Billionaire Blindspot

How official data understates the severity of Canadian wealth inequality

Social Capital Partners

By Daniel Skilleter

Social Capital Partners is a Canadian non-profit founded in 2001 to promote economic inclusion.

We develop projects, build networks, conduct research and advocate for transformative policy ideas that will reduce the unsustainable concentration of wealth both in Canada and globally.

Social Capital Partners believes capitalism should benefit the many and not the few.

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Evidence suggests that the very wealthiest Canadians own nearly as much of our country's wealth as their American counterparts do in the U.S. The way we collect and report on our wealth data leads us to tell ourselves a story about wealth inequality in Canada that is very likely wrong.

Executive summary

Canadians like to think that our levels of inequality are small compared to the United States. However, when it comes to wealth inequality, the reality is quite different. While wealth inequality is still higher in the U.S., the difference between Canada and our southern neighbour is significantly smaller than Canada's official statistics report.

In this report, we analyze Canada's official wealth survey, the Survey of Financial Security (SFS). Its methodological shortcomings significantly underestimate wealth inequality in Canada. We compare the official approach used in the U.S., the Survey of Consumer Finance (SCF), and find it to be significantly better at accurately capturing what is really going on.

By synthesizing a variety of independent and academic studies, we more accurately estimate Canadian wealth owned by the top 1% and 0.1%. Canada and the U.S. are not so dissimilar. The top 1% in the U.S. owns 35.7% of all wealth, while in Canada it's 26% (with StatsCan's estimates placing it at only 17.3%). And the wealthiest 0.1% of Americans own 16.2% of all the wealth in their country, while the wealthiest top 0.1% of Canadians are not far behind, at 12.4% (with Canada's official estimates pegging it at a mere 3.9%).

Misleading data creates misleading public understanding. Misleading data inhibits Canadians' capacity to have an evidence-informed conversation about wealth concentration and a public policy conversation about what to do about it.

The report contains three recommendations for the federal government and Statistics Canada:

1. Ensure that the wealthiest Canadians – including its billionaires – are captured by creating new tiers of estimated 'net worth' that target the top 2-0.001% in all future SFS surveys, as done in the U.S.;
2. Modernize how wealth inequality data is published and displayed, including ways to track the wealth shares of the top 0.1% and 1%;
3. Treat the SFS with more seriousness by deploying it with greater frequency.

Introduction

Until recently, if you wanted to know whether inequality in Canada was getting better or worse, or how we compared to other countries, you would turn to measures of income inequality. Perhaps you would have used the Gini index, a simple summary measure of income inequality. Alternatively, you may have looked at the difference in income across quintiles or looked at poverty rates.

While undoubtedly useful in some circumstances, it is well-understood that these income measurements paint a very incomplete picture.[1] And while no individual statistic on its own can tell the whole story, the most glaring absence in our inequality discourse is wealth.

Looking only at the income of rich Canadians obscures their growing wealth. Not only does income ignore intergenerational wealth that may have been inherited or will be inherited,[2] but many rich Canadians keep their growing fortunes within private business enterprises where the tax rates are lower or use other wealth sheltering strategies to avoid taxation – providing themselves just enough personal income annually to pay their expenses and minimize tax bills.

Canadians are poorly served when our conversations about inequality are exclusively preoccupied with income. Individuals can sometimes have significant fluctuations in yearly income over their lives, but significant wealth – or its absence – can be more important to individuals' lives, as well as to broader social cohesion. Wealth inequality in countries across the globe is typically much worse than income inequality – Canada being no exception.[3]

Fortunately, we're witnessing a shift internationally towards emphasizing the importance of wealth inequality, with academics like Thomas Piketty gaining tremendous notoriety. In Canada, data is being published more routinely by Statistics Canada[4] since the pandemic, garnering increasing attention from media.[5, 6]

1 See for example, Lars Osberg, On the limitations of some current usages of the Gini Index, The Review of Income and Wealth, September 2016

