

Outrageous Fortune

Documenting Canada's Wealth Gap

David Macdonald





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Outrageous Fortune

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Executive Summary

The latest Statistics Canada wealth survey reveals income inequality isn't Canada's only problem: wealth inequality in Canada is worse.

For instance, many gasp at the fact that Canada's richest 20% of families take almost 50% of all income. But when it comes to wealth, almost 70% of all Canadian wealth belongs to Canada's wealthiest 20%. Move higher up the income spectrum and the wealth gap is even greater.

Over a 13-year period, there has seen a pronounced increase in wealth in Canada, but that wealth has flowed into the hands of a concentrated few. For every new dollar of real wealth generated in Canada since 1999, 66 cents of that dollar has gone to the wealthiest 20% of families. For every new dollar in real wealth generated in Canada since 1999, the upper middle class captured 23 cents, while the bottom 60% of families had to settle for the last dime.

The level of wealth inequality in Canada has reached such extremes that in 2012, according to figures derived from *Canadian Business* magazine, the 86 wealthiest Canadian-resident individuals (and families) held the same amount of wealth as the poorest 11.4 million Canadians combined. To put these findings into historical perspective, in 1999, The Wealthy 86 held the same wealth as the bottom 10.1 million Canadians. In dollar terms, the net

worth of The Wealthy 86 has been increasing since 1999 when it sat at just under \$120 billion (\$2012). It has since increased in 2012 to almost \$180 billion (\$2012).

The Wealthy 86 represent only 0.002% of Canadians, but they hold the same amount of wealth as the bottom 34% of the population.

New Brunswickers held \$141 billion worth of assets in 2012. Of all of the provinces, this most closely approaches the net worth of The Wealthy 86 of \$178 billion, without exceeding it. What this means is that The Wealthy 86 could buy up all of New Brunswickers' 545,000 motor vehicles, all of their 314,000 houses and cottages, all of their undeveloped land, all of their stocks and bonds, all of their pension funds, all of their RRSPs, all of their jewellery, and all of their furniture. The Wealthy 86 have enough money to buy absolutely everything in the private hands of every New Brunswicker, with billions to spare.

The paper ends by examining a few options to help narrow Canada's wealth gap, including reforms to capital gains tax and a higher inclusion rate/higher income taxes at the top of Canada's income spectrum.

Introduction

While wealth data in the United States is reported publicly on a regular basis, Canadians can find themselves waiting a half decade or more for a Statistics Canada update on wealth in this country. The last two wealth surveys in Canada take a snapshot of wealth in 1999 and 2005.

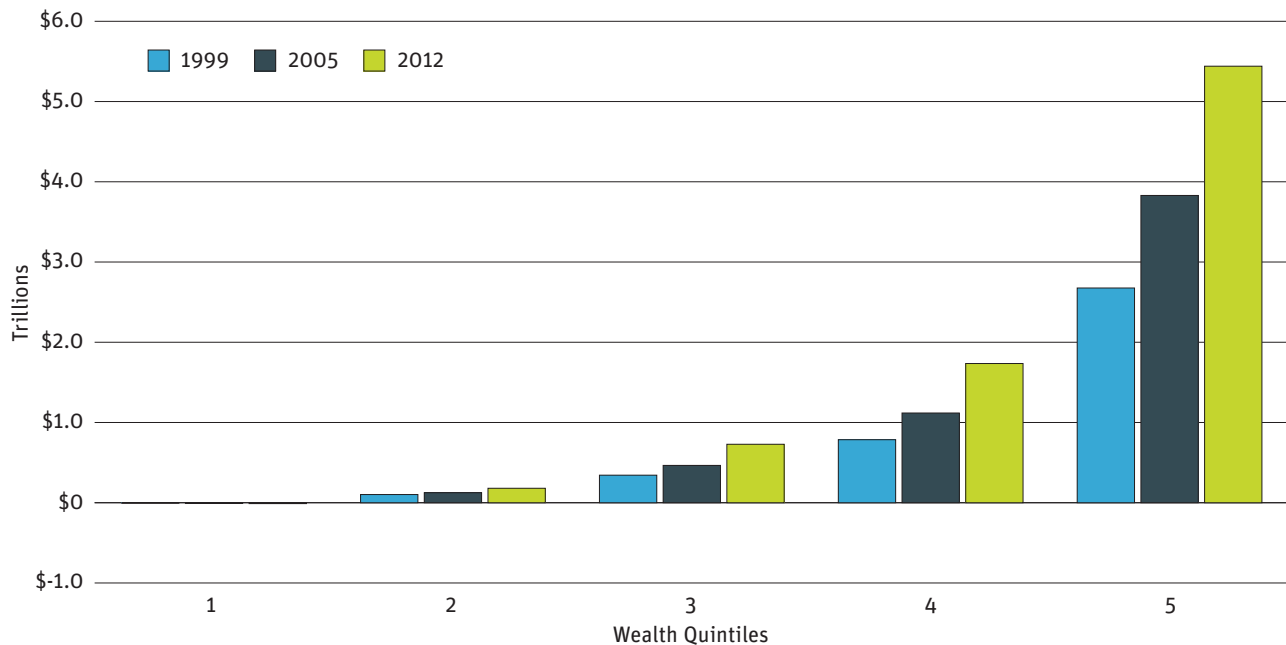
In February 2014, Statistics Canada released its long-awaited update on Canadians' holding of wealth in 2012. This report delves into the details of that wealth survey and finds wealth inequality trends that have quietly gone unnoticed.

