



NEWS RELEASE

Average Canadian family spent 42.6% of annual income on taxes—more than housing, food and clothing combined

August 27, 2020
For Immediate Release

TORONTO—The average Canadian family spent more than 42 per cent of its income on taxes in 2019—more than housing, food and clothing costs combined, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Taxes remain the largest household expense for families in Canada,” said Jake Fuss, economist at the Fraser Institute and co-author of *The Canadian Consumer Tax Index, 2020*.

Last year, the average Canadian family earned \$91,535 and paid \$38,963 in taxes compared to \$33,178 for the basic necessities—housing (including rent and mortgage payments), food and clothing combined.

In other words, the average Canadian family spent 42.6 per cent of its income on taxes compared to 36.2 per cent on basic necessities.

This is a dramatic shift since 1961 when the average Canadian family spent much less of its income on taxes (33.5 per cent) than the basic necessities (56.5 per cent).

The total tax bill for Canadians includes visible and hidden taxes (paid to the federal, provincial and local governments) including income, payroll, sales, property, carbon, health, fuel and alcohol taxes.

Moreover, since 1961, the average Canadian family’s total tax bill has increased nominally by 2,226 per cent, dwarfing increases in annual housing costs (1,641 per cent), clothing (793 per cent) and food (663 per cent).

“Considering the sheer amount of income that goes towards taxes in this country, Canadians may question whether or not we’re getting good value for our money,” Fuss said.

(30)

MEDIA CONTACTS:

Jake Fuss, Economist
Fraser Institute

To arrange media interviews or for more information, please contact:
Drue MacPherson, 604-688-0221 ext. 721, drue.macpherson@fraserinstitute.org

[Follow the Fraser Institute on Twitter](#) | [Like us on Facebook](#)

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