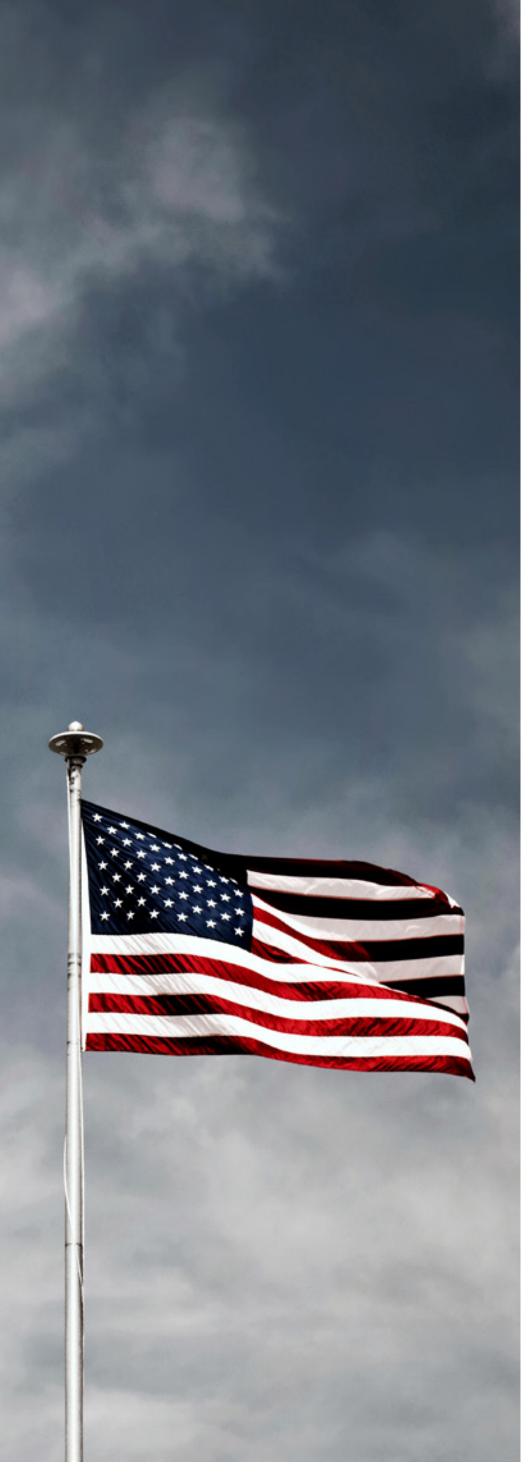
2 A CCPA report titled *Born to Win: Wealth Concentration in Canada since 1999 found that of the richest 87 Canadian families in 2016, more than half had inherited their fortunes*

3 Qureshi, Zia. "Rising inequality: A major issue of our time." Brookings, May 16, 2023

4 Statistics Canada - Distributions of Household Economic Accounts, Wealth: Interactive Tool

5 "Income and wealth gaps are widening in Canada: StatsCan." Global News, January 22, 2024

6 "Cousins, Ben. "High interest rates widen Canada's wealth gap: StatsCan." BNN Bloomber, January 22, 2024



Although Canadians increasingly feel that inequality is a problem and is getting worse,[7] a ubiquitously Canadian instinct often kicks in when the issue of wealth inequality is raised: whatever our problems, we are doing better than our neighbours in the United States.

But is that true?

It is good that Statistics Canada and the media are starting to pay more attention to wealth, but to properly describe the problem and identify realistic policy solutions, we need to have accurate data. In this report we combine different data sources to present a more realistic comparison between Canadian and U.S. wealth inequality.

If reaching American levels of inequality would be alarming for many Canadians, the data suggests we should be paying closer attention.

The way that Statistics Canada measures wealth is outdated, and recent evidence suggests that the very wealthiest Canadians own nearly as much of our country's wealth as their American counterparts do in the U.S. The way we collect and report on our wealth data leads us to tell ourselves a story about wealth inequality in Canada that is very likely wrong.

How is wealth measured, anyways? We just ask nicely.

One reason income inequality has been more prevalent in our public dialogue than wealth inequality is that the data are more easily available, go back further in time, and are of higher quality. Governments have annual income tax data at their fingertips, but outside of a handful of countries that implement a wealth tax, most national statistics agencies typically lack analogous, recurring wealth datasets.

7 Canadians are losing faith in the economy — and it's affecting their perception of inequality (theconversation.com)

Governments around the world have come up with a relatively straightforward method of overcoming this data deficit – that is, they nicely ask their populations to tell them. Wealth surveys have become a prominent tool in the arsenal of statistical agencies. They tend to be voluntary, interview-based surveys that take into account an individual's or family's stock of assets and liabilities. Given the high-touch, expensive nature of these surveys they are often carried out every few years instead of annually.

While wealth surveys around the world vary in scope and methodology, they all must grapple with one inescapable issue: the 'top end of the tail' is tough to access. Given that so much wealth is held by such a small number of the richest families, wealth surveys must take relatively extreme measures to ensure sufficient representation at the top of the distribution. This problem is made that much harder by extremely wealthy respondents being less likely to volunteer to participate in such surveys compared to their less wealthy peers.[8]

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A lack of representation from extremely wealthy families in the survey can lead to dramatic errors in estimating, reporting and addressing a country's wealth distribution. For example, in 2019 Canadian David Thomson had a net worth of $32.5 billion,[9] which was 400 times the average net worth of a top 0.1%er, or 1,806 times the average net worth of a top 1%er.[10] When families like the Thomsons get left out of wealth surveys, it is easy to understand how it can materially distort our public understanding of Canada's wealth inequality.