This report also builds upon Statistics Canada's 2012 wealth survey and links them to the holdings of Canada's 86 wealthiest Canadian-resident individuals (and families) as measured by *Canadian Business* magazine.

Key Findings of Canada's Wealth Survey

This section examines the key findings of Canada's most recent three wealth surveys — 1999, 2005 and 2012.

FIGURE 1 Quintiles of Net Worth (\$2012 dollars)



Source: Survey of Financial Security (1999, 2005 & 2012)

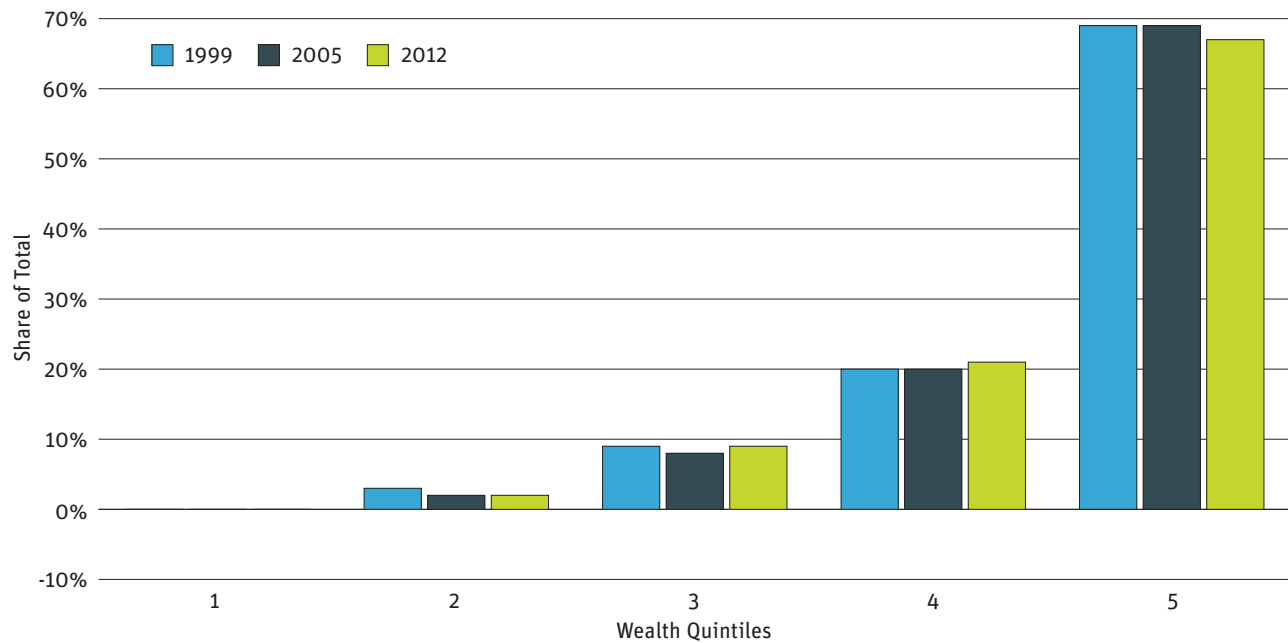
Over a 13-year period, there has been a pronounced increase in wealth in Canada, but that wealth has flowed into the hands of a concentrated few. The vast majority of the increase (66%) in wealth has gone to the wealthiest 20%.

For every new dollar of real wealth generated in Canada since 1999, 66 cents of that dollar has gone to the wealthiest 20% of families. For every new dollar in real wealth generated in Canada since 1999, the upper middle class¹ captured 23 cents, while the bottom 60% of families settled for the last dime.²

Figure 1 shows the changes of wealth inequality in Canada since 1999. The bottom quintile represents the bottom 20% of Canadians. The second quintile represents the lower middle class. The third quintile represents Canada's middle. The fourth quintile represents Canada's upper middle class. And the fifth quintile represents Canada's wealthiest 20%.

It's clear from *Figure 1* that the greatest dollar gains in wealth acquisition between 1999 and 2012 went to Canada's wealthiest 20%, trailed by the upper middle class and, to a much lesser extent, Canada's middle class. The lower middle class barely registered gains in wealth, while the poorest fifth of Canadians were stuck in a net debt position, owing more than they own.

