

behind the numbers

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BC's Bountiful Crop of Millionaires

By Steve Kerstetter

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Bet you didn't know there were 56,218 millionaires living in British Columbia in 1999. Or that their average net worth was a cool \$2.7 million. Or that together they accounted for well over one-third of all the personal wealth in the province.

These are just some of the startling pieces of information collected by Statistics Canada in its recently published Survey of Financial Security. The survey looks at the assets, debts and net worth of Canadians on every rung of the economic ladder, but its insights into the world of the rich and the powerful are the most alluring — and the most disturbing.

The survey asked people about their assets, from housing, cars and investments to furniture, jewellery, collectibles and the equity they have in their own businesses. The survey also asked about debts, from mortgages and vehicle loans to outstanding credit card balances and student loans. Assets minus debts equals net worth or personal wealth.

BC's 56,218 millionaires — more precisely, family units with a net worth of at least \$1 million — made up a surprisingly

large 3.3 percent of all the family units in the province or one family unit in every 33. The percentage of millionaires in BC was the highest of any province, and their average net worth was also the highest of any province.

What was more alarming was the hold they had on personal wealth compared to everyone else in the province. The details are in Table 1 (see page 2), which groups family units in BC by their net worth from highest to lowest.

The first line of the table shows the number of BC millionaires, the fact that they make up 3.3 percent of all family units, their average net worth, and their share of total net worth — a whopping 35.5 percent. Everyone may be equal when it comes to voting, but not when it comes to their slice of the economic pie.

The three richest groups — from the millionaires down through British Columbians with net worth as low as \$250,000 — made up 27.7 percent of all family units and controlled 81.2 percent of the province's personal wealth. That left only 18.8 percent of the wealth that was spread around among the remaining 72.3 percent of family units further down the ladder.

The concentration of wealth is a reality everywhere in Canada, but it is especially concentrated in British Columbia. The percentage of millionaires in BC was the highest of any province, and their average net worth was also the highest of any province.

Table 1: Family Units in BC by Net Worth, 1999				
Net Worth	Number of Family Units	Distribution of Family Units	Average Net Worth	Distribution of Net Worth
\$1 million plus	56,218	3.3%	\$2,674,944	35.5%
\$500,000-999,000	144,909	8.6%	\$681,290	23.3%
\$250,000-499,999	265,902	15.8%	\$356,910	22.4%
\$150,000-249,999	220,668	13.1%	\$193,585	10.1%
\$100,000-149,999	137,122	8.1%	\$123,036	4.0%
\$75,000-99,999	70,342	4.1%	\$87,743	1.4%
\$50,000-74,999	108,814	6.5%	\$62,556	1.6%
\$30,000-49,999	102,086	6.1%	\$39,192	0.9%
\$15,000-29,999	112,566	6.7%	\$22,120	0.6%
\$5,000-14,999	165,232	9.8%	\$9,363	0.4%
\$0-5,000	178,770	10.6%	\$1,460	0.1%
Negative Net Worth	123,020	7.3%	-\$11,226	-0.3%
ALL GROUPS	1,685,649	100.0%	\$251,235	100.0%
Source: Statistics Canada, 1999 Survey of Financial Security.				

The concentration of wealth is a reality everywhere in Canada, but it is especially concentrated in British Columbia. The 81.2 percent of the wealth held by the richest 27.7 percent of BC families was higher than in the Prairie provinces and Ontario and significantly higher than in Quebec and Atlantic Canada.

Statistics Canada also reported that the wealthiest Canadians were the only group that had made substantial gains since the time of the previous wealth survey in 1984. The agency did not provide comparisons over time for individual provinces, but the national figures show that the top 20 percent of family units had seen their median net worth go up by 39 percent in real terms over the 15 years. The lowest 20 percent saw their median net worth dip to -\$600. That means they had debts that were \$600 more than the value of their assets. The second lowest 20 percent wound up with a paltry \$300 increase in median net worth.

The latest figures for British Columbia will no doubt come as a surprise to the people who lamented the sorry state of the provincial economy while the New Democratic Party was in power. During the past ten years of NDP govern-

ment, there was a litany of complaints that people just couldn't make a buck because of the terrible business climate. There was media hype about the brain drain, complete with profiles of the brightest and best (and sometimes the richest) going to sunnier climes. And there were the commentaries from unbridled capitalist wannabes about the crushing tax burden that was destroying the incentive of hard-working people who wanted nothing more than a chance to better themselves.

Imagine what a shock it must be to discover that the top dogs in the province really didn't have much to growl about. Even in 1999, when the BC economy was sluggish, the people at the top of the economic heap were doing better than their colleagues elsewhere, even the ones who were cashing in on booming provincial economies in Alberta and Ontario. Table 2 gives the details.

The table highlights the status of millionaires in the four largest provinces. (Millionaires in the six smaller provinces had to be lumped together because the sample size of the Survey of Financial Security wasn't large enough to allow the figures to be shown separately.)

Table 2: The Millionaire's Club 1999

Province	Number of Millionaire Family Units	Millionaires as % of all Family Units	Average Net Worth	Millionaires' Share of Total Net Worth	Average Net Worth of All Family Units
British Columbia	56,218	3.3%	\$2,674,944	35.5%	\$251,235
Alberta	36,496	3.2%	\$2,672,320	35.7%	\$235,990
Ontario	138,022	3.1%	\$1,951,573	27.2%	\$221,110
Quebec	55,111	1.8%	\$2,538,223	28.9%	\$155,189
Other Six Provinces	25,066	1.4%	\$2,049,589	19.1%	\$150,990
CANADA	310,913	2.5%	\$2,278,863	29.0%	\$199,664

Note: Sample sizes were too small to show millionaires by province, except in the four largest provinces.
Source: Statistics Canada, 1999 Survey of Financial Security.

British Columbia had the highest percentage of millionaires and the millionaires with highest average net worth, and it was neck and neck with Alberta in the share of provincial personal net worth that millionaires controlled. Ontario had more millionaires in absolute numbers, but their average net worth was under \$2 million. Quebec had a relatively small percentage of millionaires and the other provinces collectively even less.

The column on the far right shows the average net worth of all family units in 1999, not just the high rollers. Once again, BC led the pack with average net worth of \$251,235,

followed closely by Alberta and Ontario. Quebec and the other provinces were well back of the leaders.

The figures on average net worth are interesting, because they reflect sizeable amounts of personal wealth. It is hard to imagine any serious suggestion about British Columbia being a “have-not” province when its personal net worth works out to \$251,235 on average.

Unfortunately, as Table 1 pointed out, the distribution of wealth is badly skewed in BC and everywhere else in Canada. The tax policies of both the federal Liberal government and the BC Liberals are actually making matters worse, despite the efforts of “spin doctors” in both Ottawa and Victoria to portray recent tax cuts as progressive. The provincial tax cuts announced on June 6 will deliver the largest benefits to the richest taxpayers and could help ensure the continuing concentration of wealth.

Rich people may get a kick out of sounding the battle cry for justice and fair play, but it is the bottom half of the population with a tiny proportion of the personal wealth that has a much more sincere cause for complaint and a much more compelling cry for help.

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