

NEWS RELEASE

Nine of every 10 Canadians in lowest-income group move up income ladder within 10 years

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For immediate release

TORONTO—Canada’s high level of income mobility means very few Canadians remain stuck in low-income, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“The vast majority of Canadians in the lowest income group move up the income ladder over time—a mark of a dynamic economy,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of [*Measuring Income Mobility in Canada, 2016*](#).

Using data from Statistics Canada, the study divided nearly one million Canadians into five income groups (from lowest to highest) based on their income in 1993 and followed their progress after five, 10 and 19 years.

Over all time periods, the study found a tremendous amount of upward mobility, where Canadians move up to higher income groups over time.

For example, within 10 years (1993 to 2003), nine of every 10 Canadians (87.5 per cent) in the lowest income group moved to a higher income group.

Upward mobility is even more pronounced when the time period is extended. For instance, one of every four who began in the lowest income group in 1993 reached the top income group by 2012.

“Not only did most low-income Canadians move up the income ladder, but many rose to the very top” commented Lammam.

These results demonstrate the natural progression experienced by most Canadians over the course of their lives. Most Canadians start out with relatively low incomes given a lack of work experience and limited education. Over time, incomes increase as Canadians complete their education and gain work and life experience.

“Too often this dynamic of our economy is ignored when inequality, poverty, and the nature of success are debated,” Lammam said. “The reality of the Canadian economy, thankfully, is that very few Canadians are stuck in low-income and the overwhelming majority of Canadians enjoy the natural progression of their income over the course of their lives,” concluded Lammam.

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