FIGURE 2 Quintiles of Net Worth (Percentage)



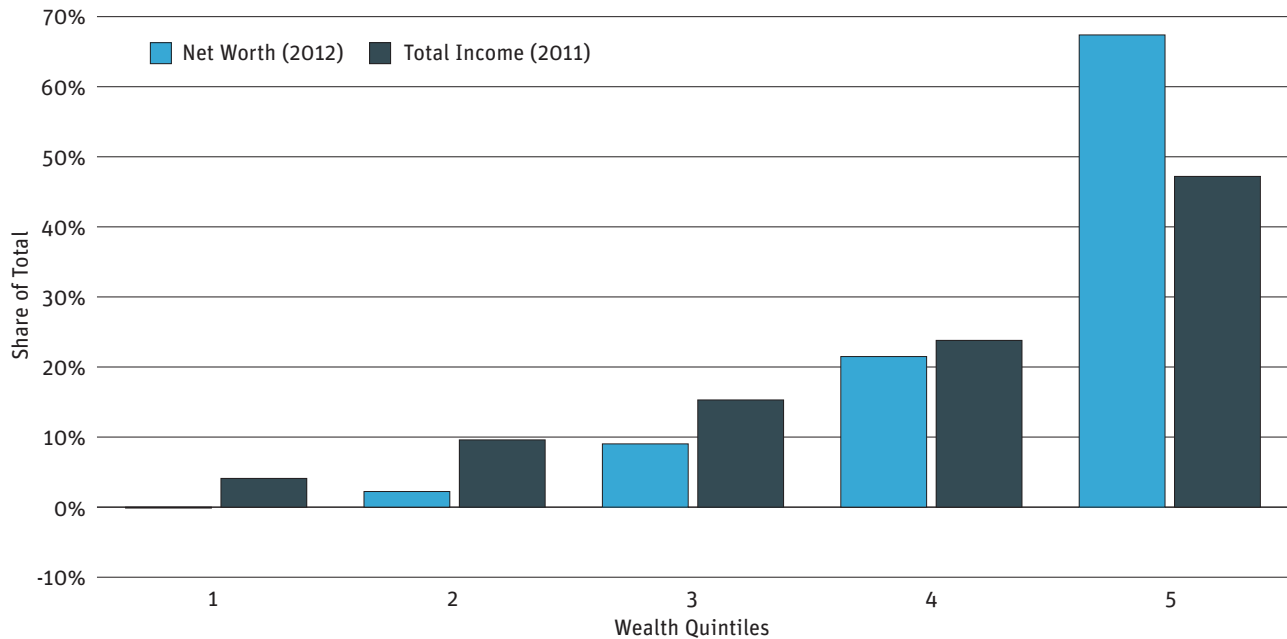
Source: Survey of Financial Security (1999, 2005 & 2012)

The picture is slightly different when we look at the proportion of wealth held by each quintile, as seen in *Figure 2*. The wealthiest quintile held 67% of all wealth in 2012, down slightly from 69% in 1999. The upper middle class captured a slightly larger percentage of wealth (21%) than it did in 1999 (20%). The poorest three quintiles were largely unchanged in the proportion of wealth they held since 1999.

There has been plenty of attention focused on the dangers of income inequality, that is to say the gap between what the rich and rest of us make in yearly income.³ Income inequality has been reasonably well studied in Canada, with ever improving data.⁴ By comparison, wealth inequality, the net worth of Canadians, including all assets and subtracting debts, represents a starker problem and has not been nearly as well examined, primarily because there has been less regular data to analyze.

Wealth inequality is always more extreme than income inequality. *Figure 3* shows just how much bigger Canada's wealth gap is compared to Canada's income gap. Both in terms of income and wealth, the trend remains very clear: the gains of economic growth land disproportionately in the hands of the concentrated few at the very top of Canada's income and wealth spectrum.

FIGURE 3 Inequality of Income and Wealth, By Quintile



Source: Survey of Financial Security 2012 and Cansim 202-0701

While the richest 20% of Canadian families capture almost 50% of all income, *Figure 3* shows the wealthiest 20% hold almost 70% of all net worth. *Figure 3* also shows that even the poorest of families have a measurable share of income (thanks to Canada’s tax and transfer system), but they have no measurable share of wealth. In fact, the poorest are in net debt.

In sum, whether you measure it in the form of income or wealth, the economic gains since 1999 — when the first comparable wealth survey was completed — have flowed to the wealthiest.⁵

A revealing dimension of income inequality is its fractal nature.⁶ Just as when examining fractal patterns, zooming in on the richest slivers of wealth or income reveals ever greater inequality.

