



THE YORK UNIVERSITY/TORONTO STAR SURVEY

**THE GROWING INCOME INEQUALITY GAP IN CANADA:
A NATIONAL SURVEY
- MAJOR FINDINGS -**

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THE GROWING INCOME INEQUALITY GAP IN CANADA: A NATIONAL SURVEY

Growing income inequality in Canada has been at the forefront of recent public debate. It has been a key driver of recent policy developments in areas such as minimum wage rates, labour market regulations, and skills training. Although expert opinion on income inequality is well canvassed, little is known about what ordinary Canadians think about the growing income inequality gap, its significance, its causes, the impact on their life prospects and opportunities, and the policy options available to the Federal and provincial governments. This is surprising because the income gap is likely to be a central theme in a series of upcoming elections.

The York University/Toronto Star national survey of 1800 Canadians, conducted by York's Institute for Social Research, provides a snapshot of the concerns and issues Canadians believe the growing income inequality gap gives rise to. The survey allows for regional comparisons as well as other comparisons based on demographics and party identification.

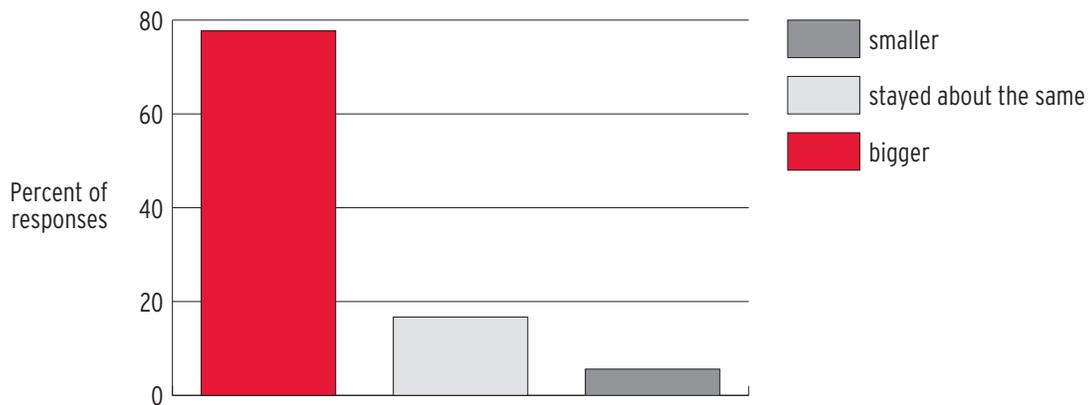
The Institute for Social Research at York University houses the largest university-based survey research centre in Canada. It conducts across the country many major survey research projects by telephone, mail and the web, in research areas that include population health, education, social service delivery, gender, the environment and voting behaviour. ISR also undertakes a range of qualitative research, including focus group studies, provides expert consulting in social statistics, and operates York's Statistics Canada Research Data Centre.

MAJOR FINDINGS

THE INCOME GAP

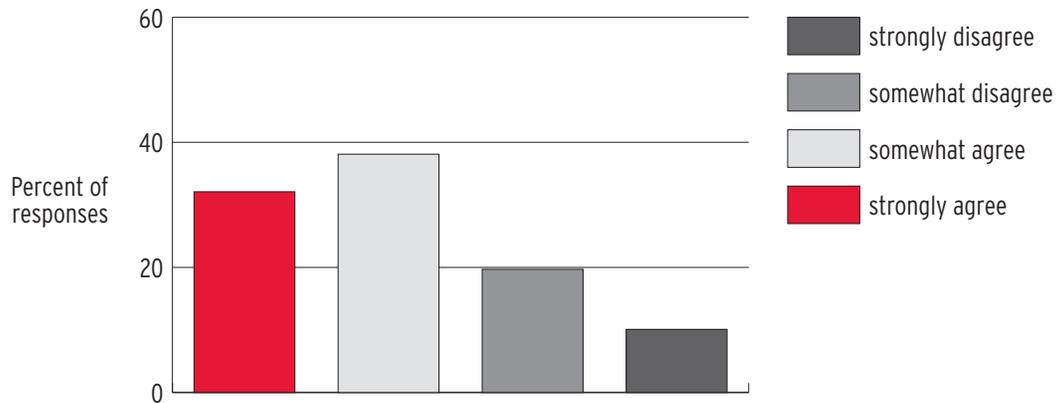
- close to eight of every ten Canadians (77.7%) think the income gap has grown in the last 5 years and 40% think the income gap has become much larger

