



The Canadian
Tax Observatory

Canada's K-shaped Economy, in Charts

April 2026

Prepared by  Centre for the Study
of Living Standards

Summary

Canada's post-pandemic K-shaped recovery has exacerbated long-standing structural inequalities.

- Financial markets have driven wealth gains, disproportionately benefiting high-wealth households.
- Lower-income households are experiencing increasing job precarity, rising debt burdens and challenges in servicing their debts.
- Inflation for essentials, especially shelter and food, has intensified spending pressures on households with limited discretionary income.

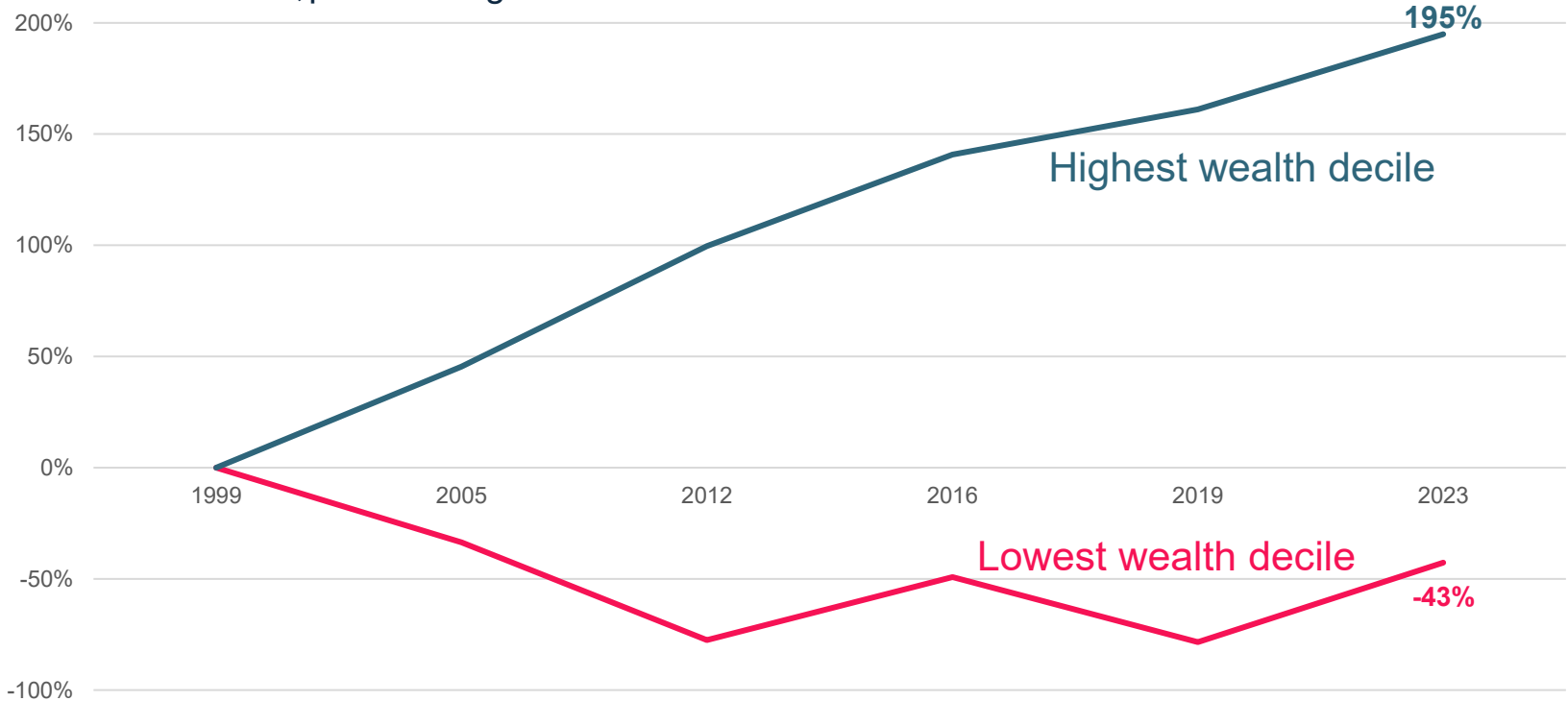
Wealth



K-Shaped Pattern in Wealth Changes Since 1999

Net worth, by wealth decile, Canada, change since 1999

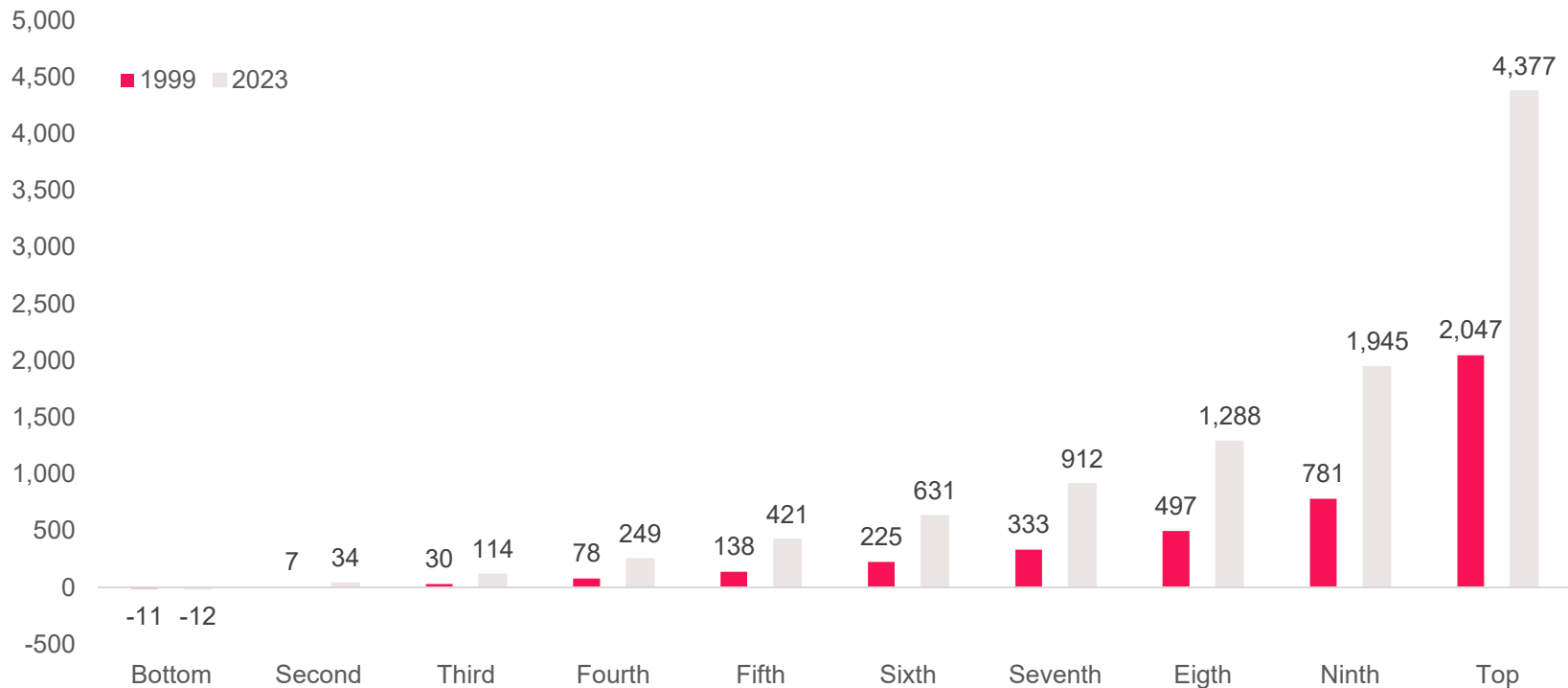
