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# ONTARIO'S GROWING GAP

Time for leadership

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# A time for less, not more, inequality

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THE AFTER-TAX INCOME GAP between the richest 10% and poorest 10% of families in Ontario is at an all-time high — higher, even, than the national trends.

Ontario's income gap grew wider than the Canadian average for the first time in the mid-1990s, and has outpaced it since. Even as the province's economy picked up in the late 1990s, the gap kept widening and has now reached a record level high.

This study looks at Ontario's changing income distribution for families raising children under 18. It examines the gap over a 30-year period, from 1976 to 2004. These are the two endpoints of a continuously available annual data set, but these points in time have greater significance.<sup>1</sup> The late 1970s and the early 2000s are roughly comparable periods in Ontario's economy, certainly more comparable than any period in the intervening two decades, which were both marked by profound recessions and labour-market restructuring. In fact, the most recent years are even more economically robust than the mid 1970s. Inflation rates and interest rates are lower today than 30 years ago, and rates of employment are higher. More people are better educated, and more households with kids have two parents working. Given this backdrop, incomes of families should be significantly better today than 30 years ago. But for many, they're not.

This study focuses on two measures: what families received in earnings (before tax) and what families took home in after-tax incomes. It finds incomes among Ontario families are becoming more unequally distributed, on both counts. The data signal a significant shift in direction of the impact of the economy on the lives of Ontario families.

In terms of the earnings gap, the average earned income of the richest 10% of Ontario families raising children was 27 times as great that of the poorest 10% in 1976. By 2004 it had risen to 75 times. In terms of the after-tax gap, the ratio of the incomes of the top to the bottom grew from 8 times in 1976 to over 11 times in 2004. The first time the after-tax ratio broke through to double-digit territory in the past 30 years was in 1999. It has been on an upward trend ever since.

Income disparities in Ontario have soared for the past decade, though the economy has been strong. And it's not just a story about the tail ends of the distribution, the richest and the poorest. Fully 40% of Ontario's families have seen almost no income gains or, worse, actual income losses compared to their predecessors 30 years ago.

These kinds of trends are expected during recessionary periods, but this is occurring during one of Ontario's most sustained periods of economic expansion.

## The growing gap: Ontario vs. Canada <sup>2</sup>

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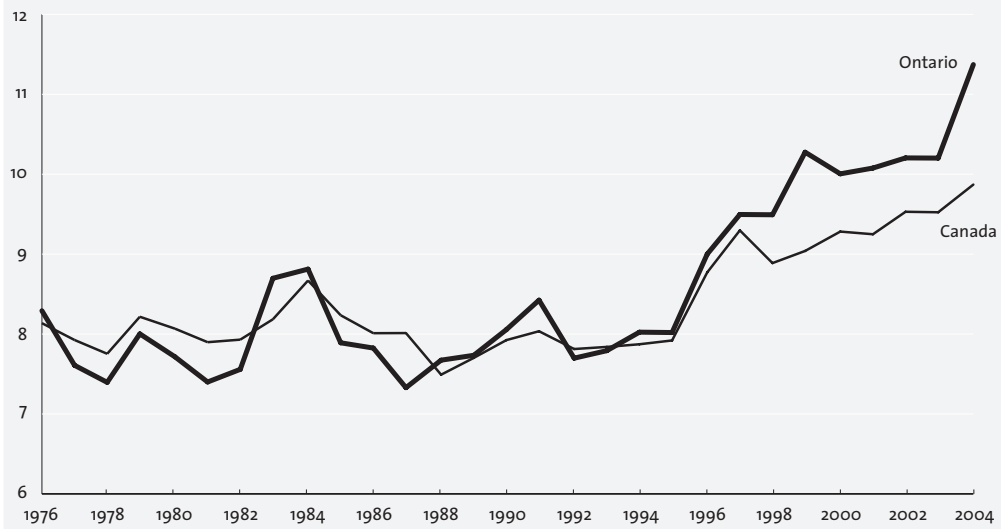
DURING RECESSIONS, THE EARNINGS GAP rises as people lose paid work, but government income supports help prevent economic freefall and keep consumption — if not production — humming along. That means after-tax disparities are much smaller than earnings-driven disparities. During periods of economic growth, earnings disparities tend to decline, and after-tax distributions simply mirror this, with many fewer people requiring income supports.

After the mid-1990s, this pattern broke in Ontario. The province's earnings gap improved tremendously but that was precisely the point at which the after-tax gap started to widen further.

As Chart 1 shows, for the first 20 of the past 30 years, Ontario's gap between the richest 10% and the poorest 10% of families raising children, in after-tax incomes, generally tracked with Canadian trends. For the past decade, Ontario's gap has outpaced the Canadian average and shows no signs of reversing.

There are several underlying factors behind this fairly recent trend. Incomes of the richest 10%, already the most affluent in the country, have risen rapidly in the past few years; incomes of the bottom 40% have not improved since 2000, with earlier improvements reflected in an increase in access to paid work that an expanding economy allows. Fuelling it all: a radically restructured labour market and a shrinking role for redistribution, through transfers and taxes.

**CHART 1 The Growing Gap in Canada and Ontario—  
Racing into New Territory** The ratio of average after-tax incomes,  
top 10% vs. bottom 10% families raising children under 18, 1976–2004



## Richest 10%: A world apart, affecting us all

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ONTARIO IS THE PLAYGROUND OF THE RICH — home to the highest number of millionaires and billionaires in the nation<sup>3</sup>. Socially and economically, they live in a world apart from the rest of Ontario families.

Yet their choices fundamentally shape what happens to the rest. This is sometimes mistaken for the superficial keep-up-with-the-Jones' effect, a frivolous matter of wanting the latest in clothing, or home furnishings or techno-toys. In fact, the rich set the pace for the basics. In the housing market — which takes the single biggest bite out of our disposable incomes — they set prices and determine what places remain affordable for those with stagnant incomes. And their purchasing preferences also shape the options available to all through public health, education, transit and retirement.

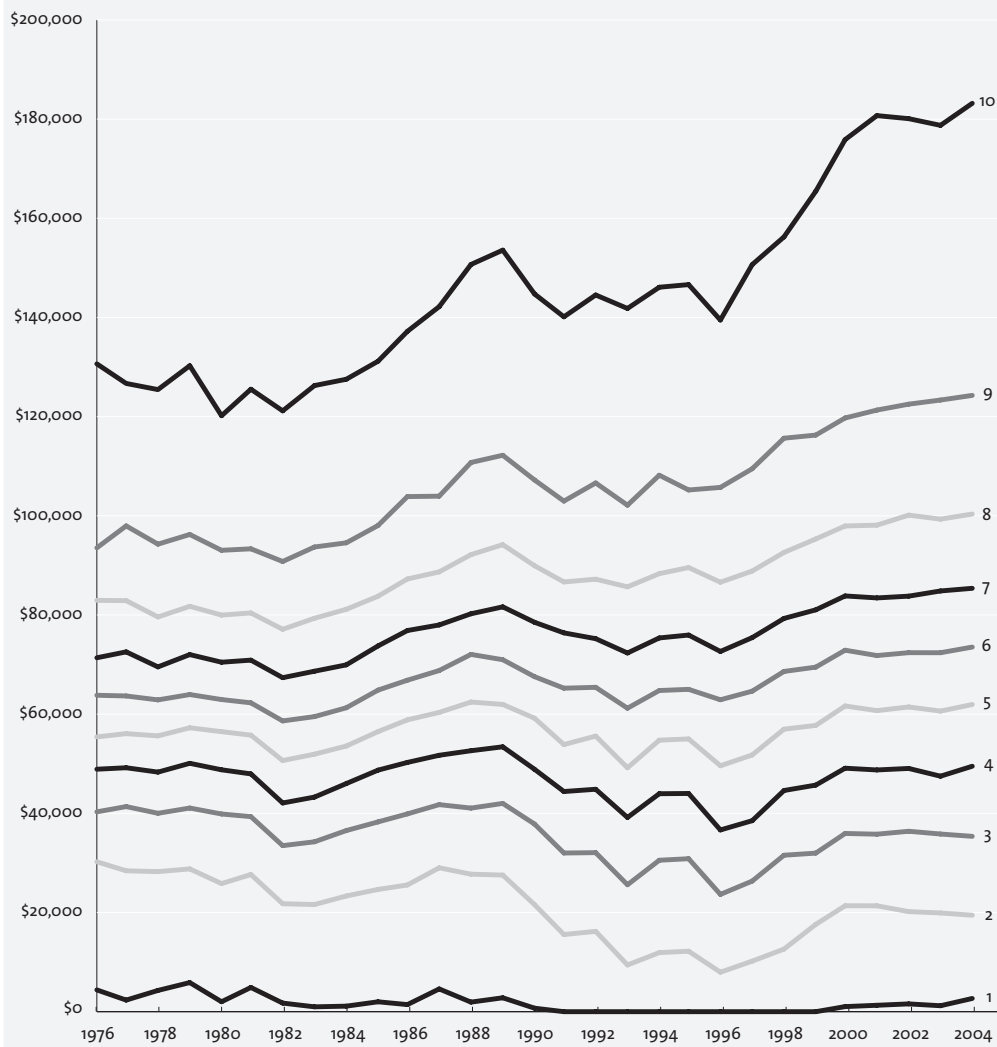
Having greater affluence may be a good thing in society, but when only a small group see significant economic gains, it unleashes a ripple effect through a whole chain of economic events.