National statistical agencies have developed different approaches to surveying a disproportionately large number of wealthy families – a practice referred to as 'oversampling'– with varying degrees of success. The quality of our public conversation about wealth is only as good as the data, which is only as good as the methods we use for collecting it.

8 Arthur Kennickell, 1997. "Analysis of Nonresponse Effects in the 1995 Survey of Consumer Finances"

9 Forbes lists the 20 richest people in Canada in 2019." Daily Hive, March 5, 2019

10 Author's calculations using: Office of the Parliamentary Budget Officer, 2021. "Estimating the top tail of family wealth distributions in Canada: Updates and trends"

Calculating Wealth in Canada

Canada's primary method of measuring wealth inequality is through its Survey of Financial Security ("SFS"), which is undertaken by Statistics Canada. Since 1999 it's been conducted approximately every 3-6 years.[11]

The SFS data is collected directly from respondents through interviews, averaging about 45 minutes in length. The latest survey for which we have data, in 2019, had a sample of 20,010 respondents.[12]

Statistics Canada's SFS survey samples most of Canada's vast geography but has separate approaches for its urban and non-urban regions. In urban areas, it uses the individual information of Canadian families, such as T1 tax records, to estimate their wealth. They use these estimates to divide families into five wealth categories (or "strata"). For the smaller number of families that they estimate to be wealthier, an effort is made to oversample them. To save on costs, no oversampling is done for non-urban areas.

FIGURE 1

2019 SFS Strata Breakdown[13]

Region	Net Worth Strata	Proportion of Dwellings[14]	Proportion of the Urban Sample with Predicted Net Worth	Proportion of the Total Sample
Urban	Low	0 to less than 20%	19.7%	12.3%
	Medium Low	20% to less than 50%	15.6%	9.8%
	Medium High	50% to less than 80%	24.6%	15.4%
	High	80% to less than 95%	24.3%	15.2%
	Very High	95% or more	15.9%	10%
	Unknown	-	-	4.4%
Rural				32.9%

11 Statistics Canada, 2024. "Distributions of Household Economic Accounts, estimates of asset, liability and net worth distributions, 2010 to 2023, technical methodology and quality report"

12 Statistics Canada. "Survey of Financial Security (SFS), Detailed information for 2019"

13 Table provided to author by Statistics Canada staff

14 For clarity, the SFS measures the wealth of "economic families", which refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law union, adoption or a foster relationship. This column indicates the share of wealth Statistics Canada estimates is owned by economic families in each strata. (e.g., Economic families who respond to the survey in the Very High Net Worth strata are estimated to be within the top 5% of net worth)

At the top end, the SFS oversamples economic families it believes to be in the top 5% of wealth ("Very High Net Worth"), so that they end up representing 10% of the overall sample.

While this oversampling certainly goes some distance to creating a more reliable wealth distribution, it still has big problems that lead to misleading conclusions. Statistics Canada notes in its SFS Detailed Information[15] document that its survey "... is designed to create reliable estimates of the top 5% of the net-worth distribution. The sample size of the SFS is insufficient to have a representative sample of economic families with very high wealth." In other words, they make no claim that they capture or accurately report on the richest part of the wealth distribution.

> **To put this in context, for the 2019 SFS, the richest 5% of Canadian families spanned 497,000 households, whose net worths started at about $2.4 million on the low end and climbed all the way to tens of billions on the high end.**

To put this in context, for the 2019 SFS, the richest 5% of Canadian families spanned 497,000 households, whose net worths started at about $2.4 million on the low end and climbed all the way to tens of billions on the high end.[16, 17] That means that families who owned a nice detached home in Vancouver – and nothing else – were put in the same wealth category as the Irving family, with the same likelihood of being asked to participate in the survey.