2023 Canadian dollars, percent change



Wealth Gains Since 1999 Have Been Highly Concentrated at the Top

Average net worth, by wealth decile, Canada 1999 and 2023

Thousands of 2023 Canadian dollars



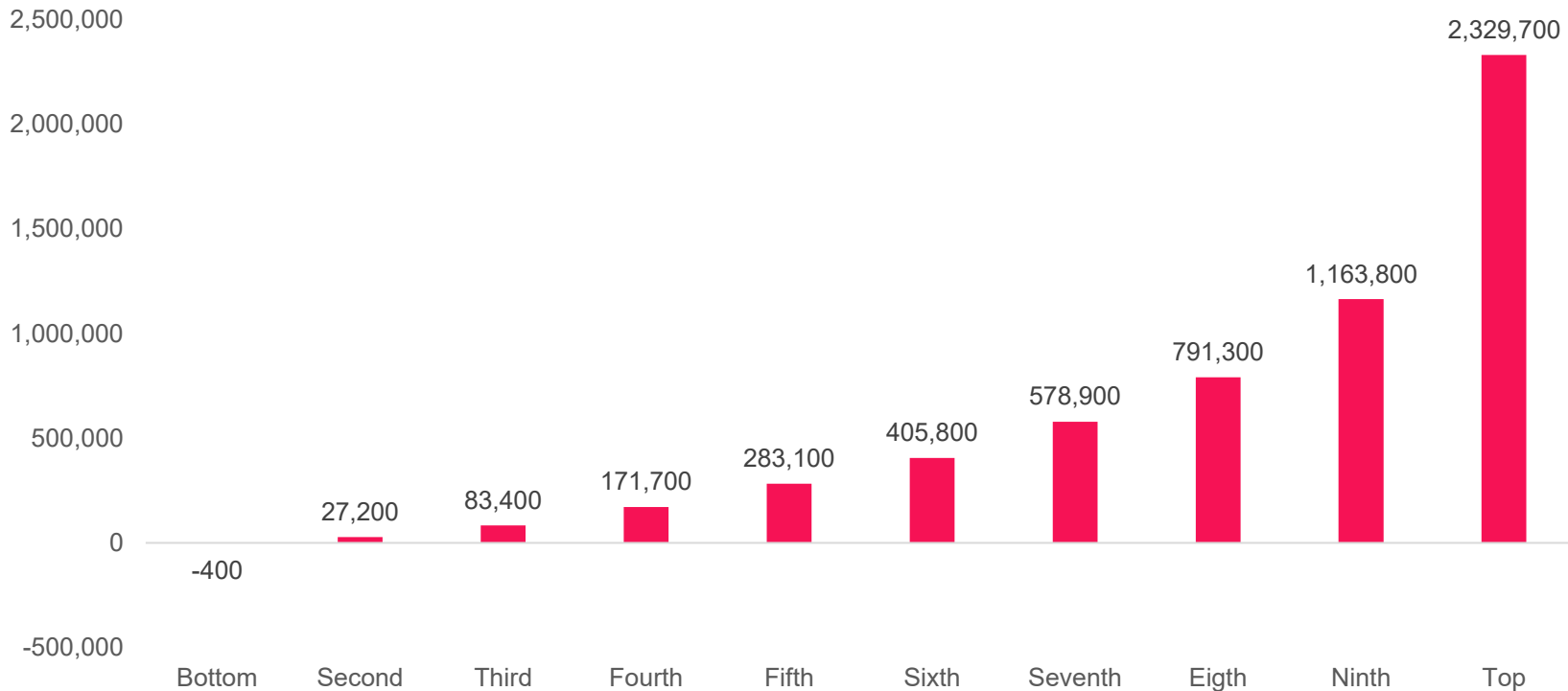
Source: Statistics Canada [Table 11-10-0075-01](#)



Long-Run Wealth Growth Has Been Highly Unequal Over 1999 to 2023

Average net worth, by wealth decile, Canada, change from 1999 and 2023

2023 Canadian dollars

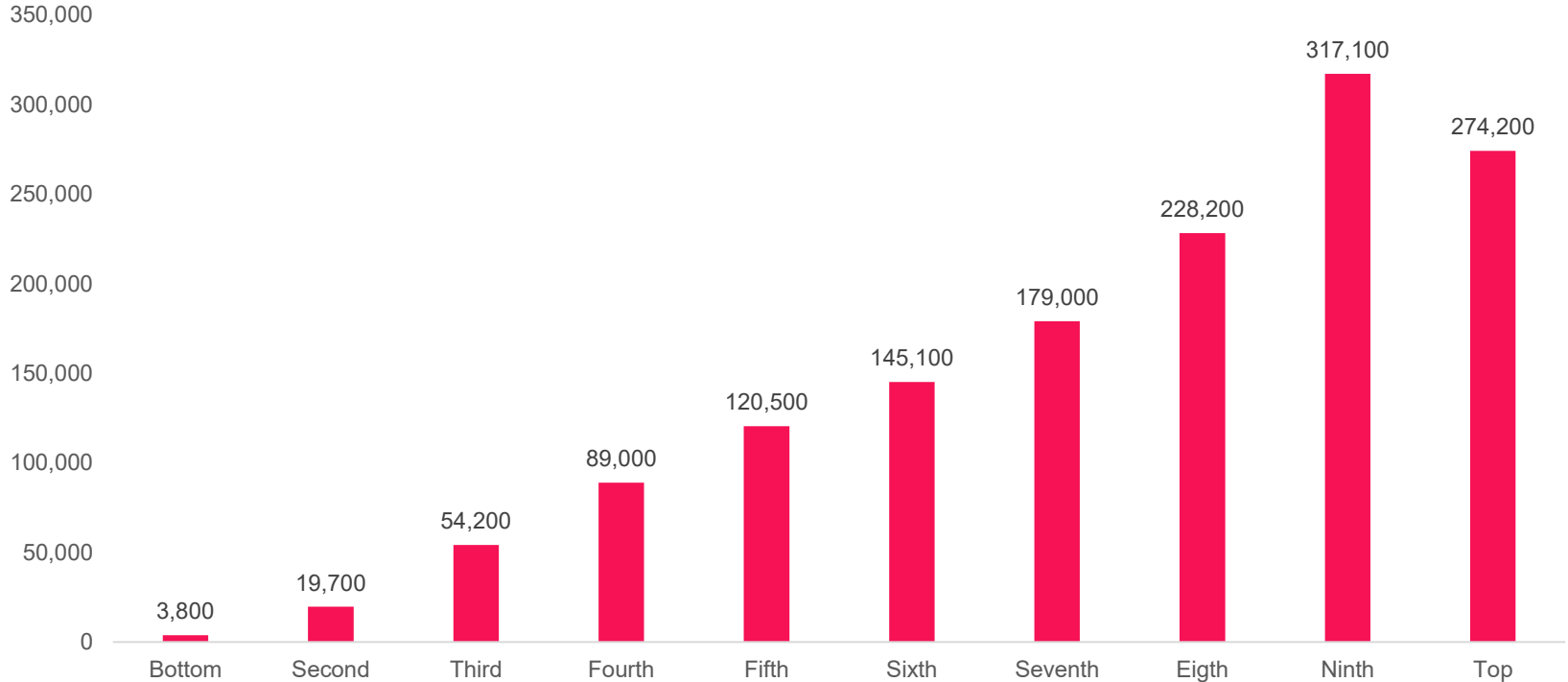


Source: Statistics Canada [Table 11-10-0075-01](#)



Post-Pandemic Wealth Gains Were Largest at the Top from 2019 to 2023

Average net worth, by wealth decile, Canada, change from 2019 and 2023
2023 Canadian dollars



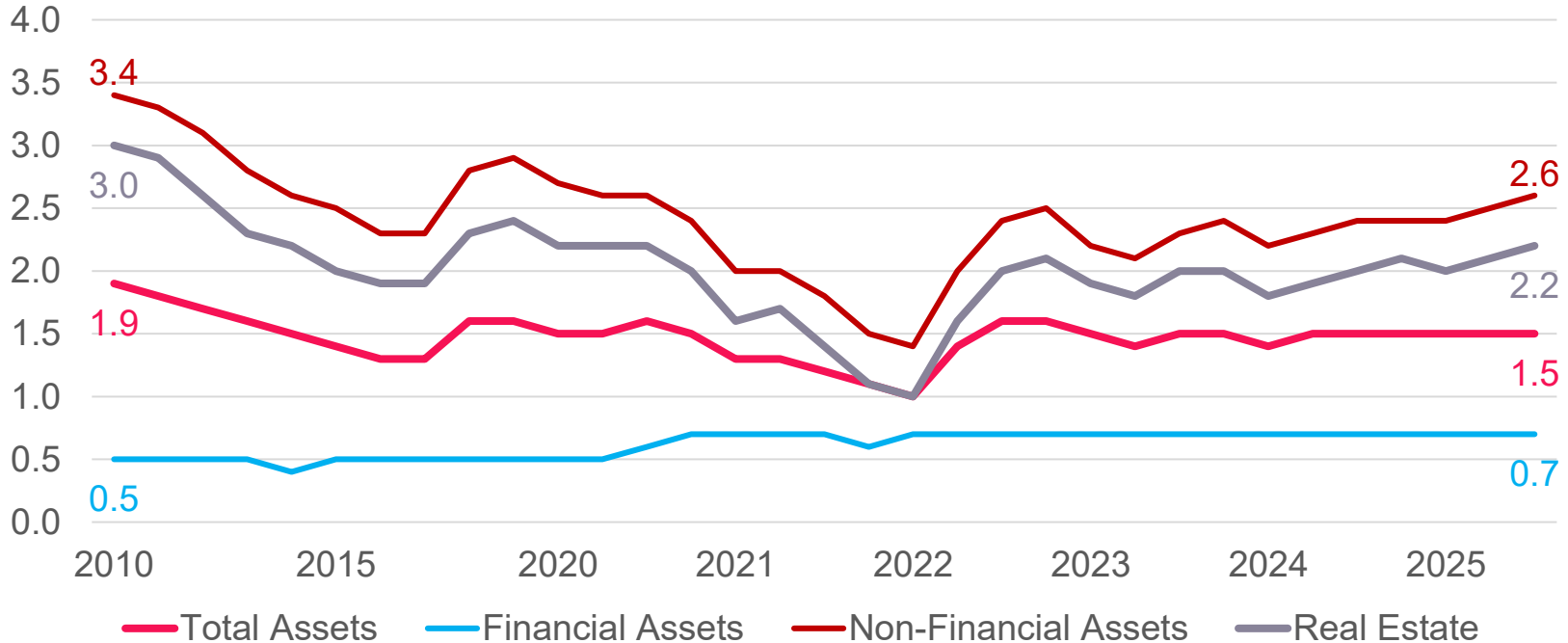
Source: Statistics Canada [Table 11-10-0075-01](#)