As Chart 2 on page 8 indicates, the richest 10% of Ontario families raising children under 18 have seen their earnings soar to new heights post-1998. Earnings rose for families in the upper half of the income spectrum as well during this period, but not as rapidly or as high as those families who constitute the richest 10%. The story is not the same for families in the bottom half of the income spectrum. The chart shows their earnings eventually recovered from the 1990s recession but have generally flatlined for most of the past decade.

It should be noted that for most of the past 30 years, earned incomes among Ontario's families raising children were clustered more closely together than in other provinces — a sign of the strength of the economic heartland, where a richly diversified marketplace distributed the fruits of prosperity more evenly.

For only a short period of time — between 1993 and 1997 — Ontario's earnings gap between the top 10% and bottom 10% was dramatically higher than the Canadian earnings gap in most provinces. This is one indication of the severity of the re-

**CHART 2 Median Earnings (Constant 2004 Dollars) By Decile, 1976–2004, Families With Children Under 18, Ontario**



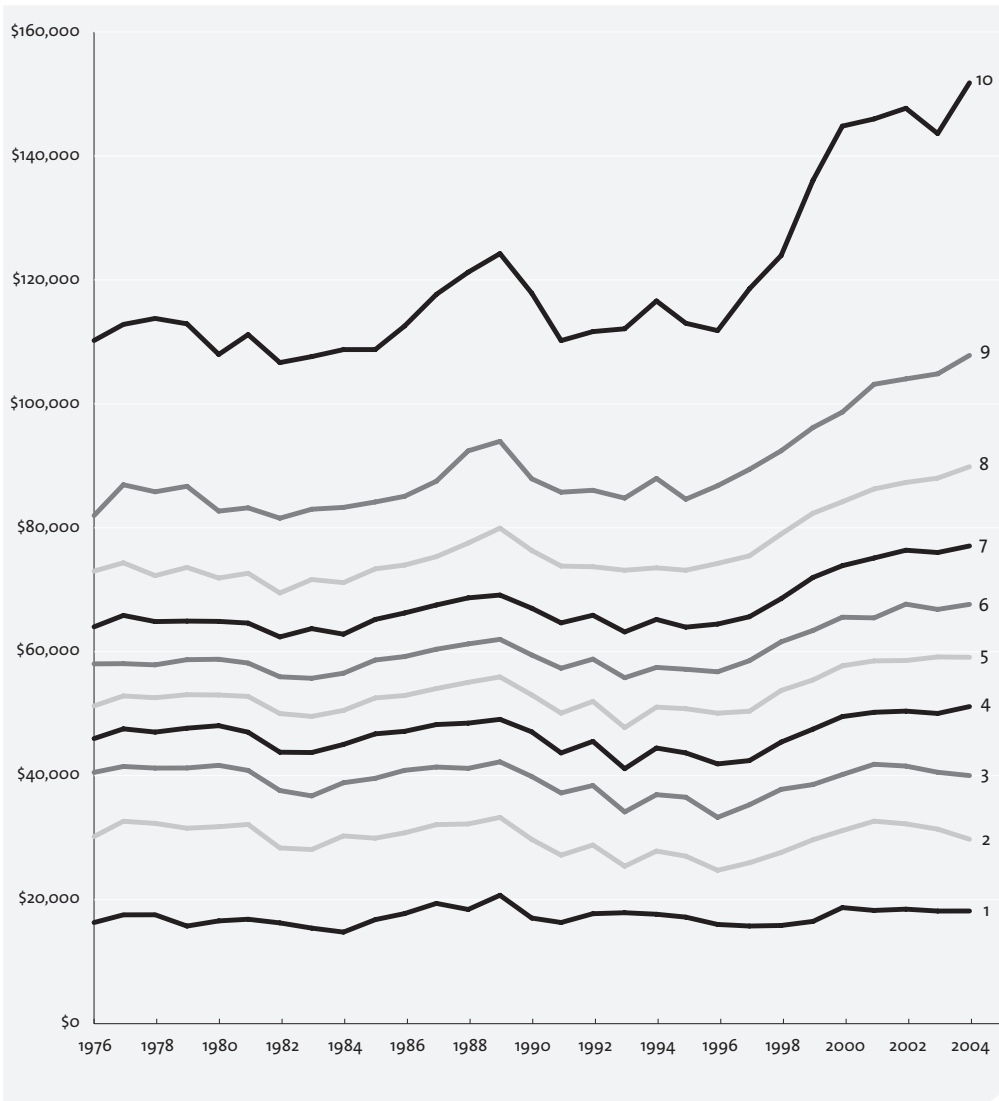
cession of the early 1990s, which starkly recast the labour market and left so many Ontarians jobless and underemployed.

When the wave of downsizing of public and private enterprises in Ontario subsided in the late-1990s and the province's economy began to enjoy sustained growth. Post-1998, Ontario's earnings gap shrank back to below national levels. But that has not translated to a better-than-average distribution of incomes at the end of the day, in after-tax terms. That, too, defies the long-term trends in this province.

Between 1976 and 1996, Ontario's after-tax income gap between the richest and poorest 10% of families raising children was in step with the national trend. But after the mid-1990s, Ontario shot past the national average, and there is no sign of reversal in sight.

Poverty is, of course, the greatest concern in growing income inequality. Stubborn poverty is always of concern, but it makes a difference if it occurs in general-

**CHART 3 Median After Tax Incomes (Constant 2004 Dollars) By Decile, 1976–2004, Families With Children Under 18, Ontario**



ized poor economic conditions or in generally buoyant economic conditions. That’s why it is important to understand what happens along the full breadth of the income distribution, not just focus on what happens at the bottom.

In after-tax terms, the fortunes of the bottom 40% of families raising children in Ontario have stalled over the course of a generation. This is despite steady economic growth in Ontario post-1998. It appears more than 600,000 families at the bottom end of the income spectrum are falling behind, shut out from the fruits of sustained growth. (In 2004, there were slightly more than 1,530,000 families raising children under 18 in Ontario. There are roughly 153,000 families in each decile.) In after-tax terms, Chart 3 indicates only clear winners, post-1998, were those families who already were at the upper end of the income scale.



## Depth of poverty immune to economic growth, more work time

ECONOMIC GROWTH HAS NOT DIMINISHED the depths of poverty in Ontario. Between 1981 and 2005, Ontario's economy grew by 310% — from \$131 billion to almost \$538 billion. Ontario's economy is now four times bigger than it was in 1981. In inflation adjusted terms, the “real” economy generated by the workers of Ontario more than doubled in size, while the employed workforce grew by 49%.

Compared to only 10 years ago — the trough of the economic cycle of the 1990s — the workers of Ontario produce over \$200 billion more each year. This isn't

TABLE 1 The Growth of Ontario, Canada's Economic Heartland

	GDP nominal (in \$millions)	GDP (in constant 1997 \$millions)	Labour Force (in 000 s)	Employment (in 000 s)	Unemployment Rate
1981	\$131,064	\$237,013	4,591	4,290	6.60%
1995	\$329,317	\$340,081	5,584	5,093	8.80%
2005	\$537,657	\$483,962	6,849	6,398	6.60%
1981–2005	\$406,593	\$246,949	2,258	2,108	
1995–2005	\$208,340	\$143,881	1,265	1,305	
1981–2005	310%	104%	49%	49%	0%
1995–2005	63%	42%	23%	26%	-25%

Source: Statistics Canada, Provincial Economic Accounts, 2006, Table 18

**TABLE 2 Working Harder is Not Paying Off For More than Half of Ontario's Families With Kids** Percentage change in average annual weeks worked and annual (inflation-adjusted) earnings at the median, comparing the periods 1976–1979 and 2001–2004

Decile	Average Annual Weeks Worked				Average of Annual Median Earnings		
	1976–1979	2001–2004	Average Difference	% Change	% Change	1976–1979	2001–2004
1	45	51	6	14%	-60%	\$4,220	\$1,681
2	64	67	3	5%	-30%	\$28,920	\$20,225
3	69	78	9	13%	-12%	\$40,686	\$35,842
4	73	85	12	17%	-1%	\$49,124	\$48,698
5	81	90	9	11%	9%	\$56,089	\$61,183
6	84	98	15	18%	14%	\$63,578	\$72,536
7	91	100	9	10%	18%	\$71,370	\$84,367
8	99	109	10	10%	22%	\$81,799	\$99,485
9	108	114	6	6%	29%	\$95,507	\$122,869
10	125	113	-12	-10%	41%	\$128,264	\$180,683
<b>Total</b>	<b>85</b>	<b>93</b>	<b>8</b>	<b>9%</b>	<b>11%</b>	<b>\$60,044</b>	<b>\$66,785</b>

as rapid an expansion as Alberta's economy over the past decade or, more lately, Newfoundland's, but it outstrips the rate of growth of all other jurisdictions and is by far the largest single economy in the country.