For instance, income inequality between the poorest 90% and the richest 1% of Canadians is less extreme than it is for the richest 0.1% or for the richest 0.01%. By slicing income or wealth in ever thinner slices, we can see even more extreme inequality than the macro picture suggests. Wealth inequality, being more extreme to begin with, comes into sharp relief when examining this fractal effect. The following section takes the thinnest possible slice of wealth by looking at only 86 of Canada’s wealthiest people.

The Wealthy 86

The *Canadian Business* compilation of Canada's wealthiest 100 individuals (and families) allows for the identification of the wealthiest 86 Canadian residents [see the Technical Appendix]. To put this into perspective, in 2012, The Wealthy 86 represented roughly 0.002% of all of the people in Canada while managing to accumulate \$178 billion in net worth.⁷

Incredibly, this is equivalent to the cumulative wealth of the poorest 11.4 million Canadians, or 34% of the population. Put another way, 0.002% ,The Wealthy 86, have the same net worth as the poorest 34% of Canadians. This pronounced polarization is due, in large part, to the reality that Canada's poorest have no wealth or are in debt.

It can be difficult to conceptualize the scale of this type of wealth inequality, so let's chart it on a map: The Wealthy 86 hold enough net worth that they could buy all of the privately held assets held by everyone who lives in several Atlantic provinces. In fact, all of the assets of Prince Edward Island and Newfoundland & Labrador residents could be combined and The Wealthy 86 could still buy them all.

New Brunswickers held \$141 billion worth of assets in 2012.⁸ Of the Atlantic provinces, this most closely approaches the \$178 billion net worth of The Wealthy 86. What this means is that Canada's wealthiest could buy up all of New Brunswickers' 545,000 motor vehicles,⁹ all of their 314,000 houses and cottages,¹⁰ all of their undeveloped land, all of their stocks and bonds, all of their pension funds, all of their RRSPs, all of their jewellery, and all of their furniture. The Wealthy 86 have enough money to buy absolutely everything in private hands in the entire province of New Brunswick, with a few billion to spare.

In dollar terms, the net worth of The Wealthy 86 has been increasing since 1999, when it sat at just under \$120 billion (in 2012 dollars). Their net worth has since increased to almost \$180 billion in 2012 (in 2012 dollars).

A wealth spectrum is created by sorting all Canadian families by wealth, starting with those who have negative wealth and going all the way to The Wealthy 86. By having a running total starting from the bottom of that spectrum and adding up as it moves through the population, it is possible to count how many Canadians (and their wealth added together) it would take to equal that of The Wealthy 86.

Over time, it is taking more and more Canadians' wealth to match that of The Wealthy 86. In 1999, it would have taken the combined wealth of the bot-

FIGURE 4 Total Asset Value, Smaller Provinces

Province	Total Assets (2012 \$billions)
Prince Edward Island + Newfoundland and Labrador	\$117.8
New Brunswick ¹¹	\$141.3
Net Worth: The Wealthy 86	\$178.3 (Net Worth)

Source Survey of Financial Security 2012, Cansim 205-0001

FIGURE 5 The Wealthy 86 vs. The Canadian Population

Year	Net Worth of The Wealthy 86 (\$2012 billions)	Number of Canadians It Would Take to Match The Wealthy 86
1999	\$118.2	10.1 million
2005	\$143.1	10.6 million
2012	\$178.3	11.4 million

Source Canadian Business,¹² Survey of Financial Security 1999, 2005, 2012 & author's calculations

tom 10.1 million Canadians to match that of The Wealthy 86. In 2012, it would have taken 11.4 million Canadians to match the net worth of The Wealthy 86.

Often the proportion of the population is used instead of absolute population when examining changes over time. For instance, the top 0.01% vs. the bottom 90% of the population. This adjusts for a growing Canadian population. However, in this case, the focus is on a constant count of The Wealthy 86 in all three years. As such, adjusting for population does not change the situation.

Finally, given the constant focus on Canada's richest CEOs, it is worth noting that there is actually little overlap between Canada's wealthiest and Canada's highest paid CEOs.¹³ Only 10 of Canada's 100 highest paid CEOs are part of The Wealthy 86.¹⁴ Every single one of those 10 CEOs either founded or has family relations with the founder of the company they're heading. Also interesting: among Canada's highest paid 100 CEOs, the 90 CEOs who did not found the company were not part of Canada's wealthiest 86 in 2012. In other words, even with pay in the millions or tens of millions for Canada richest CEOs, savings from that income is not enough to break into The Wealthy 86.

What differentiates The Wealthy 86 is that their wealth does not come from a paycheck; it comes through the building and trading of assets, mostly companies. In other words, while being part of a wealthy family can land

you a top paying CEO job, the reverse is not true. Even the best paid CEO can't save enough to make it into The Wealthy 86.

