

# Perspectives on affordability and inequality

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, January 22, 2025

Since early 2021, when inflationary pressures began to build, the impact of cumulative price increases on consumers has created ongoing affordability challenges for many families. Average disposable incomes have risen, albeit unevenly, for lower, middle, and higher-income households throughout the inflationary period. At the same time, elevated shelter and debt charges have weighed on savings for middle-income households. Stresses from elevated prices and the deterioration of housing and rental affordability have impacted self-reported life satisfaction, which has been falling among more economically vulnerable populations, even as wages have risen.

The presentation "[Research to Insights: Perspectives on Affordability and Inequality](#)," released today, highlights data and analysis at Statistics Canada that provide insight into the affordability challenges facing Canadian households during the period of high inflation that followed the COVID-19 pandemic. It draws on recent data from various Statistics Canada programs: namely, the Distributions of Household Economic Accounts, the Survey of Financial Security and the Canadian Social Survey.

## Middle income families face savings squeeze on slower growth in disposable income

Households within the middle 60% of the income distribution experienced moderate gains in disposable income throughout the inflationary period, lagging the gains seen among high and low earning households. The overall share of disposable income held by households in the middle 60% range decreased by one percentage point from mid-2023 to mid-2024 as investment gains for this group did not keep pace with the growth in interest paid on mortgages and consumer credit. Meanwhile, households with the highest incomes experienced the largest increase in net saving, which rose on average by \$2,166 during this period. Households in the bottom 40% of the income distribution reduced their net dis-saving as income gains outpaced spending.

## Family gifts becoming increasingly important for first-time home buyers to access the housing market

Declining housing affordability may put individual well-being at risk—a risk that will be potentially amplified if homeownership becomes fundamentally more unequal over time. Over half of homeowners reported high levels of life satisfaction in 2022, compared to 4 in 10 renters. Data from the 2023 Survey of Financial Security show that 30.0% of homeownership families had received an inheritance, compared to 19.5% of renting families. The median share of young homeowners who reported that some of their downpayment was from a gift or inheritance was 17.9% in 2023, up 5.5 percentage points from 2019.

## Financial stress impacting life satisfaction of Canadians who are experiencing affordability pressures

The prevalence of Canadians who report high levels of life satisfaction has trended downward since inflationary pressures began to build in early 2021. By early 2024, 48.6% of Canadians aged 15 years and older reported that they were highly satisfied with their lives, a decline of more than five percentage points from three years earlier. Despite robust income gains during this period, the share of Canadians experiencing financial difficulties rose from 18.6% in 2021 to 32.8% in 2024. Among those experiencing financial difficulties, rates of high life satisfaction fell 2.6 percentage points per year.

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The product "[Research to Insights: Perspectives on Affordability and Inequality](#)" is now available as part of *A Presentation Series from Statistics Canada About the Economy, Environment and Society (11-631-X)*.

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 ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).