

Distributions of household economic accounts for income, consumption, saving and wealth of Canadian households, fourth quarter 2025

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The income gap increased in 2025 as lower income households were negatively affected by declining interest rates and weak growth in employment income. The wealth gap grew throughout 2025 as continued strong financial market gains benefited the wealthiest.

Income gap increases amid weakening labour conditions and equity market boom

The income gap—defined as the difference in the share of disposable income between households in the top 40% and the bottom 40% of the income distribution—reached 46.7 percentage points in 2025, up from 46.4 percentage points a year earlier.

Table 1
Share of disposable income by income quintile, including gap between top two and bottom two income quintiles

| | Average (2010 to 2019) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------------------------------|------|------|------|------|------|------|
| % | | | | | | | |
| Lowest income quintile | 6.3 | 7.5 | 7.1 | 6.8 | 6.3 | 6.4 | 6.3 |
| Second income quintile | 12.6 | 13.9 | 13.1 | 12.5 | 12.2 | 12.1 | 12.0 |
| Third income quintile | 17.2 | 17.6 | 17.1 | 16.7 | 16.4 | 16.6 | 16.8 |
| Fourth income quintile | 23.3 | 23.5 | 24.1 | 23.9 | 23.2 | 23.1 | 23.0 |
| Highest income quintile | 40.7 | 37.6 | 38.7 | 40.2 | 41.9 | 41.8 | 42.0 |
| percentage points | | | | | | | |
| Gap between top two and bottom two income quintiles | 45.1 | 39.7 | 42.6 | 44.8 | 46.6 | 46.4 | 46.7 |

Source(s): Table [36-10-0587-01](#).

Households' ability to maintain their economic well-being differs with changing macroeconomic conditions. In response to easing inflation, the Bank of Canada's [policy rate](#) stood at 2.25% by the end of 2025, down 1.0 percentage points from a year earlier. While declining interest rates can moderate borrowing costs, they can also lead to lower returns on interest-bearing investments such as savings and deposit accounts, with varying impacts for households across the income distribution.

Labour market conditions can also have varying impacts on household income. Wages grew by an average of 3.1% in 2025 compared to a year earlier, a slowdown from annual increases of 3.3% in 2024 and 3.7% in 2023. Wage earnings were notably weak in 2025 for goods-producing sectors such as mining and oil and gas extraction, agriculture, and manufacturing, and services-producing sectors such as professional and personal services, transportation and storage, and information and cultural industries.



Table 2
Disposable income by income quintile, average dollars per household, 2025 relative to 2024

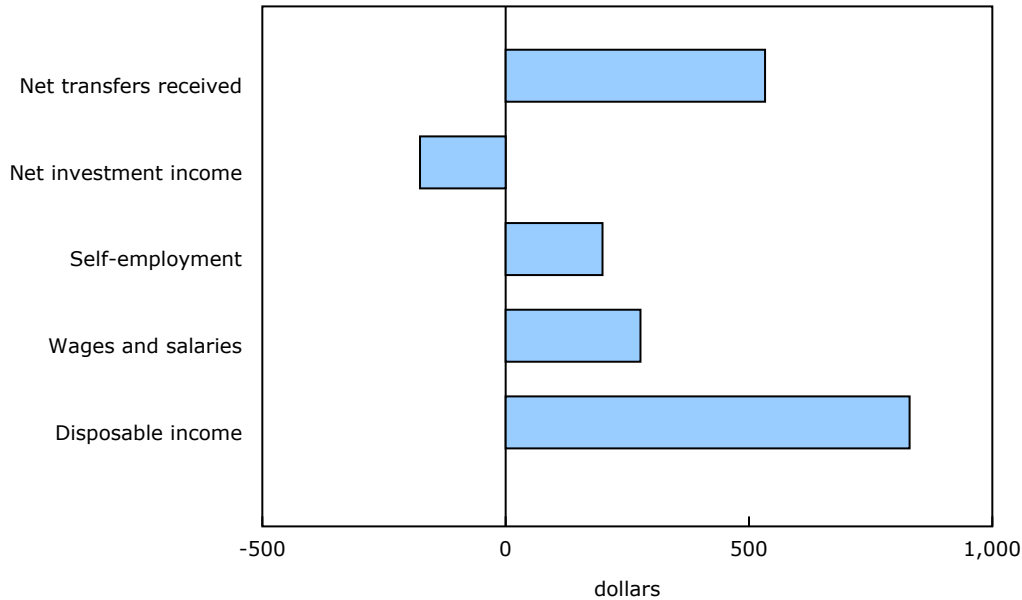
| | 2024 | 2025 | 2024 to 2025 | 2024 to 2025 |
|-------------------------|----------------|----------------|--------------|--------------|
| | dollars | | | % |
| All households | 100,615 | 104,430 | 3,815 | 3.8 |
| Lowest income quintile | 31,972 | 32,802 | 830 | 2.6 |
| Second income quintile | 60,982 | 62,401 | 1,419 | 2.3 |
| Third income quintile | 83,602 | 87,705 | 4,103 | 4.9 |
| Fourth income quintile | 116,090 | 120,182 | 4,092 | 3.5 |
| Highest income quintile | 210,429 | 219,061 | 8,632 | 4.1 |