Ontario's economy expanded at a rate which vastly outpaced the addition of workers in this province. But that increased labour productivity did not result in even remotely similar increases in family incomes.

The greatest increase in incomes occurred for the richest 10% of Ontario's families raising children. The median earned family income for the richest 10% grew by 41% in inflation-adjusted terms between the late-1970s and early 2000s, to around \$181,000 — a rate of increase that is unparalleled in Canada.

Families in the bottom 40% of the income spectrum actually lost ground despite the fact that they worked more weeks, on average, in the labour market.

Table 2, above, compares two periods, 1976–79 to 2001–2004, both of which enjoyed relatively strong economic conditions. It looks at what happened, over the course of a generation, to the average earnings and annual weeks worked in these two roughly comparable periods.

Ontario families in every decile increased the number of weeks they worked annually, on average, during this time frame, with one exception. Families in the top decile (the richest 10%), decreased their average annual weeks in the labour market by 12%. The richest 10% of families have always worked hard. They are no longer unusual, at least when it comes to time in the paid labour force. But they are unusual in that they are the only group who spent less time in the labour market but enjoyed significantly higher earnings during this time period.

**CHART 4 Average Annual Weeks Worked, By Decile, 1976–2004, Families With Children Under 18, Ontario**

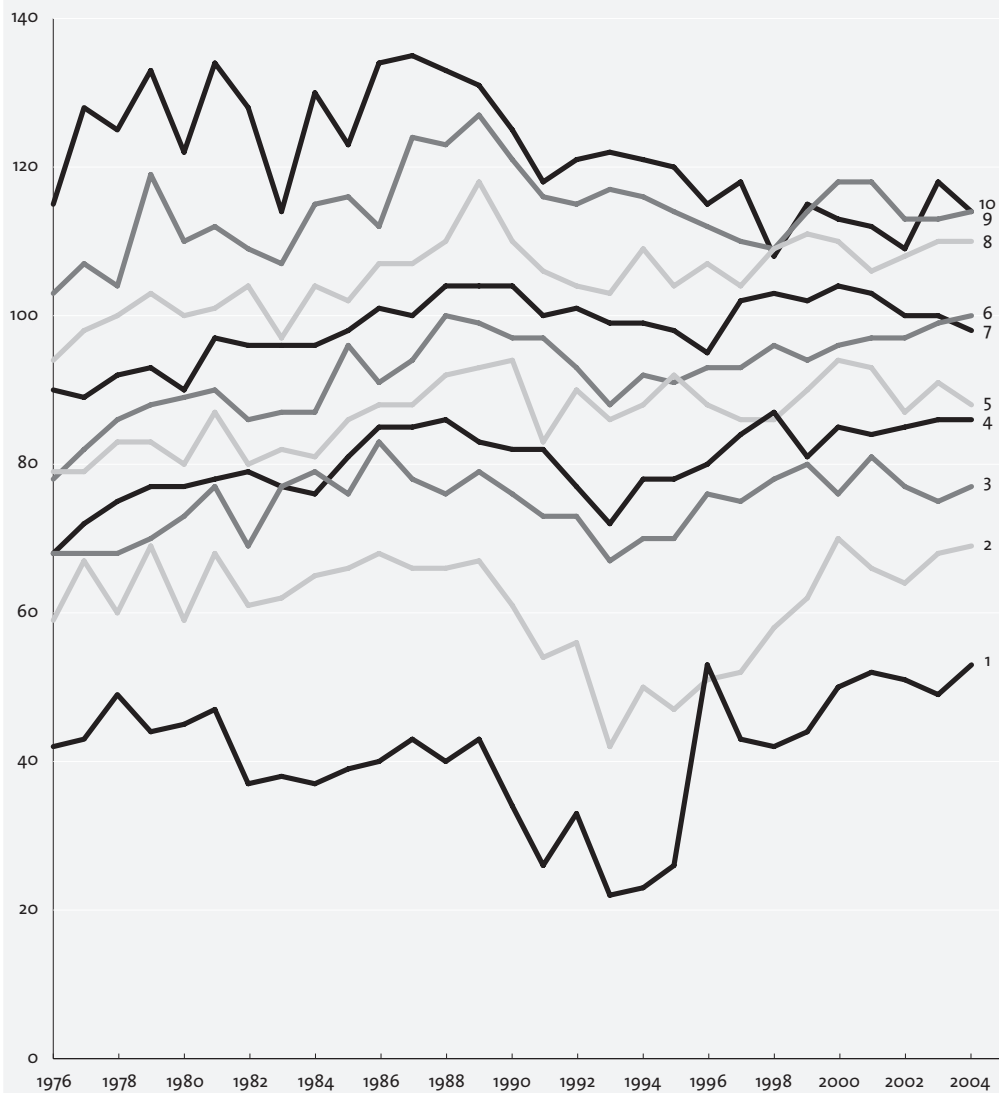
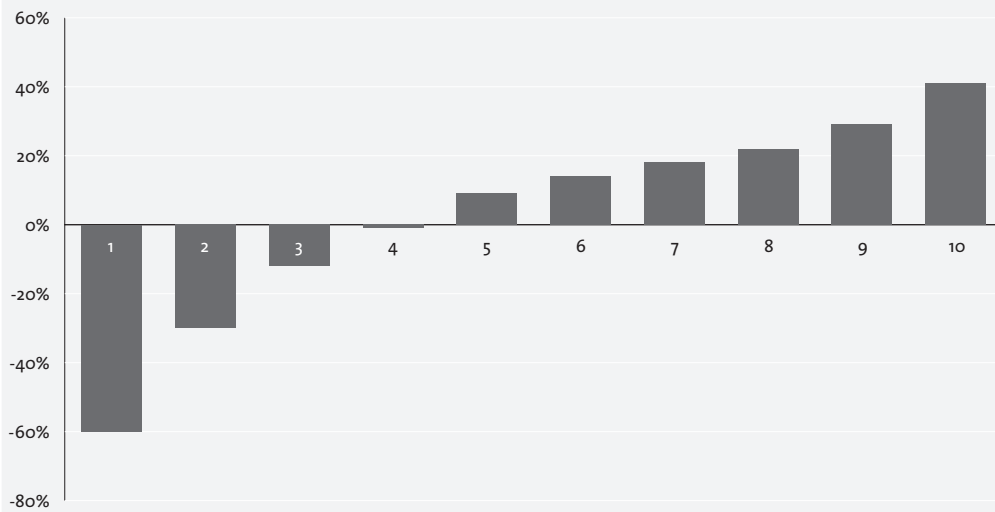


Chart 4 shows that the “new normal” among families raising children is converging towards the two full-year worker model in Ontario, much like it is in the rest of Canada. The top-earning 50% of families spend, on average, the equivalent of roughly two people working year-round in the labour market (close to or surpassing 100 weeks).

Families in all the other deciles are spending more time in the labour market too, over time, and speeding towards this “norm”. About one in six households raising kids in Ontario (16%) are headed by lone parents, many of whom are in the bottom half of the distribution. The fact is even among families in the poorest decile, households with earnings, on average, had a full year in the labour market (51 weeks). Though these are all families raising children under 18, they are, by and large, devoting more of their time to paid work.

**CHART 5 Percentage Change in Median Incomes Between the Periods of 1976–79 and 2001–04 (2004 Dollars) By Decile, Families With Children Under 18, Ontario**



More Ontario parents spend more time in the labour market than their predecessors; and this generation of parents, as a whole, is better educated than its predecessors. Sounds like a recipe for widespread success. Yet the net effect of changes in supply and demand in the labour market has been a significant redistribution of earning power. We have witnessed a shift, over the course of a generation, among Ontario families raising children — a power shift towards those already most powerful.

Chart 5, above, shows the drop in earnings (focusing on changes in median incomes comparing this generation of Ontario’s parents of young children to their predecessors) for the bottom 40% of families, while earnings increased for the upper half of families raising children in Ontario.

Virtually all families (except the richest 10%) are working more, but as the chart above indicates, median earnings have actually declined for a significantly large group, not just the very poor.

## Definition of poverty lower than a generation ago

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THESE TRENDS BECOME MORE TROUBLING when we realize the very definition of a decile changes over time.

While there are always 10 deciles in any given year, the trigger points of what it takes to get into the richest 10% or fall into the poorest 10% changes over time — and it is changing in Ontario.

One indicator of how poverty has become an intransigent, deepening phenomenon is the threshold at which families enter income categories in the bottom part of the distribution at ever lower incomes. For families raising children in Ontario, the thresholds for the poorest deciles have recovered from the depths of the recession in the 1990s, but are still well below the levels in the wake of the 1981–82 recession, the deepest recession to hit Canada since the 1930s. Yet we are not living in recessionary times.

