

## **Income Inequality in Canada**

### **Stats:**

- Statistics Canada reported that from 1980 to 2005 the income of the richest 20% of Canadians grew by over 16% while the poorest 20% declined by 21%. With middle class incomes remaining virtually stagnant.
- The wealthiest 1% in 2012 earned 10 times more than average Canadian.
- When many Canadians hadn't escaped the impacts of the recession, the compensation for the CEOs of Canada's largest companies went up by 13%.
- This has led to Canada's wealthiest 20% controlling almost 70% of the total wealth.

### **How does Canada compare to its peers?**

According to the Conference Board of Canada, compared to 16 other OECD countries Canada ranks 12 out of 17 countries for income inequality. And the gap in Canada is increasing at a faster pace than in the United States.

### **Why is income inequality increasing in Canada?**

Our Labour market has changed dramatically in just a few short decades due to:

- Globalization.
- New Technology.
- Loss of manufacturing/blue collar jobs replaced in the economy with more low paying service jobs.
- Decline in union membership.
- Precarious employment – part time, casual, temporary contract work – has grown 50% in the last 20 years bringing with it more insecurity, uncertainty, lack of control, lack of benefits.
- Temporary foreign workers have gone from 140,000 to 340,000 in the last 7 years.
- Youth aged 20-24 are 41% worse off financially than counterparts in 1976.

### **Consequences:**

- Studies have demonstrated that income inequality:
- Produces societies that have less social cohesion, more disease, crime, and mental health issues. That means more spending in the health care, social services and criminal justice systems.
- Reduces social mobility.
- Limits economic growth.
- Impacts democracy. The rich potentially has unequal influence on policy decisions.