

## The Occupy Movement and the Top 1% in Canada

by Sébastien Breau (Forthcoming, *Antipode*)

On Saturday, October 15, 2011, something extraordinary happened in the streets of more than 900 cities across North America, Europe, Africa and Asia. Thousands of people rallied together in a series of peaceful protests demanding action to curb the power and influence of big corporations on politics and to denounce the growing concentration of incomes in the hands of the few. The Occupy Movement was born. In a forthcoming paper to be published in *Antipode*, Prof. Breau explores recent patterns of inequality in Canada, paying particular attention to changes in the characteristics of the top 1% of income earners.

At the national-level (see Table 1 below), the gap between the top percentile and the other 99% has widened considerably: while the median income cut-off barely increased to \$22,025 (from \$19,435 in 1991), admission to

billion dollars in 2006, which works out to an average income of approximately \$1.25 million and a 4% share of total income.

So who exactly are these high income earners? Table 2 presents a list of key socio-economic characteristics for the top 1% compared to all individuals in 1991 and 2006. High income earners in Canada are mostly white men either in the 37 to 49 or 50 to 64 age ranges with a bachelor's degree or more. Most are employed in high level management functions of some sort, with the highest paid group found in the financial, insurance and real estate industries.

Large cohorts of top 1% earners are also employed in the health and professional, scientific and technical services industries though these individuals typically have much lower average incomes relative to the group's overall mean income.

Table 1: Distribution of income at the national level, 1991 and 2006

Percentiles	1991			2006		
	Income threshold <sup>1</sup>	Mean income	% of total income	Income threshold <sup>1</sup>	Mean income	% of total income
P10	435			1835		
P50	19435			22025		
P90	55795			63430		
P99	119525	200752.8	7.66	154675	344111.2	11.04
P99.9	298095	519895.9	1.98	549955	1256824.0	4.02

Notes: <sup>1</sup> Expressed in constant 2002 dollars and rounded to the nearest \$5 value.

the top 1% club jumped to \$155,000 in 2006 with a mean income for this group of more than \$344,000 (i.e., 11 times that of the average Canadian). With 11% of the nation's income concentrated in the hands of top earners in 2006, compared to 7.7% just fifteen years earlier, the rich really are getting richer in Canada, disproportionately so compared to everyone else.

Even more staggering is the increase in the top 0.1%'s income threshold. The latter essentially doubled from \$298,000 in 1991 to \$550,000 in 2006. By itself, this 0.1% 'super-rich' few collectively raked in more than 32

### Where does the 1% live?

In addition to changes in the socio-economic characteristics of high income earners, a look at the geography of Canada's top 1% also draws attention to growing imbalances in the fortunes of regions and cities.

At the broad regional level, among the most important spatial shifts observed is the growing concentration of high income groups in energy-rich Western Canada (see figure below). Though Ontario continues to be home to the largest number of high income earners, with Toronto alone accounting for 28% of the total cohort, more and more of Canada's financial elite is living in

Table 2: Characteristics of top income earners, national-level, 1991 and 2006

	1991		2006	
	Top 1%	Overall	Top 1%	Overall
Number of obs.	211965	21260660	255990	25599015
Mean income	200752.8	26145.6	343111.2	31072.4
% women	13.4	51.1	18.9	51.4
% visible minority	6.3	8.8	8.2	15.3
Age cohort				
< 36	14.3	45.2	8.1	35.4
37 – 49	42.3	23.7	40.8	25.4
50 – 64	31.0	17.4	40.1	23.3
> 65	12.5	13.8	10.9	15.9
Education				
Less high school	14.5	40.6	4.3	23.8
High school	13.8	23.3	11.7	25.5
Trades and other	18.6	24.8	19.8	32.5
Bachelors degree +	53.1	11.4	64.3	18.1
Leading industries				
Professional, scientific and technical services	19.8	14.1	21.6	18.1
Health services	15.4	6.4	15.1	7.2
FIRE <sup>1</sup>	10.9	4.0	14.7	4.1

Notes: <sup>1</sup>Financial, insurance and real estate.

the Prairie provinces. In 2006, 1-in-5 of the country's top income earners lived in Alberta, Saskatchewan and Manitoba. There are now more high income earners residing in the Prairies than there are living in Quebec, despite the former representing only about two thirds of the latter's total population. Moreover, Calgary has earned the dubious distinction of becoming the country's most unequal city. Here, the top 1% holds more than 18% of the city's total income, a concentration of income that is more than twice its previous level in 1991.

With inequality reaching all-time high levels in metropolitan areas across the country, the Occupy movement has catalyzed public debate on the issue of growing inequality. It is our responsibility to make sure that the issue is no longer ignored.