This overly broad definition of what constitutes Very High Net Worth makes it unlikely that even one Canadian billionaire will ever be sent a request to be surveyed, let alone participate in one. As part of the 2012 and 2016 SFS surveys, the wealthiest families that participated had net worths of $23.7 million and $27.3 million.[18] Credit Suisse's most recent Global Wealth report estimates there are more than 5,500 Canadians with a net worth of greater than $50 million – and 120 of those Canadians have a net worth of greater than $500 million.[19]

15 Statistics Canada. "Survey of Financial Security (SFS), Detailed information for 2019"

16 Office of the Parliamentary Budget Officer, 2021. "Estimating the top tail of family wealth distributions in Canada: Updates and trends"

17 Statistics Canada. Table 11-10-0190-01: Market income, government transfers, total income, income tax and after-tax income by economic family type

18 James B. Davies & Livio Di Matteo, 2021. "Long Run Canadian Wealth Inequality in International Context," Review of Income and Wealth, International Association for Research in Income and Wealth, vol. 67(1), pages 134-164, March

19 Credit Suisse, 2022. "Global Wealth Databook 2022"

The missing billionaires

Concerns that the lack of extremely wealthy families in the SFS create an unreliable picture of Canada's wealth distribution are well founded. When the New Democratic Party reached out to the Parliamentary Budget Officer ("PBO") in 2019 for help in costing out a wealth tax, it turned out to be a surprisingly complicated request.

The SFS data was the natural place for the PBO to look for such an inquiry. However, due to the SFS's inability to adequately capture Canada's wealthiest families, the PBO concluded that relying on its data alone would lead to significantly underestimating potential revenue from a wealth tax.

Out of this request, the PBO published reports in 2020[20] and 2021[21] that created new, more reliable profiles of Canada's wealth distribution. They did this through a careful process of adding publicly available data of Canada's richest families from the Forbes billionaire list to the existing public SFS datasets. These mixed methods are often needed to accurately estimate what is really going on.

The results paint a picture of inequality that is dramatically worse than what Statistics Canada reports. Rather than the top 1% of families owning 13.7% of all private wealth, they owned almost twice that amount: 24.8%. And the top 0.1%? Instead of owning 2.8% of Canadian wealth, they appeared to own 11.2%, or four times more than previously estimated.

These are not rounding errors. Underestimating wealth concentration at the top of the tail by factors of 2 or 4 is significant and allows many Canadians and policymakers to have a mistaken understanding of the Canadian reality. The PBO's figures are similar

20 Office of the Parliamentary Budget Officer, 2020. "Estimating the top tail of the family wealth distribution in Canada"
21 Office of the Parliamentary Budget Officer, 2021. "Estimating the top tail of family wealth distributions in Canada: Updates and trends"

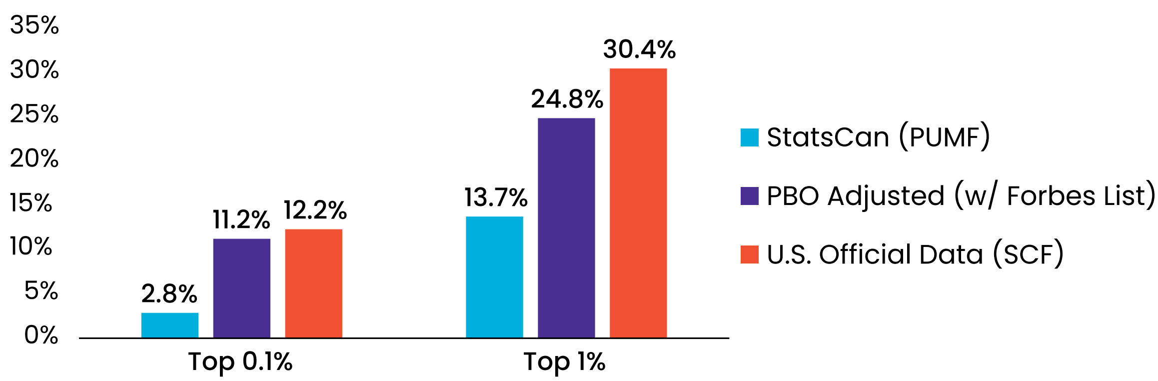
to those that have been published by Professors Davies and Di Matteo,[22] the Credit Suisse Global Wealth Reports,[23] and the World Inequality Database,[24] all of whom have used relatively similar methodologies to arrive at more accurate depictions of wealth inequality estimates.

Figure 2 uses data from the PBO's 2021 report to compare wealth shares of the top 0.1% and 1% of Canadians, displaying them in relation to figures from the U.S. government's wealth survey, run by the Federal Reserve and called the Survey of Consumer Finance ("SCF"). Additional independent estimates likewise suggest that Canada's official data are misleading, and our distributions resemble the U.S. far more than Statistics Canada reports (see Appendix I).

Additional independent estimates likewise suggest that Canada's official data are misleading, and our distributions resemble the U.S. far more than Statistics Canada reports.

