

# THE INCOME GAP

The income gap between rich and poor is widening in Canada.

- In 1973 the richest 10% of families made 21 times more than the poorest 10% of Canadian families.
- In 1996 the richest 10% of families made 314 times more than the poorest 10% of Canadian families.<sup>1</sup>

## Income Gap in the Victoria CMA

Income gap data is presented below for the Victoria Census Metropolitan Area (CMA)<sup>2</sup> in 2000.<sup>3</sup>

Imagine lining up all the households in Victoria by income from lowest to highest. Then divide the line of households into five equally sized groups. Each of the five groups is referred to in statistical language as an income quintile. A quintile is a fifth of the total number of households.

At one end of the line is the group containing the 20 percent (bottom fifth, or quintile) of households with the lowest incomes. The group at the other end contains the 20 percent (top fifth, or quintile) of households with the highest incomes.

## 2000 Household Income Quintile Ranges for Victoria CMA

Top 20% of households (with highest incomes)	\$82,501 and over
Second 20%	\$55,875 - \$82,500
Third 20%	\$37,684 - \$55,874
Fourth 20%	\$20,401 - \$37,683
Bottom 20% of households (with lowest incomes)	Under \$20,400

In 2000 the total income for 135,600 households in the Victoria Census Metropolitan Area (adding all their incomes together) was \$7.5 billion. The average income was \$55,529. 60% of households made less than the average income. 12% of households made over \$100,000.<sup>4</sup>

## Wealth inequality in British Columbia

The numbers above only consider the income gap – wealth inequality has been widening even further. When we consider debts and assets as well as income, we see that the wealth gap is wider than the income gap. Wealth measures the surplus accumulated by families, and provides a stronger indicator of a household's long term well-being.

The numbers available to measure wealth are divided in 10% groups (deciles).

- In 1999 the gap in average wealth between the top and bottom 10% of households was largest in British Columbia compared to all other provinces.
- The average wealth for the bottom 10% of households was -\$7600 (they had more debts than assets), compared to the top 10% where the average wealth was \$1,542,600. The top 10% have 490 times more wealth than the bottom 10%.<sup>5</sup>

### Sources:

- 1 Centre for Social Justice (1998) The Growing Gap
- 2 The Victoria Census Metropolitan Area is similar to the CRD boundaries excluding the gulf islands and Port Renfrew. ata source: CRD Regional Planning Services
- 3 Comparable local data was not available for 1996.
- 4 Statistics Canada, 2001 Census
- 5 Chawla, Raj K. Wealth Inequality by Province, Statistics Canada Perspectives on Labour and Income, Sept 2004



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Bringing people together  
 to create solutions in the areas of homes,  
 paid work and community connections  
 in BC's Capital Region.