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## Canada's wealthiest 'breaking new frontiers' in income disparity: report

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**The country's top earners took nearly a third of all income growth during the boom years of the past decade due to their 'lavish' salaries, a report postulates.**

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Canada's richest one per cent, defined as those who took home more than \$405,000 annually, saw their share grow quickly between 1997 and 2007, says the Canadian Centre for Policy Alternatives.

The report, called "The Rise of Canada's Richest 1%", was released on Wednesday and surveys the incomes of the wealthiest since the 1920s, with the bulk of research concluding before the 2008-09 recession.

The centre concluded that like the Roaring Twenties, income in the late 2000s was highly concentrated in the hands of the few due to lower tax rates at the top sphere of income, as well as higher salaries.

"The data show the higher up the income ladder you climb, the faster the rise of the rich," the report stated.

"The richest 1 per cent has seen its share of total income double, the richest 0.1 per cent has seen its share almost triple, and the richest 0.01 per cent has seen its share more than quintuple since the late 1970s.

"Canada's elite are breaking new frontiers in income inequality."

Most of the growth between 1997 and 2007 was fuelled by wages, which provided two-thirds of this sector's income during that time, the report said.

By comparison, just after the Second World War in 1946, wages made up 45.5 per cent of their incomes, on average. The bulk of income six decades ago came from stocks and bonds investments, and rents on real-estate.

"This pattern has been dubbed the Great U-Turn of our time, reversing the trend toward greater equality that characterized most of the 20th century," the report stated.

Figures for the report come from Statistics Canada, economics journals and tax data.

Although few figures were made available showing wealth distribution after the recession, the centre cited an annual report by Investor Economics, which said "high-net-worth" households in Canada had \$1.78 trillion in financial wealth, about 67 per cent of Canada's total household financial wealth.

The average salary of these households was not disclosed.



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