FIGURE 2

Comparing the share of wealth by percentile group (2019)[25, 26, 27]



22 James B. Davies & Livio Di Matteo, 2021. "Long Run Canadian Wealth Inequality in International Context," Review of Income and Wealth, International Association for Research in Income and Wealth, vol. 67(1), pages 134-164, March

23 Credit Suisse. "Global Wealth Reports"

24 World Inequality Database, Canada

25 Office of the Parliamentary Budget Officer, 2021. "Estimating the top tail of family wealth distributions in Canada: Updates and trends"

26 The Federal Reserve, Distribution of Household Wealth in the U.S. since 1989

27 Because Statistics Canada does not publish wealth data for the top 1% or 0.1%, PBO made use of the SFS Public Use Microdata File (PUMF) to generate its figures. The PUMF includes safeguards to prevent the identification of individuals or families, including placing a maximum cap on certain values that are very high – a process known as 'top-coding'. As a result, 'StatsCan (PUMF)' values in this graph are likely slightly lower than they would otherwise be if PBO had access to the full, unaltered SFS dataset

How reliable is US data?

The observation that a more reliable profile of Canada's wealth inequality data resembles official U.S. data raises the question of whether data from the U.S.'s wealth survey similarly understates the magnitude of their issues due to methodological deficiencies. On this front, there's good reason to believe that the SCF creates a significantly more reliable wealth distribution than Canada's SFS.

Like its Canadian counterpart, the SCF also uses income tax and other personalized data to identify wealthier Americans and oversample them. It is also similar in that its survey is divided into two components, one that oversamples and another that does not. However, unlike the SFS's use of five strata (Figure 1), the SCF's oversampling component goes significantly further by creating seven strata, and unlike the SFS, whose bottom two strata capture families with low net worth, the SCF's bottom strata capture middle-class Americans[28] and goes up to target billionaires.

FIGURE 3

Comparing SFS and SCF Oversampling Methodologies

	Canadian SFS	American SCF
Oversampling method	Personal data (e.g., income tax)	Personal data (e.g., income tax)
Number of strata	5	7
Lowest Strata	Low Net Worth (0-20%)	Middle-class
Highest Strata	Very High Net Worth (top 5%)[29]	Billionaires

While the Federal Reserve does not make the stratum boundaries or the sampling rates public, they have revealed that the highest three strata correspond approximately to the wealthiest 2% of tax filers.[30] A 2021 report from the Federal Reserve Board provides further detail: "families are ranked according to expected wealth from the two sampling models and then divided into seven mutually exclusive strata: middle class families in the lower strata and billionaires in the highest stratum."[31]

28 In 2011, the average salary income of individuals in the bottom strata was $32,100 – Bricker, Henriques, and Moore, 2017. "Updates to the Sampling of Wealthy Families in the Survey of Consumer Finances"

29 In 2019, the threshold to be in this stratum was a family net worth of $2.4 million - Office of the Parliamentary Budget Officer, 2021. "Estimating the top tail of family wealth distributions in Canada: Updates and trends"

30 Arthur Kennickell, 2008. "The Role of Over-Sampling of the Wealthy in the Survey of Consumer Finances"

31 Bricker, Goodman, Moore, Volz, 2021. "A Wealth of Information: Augmenting the Survey of Consumer Finances to Characterize the Full U.S. Wealth Distribution"

In short, while we don't know all the details, the U.S. survey targets much wealthier families for oversampling and divides the wealthiest groups into narrower and more meaningful segments than Canada's - creating a more realistic picture of the wealth distribution.

Academic studies back this up. The attempts by researchers to estimate Canadian wealth inequality[32] place the wealth of the top 0.1% on average more than 200% higher than the SFS does, while similar attempts in the U.S. are much closer to the SCF data, at approximately 35% higher. The Canadian studies place the wealth of the top 1% of Canadians 50% higher than the SFS, with the respective finding in the US only 20% higher.[33] The similarity between the American statistical agency's estimates and replication efforts by other researchers, compared to the significant discrepancies in Canada, suggests that the U.S. efforts to ensure that the very wealthiest Americans participate in their SCF survey have paid off, and make a big difference in terms of accuracy.

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32 Studies referenced above on page 5

33 Calculations by author using a variety of sources detailed in Appendix I

Data from Canada and the U.S. for 2016 are presented in Figure 4, which compares the official figures from U.S. and Canadian statistical agencies to the averages of research studies that have attempted to estimate the distribution in each country.

