

Canada's richest 87 families have same wealth as 12 million people, according to CCPA report

Tuesday 21 August 2018, by [KASSAM Ashifa](#), [MACDONALD David](#) (Date first published: 31 July 2018).

Report by Canadian Centre for Policy Alternatives found the net worth of the richest was 4,448 times the average Canadian in 2016

Canada's richest 87 families have roughly the same amount of wealth as that held by 12 million of their compatriots, or about a third of the country's population, according to a new report.

[The report](#), published on Tuesday by the left-leaning Canadian Centre for Policy Alternatives, found that in 2016 the net worth of the richest was 4,448 times that of the average Canadian.

The collective net worth of the country's richest families is just shy of what is owned by everyone in the east coast provinces of Newfoundland and Labrador, New Brunswick, and Prince Edward Island, the report found.

"Canada's dynastic families have got it all - more wealth, more inheritance, and are as lightly taxed as they were the last time we looked in 2014," the author of the report, economist David Macdonald, said in a statement.

Based on wealth rankings compiled by Canadian Business magazine and data from Statistics Canada, the report found that Canada's most affluent families are worth \$3bn on average, while the median net worth in [Canada](#) sits at just over \$295,000.

Inheritance figured prominently in their wealth. In 1999, 46 of the 87 families were nouveau riche, a number that had dropped to 39 by 2016, suggesting that a slim majority of those on the list today were born into wealth.

Nine of the 20 wealthiest families also included a top-paid CEO among their ranks. "In other words, not only do these families control vast wealth, but their members are disproportionately likely to be [among the highest-paid people in Canada](#)," said Macdonald.

According to his calculations, the gap between the net worth of these families and everyone else in the country is growing. Between 2012 and 2016, the average net worth of the wealthiest rose by 37%, while the median net worth of Canadians grew by 15%.

The report argues that country's acute - and growing - wealth inequality is being exacerbated by the country's tax system. "Canada is the only country in the G7 without an inheritance, estate or gift tax on tremendous family wealth," said Macdonald, citing countries such as the UK, United States and Japan, where inheritances can be taxed at rates of 40% or more.

What's more, income from capital gains and dividends is taxed at lower rates than income from

wages in Canada, a loophole that often benefits the country's wealthiest, [according to research done previously by Macdonald](#).

The report also argued that unlike all other G7 countries, Canada also tolerates what was described as "aggressive" accounting - [the use of private corporations and tax havens](#).

"You'd expect Canada's tax regime would try to counteract this concentration of wealth at the very top, where it's needed the least, but in fact, federal policies encourage it," said Macdonald.

Along with outlining the issue, Macdonald suggested possible reforms, such as a 45% estate tax on estates valued at more than C\$5 million.

Such a tax would bring Canada in line with the rest of the G7, he noted, as well as add \$2bn to federal coffers to fund public programs that help chip away at inequality, such as education and childcare.

Ashifa Kassam, David Macdonald

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