LAST FIVE YEARS INCOME GAP IN CANADA HAS BECOME:



- there is no real variation in the likelihood of saying the income gap has become worse by gender, being born in Canada or elsewhere and whether or not the person works for pay
- while there is some variation in views on the growth of the income gap by age, education, income, region and political party identification, it is also the case that at least 70 percent of every group examined think that the income gap has become larger in Canada in the last five years
- concern about growth in the income gap is Canada wide and deeply rooted, there are few social or political issues in Canada where so many Canadians from all parts of the country, young and old, rich and poor, men and women are in agreement
- 70% of Canadians think growth in the income gap has made Canada a less fair society and even a higher proportion of those who think the gap has become much bigger (80%) think Canada has become a less fair society

INCREASING INCOME GAP HAS MADE CANADA A LESS FAIR SOCIETY



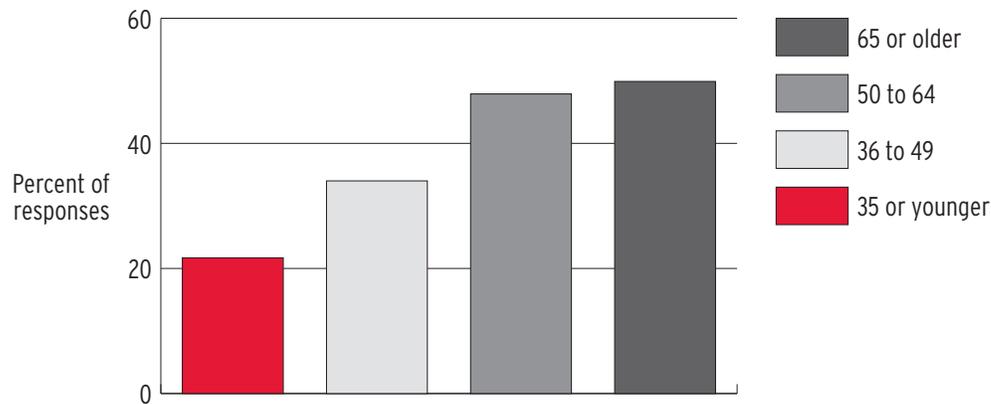
REDUCING THE INCOME GAP

- 75% of Canadians felt that increasing the minimum wage would reduce the income gap
- the same percentage of Canadians (75%) felt that getting a university education would reduce the likelihood of having a low income

THE GROWTH OF THE INCOME GAP BY SELECTED SOCIO-DEMOGRAPHIC CHARACTERISTICS

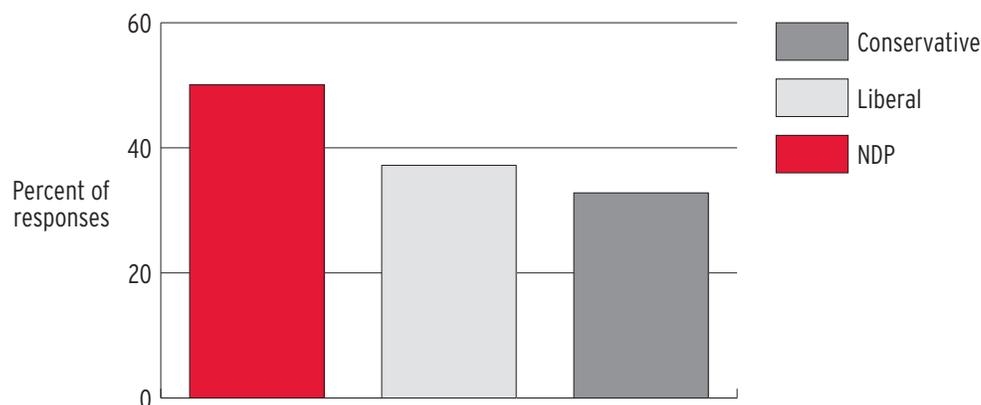
- while there are limited differences in the extent to which Canadians think the income gap has grown in the last five years according to various socio-demographics characteristics there is variation in the likelihood of saying the income gap has become *much bigger* (as opposed to much bigger and somewhat bigger)
 - the likelihood of saying the gap has become *much bigger* increases with age: the percentage saying it has become much bigger are: 22, 34, 48, and 50% for the following for age groups (less than 35, 35 to 49, 50 to 64 and 65 and older) respectively