A Solution

Given the state of wealth inequality in Canada, the time has come to spark a conversation about solutions. But what options are available?

There are few Canadian taxes that apply to wealth or capital directly, with the exception of municipal property taxes. Property taxes are a form of wealth tax, although they only apply to real estate.

Attempting to limit inequality through traditional measures like restricting RRSP contributions or introducing new tax brackets for high income individuals generally won't apply to substantial wealth holdings. The wealth generated by The Wealthy 86 was done through creating or trading assets, mostly companies, not through saving and investing money in the middle-class sense.

One of the largest legal loopholes for the wealthy in Canada is that capital gains are taxed at half the rate of normal income. If one Canadian makes \$100,000 a year selling a company while another makes \$100,000 a year working at a job, the worker will pay twice the tax of the business seller. Capital gains have an "inclusion rate" of 50%, meaning only 50% of the original total counts as income for tax purposes. Capital gains tax rates vary tremendously between OECD countries.¹⁵ Canada's rate is presently not as high as France or Germany, but it is higher than countries like Austria that have no tax at all on capital gains. Canada also does not levy differential rates on short term speculation vs. longer term investing.

A combination of a higher inclusion rate and higher income taxes at the top of the income scale could go part way to offset the flood of wealth that is accumulating in the pockets of Canada's wealthiest and ensure some of those benefits are returned to the majority of Canadians.

Conclusion

Since the first comparable wealth survey in Canada was published, there has been a pronounced increase in wealth in Canada – but that wealth has flowed into the hands of a concentrated few. The vast majority of the increase (66%) in wealth has gone to the wealthiest 20%. The higher up the wealth spectrum you go, the greater the wealth gap. This paper illustrates

how Canada's Wealthy 86 represented roughly 0.002% of all of the people in Canada while managing to accumulate \$178 billion in net worth by 2012. It also shows there are a few options to help narrow Canada's wealth gap, including reforms to capital gains tax and a higher inclusion rate/higher income taxes at the top of Canada's income spectrum.

Technical Appendix

SINCE 1999, THE *Canadian Business* magazine has published a list of Canada's 100 wealthiest.¹⁶ This is not a longitudinal study that tracks a certain set of families since 1999. Rather, the list simply contains the 100 wealthiest Canadians sorted by wealth. It changes over time, although there is significant overlap from year to year.

Generally this list contains the names of individuals, although in some cases, several individuals of the same family are aggregated into a single “family”. This is the case for the wealthiest entry in 2012: the Thompson family. The Thomson family contains members descended from the grandfather, and wealth originator, Roy Thomson. In practice, there are now three people who hold the wealth of “the Thompson family”: David Thomson, Peter Thomson and Sherry Brydson.¹⁷

As well, the *Canadian Business* list contains people who are Canadian citizens but who don't reside in Canada. For instance Jeff Skoll, the founder of eBay, is included though he lives in California.

This report compares the wealthiest 100 list to the Statistics Canada's Survey of Financial Security (SFS). The SFS only contains data on Canadians living in Canada. In order to make the wealthiest 100 list more comparable to the SFS methodology, non-residents are excluded from the 100 list. These exclusions happened in all three years of the SFS 1999, 2005 and 2012.

Figure 6 shows that 2012 has the most exclusions based on residency at 14. As such, in order to have a comparable number across all three years, 14 people have to be excluded from all three years. In 2012, 14 are exclud-

FIGURE 6 Non-resident Exclusions from the Canadian Business Wealthiest 100

	1999 Exclusions (Residency)	2005 Exclusions (Residency)	2012 Exclusions (Residency)
1	Charles Bronfman (U.S.)	Jeff Skoll (U.S.)	Jeff Skoll (U.S.)
2	Jeff Skoll (U.S.)	Charles Bronfman (U.S.)	Frank Stronach (Austria)
3	Michael Degroote (Bermuda)	John McBain (Switzerland)	Charles Bronfman (U.S.)
4	Lawrence Stroll (England)	Richard Li (Hong Kong)	Lawrence Stroll (England)
5	Eugene Melnyk (Barbados)	Michael Degroote (Bermuda)	David Cheriton (U.S.)
6	Paul Guathier (U.S.)	Robert Friedland (Australia)	Richard Li (Hong Kong)
7	Jeffrey Mallett (U.S.)	Eugene Melnyk (Barbados)	Michael Degroote (Bermuda)
8	Peter Nygard (The Bahamas)	Victor Li (Hong Kong)	John McBain (Switzerland)
9	Les Shaw (Barbados)	Peter Nygard (The Bahamas)	Robert Friedland (Australia)
10	Robert Friedland (Australia)	Jack Cowin (Australia)	Jack Cowin (Australia)
11	Robert Fitzhenry (Barbados)	Lawrence Stroll (England)	Peter Nygard (The Bahamas)
12			Eugene Melnyk (Barbados)
13			Victor Li (Hong Kong)
14			James Cameron (U.S.)
	Residency Exclusions: 11	Residency Exclusions: 11	Residency Exclusions: 14

Source Canadian Business magazine Rich 100 (1999, 2005, 2012) and author's calculations

ed based on residency alone. In 1999 and 2005, the lowest ranked three entries are also excluded to create three lists, each containing the same number of wealthy resident Canadians: 86 ($100-14=86$).