In 1976, families that earned less than approximately \$17,000 in Ontario (in inflation-adjusted 2004 dollars) fell into the category of the poorest 10% of families raising children under 18. By 2004, the threshold had dropped considerably: the poorest 10% of families raising children in Ontario earned less than \$10,700.

The story is similar for the poorest three deciles. The upper limits of earnings in those deciles fell in response to the recession of 1981–82, then recovered slightly, only to fall even more dramatically after the 1990–91 recession.

Almost 30 years later, with economic conditions that have been compared to the glory days of 40 years ago, those markers of what denotes the poorest and the near poor have still not rebounded from the impact of profound labour market restructuring that has taken place over the past two decades.

As if it is not enough that “the poor are always with us”; today’s poorest families raising children are much poorer than the families that preceded them a generation ago.

After-tax income distributions show that the tax and transfer system has maintained the status quo trendlines for the bottom of the distribution, almost without any constraints at the top of the distribution, as Table 4 illustrates.

**TABLE 3 Upper Limits of Deciles, Earnings, Families With Children Under 18, Ontario**

Decile	1976	2004	
1	\$17,095	\$10,760	-37%
2	\$33,608	\$26,251	-22%
3	\$44,930	\$42,370	-6%
4	\$52,728	\$56,257	7%
5	\$60,376	\$67,456	12%
6	\$67,170	\$79,535	18%
7	\$77,245	\$92,257	19%
8	\$89,000	\$113,005	27%
9	\$104,113	\$145,610	40%
10	\$-*	\$-*	

\* There is no upper limit in earnings for the richest decile

**TABLE 4 Upper Limits of Deciles, After-Tax Incomes of Families With Children Under 18, Ontario**

Decile	1976	2004	
1	\$24,759	\$24,494	-1%
2	\$36,608	\$36,141	-1%
3	\$44,329	\$45,203	2%
4	\$48,497	\$55,190	14%
5	\$54,169	\$63,272	17%
6	\$60,695	\$72,228	19%
7	\$68,486	\$82,926	21%
8	\$76,019	\$98,654	30%
9	\$91,149	\$121,681	33%
10	\$-*	\$-*	

\* There is no upper limit in earnings for the richest decile

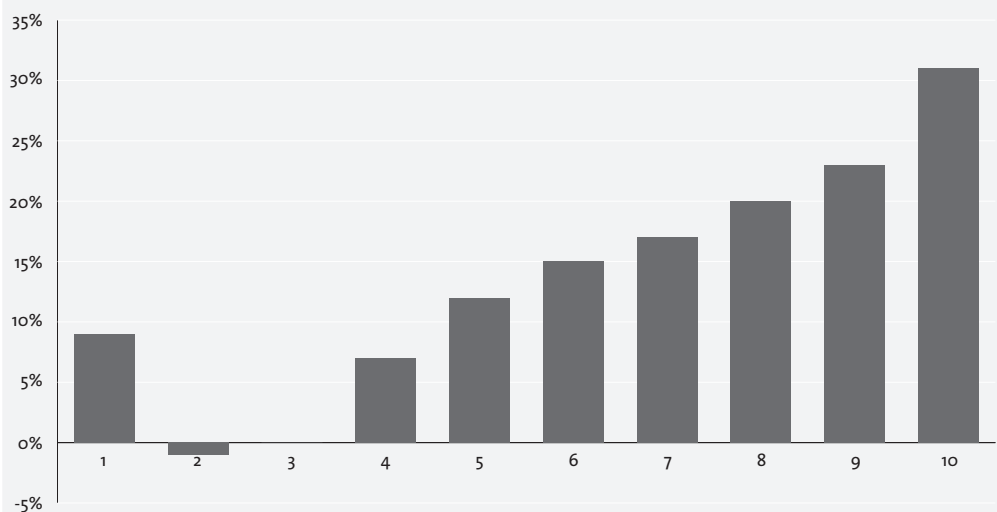
In 1976, if your after tax income fell below \$24,800, you were among the poorest 10% of families, almost the same as in 2004. In 1976, an after-tax income of more than \$91,000 meant that family was among the richest 10% in Ontario. By 2004, it took incomes greater than \$122,000 to be rich enough to belong to the ranks of the top 10.

## Government makes a difference

THE BOTTOM THIRD of Ontario's families raising children have had to rely on the province's tax and transfer system to prevent significant erosion of their incomes compared to the incomes of their predecessors.

The earnings of families in this part of the income distribution took a freefall post-1998 and those families relied on government tax and transfer systems to prevent economic devastation. Even so, as Chart 6 shows, families in the bottom second and third deciles still fell behind in after-tax terms compared to families in those deciles at generation ago.

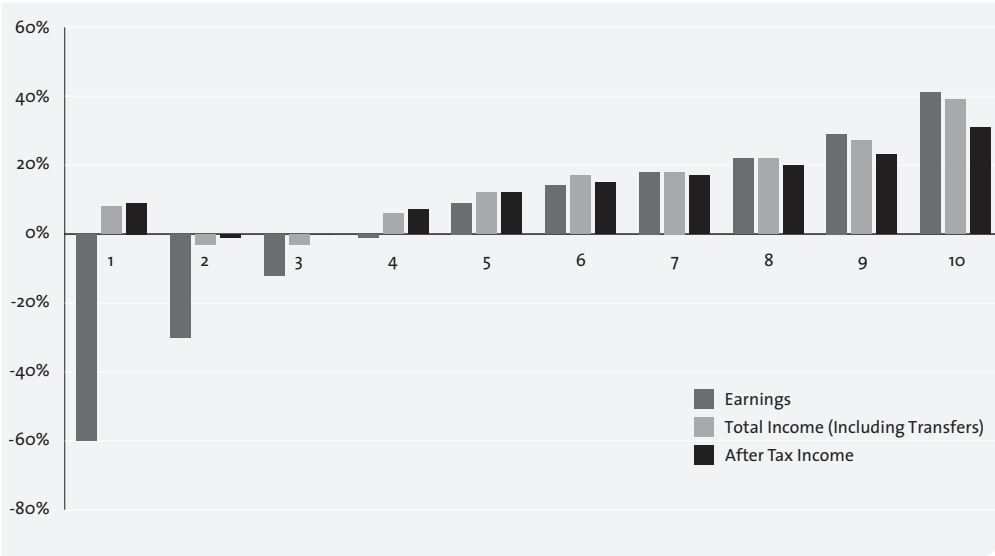
**CHART 6 Percentage Change in Median Incomes Between the Periods of 1976–79 and 2001–04 for Income After Tax (2004 Dollars) By Decile, Families With Children Under 18, Ontario**



**TABLE 5 After-Tax Incomes of Families With Children Under 18, Ontario, Late 1970s to Early 2000s**

Decile	Average 1976–1979	Average 2001–2004	Percent Change Late 1970s to Early 2000s	Annual Change	Change Per Month
1	\$16,799	\$18,274	9%	\$1,475	\$123
2	\$31,674	\$31,514	-1%	\$(160)	\$(13)
3	\$41,134	\$41,001	0%	\$(134)	\$(11)
4	\$47,070	\$50,468	7%	\$3,398	\$283
5	\$52,452	\$58,849	12%	\$6,397	\$533
6	\$58,188	\$66,909	15%	\$8,721	\$727
7	\$64,928	\$76,150	17%	\$11,222	\$935
8	\$73,318	\$87,867	20%	\$14,548	\$1,212
9	\$85,358	\$104,960	23%	\$19,602	\$1,634
10	\$112,431	\$147,262	31%	\$34,831	\$2,903
<b>Median Income</b>	<b>\$55,212</b>	<b>\$62,965</b>	<b>14%</b>	<b>\$7,753</b>	<b>\$646</b>

**CHART 7 Percent Change in Earned, Total and After-Tax Incomes, Comparing 1976–79 to 2001–04, by Decile, Families With Children, Ontario**



The increases demonstrated by Chart 6 needs to be put in context, particularly for those in the bottom part of the spectrum. Over the course of 30 years, the combination of changes in earning power and income supports from governments meant those in the bottom decile saw what looks like a healthy increase of 9% in median after-tax incomes. This growth actually translates to just over \$100 a month. Those

close to the middle of the spectrum, in the fourth decile, saw increases of roughly \$300 a month. Those at the top of the spectrum, in the top decile, saw increases of almost \$3,000 a month. All figures are in after-tax terms and compare the after-tax incomes of families raising kids today compared to a generation ago. While an additional \$3,000 more a month buys you lots of options and choices, \$100 a month does not, particularly given what has happened to housing prices over the course of a generation.

Chart 7 shows the degree to which the role of government is critical to keeping Ontario's families afloat, even in the country's biggest and most diversified economy, even in a period of economic strength. Without government income supports, fully 40% of families raising children would be worse off in this generation compared to the previous one.

