2020. For example, in 2020, average capital gains were \$29,300.

In 2021, the increase in capital gains was in line with the values seen in the housing and stock markets, which rose in 2021 and peaked at historically high levels in early 2022. Large increases in realized capital gains were also seen in the United States in 2021.



Considering income including capital gains, average income for the top 1% was \$811,800 in 2021, up 20.5% from 2020. In 2021, the average income for the top 0.1% was \$3,230,000, up 27.6%, and that for the top 0.01% was \$12,542,100, up 30.0%. These levels of income including capital gains were much higher than they were at any other point in the past 40 years, accounting for inflation. The previous peak was in 2007, when the top 1% made on average \$712,000.

The share of income including capital gains in the top 1% also rose sharply in 2021, reaching 13.4% that year, compared with 11.5% in 2020.

Table 1
Selected statistics by income group, Canada, 2020 to 2021

| | 2020 | 2021 | 2020 to 2021 |
|---|------------------|-----------|---------------|
| | constant dollars | | dollar change |
| Total income groups | | | |
| Top 0.01% | | | |
| Threshold value | 2,924,100 | 3,403,300 | 479,200 |
| Average income | 6,152,000 | 7,731,400 | 1,579,400 |
| Average income, males | 6,389,600 | 8,067,000 | 1,677,400 |
| Average income, females | F | F | ... |
| Average income from wages and salaries | 3,629,100 | 4,882,500 | 1,253,400 |
| Average income from wages and salaries, males | 3,885,300 | 5,241,600 | 1,356,300 |
| Average income from wages and salaries, females | F | F | ... |
| Average income from dividends | 1,595,200 | 2,009,700 | 414,500 |
| Average income from dividends, males | 1,529,900 | 1,978,200 | 448,300 |
| Average income from dividends, females | F | F | ... |
| Top 0.1% | | | |
| Threshold value | 815,700 | 895,600 | 79,900 |
| Average income | 1,777,400 | 2,086,100 | 308,700 |
| Average income, males | 1,837,300 | 2,162,800 | 325,500 |
| Average income, females | 1,519,000 | 1,763,100 | 244,100 |
| Average income from wages and salaries | 1,036,000 | 1,291,300 | 255,300 |
| Average income from wages and salaries, males | 1,129,100 | 1,402,100 | 273,000 |
| Average income from wages and salaries, females | 634,100 | 824,600 | 190,500 |
| Average income from dividends | 360,300 | 429,500 | 69,200 |
| Average income from dividends, males | 345,600 | 416,400 | 70,800 |
| Average income from dividends, females | 423,600 | 484,600 | 61,000 |
| Top 1% | | | |
| Threshold value | 262,300 | 271,300 | 9,000 |
| Average income | 529,200 | 579,100 | 49,900 |
| Average income, males | 550,500 | 606,800 | 56,300 |
| Average income, females | 466,300 | 500,800 | 34,500 |
| Average income from wages and salaries | 326,300 | 365,300 | 39,000 |
| Average income from wages and salaries, males | 358,000 | 403,700 | 45,700 |
| Average income from wages and salaries, females | 233,000 | 256,900 | 23,900 |
| Average income from dividends | 79,900 | 90,200 | 10,300 |
| Average income from dividends, males | 79,400 | 90,500 | 11,100 |
| Average income from dividends, females | 81,200 | 89,300 | 8,100 |
| Bottom 50% | | | |
| Average income | 22,500 | 21,100 | -1,400 |
| All tax filers | | | |
| Average income | 55,800 | 55,900 | 100 |

... 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, 2020 and 2021

| | 2020 | 2021 |
|-------------------|------|------|
| | % | |
| Top 0.01% | | |
| Male tax filers | 86.0 | 84.8 |
| Female tax filers | F | F |
| Top 0.1% | | |
| Male tax filers | 81.2 | 80.8 |
| Female tax filers | 18.8 | 19.2 |
| Top 1% | | |
| Male tax filers | 74.6 | 73.9 |
| Female tax filers | 25.4 | 26.1 |

F too unreliable to be published

Source(s): Table 11-10-0055-01, Longitudinal Administrative Databank (4107) and custom tabulations.

