

NEWS RELEASE

Taxes, not basic necessities make up largest Canadian household expense

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For immediate release

TORONTO—The average Canadian family spends more on taxes than on housing, food and clothing combined, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Most people don’t realize it, but the average Canadian household now pays more in taxes than they spend on the basic necessities of life combined,” said Charles Lammam, Director of Fiscal Studies at the Fraser Institute and co-author of the [*Canadian Consumer Tax Index*](#), which tracks the total tax bill of the average Canadian family from 1961 to 2015.

In 2015, the average Canadian family (including single Canadians) earned \$80,593 and paid \$34,154 in total taxes compared to \$30,293 on housing (rent and own), food and clothing combined.

In other words, 42.4 per cent of income went to taxes while 37.6 per cent went to basic necessities.

This represents a marked shift since 1961, when the average family spent 33.5 per cent on taxes and 56.5 per cent on housing, food, and clothing.

The total tax bill reflects both visible and hidden taxes that families pay to the federal, provincial and local governments, including income, payroll, sales, property, health, fuel and alcohol taxes, and more.

Since 1961, the average Canadian family’s total tax bill has increased by 1,939 per cent, dwarfing increases in annual food costs (645 per cent), clothing (746 per cent) and housing (1,425 per cent).

Even accounting for inflation over the last 54 years, the tax bill has still increased 152.9 per cent.

“Taxes help fund important government services, but the issue is the amount of taxes governments take compared to what Canadians get in return. With more than 42 per cent of their income going to taxes, Canadians might ask whether they’re getting good value for their tax dollars,” Lammam said.

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The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org

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