The Bottom 20% Hold Just 1.5% of Total Assets

Lowest wealth quintile, Canada, 2010-2025

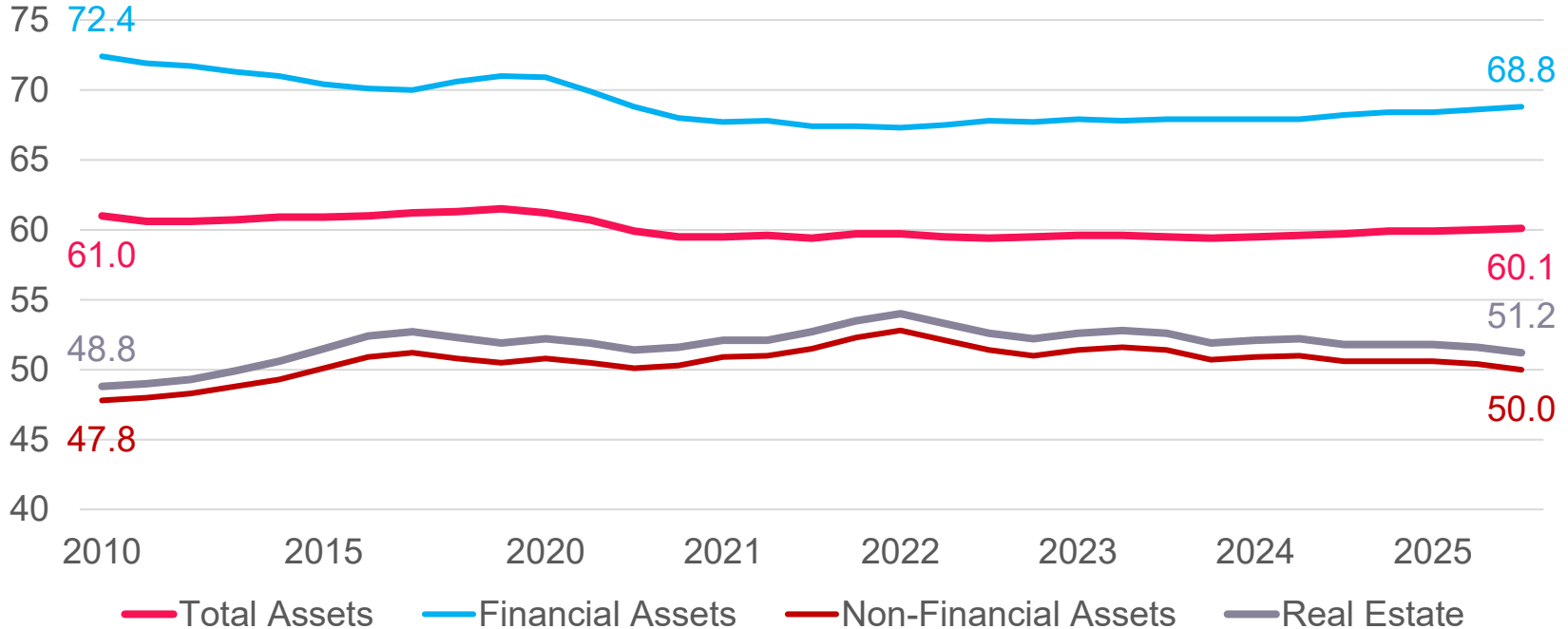
Percent of total asset holdings



The Top 20% Hold 60% of All Assets and 69% of All Financial Assets

Highest wealth quintile, Canada, 2010-2025

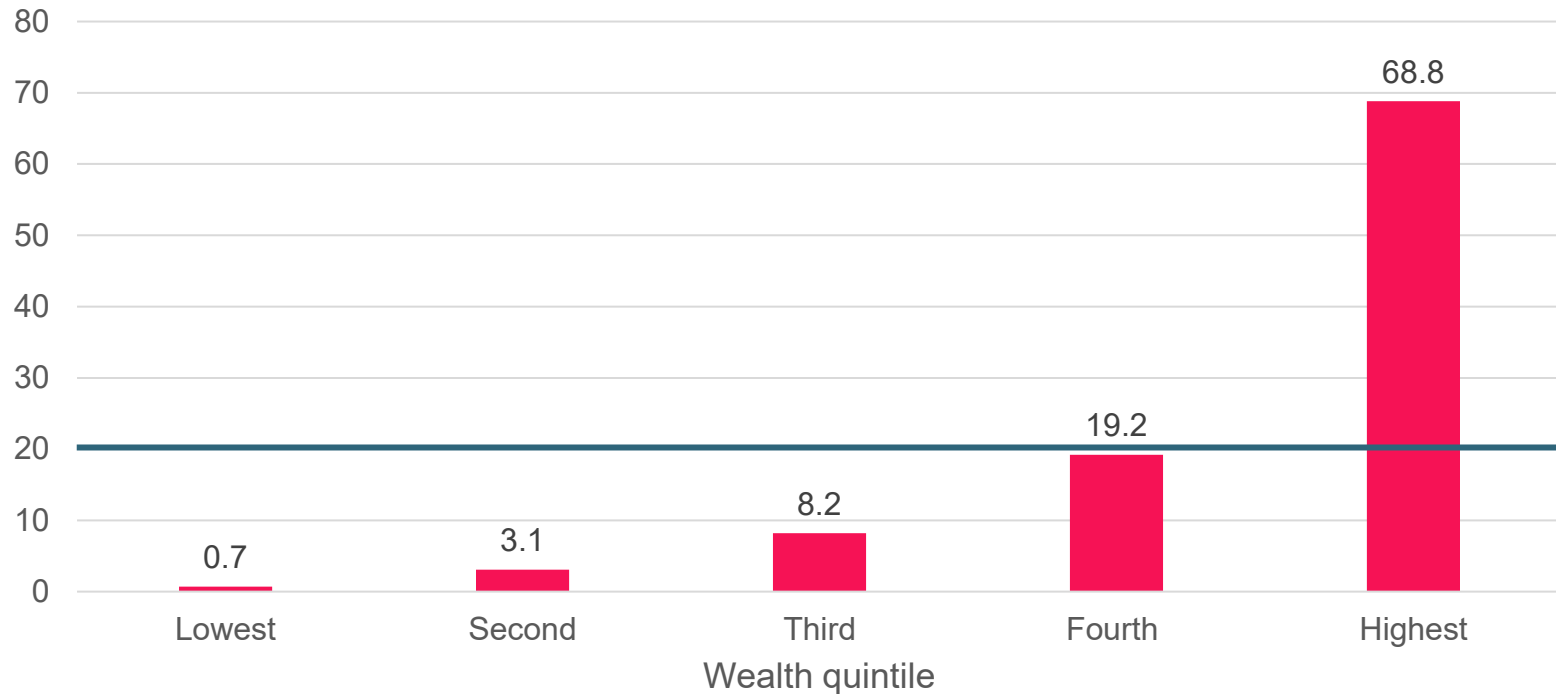
Percent of total asset holdings



Financial Assets Are Highly-Concentrated Among the Wealthiest 20%

Share of financial assets, 2025 third quarter

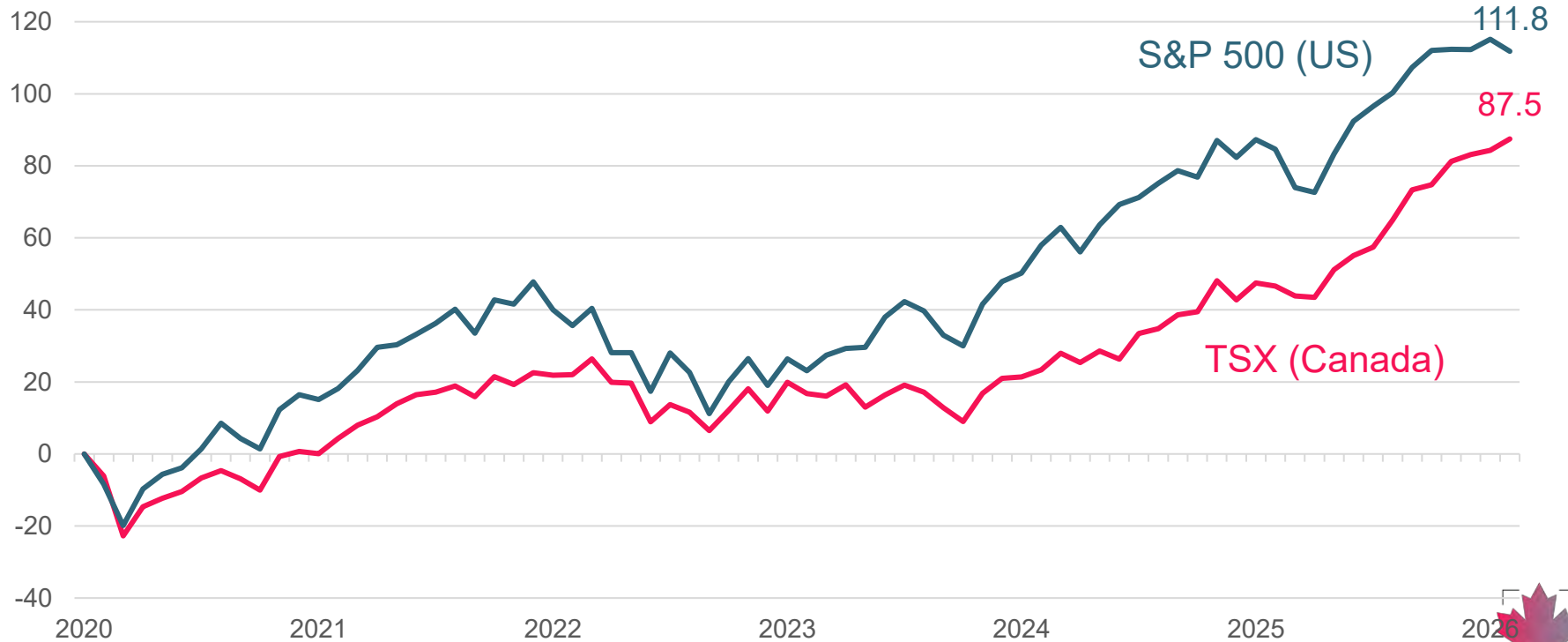
Percent of total



Financial Markets Have Enjoyed a Major Post-Pandemic Recovery

Financial market indexes, 2020-2026