Table 3
Average total income plus capital gains, Canada, 2020 and 2021

| | 2020 | 2021 | Change |
|-------------------------|------------------|---------------|------------|
| | constant dollars | | % |
| Top 0.01% income group | 9,571,700 | 12,542,100 | 31.0 |
| Top 0.1% income group | 2,531,000 | 3,230,100 | 27.6 |
| Top 1% income group | 673,800 | 811,800 | 20.5 |
| Bottom 99% income group | 52,300 | 52,900 | 1.1 |
| All tax filers | 58,500 | 60,500 | 3.4 |

Source(s): Table 11-10-0055-01, Longitudinal Administrative Databank (4107) and custom tabulations.

Table 4
Capital gains of tax filers with capital gains, 2020 and 2021

| | Tax filers with capital gains 2020 | Average capital gains 2020 | Tax filers with capital gains 2021 | Average capital gains 2021 |
|-------------------------|---------------------------------------|-------------------------------|---------------------------------------|-------------------------------|
| | % | constant dollar | % | constant dollar |
| Top 0.01% income group | 60.0 | 1,985,500 | 72.0 | 1,723,100 |
| Top 0.1% income group | 52.5 | 534,000 | 66.0 | 684,100 |
| Top 1% income group | 37.7 | 175,200 | 47.3 | 223,400 |
| Bottom 99% income group | 9.1 | 23,200 | 11.9 | 30,200 |
| All tax filers | 9.4 | 29,300 | 12.2 | 37,600 |

Source(s): Custom tabulations, Longitudinal Administrative Databank (4107).

Table 5
Percentage of male and female tax filers in the top 1% total income group, Canada, 2020 and 2021

| | Number of tax filers | | Male tax filers | | Female tax filers | |
|---------------------------|----------------------|----------------|-----------------|-------------|-------------------|-------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| | number | | % | | | |
| Canada | 288,400 | 292,560 | 74.6 | 73.9 | 25.4 | 26.1 |
| Newfoundland and Labrador | 2,645 | 2,585 | 71.6 | 70.2 | 28.4 | 29.8 |
| Prince Edward Island | 605 | 705 | F | 83.0 | F | F |
| Nova Scotia | 3,970 | 4,160 | 72.0 | 73.3 | 28.0 | 26.7 |
| New Brunswick | 2,410 | 2,705 | 74.3 | 74.7 | 25.7 | 25.3 |
| Quebec | 50,610 | 52,010 | 73.5 | 74.0 | 26.5 | 26.0 |
| Ontario | 131,480 | 133,215 | 73.5 | 72.4 | 26.5 | 27.6 |
| Manitoba | 6,585 | 6,250 | 78.2 | 76.0 | 21.8 | 24.0 |
| Saskatchewan | 5,380 | 5,175 | 77.1 | 76.0 | 22.9 | 24.0 |
| Alberta | 44,320 | 42,275 | 78.7 | 77.9 | 21.3 | 22.1 |
| British Columbia | 39,745 | 42,870 | 74.9 | 73.9 | 25.1 | 26.1 |
| Territories ¹ | 650 | 610 | F | F | F | F |

F too unreliable to be published

1. These include the Northwest Territories, Yukon and Nunavut.

Source(s): Table 11-10-0055-01, Longitudinal Administrative Databank (4107) and custom tabulations.

Note to readers

Data for 2021 have been added to the Longitudinal Administrative Databank (LAD). This databank now spans 40 years, from 1982 to 2021, 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 income changes 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.

Statistics in this article are based on always ranking tax filers within the national (Canada-wide) income distribution. Please see Table [11-10-0056-01](#) for statistics based on ranking tax filers within the income distribution of a specific geographic area.

All dollar figures in this release are expressed in 2021 constant dollars unless otherwise noted.

Total income consists of income from wages, salaries and commissions, as well as from investments, pensions, spousal support payments and other taxable income, and 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 on December 31, 2021, and not the whole population.

With this release, the 2020 LAD was updated to consider improvements to the processing. Discrepancies between the 2020 data in this release and the previous release are explained by these improvements.

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 (LAD), including name, acronym, definition, source, historical availability and historical continuity.

Derived from the LAD, data tables for 1982 to 2021 on Canadian tax filers with high incomes ([11-10-0055-01](#) and [11-10-0056-01](#)), the low-income dynamics ([11-10-0024-01](#), [11-10-0025-01](#) and [11-10-0026-01](#)), the family income mobility of Canadian tax filers ([11-10-0059-01](#) and [11-10-0061-01](#)), and 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).