

The rise of Canada's richest 1% ^[1]

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AVAILABILITY

Press release ^[2]

Report in pdf ^[3]

Text of the press release:

Canada's richest 1% are taking more of the gains from economic growth than ever before in recorded history, says a report by the Canadian Centre for Policy Alternatives (CCPA).

The Rise of Canada's Richest 1% looks at income trends over the past 90 years and reveals the 246,000 privileged few who rank among the country's richest 1% took almost a third (32%) of all growth in incomes between 1997 and 2007.

"That's a bigger piece of the action than any other generation of rich Canadians has taken," says Armine Yalnizyan, CCPA senior economist and the report's author.

"The last time Canada's elite held so much of the nation's income in their hands was in the 1920s. Even then, their incomes didn't soar as fast as they are today. It's a first in Canadian history and it underscores a dramatic reversal of long-term trends."

Post-war, Canada became more equal with the rise of the middle class but by 2007, the richest 1% reversed equality trends, amassing incomes gains reminiscent of the 1920s.

Among the report's findings:

- From the beginning of the Second World War to 1977, the income share of the richest 1% dropped from 14% to 7.7%;
- By 2007 they'd made a comeback: the richest 1% held 13.8% of incomes;
- Since the late 1970s, the richest 1% has almost doubled its share of total income; the richest 0.1% has almost tripled its share of total income; and the richest 0.01% has more than quintupled its share of income.

The study looks at the source of incomes for the richest 1% and finds another surprising trend: 67.6% of their income comes from working wages, just like the rest of Canadians. In 1946, only 45.5% came from wages.

"The incomes of the richest Canadians are increasingly reliant on their jobs," says Yalnizyan. "They work, like the rest of us, but their work is more richly rewarded."

The study notes Canada's tax system is playing a different role, too. In 1948, the top marginal tax rate was 80% but by 2009 it had been cut almost in half, to 42.9%.

"The last time the richest Canadians were taxed at this level was in the 1920s," says Yalnizyan. "Combine record-breaking growth in incomes with historically low top tax rates, and the richest 1% is truly breaking new frontiers of income inequality."

Related link: Campaign 2000's 2010 Report Card on Child and Family Poverty in Canada ^[4]

Region: Canada ^[5]

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[2] <http://www.policyalternatives.ca/newsroom/news-releases/richest-1-income-shares-historic-high>

[3] [http://www.policyalternatives.ca/sites/default/files/uploads/publications/National Office/2010/12/Richest 1 Percent.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2010/12/Richest%201%20Percent.pdf)

[4] <http://campaign2000.ca/reportCards/national/2010EnglishC2000NationalReportCard.pdf>

[5] <https://childcarecanada.org/taxonomy/term/7864>

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