Cumulative percent change since January 2020



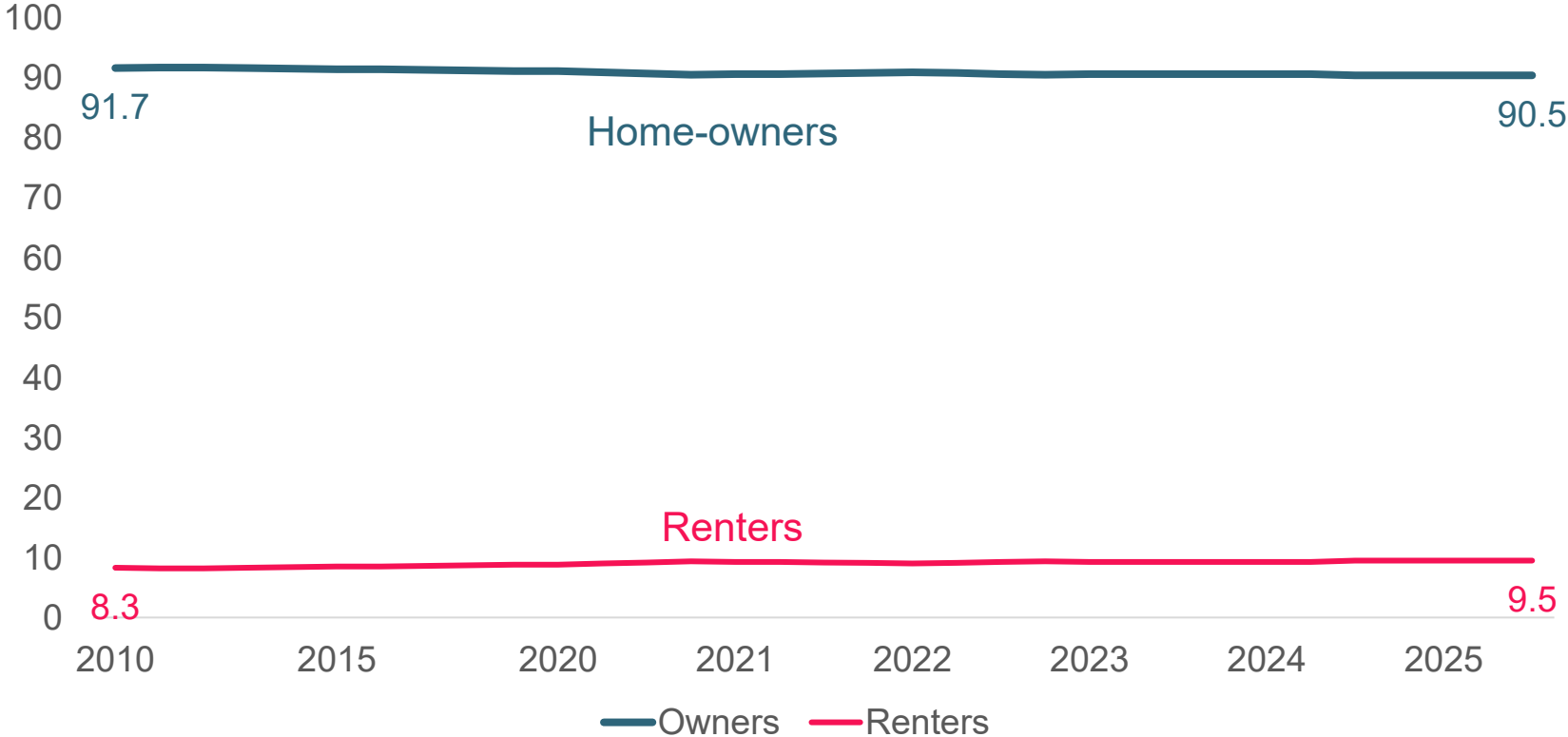
Source: Investing.com



Homeownership Is Another Key Differentiator Among Asset Holders

Distribution of assets

Percent of total



Source: Statistics Canada Table: 36-10-0660-01

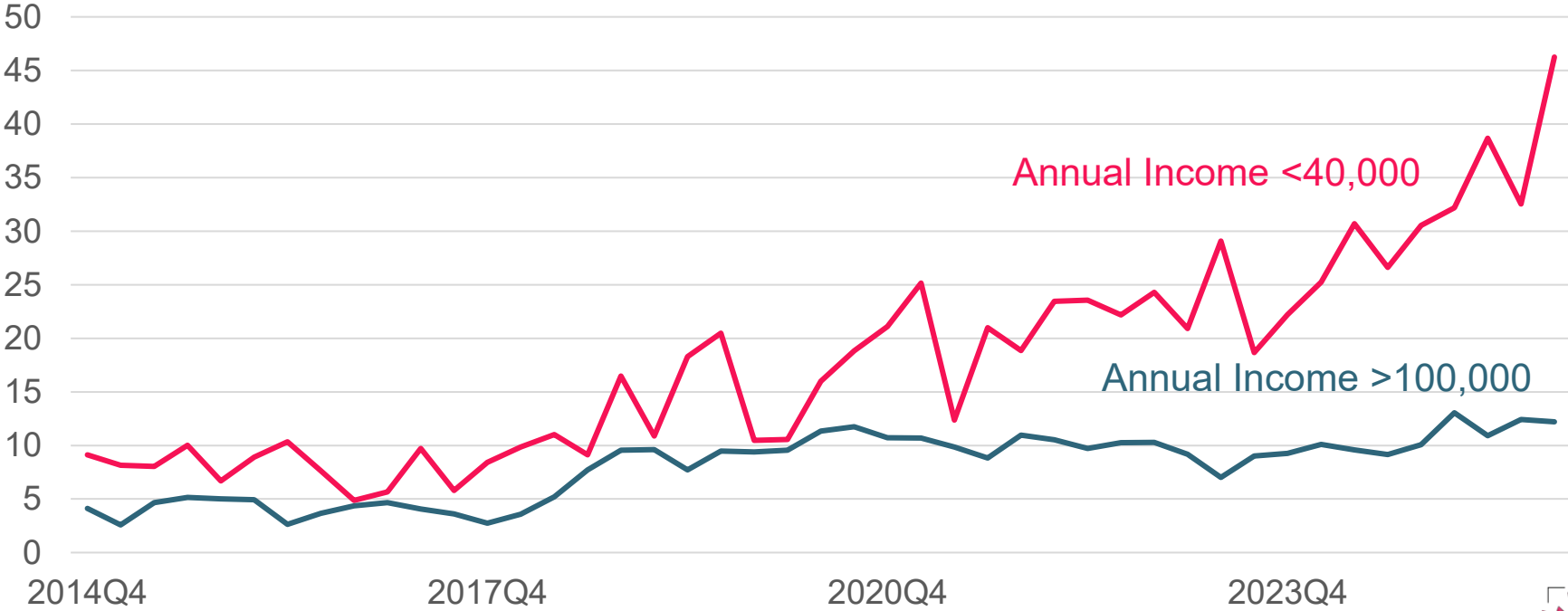


Financial security



Job Insecurity Has Risen for Lower-Income Canadians Since The Pandemic

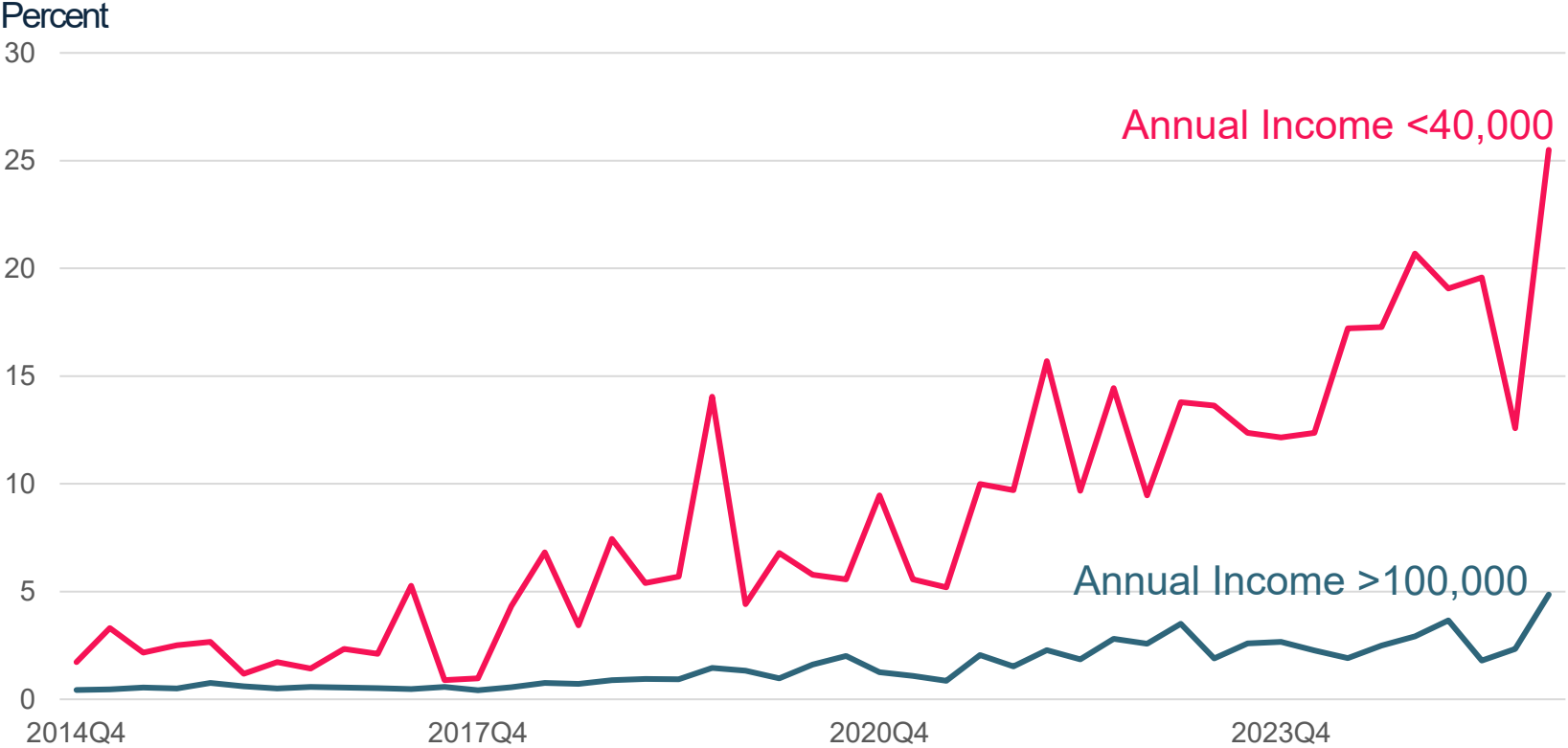
Probability of losing your job in the next 12 months
Percent



Source: Bank of Canada [Canadian Survey of Consumer Expectations](#).

