

# The gap between the rich and the rest of us? We can close it.

**I**ncome inequality in Canada has risen, in good times and in bad. What's driving it? Over time, a greater share of economic growth is going into the hands of the richest among us. The last time the gap between the richest 1% and the rest of us was this big in Canada, it was the 1920s. We've since learned that rising income inequality isn't inevitable. Like generations that came before us, we can close the income gap. It is a political choice. Together, we can ensure that all Canadians share in future prosperity. That's the Canadian way.

## INCOME INEQUALITY IN TORONTO

Toronto has the second biggest gap between the richest 1% and the rest of us in Canada, second only to Calgary.

In Toronto, the average incomes of the richest 1% rose by over 80% since the 1980s\* — faster than the Canadian average.

The average income of the bottom 90% of Torontonians is 6% less today than it was in the 1980s\*, much worse than the Canadian average.

Among Canada's big cities, only Vancouver has seen a more dramatic drop in average incomes for the bottom 90%.

Cities like Toronto cannot thrive if the vast majority keeps losing ground. Canadians, who get an education, work hard and play by the rules should be able to expect to get ahead. At present, it is only Canada's top earners who are experiencing significant wage gains.

It wasn't always this way. From the 1950s to the late-1970s, Canada's top earners consistently took home a much smaller piece of the economic pie than they do today. This wasn't because their pay was being cut. It was because all Canadians made wages gains, along with the best-paid... and everyone benefited from economic growth. Our tax system was more progressive then too, so we could afford to buy improvements to our collective quality of life. Whether through our paycheques or through more abundant public services, everyone was better off. Today we have the money, but less political will to make things better. But that can change.

**M**ost Canadians agree that high levels of income inequality don't reflect Canadian values. Most Canadians agree that children should do as well as — and hopefully better than — their parents' generation. This won't happen on its own. It's time to start talking

about what it takes to close the gap between the rich and the rest of us in Canada. There are four basic solutions that our federal government could pursue today: Lift up those at the bottom, improve access to education, make good jobs a priority and bring fairness back into the tax system.

### 1 | LIFT UP THOSE AT THE BOTTOM

What is the first thing the federal government should do to improve the incomes or purchasing power of the poorest Canadians?

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Will you commit to improving income transfer programs to boost the incomes of low-income Canadians?

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Will you commit to improving income supports such as Employment Insurance, public pensions and the Canada Child Tax Benefit?

### 2 | IMPROVE ACCESS TO EDUCATION

How would you support the provinces to give all our children a head start on learning readiness, through a national affordable child care program?

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Would you work with the provinces to lower university tuition?

### 3 | MAKE GOOD JOBS A PRIORITY

How should the federal government use its role as employer to ensure high-quality well-paid employment as well as high-quality [affordable] public services?

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What do you think the federal government can do to lever the creation of more middle-income jobs in the private sector (not just low-paid and very well paid)?

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How will you reduce reliance on temporary foreign workers?

### 4 | BRING FAIRNESS BACK INTO THE TAX SYSTEM

Which tax loopholes do you think should be closed, and why?

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What role do you see the tax system playing in reducing income inequality?