Source(s): Table [36-10-0587-01](#).

The lowest income households (bottom 20% of the income distribution) increased their average disposable income at a below average pace in 2025 (+2.6% vs. +3.8% for all households), due mainly to relatively weak gains in wages (+2.3%) and self-employment income (+3.9%). The lowest income households reduced their average net investment income, as a decline in average investment earnings (-\$443), mostly from negative returns from interest-bearing deposits, outweighed lower interest payments (-\$267). Increases in net transfers, especially for social assistance and government retirement benefits combined with lower tax payments, offset weak gains in employment income.

Chart 1

Change in average disposable income for lowest income quintile, including contribution of each income component, 2025 relative to 2024



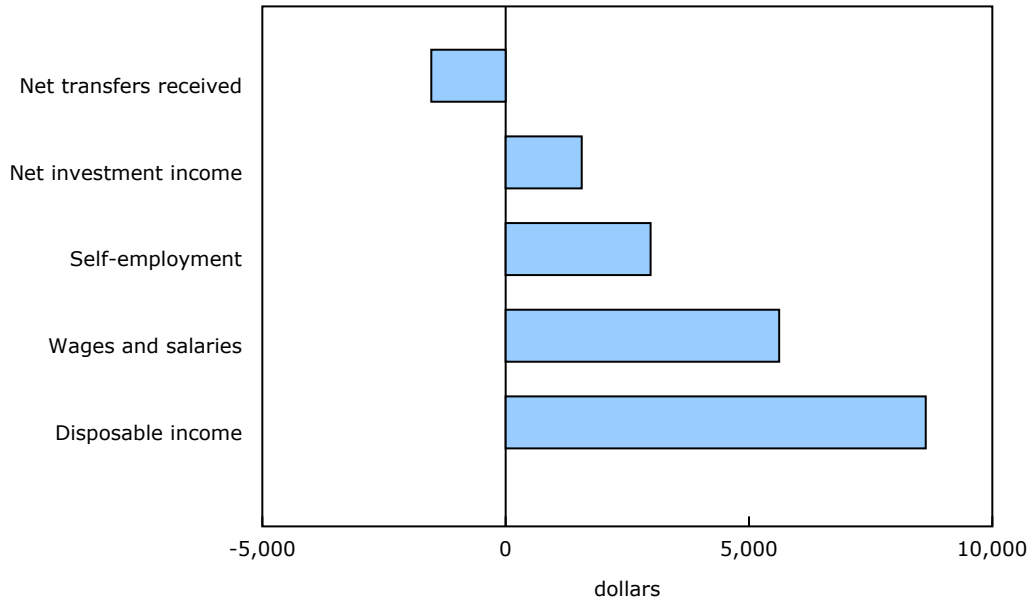
Source(s): Table 36-10-0587-01.

In 2025, average disposable income for the highest income households (top 20% of the income distribution) increased relative to a year earlier (+4.1%) at a stronger than average pace, owing mainly to above-average gains in self-employment income (+9.1%) and transfer payments (+4.7%), mainly through increased employer-sponsored retirement benefits.