FIGURE 4

Comparing the share of wealth by percentile group (2016)[34]

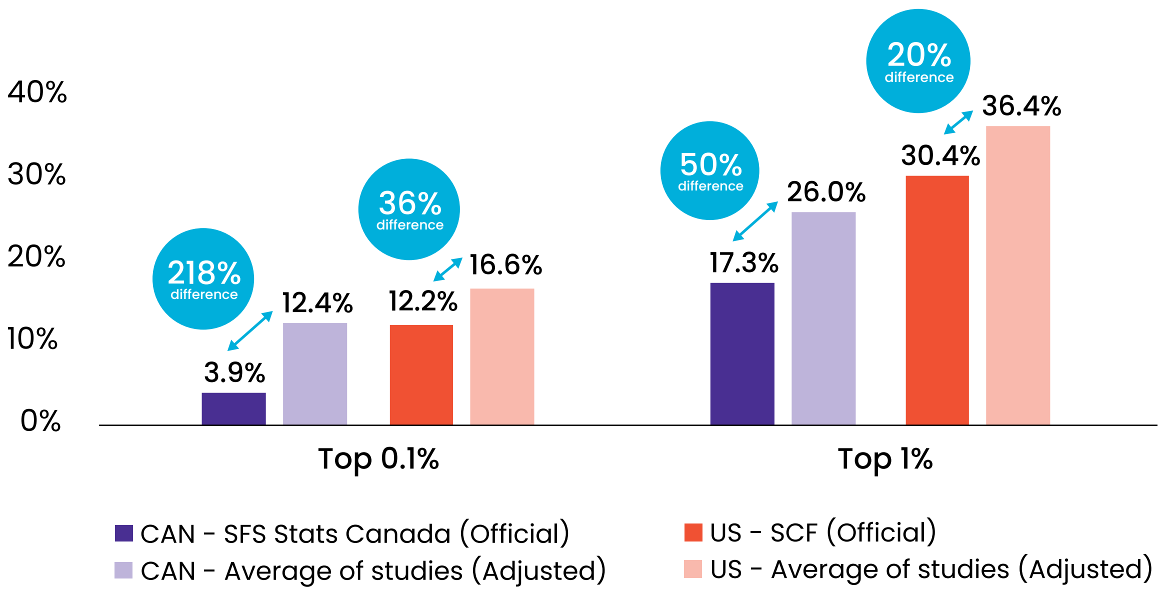
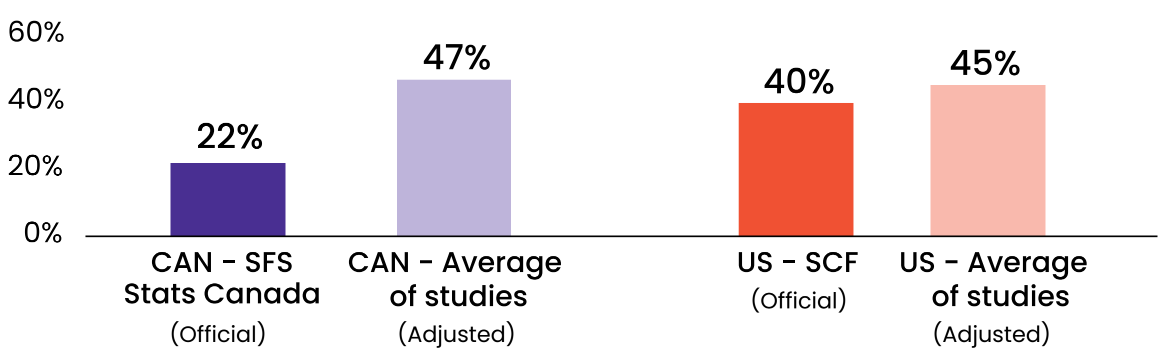


Figure 5 shows how much of an outlier Statistics Canada's SFS is, in particular, when looking at the wealthiest of the wealthy. Statistics Canada data suggests that the top 0.1% owns 22% of the wealth held by the top 1%. All of the other estimates place the outsized wealth of those at the very top of the distribution as being about double that, in both Canada and the U.S.

FIGURE 5

The 0.1%'s share of the top 1% of national wealth (2016)[35]



34 Author's calculations using 2016 data sources detailed in Appendix I. 2016 represents the most recent year that sufficient data exists for both the U.S. and Canada to compare

35 Author's calculations

Where to from here? Better data, and a real policy agenda

The staggering share of wealth controlled by its billionaire class has become one of the U.S.'s defining characteristics. It is also a 'top of the agenda' political issue, with criticisms of the billionaire class and its outsized economic and political power featuring prominently in public debate.

In Canada, our government agencies don't track wealth data on the top 1% or 0.1% and as a result our media often inaccurately downplays our inequality relative to the U.S., as they're forced to rely only on income inequality metrics alone, like the Gini coefficient.[36] This contributes to political inaction. While the power of oligopolists like the Westons (owners of the Loblaw grocery chains), and their families' wealth, has been piqued by recent affordability issues and inflation, Canada has lacked the same consistent focus on the issue of outsized wealth and power that features so prominently in the U.S.