There are differences between the method of counting population and families between Statistics Canada and *Canadian Business*. *Canadian Business*' list is a mixed list of families and individuals. Families are specified when the originator of the wealth has shared the wealth with children and relatives. Otherwise the head of the family is listed as an individual. This approach is common to other large wealth lists, including "The World's Billionaires" list by Forbes magazine.¹⁸

Statistics Canada measures wealth at the family level and not the individual level. The Statistics Canada definition of an "economic family" specifies that if families live in different dwellings, they count as different economic families. Under the Statistics Canada definition, one *Canadian Business* "family" would count as several "economic families", as they live in different dwellings.

FIGURE 7 2012 Adjusted Counts of The Wealthy 86

	Wealthy 86 Unadjusted Count	Wealthy 86 Adjusted Count	Population Count ²¹	Wealthy 86 Adjusted Proportion of the population
Population	86	536	34.0 million	0.002%
Economic Families	86	134	14.6 million	0.001%

In 2012, *Canadian Business* calculates that their wealthiest 100 list makes up 0.00028% of the population.¹⁹ This is presumably calculated by dividing 100 by the 2012 population of Canada at 35 million (although this equals 0.00029%).²⁰ This almost certainly underestimates the relative size of the 100 list. In the case of *Canadian Business* individuals, they have spouses and children that should be included in that count. In the case of *Canadian Business* families, there are likely several economic families living in different dwelling, each likely containing a spouse and children.

Figure 7 attempts to adjust for the different definitions and make for a fairer comparison. The *Figure 7* “adjusted count” column assumes each “individual” of The Wealthy 86 as one economic family containing a population of four: two parents and two children. The “adjusted count” column also counts each “family” of The Wealthy 86 as three economic families, each containing four people: two parents and two children. This is a rough estimate as no family size estimates are produced from *Canadian Business*.

Figure 7 estimates that The Wealthy 86 actually make up about 0.002% of the Canadian population not 0.00028% as *Canadian Business* estimates. Either way, The Wealthy 86 make up a very small proportion of the Canadian population.

FIGURE 8 List of the Wealthy 86 By Year (Derived From *Canadian Business Magazine*)

Rank	2012	2005	1999
1	Thomson family	KENNETH THOMSON AND FAMILY	KENNETH THOMSON
2	Galen Weston	GALEN WESTON	James (J.K.) IRVING
3	J.K., Arthur & the late John Irving	J. K., ARTHUR AND JOHN IRVING	GALEN WESTON
4	Rogers family	JAMES (JIMMY) PATTISON	BOMBARDIER FAMILY
5	Jimmy Pattison	PAUL DESMARAIS SR.	JAMES (JIMMY) PATTISON
6	Paul Desmarais Sr.	EDWARD (TED) ROGERS JR.	FRED MANNIX
7	Saputo family	SAPUTO FAMILY	EDWARD (TED) ROGERS JR.
8	Carlo Fidani	BERNARD (BARRY) SHERMAN	TERRY MATTHEWS
9	Chip Wilson	DAVID AZRIELI	BERNARD (BARRY) SHERMAN
10	Richardson family	CLAY RIDDELL	PAUL DESMARAIS SR.
11	Fred & Ron Mannix	MICHAEL LEE-CHIN	ISRAEL (IZZY) ASPER
12	Barry Sherman	FRED AND RON MANNIX	LESLIE DAN
13	Harrison McCain family	DARYL KATZ	SAPUTO FAMILY
14	Daryl Katz	HARRISON MCCAIN FAMILY	ANDRE CHAGNON
15	David Azrieli	WALLACE MCCAIN	DAVID AZRIELI
16	Clay Riddell	JEAN COUTU	JEAN COUTU
17	Wallace McCain family	CARLO FIDANI	CHARLES SIROIS
18	Alan, Clayton and Barry Zekelman	ALEX SHNAIDER	WALLACE MCCAIN
19	Sobey family	ALLAN SLAIGHT	HARRISON MCCAIN
20	Murray Edwards	MURRAY EDWARDS	SAUL FELDBERG
21	Lalji family	RICHARDSON FAMILY	KRUGER FAMILY
22	Mitchell Goldhar	TERENCE (TERRY) MATTHEWS	REICHMANN FAMILY
23	Bob Gaglardi	STEPHEN JARISLOWSKY	RICHARDSON FAMILY
24	Guy Laliberté	SOBEY FAMILY	ROBERT MILLER
25	Slaight family	BOMBARDIER FAMILY	LAWRENCE TANENBAUM
26	Robert Miller	BRANDT LOUIE	RONALD JOYCE
27	Reichmann family	ASPER FAMILY	VITTORIO (VIC) DE ZEN
28	Marcel Adams	MARCEL ADAMS	OREY FIDANI
29	Bombardier family	KRUGER FAMILY	JR SHAW
30	Michael Lee-Chin	LESLIE DAN	MARCEL ADAMS
31	Jean Coutu	JOSEPH AND TED BURNETT	ROBERT BEAMISH
32	Brandt Louie	MICHAEL LAZARIDIS	ALLAN SLAIGHT
33	Terry Matthews	GUY LALIBERTÉ	PIERRE KARL PELADEAU
34	Heather Reisman & Gerry Schwartz	JAMES BALSILLIE	CLAY RIDDELL
35	Ronald Southern	ROBERT (BOBBY) JULIEN AND DELIA MOOG	STEPHEN JARISLOWSKY
36	Muzzo family	REICHMANN FAMILY	ERNEST (ERNIE) SAMUEL

