

### 6.1.2 Income trends, 1951-71

It is generally agreed that the levels of living of Canadians have been continuously improving over the years. Economic indicators, such as the rising levels of real incomes since 1951, support this contention. Tables 6.1 to 6.3 provide family income comparisons for the 1951-71 period; although the survey coverage excluded farm population until 1965 comparability with later years is not seriously affected in these tables.

The first set of figures in Table 6.1 gives average incomes in terms of current dollars in selected years from 1951 to 1971 for families (as defined in Section 6.1.1). Average family income was \$3,535 in 1951. This average increased by about 50% in the 1951-61 period to \$5,317 in 1961 and by another 95% in the 1961-71 period to \$10,368 in 1971. However, the purchasing power of the dollar has eroded during these years through increases in the prices of consumer goods. The second set of figures in Table 6.1 takes account of this factor by converting the income data into constant (1961) dollars. Thus it provides a better perspective to examine changes in incomes and shows that there has been consistent improvement in real incomes over the years since 1951, with the 1960s showing the more spectacular increases. The data also indicate that improvements in incomes were not restricted to any particular region but were experienced throughout the country. However, the rates of regional increases were such that, as shown in Table 6.2, the relative differentials between incomes in the five main regions tended to persist.

Table 6.3 shows how the size distributions of income have shifted over the last 20 years expressed in terms of constant (1961) dollars. The median income of families has consistently moved up so that while 77% of all families received an income of less than \$5,000 in 1951, this proportion decreased to 52% in 1961 and to 31% in 1971. On the other hand, fewer than 3% of all families received an income of \$10,000 or more in 1951 but this proportion more than doubled by 1961 and had increased to 24% by 1971.

### 6.1.3 Major sources of income

The percentage distribution of families by major source of income is shown in Table 6.4 for selected years between 1951 and 1971 within income quintiles. Data on income are quite informative when classified in a quintile arrangement. For this type of analysis families are arranged in an ascending order of the size of total income and divided into five equal groups or quintiles. The characteristics (e.g. major sources of income) of each of the five groups are then compared. Table 6.4 shows that the major source of income of nearly half the families (48.2%) in the lowest income quintile in 1951 was wages and salaries. By 1971 only one third of all families in this group gave wages and salaries as their major source of income. In 1951 the main source of income of 26.6% families in this quintile was government transfer payments; by 1971 this proportion had risen to 46.2%. At the other end of the scale over four fifths of families (85.9%) in 1951 in the highest quintile received their major source of income in the form of wages and salaries. By 1971 this percentage had risen to 91.2%, whereas the second-largest source of income for this group (net income from self-employment) declined from 11.6% to 5.6% over the period.

### 6.1.4 Provincial income distributions

While family incomes in current (1971) dollars averaged \$10,368 in that year, Table 6.5 shows that at the provincial level they ranged all the way from a low of \$6,750 for families in Prince Edward Island to a high of \$11,483 for Ontario families. The next highest were in the western provinces where incomes of families averaged \$11,212 in British Columbia, followed by \$10,221 in Alberta. Family income distributions in 1971 showed almost half of the more than 5 million Canadian families (45.3%) with incomes of \$10,000 or over. For Ontario, the corresponding figure was 54.2% of the 1.9 million families in that province. At the other end of the scale only 15.2% of Prince Edward Island's roughly 23,000 families, and 24.2% of Newfoundland's 104,000 families, had incomes at this level.

### 6.1.5 Incomes by family characteristics

Distributions of family incomes obtained in the Surveys of Consumer Finances are classified by a number of income-influencing variables relating to different characteristics of the family and its head. These include such characteristics of the head as sex, age, marital status, employment status, occupation group, and education. Other family characteristics classified by income include tenure (whether owner or tenant), size of family, number of