> Although Canada's data lacks some important information, independent modelling suggests that Canada's wealth inequality among the top 0.1% is plausibly approaching American levels.

These issues have been attracting more attention globally, with vibrant debates about the extent of wealth concentration, its explanation and what policy tools can be used.[37, 38, 39, 40] There is some progress being made globally on issues like global minimum corporate tax, and Canada has been supportive of these processes.[41] However, as the EU Tax Observatory's 2024 Report on Global Tax Evasion[42] warns, the frequent use of shell companies to avoid income taxation by billionaires has rendered tax systems regressive, with the very rich paying less tax proportionally than ordinary citizens.

36 For example, in a recent X thread, Globe and Mail columnist Andrew Coyne attempted to make the case that inequality in Canada was actually improving by posting a graph of the top 1% share of income from 1981-2021. (Note: even with this income focused graph, he had to choose a definition of income that excludes capital gains to show a downward trend.)

37 Szalai, Jennifer. "Economists Ignored Inequality for Years. Now Thye Can't Stop Talking About it." The New York Times, November 2023

38 Karma, Roge. "A Baffling Academic Feud Over Income Inequality." The Atlantic, February 27, 2024

39 Ahmed, Aneesa. "North-south wealth inequality in England on course to grow, report finds." The Guardian, March 2024

40 Richardot, Robin. "France has a persistent social divide according to inequality monitor." Le Monde, June 2023

41 Department of Finance Canada, 2023. "Statement by the Deputy Prime Minister on international tax reform negotiations"

42 EU Tax Observatory, 2024. "Global Tax Evasion: Report 2024"

These are important global issues, yet they are not as prominent in our public discussion as they should be. We believe this is in part because our data are not being collected accurately and are giving Canadians a fundamentally misleading understanding of the size and nature of the problem.

In this SCP Note we have shown that wealth inequality in Canada is almost certainly under-estimated. Although Canada's data lacks some important information, independent modelling suggests that Canada's wealth inequality among the top 0.1% is plausibly approaching American levels.

This has real world consequences. Extreme wealth inequality and declining opportunities for intergenerational mobility produce real problems, including declines in social cohesion, democratic stability, health outcomes, happiness and well-being. Ossified economic strata are not good for societies and rarely produce good outcomes from those at the bottom or the middle of the distribution. Outsized economic power also usually leads to outsized political power, and plutocracy likewise rarely produces good outcomes for those at the bottom or the middle of the distribution.

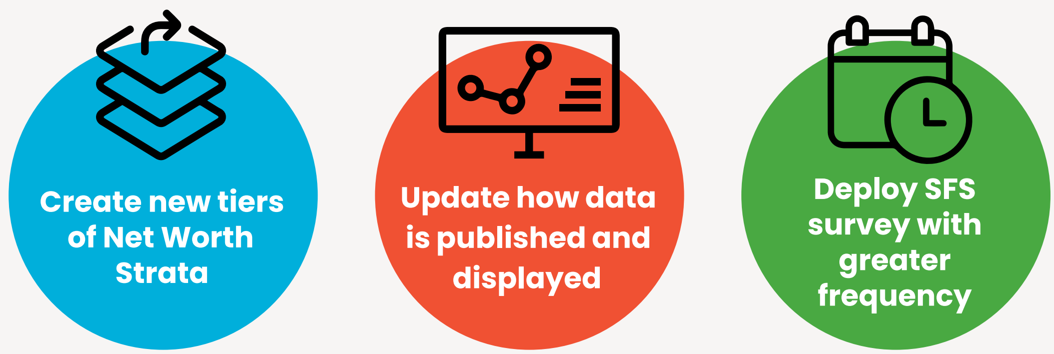
We are currently on a path whereby a child's chances of owning a house – the asset that many Canadians use to fund their retirement and provide economic security – is primarily tied to whether their parents owned one (or many).[43] Statistics Canada itself now warns that the inability of younger Canadians to access housing may have implications for social cohesion and upward mobility.[44] At SCP, we see this as a problem that we should all care about. The Canadian dream, which includes the ability to build wealth and economic security, must remain attainable for everyone, regardless of who your parents are.

43 Statistics Canada, 2023. "Parents and children in the Canadian housing market: Does parental property ownership increase the likelihood of homeownership for their adult children?"

44 Statistics Canada, 2024. "Research to Insights: Disparities in Wealth and Debt Among Canadian Households"

So, what should Canadians do? The data solutions are relatively straightforward.