The highest income households also increased their investment earnings at the fastest pace (+1.4% vs. +0.5% for all households) due to [a strong gain in the value of equity and investment fund holdings](#) in 2025. Relative to lower income households, higher income households tend to benefit more from equity markets rather than from interest-bearing deposits.

Chart 2

Change in average disposable income for highest income quintile, including contribution of each income component, 2025 relative to 2024



Source(s): Table 36-10-0587-01.

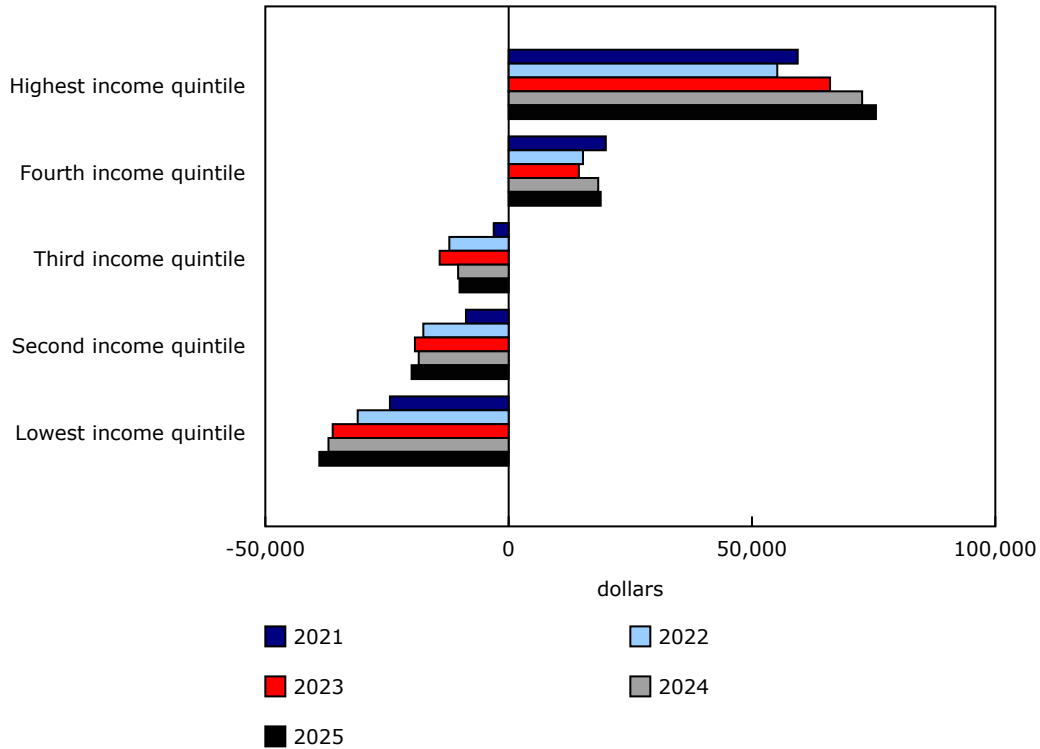
Net saving worsens for lower income households due to weak income gains relative to consumption

Net saving worsened in 2025 for lower income households as growth in consumption expenditure—especially for housing and utilities, insurance and financial services, and transportation and storage—outpaced growth in disposable income, due mainly to a relatively weak gain in employment income and a decline in investment earnings.

Net saving worsened the most for households in the second 20% of the income distribution in 2025 relative to a year earlier (-7.9%), as the growth in their average disposable income (+2.3%) was lower than the pace of their average consumption expenditures (+3.8%). These households may be bridging the gap between income and consumption through borrowing.

The highest income households recorded the largest improvement in net saving (+3.9%) in 2025 as growth in their disposable income (+4.1%) outpaced consumption expenditures (+3.9%).

Chart 3
Average household net saving by income quintile



Source(s): Table 36-10-0587-01.

Wealth gap increases as wealthiest benefit most from strong equity market gains

The wealthiest households (top 20% of the wealth distribution) accounted for almost two-thirds (65.7%) of Canada's total net worth at the end of 2025 (i.e., fourth quarter of 2025), averaging \$3.5 million per household. Meanwhile, the least wealthy households (bottom 40% of the wealth distribution) accounted for 3.0% of total net worth, averaging \$81,650 per household. Overall household net worth increased at the end of 2025 relative to a year earlier (+5.3%), entirely due to a strong gain in financial assets (+9.9%), mainly from equity markets. Despite an increase in overall mortgage debt (+4.2%) at the end of 2025, the value of households' real estate assets declined (-0.7%) along with [lower average housing values](#), while growth in consumer durables (+3.4%) was partially offset by an increase in associated non-mortgage liabilities (+2.7%).