Lower-Income Canadians Face Rising Debt Stress in Recent Years

Probability of missing a debt payment in the next 3 months



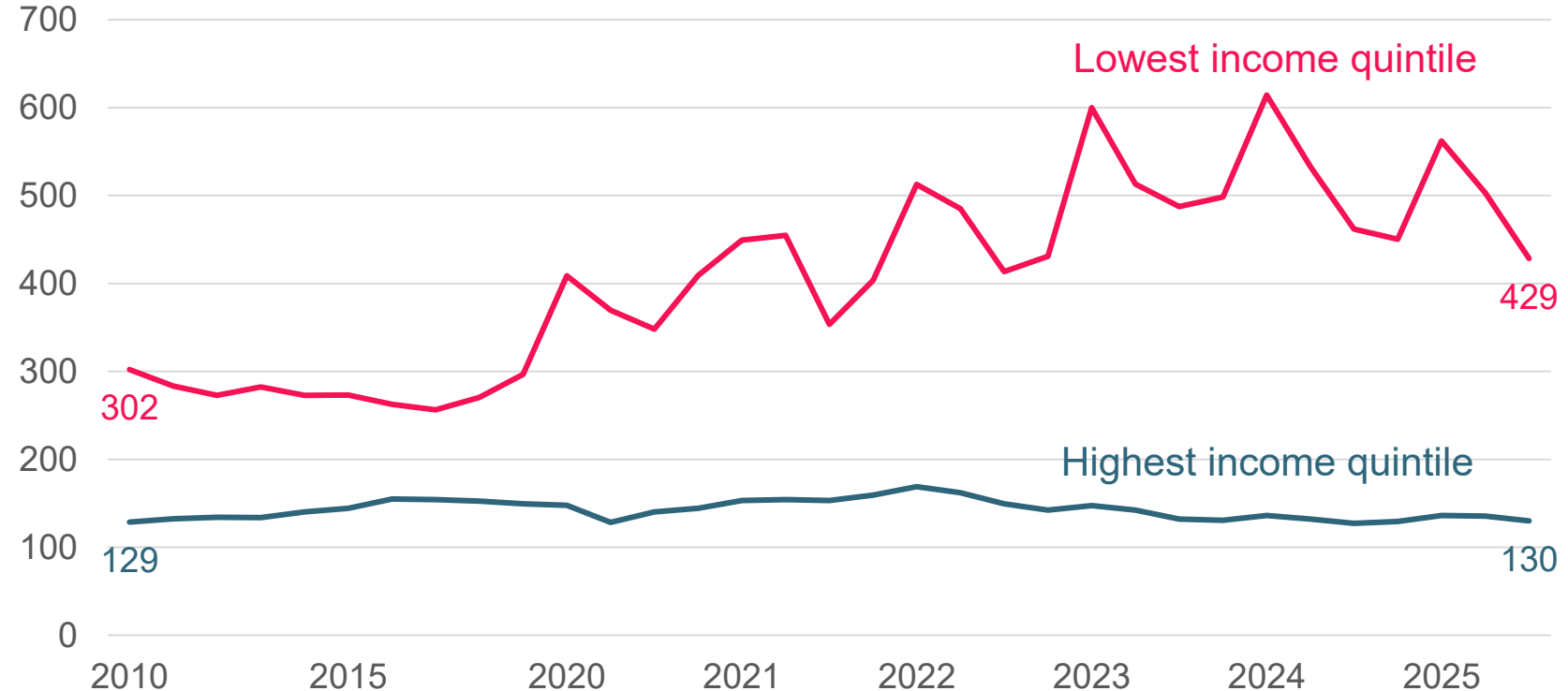
Source: Bank of Canada [Canadian Survey of Consumer Expectations](#).



The Debt Burden Has Risen for the Lowest Quintile Post Pandemic, But Not the Top

Debt to disposable income, by income quintile, 2015-2025

Percent



Spending patterns



Spending Power Is Highly Concentrated Among Higher-Income Households

Share of disposable income, 2025 third quarter

Percent of total



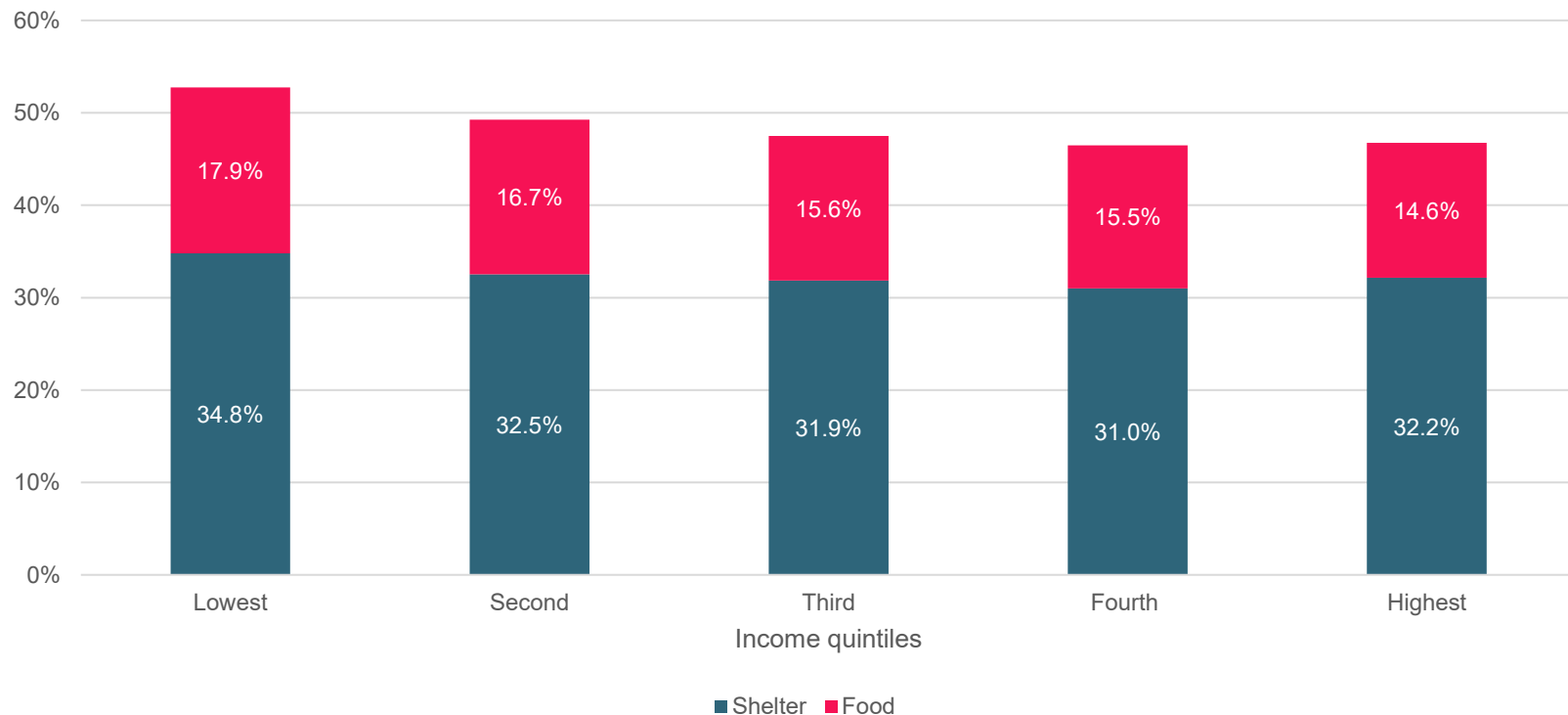
Source: Statistics Canada Table 36-10-0662-01