It is appealing to think that perhaps nothing needs to be done, then; that the problem is solved. Nothing needs to be changed with government supports or taxes, though they have both been scaled back, because markets are so strong.

But is "staying the course" during such economically prosperous times good enough? This is a story not just about the poor, but a story of stagnant incomes for most families in the bottom half the population, juxtaposed against significant growth for only a tiny fraction of the population. It is occurring during the best economic conditions seen in 40 years. It begs the question: What will happen if the economy undergoes another recession?



## Governments have a key role to play in narrowing the gap

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FOR THE PAST TWO DECADES governments have held the pursuit of economic growth as the key priority. These data indicate that, though families are playing by all the rules, and economic growth is sustained and strong, it's not enough.

Families raising children in Ontario are better educated than the generation that came before them. They are working more than families did in 1981. The provincial economy has been consistently expanding. And yet the poorest 40% of Ontario families raising children found what they earned wasn't enough to pull them ahead. They are losing economic ground compared to their predecessors. In contrast, the richest 10% of Ontario families have never had it so good.

Ontario's tax and transfer system made a difference — it helped soften the profound disparities in market outcomes. But government supports barely offset the lost ground that so many families trying to raise children face today, compared to a generation ago. The after-tax income gap is at a 30-year high and tracking higher than the national trend. Ontario is one of the most prosperous jurisdictions in the world. Is this as good as it gets?

These findings raise several concerns.

First, markets, by themselves, cannot deliver widespread economic justice, even in times of plenty. Nor is that their role or purpose. It is the unenviable role of governments to minimize the predictable shortcomings of the market, to guard against extreme market distortions.

This is primarily accomplished by governments through legislative and regulatory frameworks that circumscribe and enforce acceptable labour standards, corporate practices and consumer protections.

The other vital role of government is to redistribute incomes, to whatever degree society deems acceptable. This is required to keep the whole production/consumption machine humming through the ups and downs of the business cycle.

The sobering reality is a growing number of Ontario's families raising children are walking a financial tightrope of financial insecurity in these, the best of economic times.

The poorest forty percent of Ontario's families raising children are trying to make incomes that haven't grown in a generation stretch further to cover the rising costs of basics. These costs include housing, child care and energy (electricity and transit). In addition to everyday costs you can't escape, families raising children must consider how to save for future costs — saving for rising tuitions for post-secondary education, for distant and insecure prospects of retirement, for pharmaceutical costs that may not be covered by public insurance or workplace benefits, and for the possibility that health care costs for the elderly will rise.

The trade-offs have huge consequences for a growing number of families.

In addition, unlike many rich industrialized nations, Canada's population is growing, due primarily to immigration policy. The global diaspora of people on the move everywhere, between nations and within nations; almost always has its eye on the biggest cities as the destination.

This, too, impacts the cost of shelter. As large cities cope with ever-rising densities and urban sprawl, the price of real estate continues to soar and the complications of transit continue to compound. Even when interest rates are at historic lows, as they are today, the costs of moving into a new place, whether rented or owned, are spiralling upward at a rate of increase that far outstrips all but the most highly-paid executives.<sup>4</sup>

Bankers and economic forecast a doubling of Canadian housing prices in the next 20 years. No one predicts Canadians' incomes will double in that period.

As inequality grows, those who can afford to pay will drive the prices of all the basics — the housing market, the education market, the market for caring services (nannies, home care, and health services). The result could be a shift in focus from public solutions to private solutions and, perhaps unwittingly, driving costs up for everyone, whether they can afford to pay or not.

As a result, growing income inequality is not 'just about poverty', nor is it just about incomes. It is also about affordability of the basics. And issues of affordability affect more than just the poor. Affordability constraints reach families far up the income spectrum and speak directly to the economic insecurity most families sense<sup>5</sup>, even in these prosperous times.

It is daunting to consider the full significance of the trends unleashed by growing inequality and growing concentration of affluence in Ontario. Yet many individual measures are starting to crop up as governments become increasingly aware of what is at stake, and there are the beginnings of systemic responses taking shape.

Governments in Quebec and Newfoundland have started to implement comprehensive anti-poverty strategies, strategies which at their core view poverty as far more than an income problem. Abroad, Ireland's approach to poverty amid economic growth is a model worth examining.

These projects have several things in common.

First, they are deliberate and explicit, and have high visibility as a priority for the government in question. For example, the Premier of Newfoundland — a province with one of the biggest earnings gaps in the country among families with children,

but which already has one of the lowest after-tax income gaps — has announced that his goal is to have the lowest rate of child poverty in the country in 10 years.

Second, these strategies have clear targets, timetables, and dedicated resources for a series of initiatives that are clustered around a series of initiatives.

Third, the initiatives include income-based solutions — such as raising the minimum wage, improving welfare rates, providing targeted income supports, or even offering wage supplements — but they are not solely focused on income.

They recognize the nexus between income, housing, and access to services, and they act on aspects of all these dimensions. They recognize that the lower down the income spectrum families go, the more difficult it is to ensure access to health or educational supports, or even access to safe housing, nutritious food or the justice system.

The more a family has to struggle with these basics, the less it can devote to developing human potential. The more constrained the options, the greater the risk of isolation. These are the true barriers imposed by poverty, and these barriers are not easily reduced simply by increasing already impossibly low incomes by 2% — as has been the case in Ontario with social assistance rates in the past two budgets — or even 10%.

Ontario is the largest economy in the country, and home to some of its greatest wealth. It is also home to a rapidly rising rate of income inequality, and deepening poverty. It is a remarkable situation, and puzzling to consider — that a place of such affluence simply claims it cannot afford to address the inadequacies that so poignantly surround us, while considerably less affluent jurisdictions, like Newfoundland, show leadership and simply act.

The time for leadership in Ontario has come. If not here, where? If not now, when? If not us, who?



# Appendix One

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THIS STUDY EXAMINES incomes for families raising children under 18 in Ontario, and the work required to generate those incomes.

It looks at the differences between two periods of strong economic growth, (1976–1979 and 2001–2004) and what happened in between.

Families with children under 18 have consistently displayed the most stable and least unequal distribution of incomes over time among all Canadian households.

This work examines trends in incomes, by decile, which slices any given population into ten equally sized segments, ranked by income in order from poorest (1) to richest (10).

We examine data from 1976 to 2004, the longest available period with comparable annual microdata files, using both the Survey of Consumer Finance (SCF) and Survey of Labour Income Dynamics (SLID) data.

SCF was Statistics Canada survey tool for collecting cross-sectional data on income from 1976 to 1996. In 1996 SCF was replaced by the SLID survey, which collects longitudinal data on panels of respondents over a course of years. SLID data is used in this analysis from 1996 to the most recently available year, 2004.

These two different household surveys have methodological differences which can result in discrepancies between estimates obtained for the two series, for sub-national populations or variables with lower sample reporting (like deciles in smaller provinces). Some charts show a spike upwards in 1996, which could be driven by the change to the underlying survey as well as the particular economic conditions of 1996.

Care has been taken to ensure that variability in levels between the two series do not affect the interpretation of trends. That said, wherever numbers (not trends) are compared before and after 1996 for individual deciles, there may be some slight variability.

This analysis focuses on median incomes in each decile. Medians are the half-way point of any group of observations, a measure which shows less variability than average incomes over time because average incomes are so influenced by what is happening at the top and bottom ends of a distribution. Medians rather than aver-

ages were used throughout, since they tend to be less variable than averages, and can help establish more solid trends.

The only use of average data is to measure the gap between rich and poor, since median data in the 1<sup>st</sup> and 10<sup>th</sup> decile are, effectively, comparing the 5<sup>th</sup> and 95<sup>th</sup> percentiles. The average is a more appropriate measure to speak of differences between the two most extreme groups in society, the richest and the poorest 10% of the population under study — in this case, families raising children under 18.

The data set permits us to look at five different definitions of income — earnings (from wages and salaries, plus self-employment), returns on investment, market income (all forms of income that do not flow from government transfers), total income (market plus government transfers, like unemployment insurance benefits, social assistance, workers' compensation, GST tax credit, child benefits and pensions), and after-tax income (which subtracts federal and provincial income taxes).

The purchased data set also permits us to examine working time, through weeks of work (since 1976) and hours of work (since 1996). Working time data is self-reported and generally incorporates vacation time.

Earnings data typically includes incomes that are negative due to investment losses and losses in one's self-employed business. It is important that these records be kept in the analysis because of the increasing role of self-employment in the Canadian labour market. All negative values for these records have been set to zero to avoid skewing the results in the bottom decile and make the gap and other measures of inequality further pronounced.

All income and work time data are from unpublished custom tabulations from Statistics Canada, based on the SCF/SLID surveys. All income figures cited in this document are inflation adjusted to 2004.

