



# NEWS RELEASE

## Even with a substantial COVID-driven reduction in tax revenue, the average Canadian family paid more in taxes than it did on housing, food and clothing combined

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For Immediate Release

**CALGARY**—Despite the COVID-19 pandemic and shutdowns driving down tax revenues collected by governments across Canada, the average Canadian family still spent over 36 per cent of its income on taxes in 2020—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.

“Throughout the COVID pandemic, as tax revenues decreased for governments nationwide, taxes remained the largest household expense for Canadian families,” said Jake Fuss, economist at the Fraser Institute and co-author of *Taxes Versus the Necessities of Life: The Canadian Consumer Tax Index, 2021 Edition*.

Last year, the average Canadian family earned \$96,333 and paid \$35,047 in taxes compared to \$34,105 for the basic necessities—housing (including rent and mortgage payments), food and clothing combined.

In other words, the average Canadian family spent 36.4 per cent of its income on taxes compared to 35.4 per cent on basic necessities.

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.

Critically, since 1961, the average Canadian family’s total tax bill has increased nominally by 1,992 per cent, dwarfing increases in annual housing costs (1,671 per cent), clothing (629 per cent) and food (767 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.

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