Lower-Income Households Spend More on Basic Necessities

Average expenditure per household, by income quintile, 2023

Percent of total spending



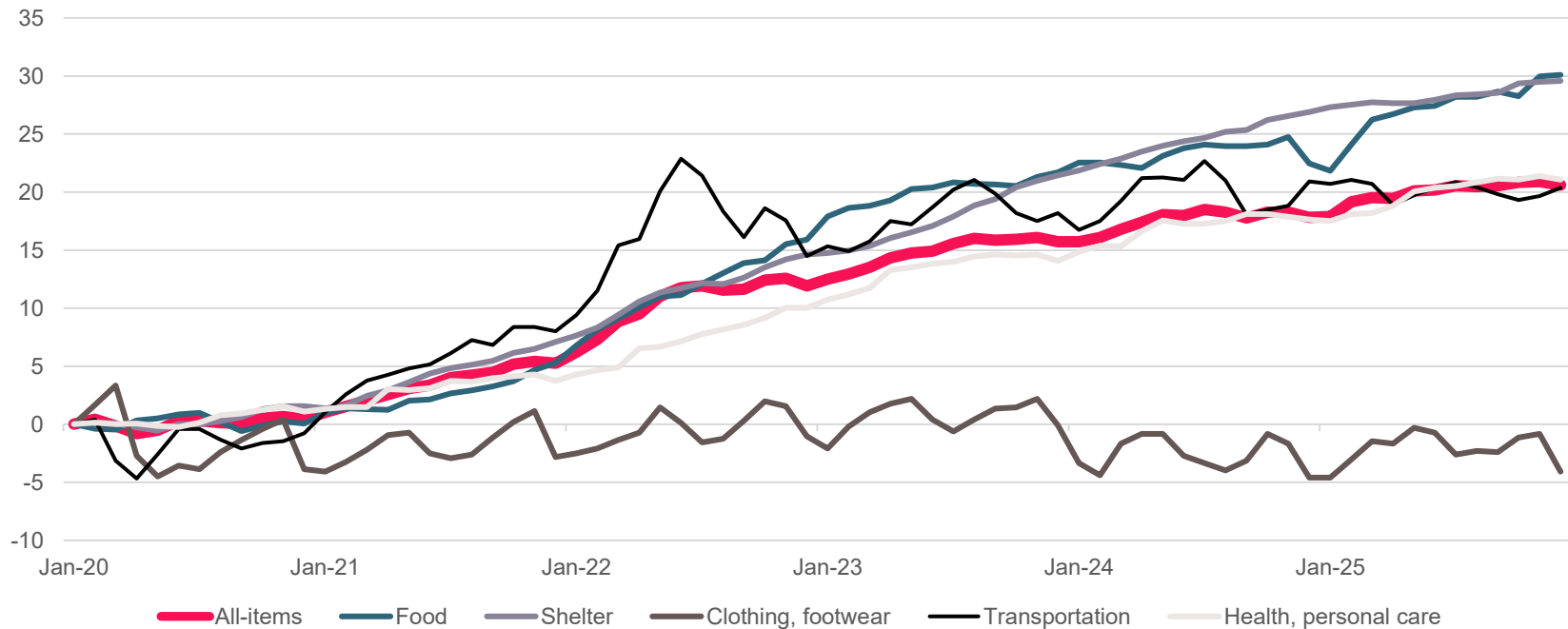
Source: Statistics Canada Table 36-10-0221-01



Food and Shelter Prices Have Outpaced Overall Inflation Since 2020

Consumer price index, Jan 2020 - Dec 2025

Cumulative percent change



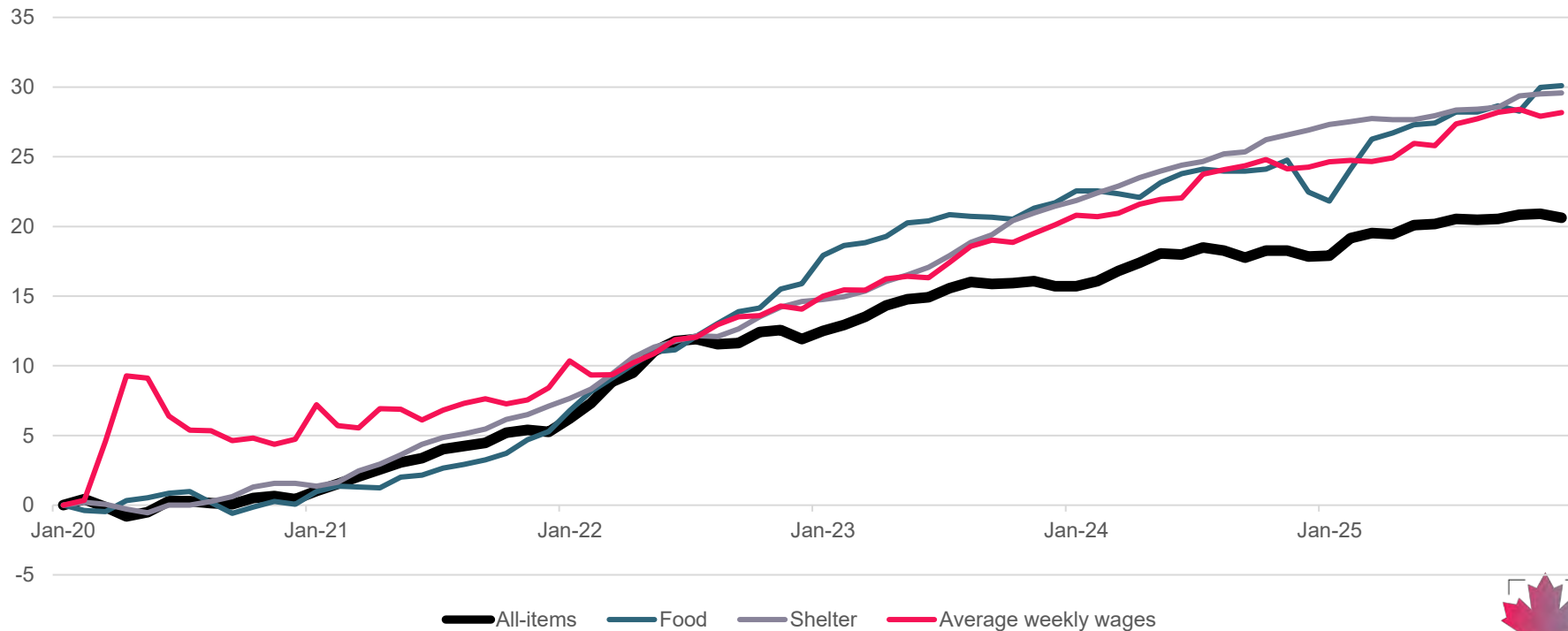
Source: Statistics Canada Table 36-10-0221-01



