

**Income.** Survey estimates relate to money income received from all sources before payment of taxes and such deductions as pension contributions, insurance premiums, etc. This income may be composed of: wages and salaries; net income of the self-employed (e.g. partners in unincorporated businesses, professional practitioners and farmers); investment income (e.g. interest, dividends, and rents); transfer payments (e.g. old age pensions, family allowances); and other money income (e.g. retirement pensions, alimony). Thus the concept of income is similar to personal income in the national accounts except that, first, it covers only private households in the 10 provinces and not the non-commercial institutions such as churches and charitable organizations and, second, the survey estimates do not include imputed income such as the value of farm products produced and consumed on the farm. On the other hand, the survey income concept is broader than the income defined for the calculation of income tax since it includes such non-taxable money income as the guaranteed income supplement, pensions to the blind, etc.

### 6.1.2 Income trends, 1951-74

Tables 6.1 to 6.3 provide an indication of how family incomes changed over a period of years. The sample coverage changed in 1966 to include farm families, but this change does not seriously affect the comparability of the data with earlier years. The first part of Table 6.1 indicates that the average income (in current dollars) in all regions quadrupled from 1951 to 1974. The rate of increase in average income accelerated dramatically during this time. From 1951 to 1961 the average incomes of the five regions rose by between 48% (in the Prairies and BC) and 65% (in the Atlantic provinces). During the 1961-71 period the regional increases ranged from 87% to 104%. From 1971 to 1974 averages rose almost as much as between 1951 and 1961, from 39% to 59%. These changes, however, do not reflect the decrease in the purchasing power of the dollar. The second part of Table 6.1 does take this into account and gives the average incomes in constant 1971 dollars. Averages in all regions have still at least doubled in constant dollar terms since 1951.

Table 6.2 indicates that although the rates of increase in the various regions differed, the relative positions remained fairly constant. Table 6.3 shows how the actual income distribution for all Canada has shifted from 1965 to 1974.

### 6.1.3 Major sources of income

The percentage distribution of families by major source of income within quintiles is shown in Table 6.8 for 1951-74. For this type of analysis families are arranged in an ascending order by size of income and divided into five equal groups or quintiles. The characteristics (e.g. major source of income) are then tabulated for each quintile.

Table 6.8 shows that in the lowest quintile 48% of families had their major source of income from wages and salaries in 1951. This dropped to 34% in 1974. Meanwhile the percentage of families in the lowest quintile with major source government transfers rose from 27% in 1951 to 47% in 1974. In the highest quintile, wages and salaries remained the major source for 86% to 90% of families from 1951 to 1974.

### 6.1.4 Regional income distributions

Although the average family income for all of Canada was \$14,833 in 1974, the average for the different regions ranged from a low of \$11,647 in the Atlantic provinces to a high of \$16,144 in Ontario. Only 10.6% of Canadian families received income of less than \$5,000 while 41.6% received \$15,000 or more. In Ontario and British Columbia the situation was the most favourable with only 8% having less than \$5,000 and almost 50% over \$15,000. In the Atlantic provinces, on the other hand, 16% of families were in the lower income bracket and only 24% in the higher. (Table 6.4)