# Appendix Two

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**TABLE 1 Median Annual Earnings\* (2004 \$'s) for Families With Children Under 18, by Decile, 1976–2004, Ontario**

	1976	1977	1978	1979	1980	1981	1982	1983
Decile 1	\$4,390	\$2,336	\$4,287	\$5,869	\$2,002	\$4,885	\$1,733	\$979
Decile 2	\$30,226	\$28,412	\$28,246	\$28,794	\$25,828	\$27,666	\$21,770	\$21,606
Decile 3	\$40,302	\$41,361	\$40,009	\$41,071	\$39,865	\$39,333	\$33,487	\$34,260
Decile 4	\$48,900	\$49,192	\$48,314	\$50,089	\$48,779	\$47,955	\$42,087	\$43,276
Decile 5	\$55,415	\$56,070	\$55,621	\$57,251	\$56,469	\$55,772	\$50,641	\$51,932
Decile 6	\$63,811	\$63,671	\$62,877	\$63,954	\$62,947	\$62,285	\$58,633	\$59,505
Decile 7	\$71,371	\$72,561	\$69,533	\$72,014	\$70,477	\$70,895	\$67,357	\$68,662
Decile 8	\$82,951	\$82,890	\$79,604	\$81,749	\$79,979	\$80,412	\$77,111	\$79,340
Decile 9	\$93,541	\$97,964	\$94,284	\$96,238	\$93,046	\$93,344	\$90,788	\$93,713
Decile 10	\$130,645	\$126,693	\$125,454	\$130,265	\$120,184	\$125,531	\$121,165	\$126,266
	1984	1985	1986	1987	1988	1989	1990	1991
Decile 1	\$1,115	\$1,994	\$1,428	\$4,587	\$1,931	\$2,800	\$705	\$-
Decile 2	\$23,330	\$24,654	\$25,552	\$29,017	\$27,729	\$27,551	\$21,583	\$15,559
Decile 3	\$36,525	\$38,270	\$39,885	\$41,756	\$41,056	\$42,000	\$37,834	\$31,998
Decile 4	\$46,000	\$48,714	\$50,266	\$51,708	\$52,626	\$53,416	\$48,878	\$44,401
Decile 5	\$53,573	\$56,485	\$58,851	\$60,352	\$62,447	\$61,964	\$59,183	\$53,866
Decile 6	\$61,287	\$64,852	\$66,847	\$68,798	\$72,051	\$70,980	\$67,558	\$65,240
Decile 7	\$69,938	\$73,763	\$76,866	\$77,989	\$80,244	\$81,641	\$78,526	\$76,393
Decile 8	\$81,147	\$83,783	\$87,260	\$88,691	\$92,172	\$94,186	\$89,931	\$86,662
Decile 9	\$94,551	\$98,052	\$103,879	\$103,961	\$110,754	\$112,211	\$107,223	\$102,966
Decile 10	\$127,538	\$131,176	\$137,204	\$142,182	\$150,690	\$153,577	\$144,734	\$140,129

\* Non-negative earnings (See Appendix One)

**TABLE 1 CONTINUED Median Annual Earnings\* (2004 \$'s) for Families With Children Under 18, by Decile, 1976–2004, Ontario**

	1992	1993	1994	1995	1996	1997	1998
Decile 1	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Decile 2	\$16,198	\$9,420	\$11,912	\$12,197	\$7,957	\$10,193	\$12,621
Decile 3	\$32,072	\$25,592	\$30,539	\$30,851	\$23,652	\$26,337	\$31,552
Decile 4	\$44,856	\$39,167	\$43,957	\$44,005	\$36,648	\$38,514	\$44,604
Decile 5	\$55,578	\$49,185	\$54,756	\$55,006	\$49,591	\$51,772	\$56,974
Decile 6	\$65,415	\$61,198	\$64,769	\$65,002	\$62,902	\$64,633	\$68,615
Decile 7	\$75,224	\$72,334	\$75,371	\$75,956	\$72,643	\$75,434	\$79,303
Decile 8	\$87,220	\$85,678	\$88,334	\$89,564	\$86,606	\$88,862	\$92,614
Decile 9	\$106,628	\$102,140	\$108,188	\$105,209	\$105,726	\$109,491	\$115,652
Decile 10	\$144,536	\$141,815	\$146,100	\$146,629	\$139,484	\$150,657	\$156,249
	1999	2000	2001	2002	2003	2004	
Decile 1	\$-	\$1,024	\$1,292	\$1,570	\$1,198	\$2,666	
Decile 2	\$17,604	\$21,363	\$21,353	\$20,184	\$19,908	\$19,453	
Decile 3	\$31,978	\$35,940	\$35,795	\$36,385	\$35,827	\$35,361	
Decile 4	\$45,695	\$49,100	\$48,749	\$49,054	\$47,490	\$49,498	
Decile 5	\$57,730	\$61,652	\$60,711	\$61,455	\$60,617	\$61,949	
Decile 6	\$69,484	\$72,899	\$71,822	\$72,401	\$72,388	\$73,532	
Decile 7	\$81,038	\$83,842	\$83,442	\$83,797	\$84,845	\$85,382	
Decile 8	\$95,331	\$97,951	\$98,115	\$100,140	\$99,326	\$100,358	
Decile 9	\$116,279	\$119,731	\$121,324	\$122,518	\$123,347	\$124,285	
Decile 10	\$165,451	\$175,864	\$180,706	\$180,094	\$178,742	\$183,189	

\* Non-negative earnings (See Appendix One)

**TABLE 2 Median Annual After-Tax Income (2004 \$'s)  
for Families With Children Under 18, by Decile, 1976–2004, Ontario**

	1976	1977	1978	1979	1980	1981	1982	1983
Decile 1	\$16,319	\$17,559	\$17,570	\$15,748	\$16,583	\$16,850	\$16,257	\$15,419
Decile 2	\$30,189	\$32,655	\$32,316	\$31,535	\$31,780	\$32,146	\$28,349	\$28,097
Decile 3	\$40,547	\$41,498	\$41,238	\$41,254	\$41,679	\$40,860	\$37,613	\$36,747
Decile 4	\$45,998	\$47,566	\$47,042	\$47,673	\$48,078	\$47,029	\$43,799	\$43,743
Decile 5	\$51,267	\$52,877	\$52,589	\$53,075	\$53,029	\$52,797	\$50,031	\$49,575
Decile 6	\$58,052	\$58,085	\$57,890	\$58,724	\$58,793	\$58,181	\$55,961	\$55,727
Decile 7	\$64,023	\$65,867	\$64,872	\$64,952	\$64,901	\$64,629	\$62,395	\$63,735
Decile 8	\$73,024	\$74,355	\$72,285	\$73,608	\$71,897	\$72,670	\$69,484	\$71,655
Decile 9	\$81,977	\$86,946	\$85,811	\$86,699	\$82,700	\$83,220	\$81,551	\$82,997
Decile 10	\$110,219	\$112,816	\$113,780	\$112,910	\$107,972	\$111,171	\$106,658	\$107,621
	1984	1985	1986	1987	1988	1989	1990	1991
Decile 1	\$14,772	\$16,784	\$17,761	\$19,405	\$18,427	\$20,719	\$17,042	\$16,322
Decile 2	\$30,289	\$29,931	\$30,786	\$32,112	\$32,220	\$33,284	\$29,726	\$27,192
Decile 3	\$38,871	\$39,585	\$40,874	\$41,402	\$41,194	\$42,244	\$39,876	\$37,223
Decile 4	\$45,050	\$46,757	\$47,166	\$48,258	\$48,488	\$49,098	\$47,082	\$43,681
Decile 5	\$50,538	\$52,555	\$52,946	\$54,066	\$55,069	\$55,944	\$53,038	\$50,102
Decile 6	\$56,538	\$58,672	\$59,224	\$60,412	\$61,269	\$62,003	\$59,481	\$57,343
Decile 7	\$62,839	\$65,219	\$66,258	\$67,548	\$68,696	\$69,152	\$67,021	\$64,664
Decile 8	\$71,157	\$73,376	\$73,988	\$75,352	\$77,537	\$79,946	\$76,340	\$73,826
Decile 9	\$83,295	\$84,168	\$85,084	\$87,521	\$92,416	\$93,951	\$87,909	\$85,745
Decile 10	\$108,753	\$108,756	\$112,556	\$117,667	\$121,237	\$124,242	\$117,852	\$110,205

**TABLE 2 CONTINUED Median Annual After-Tax Income (2004 \$'s)  
for Families With Children Under 18, by Decile, 1976–2004, Ontario**