Average Weekly Wages are Barely Keeping Pace with Inflation for Necessities

Consumer price index, Jan 2020 - Dec 2025

Cumulative percent change

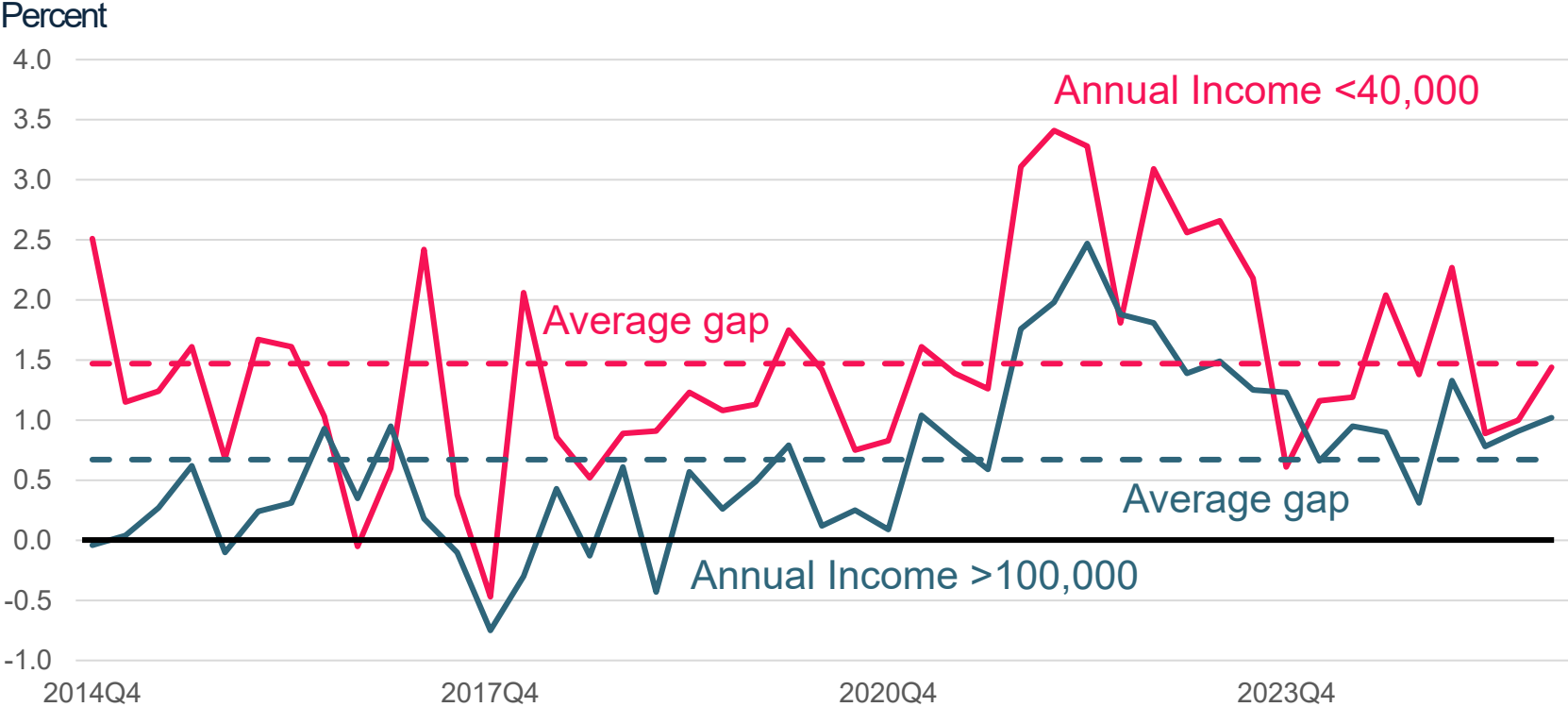


Source: Statistics Canada Tables 36-10-0221-01 and 14-10-0065-01



Lower-Income Canadians Expect Spending to Outpace Income

Expected spending growth relative to income growth, next 12 months



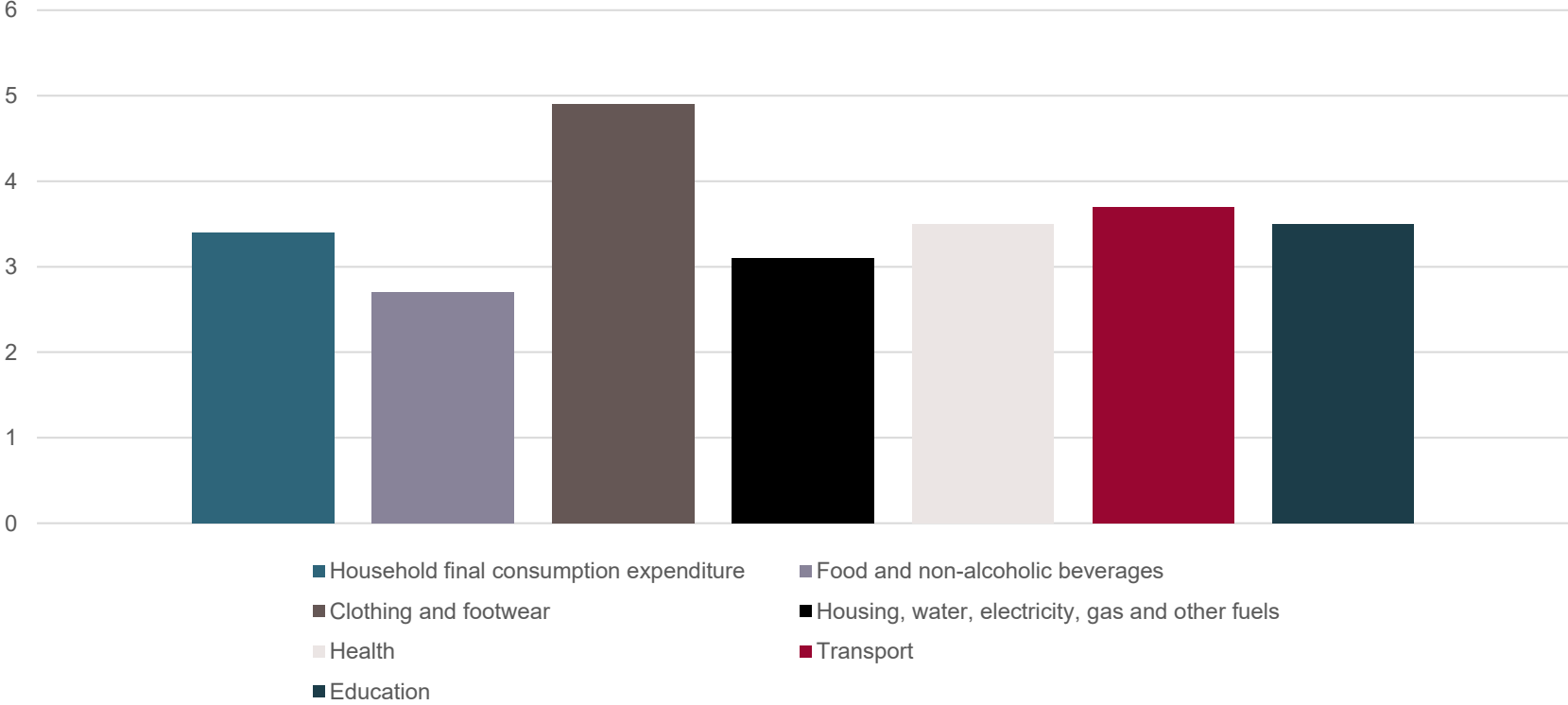
Source: Bank of Canada [Canadian Survey of Consumer Expectations](#).



Lowest Income Quintile Accounts for a Rising Share of Total Spending across Basic Necessities

Spending by lowest income quintile, change 2000-2024

Percent of total spending, percentage points



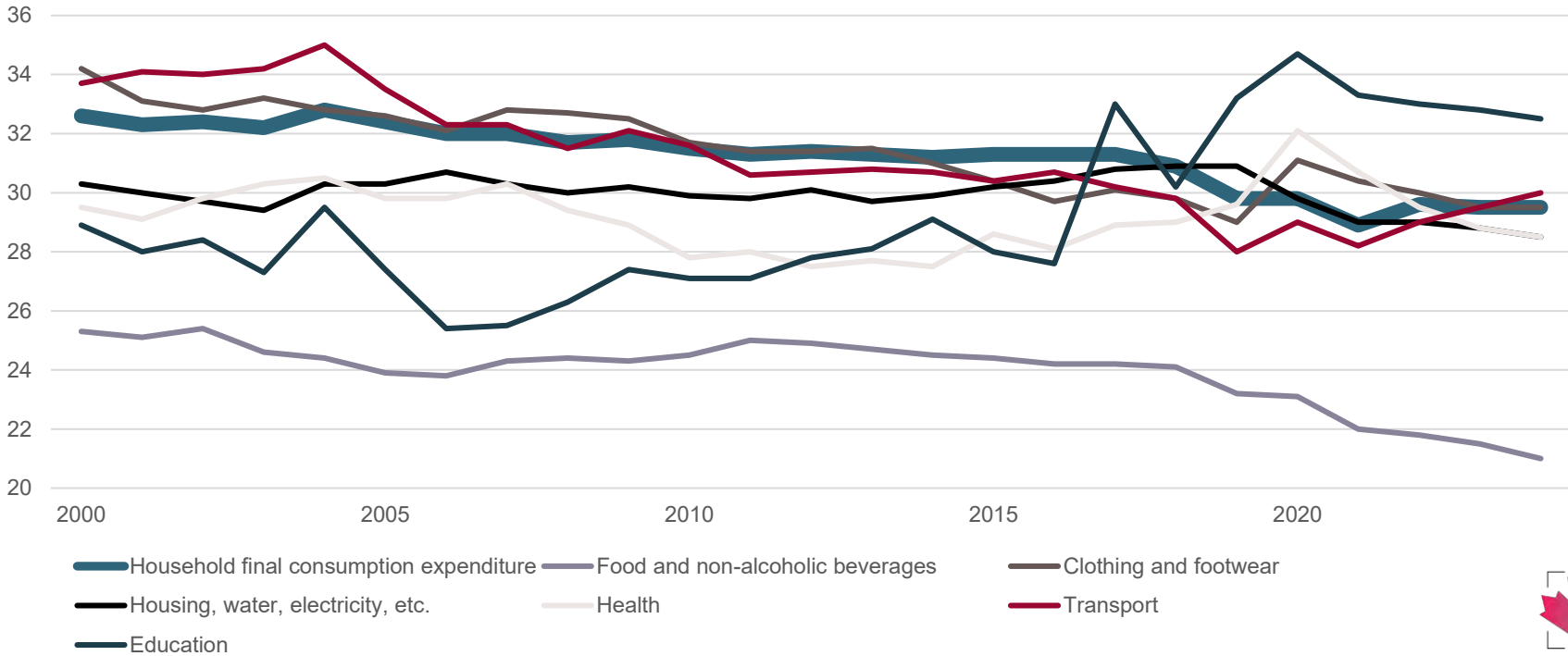
Source: Statistics Canada Table 36-10-0587-01