The gap in wealth between households in the top 20% and the bottom 40% reached 62.7 percentage points at the end of 2025, up 0.6 percentage points from a year earlier.

Table 3
Net worth by wealth quintile, average dollars per household, fourth quarter of 2025 relative to fourth quarter of 2024

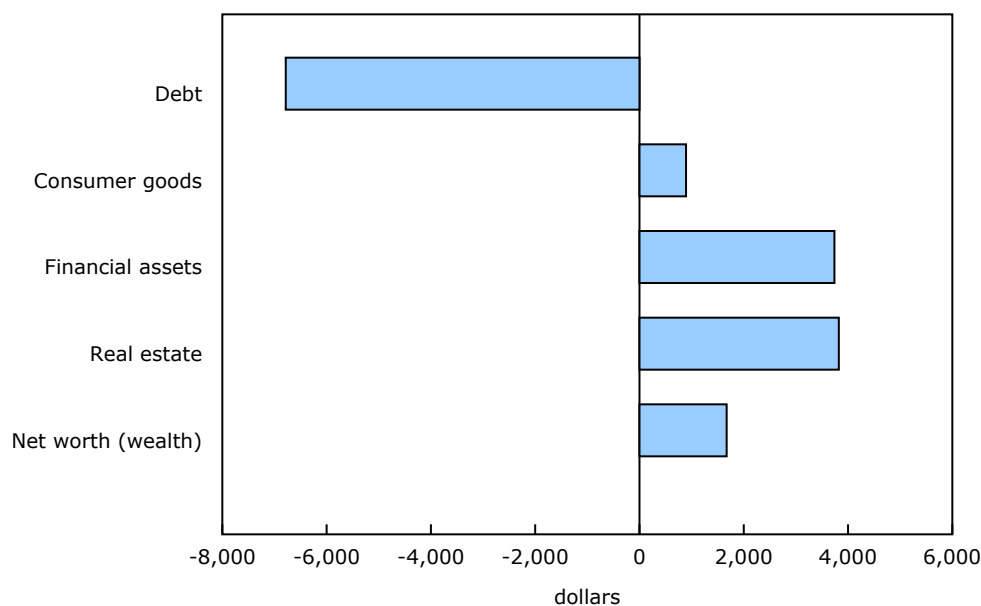
| | Fourth quarter of 2024 | Fourth quarter of 2025 | Change from fourth quarter of 2024 to fourth quarter of 2025 | Change from fourth quarter of 2024 to fourth quarter of 2025 |
|------------------------------------|------------------------|------------------------|--|--|
| | dollars | | | % |
| All households | 1,024,750 | 1,078,642 | 53,892 | 5.3 |
| Lowest and second wealth quintiles | 79,978 | 81,650 | 1,672 | 2.1 |
| Third wealth quintile | 510,071 | 526,185 | 16,114 | 3.2 |
| Fourth wealth quintile | 1,111,522 | 1,160,145 | 48,623 | 4.4 |
| Highest wealth quintile | 3,342,201 | 3,543,579 | 201,378 | 6.0 |

Source(s): Table 36-10-0660-01.

The least wealthy households grew their net worth at the slowest pace of any wealth group at the end of 2025 (+2.1% vs. +5.3% for all households), due mainly to a below average gain in the value of their financial assets (+6.1%). The least wealthy increased their mortgage debt throughout 2025 to finance home purchases during a period of lower average housing values, indicating more involvement in the housing market; however, the increase in the value of their real estate assets (+3.5%) was more than offset by the increase in their mortgage costs (+7.5%).

In contrast, the wealthiest households increased their net worth at the fastest pace at the end of 2025 (+6.0%), as they had the strongest growth in the value of their financial assets (+10.8%) while their mortgage debt (+0.7%) grew at the lowest rate of any wealth group.