	1992	1993	1994	1995	1996	1997	1998
Decile 1	\$17,743	\$17,901	\$17,655	\$17,190	\$16,007	\$15,754	\$15,845
Decile 2	\$28,824	\$25,402	\$27,848	\$27,029	\$24,746	\$25,959	\$27,625
Decile 3	\$38,424	\$34,162	\$36,948	\$36,539	\$33,284	\$35,316	\$37,808
Decile 4	\$45,544	\$41,134	\$44,471	\$43,687	\$41,911	\$42,443	\$45,432
Decile 5	\$51,994	\$47,768	\$51,074	\$50,811	\$50,094	\$50,411	\$53,759
Decile 6	\$58,815	\$55,812	\$57,477	\$57,176	\$56,771	\$58,562	\$61,606
Decile 7	\$65,895	\$63,203	\$65,218	\$63,974	\$64,471	\$65,652	\$68,574
Decile 8	\$73,723	\$73,158	\$73,537	\$73,158	\$74,255	\$75,474	\$78,996
Decile 9	\$86,056	\$84,794	\$87,975	\$84,610	\$86,791	\$89,423	\$92,425
Decile 10	\$111,657	\$112,109	\$116,601	\$113,001	\$111,815	\$118,551	\$123,937
	1999	2000	2001	2002	2003	2004	
Decile 1	\$16,498	\$18,727	\$18,271	\$18,475	\$18,171	\$18,179	
Decile 2	\$29,675	\$31,146	\$32,675	\$32,236	\$31,386	\$29,757	
Decile 3	\$38,579	\$40,187	\$41,851	\$41,564	\$40,561	\$40,027	
Decile 4	\$47,518	\$49,544	\$50,238	\$50,426	\$50,050	\$51,157	
Decile 5	\$55,453	\$57,743	\$58,529	\$58,588	\$59,166	\$59,112	
Decile 6	\$63,435	\$65,577	\$65,469	\$67,685	\$66,836	\$67,648	
Decile 7	\$71,988	\$73,887	\$75,130	\$76,387	\$76,014	\$77,068	
Decile 8	\$82,356	\$84,192	\$86,275	\$87,322	\$88,016	\$89,854	
Decile 9	\$96,177	\$98,660	\$103,160	\$104,025	\$104,839	\$107,817	
Decile 10	\$136,054	\$144,806	\$145,968	\$147,689	\$143,601	\$151,791	

**TABLE 3 Upper Limits of Earnings Deciles (\$2004),  
for Families With Children Under 18, by Decile, Ontario**

	1976	1977	1978	1979	1980	1981	1982	1983
Decile 1	\$17,095	\$17,880	\$17,258	\$19,279	\$17,727	\$17,774	\$11,449	\$11,888
Decile 2	\$33,608	\$35,863	\$34,294	\$35,338	\$33,290	\$33,881	\$28,253	\$27,778
Decile 3	\$44,930	\$45,778	\$44,753	\$46,154	\$45,027	\$44,031	\$38,002	\$39,591
Decile 4	\$52,728	\$52,644	\$51,878	\$53,874	\$52,534	\$51,983	\$46,146	\$47,674
Decile 5	\$60,376	\$59,577	\$59,491	\$60,612	\$59,741	\$59,032	\$54,593	\$55,185
Decile 6	\$67,170	\$67,789	\$65,729	\$67,391	\$66,580	\$66,180	\$62,968	\$63,833
Decile 7	\$77,245	\$77,863	\$74,834	\$76,105	\$75,483	\$75,511	\$72,371	\$73,532
Decile 8	\$89,000	\$89,538	\$86,063	\$88,141	\$84,961	\$86,670	\$83,545	\$84,750
Decile 9	\$104,113	\$109,050	\$105,318	\$108,619	\$102,759	\$104,230	\$102,321	\$105,486
Decile 10*	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	1984	1985	1986	1987	1988	1989	1990	1991
Decile 1	\$13,258	\$15,510	\$15,954	\$19,549	\$15,569	\$18,273	\$9,348	\$5,313
Decile 2	\$30,761	\$31,399	\$33,002	\$35,234	\$34,942	\$35,000	\$30,208	\$24,035
Decile 3	\$41,405	\$43,971	\$45,858	\$46,905	\$46,384	\$48,315	\$44,055	\$38,601
Decile 4	\$50,148	\$52,664	\$54,790	\$56,564	\$57,582	\$57,366	\$54,598	\$49,121
Decile 5	\$57,807	\$60,386	\$62,699	\$64,844	\$66,855	\$66,158	\$63,562	\$59,332
Decile 6	\$66,102	\$69,241	\$71,442	\$74,531	\$75,273	\$75,743	\$72,864	\$70,519
Decile 7	\$74,311	\$78,729	\$81,456	\$83,444	\$85,889	\$86,745	\$83,539	\$80,958
Decile 8	\$86,703	\$90,696	\$93,477	\$96,433	\$100,368	\$101,790	\$96,456	\$93,608
Decile 9	\$106,351	\$109,997	\$115,647	\$115,123	\$124,923	\$126,000	\$121,552	\$115,180
Decile 10*	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

\* \$- means there is no "upper limit" for the richest decile

**TABLE 3 CONTINUED Upper Limits of Earnings Deciles (\$2004),  
for Families With Children Under 18, by Decile, Ontario**

	1992	1993	1994	1995	1996	1997	1998
Decile 1	\$5,563	\$367	\$1,955	\$3,349	\$647	\$1,204	\$4,232
Decile 2	\$25,274	\$18,521	\$21,866	\$22,720	\$15,296	\$18,887	\$22,573
Decile 3	\$39,319	\$32,146	\$37,869	\$37,069	\$30,841	\$32,870	\$37,694
Decile 4	\$50,746	\$44,668	\$49,166	\$49,638	\$43,525	\$45,171	\$50,908
Decile 5	\$60,769	\$55,123	\$59,996	\$59,789	\$57,349	\$58,387	\$62,780
Decile 6	\$69,776	\$66,100	\$70,255	\$70,551	\$67,910	\$69,605	\$74,505
Decile 7	\$80,990	\$79,068	\$81,625	\$82,142	\$78,640	\$81,055	\$84,052
Decile 8	\$95,983	\$93,175	\$96,161	\$96,618	\$94,780	\$97,504	\$103,183
Decile 9	\$120,367	\$114,182	\$123,994	\$120,774	\$117,481	\$122,636	\$128,678
Decile 10*	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	1999	2000	2001	2002	2003	2004	
Decile 1	\$6,317	\$10,843	\$10,721	\$11,217	\$10,664	\$10,760	
Decile 2	\$25,919	\$28,828	\$29,272	\$28,810	\$27,478	\$26,251	
Decile 3	\$38,830	\$42,814	\$42,042	\$42,090	\$41,166	\$42,370	
Decile 4	\$51,990	\$55,645	\$54,805	\$54,988	\$53,557	\$56,257	
Decile 5	\$64,616	\$67,053	\$66,680	\$66,732	\$66,218	\$67,456	
Decile 6	\$75,621	\$78,589	\$76,674	\$78,613	\$79,141	\$79,535	
Decile 7	\$87,343	\$90,510	\$90,273	\$90,490	\$91,243	\$92,257	
Decile 8	\$103,654	\$107,534	\$107,876	\$109,941	\$108,858	\$113,005	
Decile 9	\$131,929	\$135,806	\$138,622	\$142,434	\$142,106	\$145,610	
Decile 10*	\$-	\$-	\$-	\$-	\$-	\$-	

\* \$- means there is no "upper limit" for the richest decile

**TABLE 4 Upper Limits of After-Tax Deciles (\$2004),  
for Families With Children Under 18, by Decile, Ontario**

	1976	1977	1978	1979	1980	1981	1982	1983
Decile 1	\$24,759	\$25,917	\$26,169	\$24,813	\$24,889	\$26,073	\$23,529	\$22,459
Decile 2	\$36,608	\$38,159	\$38,269	\$37,105	\$36,847	\$36,974	\$33,526	\$32,391
Decile 3	\$44,329	\$44,619	\$44,276	\$44,437	\$44,889	\$43,773	\$40,904	\$39,876
Decile 4	\$48,497	\$49,884	\$49,506	\$50,316	\$50,717	\$50,073	\$46,724	\$46,975
Decile 5	\$54,169	\$55,425	\$55,287	\$55,879	\$56,032	\$55,402	\$52,752	\$52,808
Decile 6	\$60,695	\$62,119	\$60,991	\$61,544	\$61,722	\$61,308	\$58,743	\$59,173
Decile 7	\$68,486	\$69,661	\$68,873	\$68,988	\$67,971	\$68,424	\$65,754	\$67,300
Decile 8	\$76,019	\$79,869	\$78,255	\$78,980	\$76,379	\$77,654	\$74,739	\$76,531
Decile 9	\$91,149	\$96,627	\$94,873	\$96,863	\$92,708	\$93,626	\$90,218	\$93,033
Decile 10*	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	1984	1985	1986	1987	1988	1989	1990	1991
Decile 1	\$23,499	\$24,172	\$24,993	\$26,849	\$26,363	\$26,685	\$23,742	\$22,083
Decile 2	\$34,613	\$34,748	\$36,306	\$37,297	\$36,747	\$38,276	\$35,729	\$33,139
Decile 3	\$42,055	\$43,534	\$44,548	\$45,023	\$44,932	\$45,870	\$43,711	\$40,673
Decile 4	\$47,562	\$49,689	\$49,993	\$51,077	\$51,630	\$52,315	\$49,924	\$46,936
Decile 5	\$53,319	\$55,495	\$56,046	\$56,678	\$58,424	\$58,860	\$56,090	\$53,431
Decile 6	\$59,466	\$61,976	\$63,099	\$63,754	\$64,692	\$65,208	\$63,033	\$61,172
Decile 7	\$66,757	\$69,449	\$69,872	\$70,912	\$72,710	\$74,094	\$71,324	\$69,236
Decile 8	\$76,016	\$78,569	\$78,911	\$81,586	\$84,619	\$87,325	\$81,766	\$79,714
Decile 9	\$93,044	\$93,997	\$95,165	\$97,099	\$103,668	\$105,533	\$98,271	\$94,581
Decile 10*	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