Highest Income Quintile Accounts for a Shrinking Share of Total Spending across Basic Necessities

Spending by highest income quintile, 2000-2024

Percent of total spending



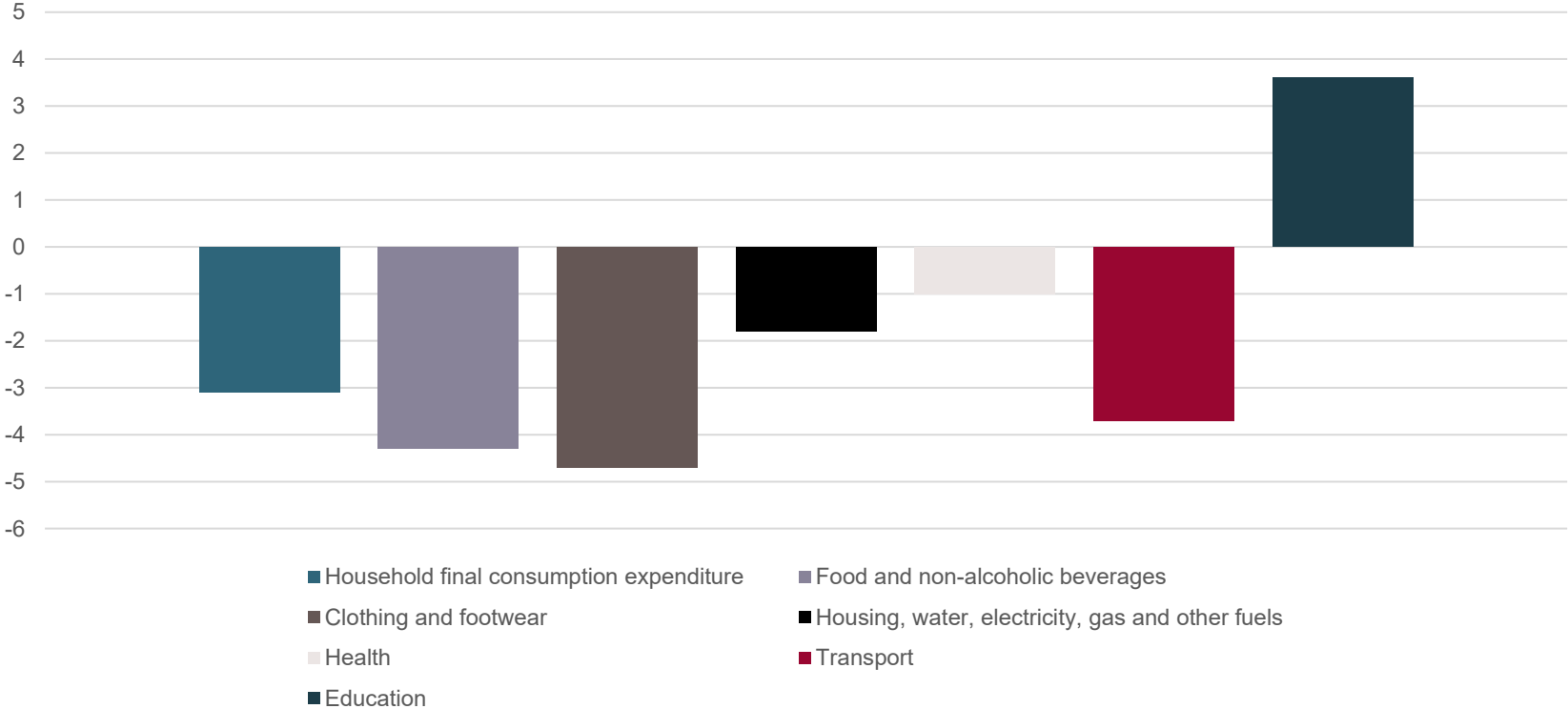
Source: Statistics Canada Table 36-10-0587-01



Highest Income Quintile Accounts for a Shrinking Share of Total Spending across Basic Necessities (But Spends More on Education)

Spending by lowest income quintile, change 2000-2024

Percent of total spending, percentage points



Source: Statistics Canada Table 36-10-0587-01



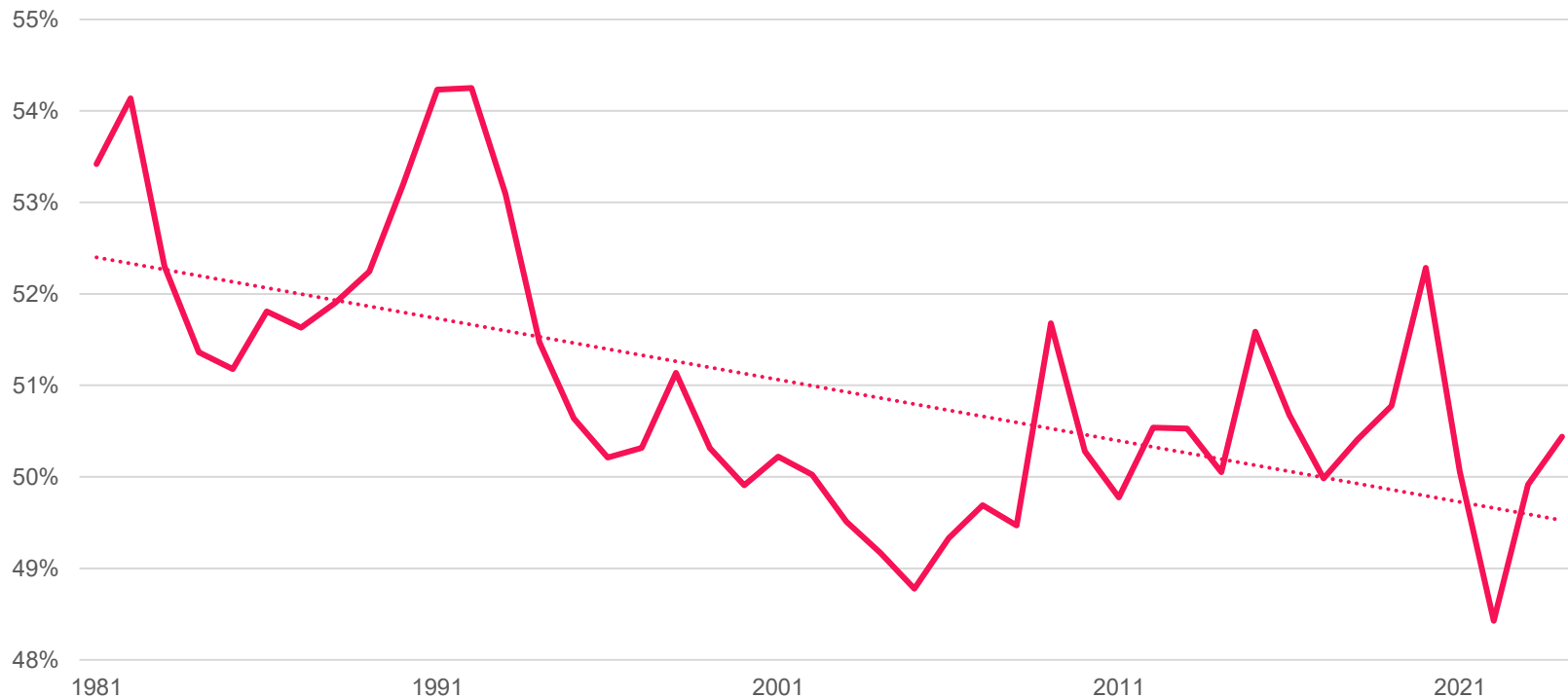
Labour share



Labour's Share of Income Has Declined Over the Past Four Decades

Labour share of income, 1981-2024

Percent of total



Source: Statistics Canada Table 36-10-0221-01



Thank You

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