Chart 4
Change in average net worth for lowest two wealth quintiles, including contribution of each wealth component, fourth quarter of 2025 relative to fourth quarter of 2024



Source(s): Table 36-10-0660-01.

Youngest households increase wealth at above average pace through strong gain in financial assets

Average wealth for the youngest households—those aged less than 35 years—grew at an above average pace at the end of 2025 relative to a year earlier (+5.7%), mainly because of a strong increase in the value of their financial assets (+12.2% vs. +9.9% for all households).

The youngest households increased their year-over-year mortgage debt in 2025, although it grew at the slowest pace (+3.7%) of any age group at the end of 2025. The year-over-year mortgage debt of the youngest households was up from increases earlier in the year, including in the second quarter (+1.7%) and in the third quarter (+2.1%). Despite increases in the value of mortgage debt for the youngest households, the value of their real estate holdings was stable along with declining home prices and lower interest rates.

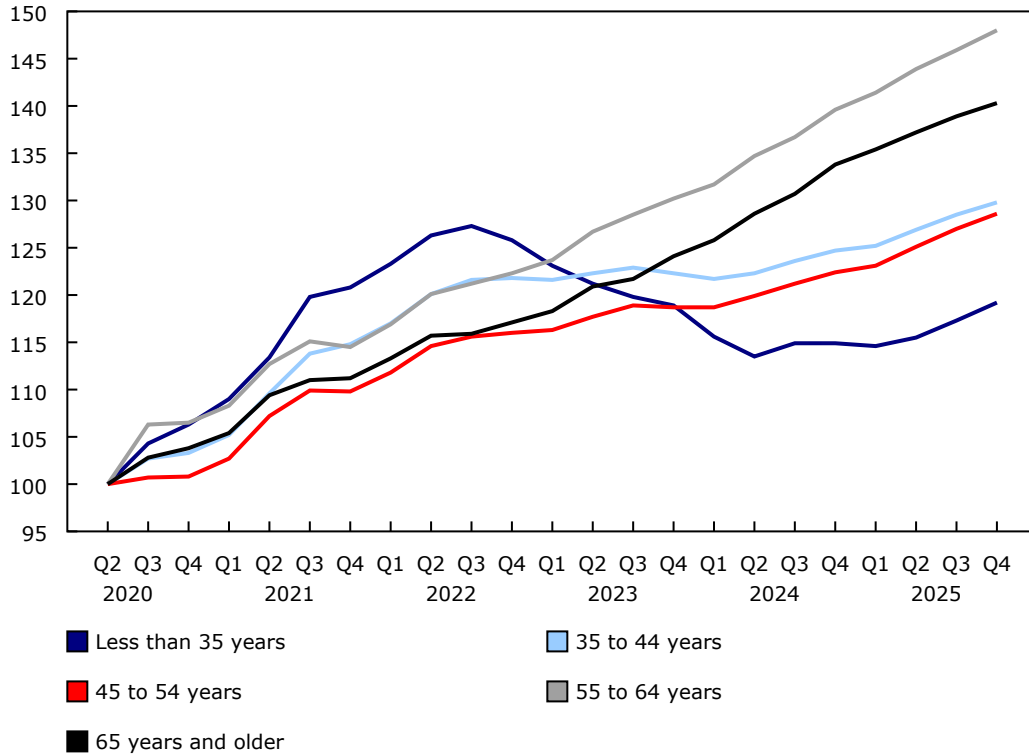
The trend in housing wealth for the youngest households in 2025 contrasts with previous periods. From 2022 to 2024, along with relatively higher house prices, growing inflationary pressures and rising interest rates, the value of real estate and the associated mortgage debt holdings for the youngest households generally declined.

Prior to the increase in their mortgage debt in 2025, households in the youngest age group may have reduced their mortgage balances for various reasons. Prospective homeowners may have turned away from the housing market due to affordability concerns, while existing homeowners may have paid down their existing mortgage debt balances or moved into more affordable accommodations. As well, some of the youngest households may have prioritized coping with the cost of living and reducing their debt obligations through various ways, including through financial support from family or other sources.