Rank	2012	2005	1999
37	Peter Gilgan	VITTORIO (VIC) DE ZEN	BRANKO MATIC
38	Alex Shnaider	SAUL FELDBERG	LORNE TROTTIER
39	JR Shaw	LALJI FAMILY	ROBERT SCHAD
40	Joseph & Ted Burnett	ROBERT MILLER	OMENIC D'AMICO
41	Stephen Jarislowsky	GERRY SCHWARTZ AND HEATHER REISMAN	EE KA LAU
42	Seymour Schulich	MARCO MUZZO	KAREL VELAN
43	Fred DeGasperis	RONALD (RON) JOYCE	JOSEPH BURNETT
44	Kruger family	FRANK STRONACH	GERRY SCHWARTZ
45	Greenberg family	RONALD (RON) SOUTHERN	SERGE GODIN
46	Larry Rossy	MITCHELL GOLDHAR	JOHN CRAIGEATON
47	Eric Sprott	ALFREDO (FRED) De GASPERIS	RANDALL MOFFAT
48	Ronald Joyce	SAMUEL FAMILY	HENRY (HAL) JACKMAN
49	John Risley	HENRY (HAL) JACKMAN	MARCO MUZZO
50	Samuel family	CHARLES SIROIS	RONALD SOUTHERN
51	Larry Tanenbaum	ALBERT LATNER	ALLAN (AL) THORLAKSON
52	Rudy Bratty	SEYMOUR SCHULICH	PREM WATSA
53	Apostolopoulos family	LAWRENCE TANENBAUM	MURRAY EDWARDS
54	Hal Jackman	CHAN FAMILY	MITCHELL GOLDHAR
55	Charles Sirois	J. R. SHAW	SOBEY FAMILY
56	Alain Bouchard	GREENBERG FAMILY	CHARLES (CHUCK) FIPKE
57	Chan family	BOB GAGLARDI	FRANK HASENFRATZ
58	Saul Feldberg	DAVE AND CLIFF LEDE	JOHN BRAGG
59	David Werklund	HASSAN KHOSROWSHAHI	ALFREDO (FRED) DE GASPERIS
60	Latner family	KOSCHITZKY FAMILY	PETER MUNK
61	Hassan Khospowshahi	RUDOLPH (RUDY) BRATTY	SEYMOUR SCHULICH
62	Cliff & Dave Lede	MICHAEL POTTER	ALDO BENSADOUN
63	Sam & Van Kalias	MOLSON FAMILY	BRANDT LOUIE
64	Belkin family	PIERRE KARL AND ÉRIK PÉLADEAU	RICHARD LEVAN
65	Kenneth Rowe	ROBERT BEAMISH	THOMAS BATA SR.
66	Koschitzky family	JODREY FAMILY	LORENZO DE MENEGHI
67	Leslie Dan	BELKIN FAMILY	MICHAEL POTTER
68	Vic De Zen	ALAIN BOUCHARD	JODREY FAMILY
69	K. (Rai) Sahi	ALDO BENSADOUN	ROBERT KREMBIL
70	Serge Godin	BILL COMRIE	ARTHUR LABATT
71	Michael Lazaridis	JOHN RISLEY	BELKIN FAMILY
72	U. Gary Charlwood	STEWART BLUSSON	JULIA CONWAY
73	John Bragg	LEON FAMILY	CONRAD BLACK