\* \$- means there is no "upper limit" for the richest decile

**TABLE 4 CONTINUED Upper Limits of After-Tax Deciles (\$2004),  
for Families With Children Under 18, by Decile, Ontario**

	1992	1993	1994	1995	1996	1997	1998
Decile 1	\$23,547	\$22,240	\$22,942	\$22,160	\$19,840	\$20,307	\$21,764
Decile 2	\$33,545	\$29,500	\$32,925	\$32,440	\$28,632	\$29,869	\$32,331
Decile 3	\$41,663	\$37,724	\$40,664	\$39,871	\$37,214	\$38,363	\$41,793
Decile 4	\$48,933	\$44,659	\$47,861	\$47,067	\$45,641	\$45,987	\$49,892
Decile 5	\$55,040	\$51,677	\$54,224	\$53,482	\$53,633	\$54,295	\$57,348
Decile 6	\$62,074	\$59,481	\$61,464	\$60,309	\$60,450	\$61,753	\$65,386
Decile 7	\$69,035	\$67,996	\$69,280	\$68,375	\$68,763	\$70,054	\$72,896
Decile 8	\$79,277	\$77,777	\$79,733	\$78,298	\$79,459	\$82,574	\$84,303
Decile 9	\$96,420	\$93,707	\$97,817	\$95,393	\$95,873	\$99,433	\$102,697
Decile 10*	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	1999	2000	2001	2002	2003	2004	
Decile 1	\$23,836	\$25,456	\$26,233	\$25,263	\$25,891	\$24,494	
Decile 2	\$34,135	\$35,642	\$37,530	\$37,137	\$36,676	\$36,141	
Decile 3	\$42,715	\$45,329	\$45,877	\$45,513	\$44,949	\$45,203	
Decile 4	\$51,331	\$53,355	\$54,858	\$53,936	\$54,758	\$55,190	
Decile 5	\$58,957	\$61,056	\$62,294	\$63,649	\$62,511	\$63,272	
Decile 6	\$67,578	\$69,089	\$70,041	\$71,209	\$71,204	\$72,228	
Decile 7	\$77,262	\$79,088	\$80,105	\$80,468	\$81,868	\$82,926	
Decile 8	\$88,277	\$90,905	\$94,377	\$95,767	\$94,241	\$98,654	
Decile 9	\$108,364	\$112,775	\$116,314	\$118,567	\$116,674	\$121,681	
Decile 10*	\$-	\$-	\$-	\$-	\$-	\$-	

\* \$- means there is no "upper limit" for the richest decile

**TABLE 5 Earnings\* and After-Tax Gaps, Ratios of Average Incomes of Richest and Poorest Deciles, for Families With Children Under 18, 1976–2004, Ontario**

	1976	1977	1978	1979	1980	1981	1982	1983
Earnings Gap	27.1	27.9	22.9	20.0	22.7	21.7	40.5	45.9
After Tax Gap	8.3	7.6	7.4	8.0	7.7	7.4	7.6	8.7
	1984	1985	1986	1987	1988	1989	1990	1991
Earnings Gap	43.7	33.1	35.8	25.2	38.9	34.2	65.0	190.5
After Tax Gap	8.8	7.9	7.8	7.3	7.7	7.7	8.1	8.4
	1992	1993	1994	1995	1996	1997	1998	1999
Earnings Gap	202.5	28,214.7	1,302.7	464.4	7,797.7	2,075.8	281.0	149.0
After Tax Gap	7.7	7.8	8.0	8.0	9.0	9.5	9.5	10.3
	2000	2001	2002	2003	2004			
Earnings Gap	75.3	79.4	73.8	80.1	75.4			
After Tax Gap	10.0	10.1	10.2	10.2	11.4			

\* Non-Negative Earnings (See Appendix One)

**TABLE 6 Average Annual Weeks of Employment, Families With Children Under 18 With One or More Week of Employment, By Decile, 1976–2004, Ontario**

	1976	1977	1978	1979	1980	1981	1982	1983
Decile 1	42	43	49	44	45	47	37	38
Decile 2	59	67	60	69	59	68	61	62
Decile 3	68	68	68	70	73	77	69	77
Decile 4	68	72	75	77	77	78	79	77
Decile 5	79	79	83	83	80	87	80	82
Decile 6	78	82	86	88	89	90	86	87
Decile 7	90	89	92	93	90	97	96	96
Decile 8	94	98	100	103	100	101	104	97
Decile 9	103	107	104	119	110	112	109	107
Decile 10	115	128	125	133	122	134	128	114
Average	81	85	85	89	86	90	87	86
	1984	1985	1986	1987	1988	1989	1990	1991
Decile 1	37	39	40	43	40	43	34	26
Decile 2	65	66	68	66	66	67	61	54
Decile 3	79	76	83	78	76	79	76	73
Decile 4	76	81	85	85	86	83	82	82
Decile 5	81	86	88	88	92	93	94	83
Decile 6	87	96	91	94	100	99	97	97
Decile 7	96	98	101	100	104	104	104	100
Decile 8	104	102	107	107	110	118	110	106
Decile 9	115	116	112	124	123	127	121	116
Decile 10	130	123	134	135	133	131	125	118
Average	89	90	93	94	95	96	93	89

**TABLE 6 CONTINUED Average Annual Weeks of Employment, Families With Children Under 18 With One or More Week of Employment, By Decile, 1976–2004, Ontario**

	1992	1993	1994	1995	1996	1997	1998
Decile 1	33	22	23	26	53	43	42
Decile 2	56	42	50	47	51	52	58
Decile 3	73	67	70	70	76	75	78
Decile 4	77	72	78	78	80	84	87
Decile 5	90	86	88	92	88	86	86
Decile 6	93	88	92	91	93	93	96
Decile 7	101	99	99	98	95	102	103
Decile 8	104	103	109	104	107	104	109
Decile 9	115	117	116	114	112	110	109
Decile 10	121	122	121	120	115	118	108
Average	90	88	90	89	91	90	91
	1999	2000	2001	2002	2003	2004	
Decile 1	44	50	52	51	49	53	
Decile 2	62	70	66	64	68	69	
Decile 3	80	76	81	77	75	77	
Decile 4	81	85	84	85	86	86	
Decile 5	90	94	93	87	91	88	
Decile 6	94	96	97	97	99	100	
Decile 7	102	104	103	100	100	98	
Decile 8	111	110	106	108	110	110	
Decile 9	114	118	118	113	113	114	
Decile 10	115	113	112	109	118	114	
Average	93	93	93	91	93	93	

# Notes

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<sup>1</sup> See Appendix I for a full discussion of data sources and methodologies.

<sup>2</sup> On March 1, 2007 we reported that the after-tax income gap between rich and poor Canadian families raising children was at the highest level it has been in 30 years, and growing faster in the past decade than it has at any other point in the past 30 years. See *The Rich And The Rest of Us* at [www.growinggap.ca](http://www.growinggap.ca). The earnings gap between the richest and poorest 10% of Canadian families raising children rose from 31 times in 1976 to 82 times in 2004. The bottom 70% of families shared a smaller share of the economic “pie” they helped generate, compared to the shares enjoyed by the previous generation. The gains from this remarkable period of sustained prosperity largely accrued to the very top of the distribution — a trend that is echoed by statistics that document the increased concentration of wealth in this country, both in households and in corporations.

<sup>3</sup> *The Rich 100: Rich and Getting Richer*, Canadian Business Magazine, Winter 2006/7 issue. 37% of the richest Canadians live in Ontario. 14% live outside Canada.

<sup>4</sup> See Benjamin Tal, CIBC World Markets, “Much Ado About Nothing”, *Consumer Watch Canada*, April 18, 2007, who predicts housing prices will double in Canada over the next 20 years; Craig Alexander, Toronto Dominion Bank, “Housing Bubble Watch”, *TD Economics* April 4, 2006 who reports on vigorous growth in the price of housing nationally, with regional variations; and Canadian Mortgage and Housing Corporation, *CMHC Toronto Housing Market Outlook 2006–7*, November 2006, which shows housing prices have been increasing at multiples of the consumer price index for the past decade.

<sup>5</sup> Canadian Centre for Policy Alternatives. *Growing Gap, Growing Concerns*. Poll conducted by Environics Research. November 2007.