Older households increased their average mortgage debt at a faster pace than younger households in 2025. Households aged 55 to 64 years recorded the strongest growth in average mortgage debt, rising by 6.0% at the end of 2025 relative to a year earlier. Older age groups may be increasing their mortgage debt to buy an investment property, [to assist younger relatives with the purchase of a home](#), or for a range of other reasons.

Chart 5
Change in average household mortgage debt by age group of major income earner

index (second quarter of 2020=100)



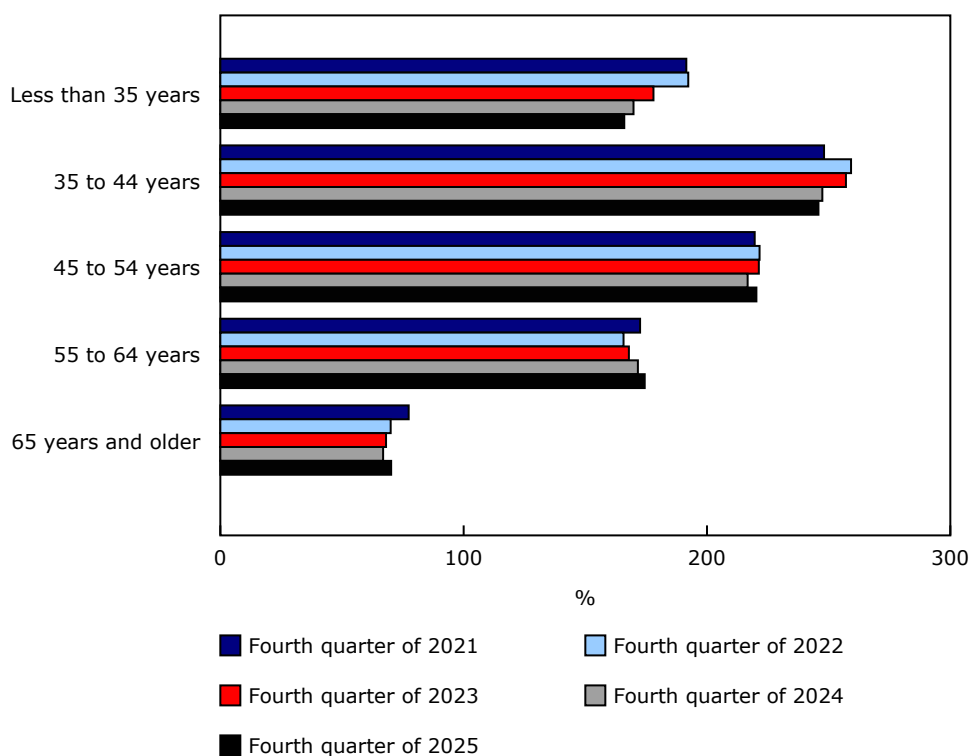
Source(s): Table 36-10-0660-01.

Younger households reduce debt-to-income ratio amid debt management efforts

The debt-to-income ratio for the youngest households stood at 166.0% at the end of 2025, down 3.8 percentage points from a year earlier. Households with a major income earner aged 35 to 44 years had the highest debt-to-income ratio of any age group, at 245.8% at the end of 2025, down 1.6 percentage points relative to a year earlier. For households in both of these age groups, reductions in the debt-to-income ratio were due to strong income gains that outweighed debt accumulation.

Households aged 45 years and older had relatively low debt-to-income ratios at the end of 2025, but their ratios increased relative to the previous year as debt growth outweighed income gains.

Chart 6
Debt-to-income ratio by age group of major income earner, fourth quarter, 2021 to 2025



Source(s): Table 36-10-0664-01.

Youngest households increase debt service ratio despite interest rate reductions

An alternative indicator of household financial risk is the interest-only debt service ratio (DSR), which is based on the value of total interest payments on credit market debt as a share of disposable income. Despite declining interest rates, the youngest households' DSR reached 10.5% at the end of 2025, about the same as a year earlier, as the interest on their debt grew at roughly the same pace as their income.

In addition to home purchases in 2025, the youngest households may be renewing or refinancing their remaining debt at higher interest rates relative to what they had acquired at the beginning of the COVID-19 pandemic, when interest rates were lower and housing was more affordable.