Rank	2012	2005	1999
74	Bobby Julien & Delia Moog	ROBERT GRATTON	STEWART BLUSSON
75	Rob McEwen	CHARLES (CHUCK) FIPKE	BERNARD LEMAIRE
76	Aldo Bensadoun	GAIL REGAN, ROSEMARY PHELAN AND HOLIDAY PHELAN-JOHNSON	KENNETH ROWE
77	Libleld family	ANDRÉ CHAGNON	KWOK YUEN (K.Y.) HO
78	Leon family	LOUISE BLOUIN MACBAIN	DAVID RITCHIE
79	de Gaspé Beaubien family	ISADORE SHARP	ISADORE SHARP
80	Michael Potter	DE GASPÉ BEAUBIEN FAMILY	SCHWARTZ FAMILY
81	Stewart Blusson	LEE KA LAU	SAM KOLIAS
82	Jodrey family	PETER GILGAN	IRWIN ADELSON
83	Pierre Karl and Erik Péladeau	DOUGLAS FREGIN	BILL COMRIE
84	Chuck Fipke	RANDALL MOFFAT	RUDOLPH (RUDY) BRATTY
85	Jack Cockwell	ALLAN THORLAKSON	KEN BUCHANAN
86	Amar Doman	JOHN BRAGG	DR. JEFFREY MACHAT

Source Canadian Business Magazine Rich 100, 1999, 2005 & 2012 and author's exclusions

Notes

1 Second richest quintile

2 David Macdonald, *Wealth Inequality: Going from bad to (net) worth*, <http://behindthenumbers.ca/2014/02/26/wealth-inequality-going-from-bad-to-net-worth/>

3 For instance see Armine Yalnizyan, “The Rise of Canada’s Richest 1%”, Canadian Centre for Policy Alternatives, Dec. 2010 (<https://www.policyalternatives.ca/publications/reports/rise-canadas-richest-1>)

4 For instance see the new LAD Cansim tables 204-0001 & 204-0002

5 There was an earlier in 1984 wealth survey. However, pension assets were excluded making comparisons to the 1999 survey and later impossible.

6 For naming of “fractal inequality” see William Easterly, “Beautiful fractals and ugly inequality”, Sept 9, 2010 (<http://aidwatchers.com/2010/09/beautiful-fractals-and-ugly-inequality/>) and Paul Krugman, *Peddling Prosperity: Economic Sense and Nonsense in the Age of Diminished Expectations*, W.W. Norton, 1995

7 See the Technical Appendix for calculations

8 This paragraph excludes the debts that New Brunswickers have.

9 Cansim 405-0004

10 Census 2011 (<http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/tbt-tt/Rp-eng.cfm?LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=0&GK=0&GRP=1&PID=102240&PRID=0&PTYPE=101955&S=0&SHOWALL=0&SUB=0&Temporal=2011&THEME=91&VID=0&VNAMEE=&VNAMEF=>)

11 Canada’s third richest family, the Irvings, have net worth of \$8 billion in 2012. However, even excluding the Irvings makes the net worth of the remaining Wealthy 85 \$170 billion, still far more than New Brunswickers’ total assets of \$141.3 billion in 2012.

12 Himelfarb et al. “The Rich 100”, *Canadian Business*, July 1999, 72 (12) pg 60. “The Rich 100”, *Canadian Business* Dec 2005 78 (22) pg 30. “100 Canada’s Wealthiest People” *Canadian Business*, December 2012, 85(20), pg. 29.

13 Hugh Mackenzie, “All in a Day’s Work? CEO Pay in Canada” Canadian Center for Policy Alternatives, January 2014. This report uses data from 2012 despite being published in 2014

14 The overlapping people in 2012 are: Gerald Schwartz (ONEX), J.R. Shaw (Shaw), Pierre Karl Péladeau (Quebecor), Frank Hasenfratz (Linamar Corp), Pierre Beaudoin (Bombardier), André Desmarais (Power Corp. of Canada), Paul Desmarais, Jr. (Power Corp. of Canada), Galen G. Weston (Loblaw Companies Ltd.), Nancy C. Southern (ATCO Ltd.), Lino A. Saputo Jr. (Saputo Inc.)

15 See the Appendix of Robert Carroll and Gerald Prante, “Corporate Dividend and Capital Gains Taxation: A comparison of the United States to other developed nations” Ernst & Young, February 2012.

16 Richest 86 families from selected as Canadian resident families from: Himelfarb et al. “The Rich 100”, *Canadian Business*, July 1999, 72 (12) pg 60. “The Rich 100”, *Canadian Business* Dec 2005 78 (22) pg 30. “100 Canada’s Wealthiest People” *Canadian Business*, December 2012, 85(20), pg. 29.

17 <http://www.forbes.com/profile/david-thomson/>

18 <http://www.forbes.com/billionaires/>

19 “100 Canada’s Wealthiest People” *Canadian Business*, December 2012, 85(20), pg. 29.

20 Cansim 051-0005

21 From the Survey of Financial Security 2012 which differs slightly from Cansim 051-0005



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