Recommendations for improving data collection



First, Statistics Canada should create new tiers of Net Worth Strata. Instead of stopping at 'Very High Net Worth' representing the top 5% of families, they should add 3-4 additional strata that go further up the tail. These additional strata should specifically target and oversample families within the top 2-0.001% of net worth, with at least one stratum specifically targeting billionaires. By capturing these families in the survey, we will then have more confidence in the overall wealth distribution. With SFS 2023 having recently been completed, now is a perfect time for Statistics Canada to recalibrate before deploying its next survey. Statistics Canada could also increase public confidence by publishing alongside its SFS data a report that supplements their survey data with publicly available information – like the PBO did in 2020 and 2021.

Second, Statistics Canada needs to update how it publishes and displays its data. Unlike the U.S. Federal Reserve which has an interactive tool[45] allowing the public to track the wealth share of the top 0.1% and 1%, Statistics Canada only publishes its data in tables by quantile.[46, 47] Knowing how much of Canada's wealth is owned by the top 20% is certainly useful for some purposes but is totally inadequate to understand and respond to the economic and financial changes going on in society.

45 The Federal Reserve, Distribution of Household Wealth in the U.S. since 1989

46 Statistics Canada. Table 11-10-0049-01: Assets and debts by net worth quintile, Canada, provinces and selected census metropolitan areas, Survey of Financial Security

47 Statistics Canada. Table 11-10-0057-01: Assets and debts by after-tax income quintile, Canada, provinces and select census metropolitan areas, Survey of Financial Security

Third, the SFS should be deployed with greater frequency. Statistics Canada has taken the positive step of providing quarterly estimates of the country's wealth distribution,[48] but these are heavily based on SFS data that is out of date.[49] It is now 2024 and we are stuck relying on 2019 data, with the release of the 2023 SFS data nowhere in sight. The SFS must be a higher priority. We use monthly data to set monetary policy and the Bank of Canada would find it absurd to rely on 5-year-old data to set interest rates. Given what's at stake, the SFS needs to be a higher priority.

More reliable and frequent data would allow the policy discussion in Canada to pivot from its current focus on income inequality towards wealth. Recent international research collaborations have shed light on how little the wealthiest individuals in the U.S., France, and the Netherlands pay in taxes compared to ordinary citizens.[50] Such collaborations between academics and Statistics Canada are lacking here, in no small part due to a deficit in data and a lack of prioritization. It would be useful for politicians and the policy-making community more broadly to know if – like the countries referenced above – our tax system is regressive at the very top end of the tail.

But from a policy perspective, the issues are more complex and less straightforward. As a start, we need to accept that wealth concentration is a political issue that needs to be discussed and addressed, and relying on misleading data to paint a picture that everything is fine in Canada on the equality front is journalistic and political malpractice. It is likely we have been experiencing significant shifts in wealth over the past decades and that these will continue. Canadians are at least seized with these issues on housing policy, but real policy responses are needed across a much broader range of public policy issues.

More substantively, we need to dig more deeply into the suite of policies that governments around the world are using to confront these issues, and political leaders need to offer concrete responses to forces that are re-shaping access to wealth.

At SCP, we have been focusing on pathways to expand access to ownership and asset-building and in the coming months we will continue to share additional ideas that push back against increasing wealth concentration and the societal problems it brings.

48 Statistics Canada, Distributions of Household Economic Accounts, Wealth: Interactive Tool

49 Distributions of Household Economic Accounts (DHEA) wealth data for non-survey years (i.e., years that there is no SFS survey for) is done through a process of 'calibration', which combines the most recent SFS data with updated demographic and national accounts figures. – Statistics Canada, 2024. "Distributions of Household Economic Accounts, estimates of asset, liability and net worth distributions, 2010 to 2023, technical methodology and quality report"

50 EU Tax Observatory, 2024. "Global Tax Evasion: Report 2024"

Appendix: Data Sources

Canada

	SFS PUMF (via PBO 2021)	PBO Adjusted	Davies Adjusted	Credit Suisse	WID	Adjusted Average
2019						
Top 0.1%	2.8%	11.2%	N/A	N/A	10.6%	10.9%
Top 1%	13.7%	24.8%	N/A	25.7%	24.6%	25.0%
2016						
Top 0.1%	3.9%	12.1%	14.9%	N/A	10.3%	12.4%
Top 1%	17.3%	25.6%	28.7%	25.6%	24.2%	26.0%

USA

	Federal Reserve (SCF)	Credit Suisse	WID	Smith, Zidar, Zwick	Adjusted Average
2016					
Top 0.1%	12.2%	N/A	18.1%	15.0%	16.6%
Top 1%	30.4%	42.1%	35.7%	31.5%	36.4%

Canadian Data Sources (2019)

SFS PUMF (via PBO 2021): Office of the Parliamentary Budget Officer, 2021. "Estimating the top tail of family wealth distributions in Canada: Updates and trends"

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