Households aged 35 to 44 years had the highest DSR, at 10.9% at the end of 2025, but it declined (-1.1 percentage points) at the fastest pace of any age group relative to a year earlier as their income grew strongly while their interest paid on debt declined. For households in each age group, DSRs remained well above rates that prevailed prior to the Bank of Canada's efforts to manage inflation starting in 2022.

Sustainable Development Goals

On January 1, 2016, the world officially began implementation of the [2030 Agenda for Sustainable Development](#)—the United Nations' transformative plan of action that addresses urgent global challenges over the next 15 years. The plan is based on 17 specific sustainable development goals.

The distributions of household economic accounts for income, consumption, saving and wealth of Canadian households are an example of how Statistics Canada supports the reporting on the Global Goals for Sustainable Development. This release will be used in helping to measure the following goal:



Note to readers

Statistics Canada regularly publishes macroeconomic indicators on household disposable income, final consumption expenditure, saving and wealth as part of the Canadian System of Macroeconomic Accounts (CSMA). These accounts are aligned with the most recent international standards and are compiled for all sectors of the economy, including households, non-profit institutions, governments and corporations along with Canada's financial position vis-à-vis the rest of the world. While the CSMA provide high quality information on the overall position of households relative to other economic sectors, the Distributions of Household Economic Accounts (DHEA) provide additional granularity to address questions such as vulnerabilities of specific groups and the resulting implications for economic well-being and financial stability. These estimates are an important complement to standard outputs related to the economy.

The DHEA estimates released today provide estimates of income, consumption, saving and wealth, including their sub-components by various household distributions up to the fourth quarter of 2025. Estimates have also been revised for prior periods to incorporate the latest CSMA benchmarks and various other inputs, including revisions back to the first quarter of 2025 for the income, consumption and saving series, and back to 2010 for the wealth series.

With this release, estimates of [household actual final consumption](#) and [adjusted household disposable income](#) are now available for 2025, and include revisions for 2022 to 2024 to incorporate the latest information from various data inputs.

The term "income gap", referred to in this text, is defined as the gap in the share of disposable income between households in the top 40% and bottom 40% of the income distribution. The "wealth gap" is defined as the gap in the share of net worth between households in the top 20% and bottom 40% of the wealth distribution. Estimates for net worth distributed by wealth quintile are combined for households in the lowest two quintiles for ease of illustration, since the average household in the lowest wealth quintile owed more in liabilities than it owned in assets, such as self-employed workers with negative net business equity and recent graduates with student loan balances.

As with all data, the DHEA estimates are not without their limitations. While some distributions are estimated using timely microdata or micromodels, such as wages and salaries and household debt, other distributions, including those for household final consumption expenditures, social transfers in kind and assets rely on assumptions or use data from prior reference periods. Users should keep these limitations in mind when analyzing the estimates included in this release.

All values are expressed in nominal unadjusted rates. As a result, the estimates presented in this release are not adjusted for variations over time that may occur due to seasonal patterns and/or price inflation. Since the quarterly series are not seasonally adjusted, comparisons should only be made using estimates for the same quarter of each year.

Next release

The Distributions of Household Economic Accounts will be returning to an annual release, with data for the 2026 reference year to be released on April 13, 2027.

Available tables: [36-10-0101-01](#), [36-10-0587-01](#), [36-10-0588-01](#), [36-10-0609-01](#), [36-10-0612-01](#), [36-10-0660-01](#) to [36-10-0665-01](#) and [36-10-0667-01](#).

Definitions, data sources and methods: survey numbers 5369 and 5370.

The article "[Distributions of Household Economic Accounts, estimates of asset, liability and net worth distributions, 2010 to 2025, technical methodology and quality report](#)," which is part of the *Income and Expenditure Accounts Technical Series* ([13-604-M](#)), is available.

The data visualization product "[Distributions of Household Economic Accounts, Wealth: Interactive tool](#)," which is part of *Statistics Canada – Data Visualization Products* ([71-607-X](#)), is available.

The article "[Enhancing wealth distributions within the distributions of household economic accounts using a capitalization of income method](#)," which is part of the *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), is available.

Details on the sources and methods behind these estimates can be found in *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)). See section "[Distributions of Household Economic Accounts](#)" under *Satellite Accounts and Special Studies*.

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

The *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)) is available.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is available.

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).