INCOME GAP HAS BECOME MUCH BIGGER BY AGE GROUP



- Conservatives (33%) and Liberals (37%) are much less likely to say the income gap has become much bigger than those who identify as NDP supporters (50%)

INCOME GAP HAS BECOME MUCH BIGGER BY POLITICAL PARTY IDENTIFICATION

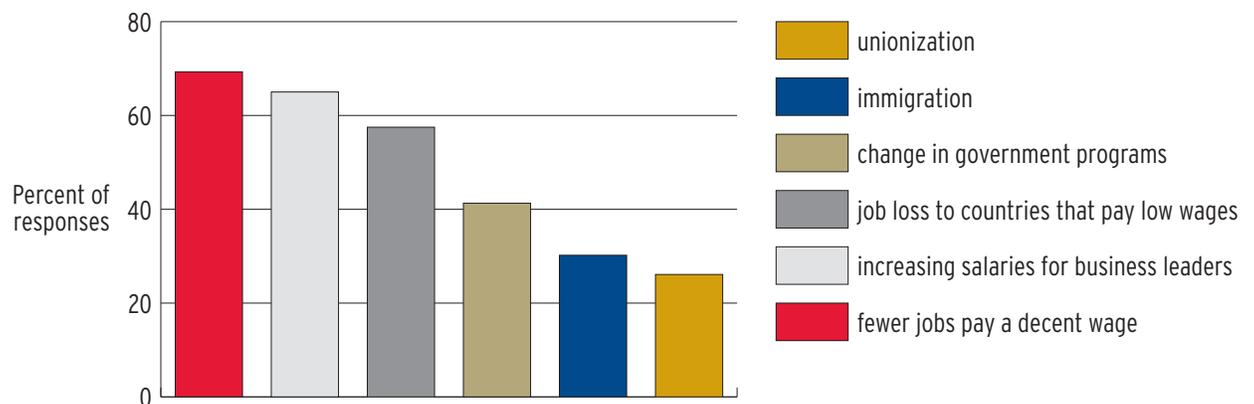


- while those with yearly incomes less than \$30,000 and those with yearly incomes more than \$80,000 were equally likely to say the gap had become bigger over the last five years, those with lower incomes were significantly more likely to say the gap had become much larger (51%) than those with higher incomes (33%)
 - a related finding is that with higher education (35% to 39%) were less likely to say the gap had become much bigger than those with lower levels of education (44% and 46%)
- a clear majority of Canadians (55%) are worried about their financial security and an even a higher number - 67% - are worried about the children's financial future
- while 30 of Canadians reported they lost or changed jobs in the last five years, 25% of them reported their new job was worse as it had a lower salary and or benefits

EXPLAINING THE INCOME GAP

- when asked about cause for the growth of the income gap two factors stand out: loss of jobs and increasing salaries to business leaders
 - 69% of the Canadians surveyed said there were just not enough jobs that paid a decent wage and 58% identified the loss of jobs to countries that pay low wages as major reasons for the growth of the income gap
 - increasing salaries to business leaders were seen as major reason for the growth of the income gap by two-thirds of Canadians (65%)
- changes in government policies such as Employment Insurance and Old Age Security were seen as a major reason for the increase in the income gap by 41% of the survey respondents
 - many fewer Canadians, felt unions (26%) or immigrants (30%) were responsible for the growth in the income gap, these numbers are less than half as substantial as those for job losses and business leaders salaries

PERCENT SAYING EACH OF THE FOLLOWING IS A MAJOR REASON FOR THE INCOME GAP



WHAT THE GOVERNMENT COULD DO AND WHAT THEY HAVE DONE

- one in every two Canadians believe that their federal and provincial governments could do a lot to reduce income inequality, indeed about 80% of Canadians think the federal and the provincial government could “do a lot” or something to help reduce income inequality (with about 15% saying there “is little” governments could do and 5% saying there is “nothing at all” they could do)
- while about half of Canadians think there is “a lot” the federal and provincial could do in reducing income inequality about 5% think the government has done “a lot,” and about 60% of Canadian think the federal and provincial government has done “a little” or “nothing at all”
- the size of the gap between Canadian beliefs of what their governments could do and actually do to reduce income inequality is huge, we would not be surprised if this gap contributes to a lack of confidence in government institutions
- about the same number of Canadians who think governments could do a lot to reduce inequality among Canadians think Business and Private Sector (51%) could also do so
- only a limited percentage of respondents (28%) felt that unions could do a lot to reduce inequality

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