

2006 Census of Canada

Earnings and Incomes Release

May 1, 2008

Introduction

“Earnings and Incomes” is the eighth and final of the major data releases from the 2006 Census of Canada, conducted on May 16, 2006. Highlights of this release for Alberta and Canada are presented in this report.

Median Earnings over 25 Years

The 2006 Census showed that Canada’s wage gap has widened over the past quarter century. Between 1980 and 2005, median earnings (half of the workforce receiving more and half less) of Canadians employed full-time all year increased (+16.4%) for the top earners to \$86,253, and declined (-20.6%) for the low income workers to \$15,375. As shown in Table 1, in 2005 constant dollars, the median income of workers in Canada edged up (+0.1%) from \$41,348 in 1980 to \$41,401 in 2005. Though median earnings of Albertans also changed marginally from \$43,732 in 1980 to \$43,964 in 2005, Albertans have done better than average Canadians in recent years. About 9.4% of full-year full-time workers in Alberta earned at least \$100,000 in 2005, compared to 6.5% nationally. Less than 10% of Albertans lived below the low income cut-off (LICO), the lowest of all provinces (For more details of LICO, please see After-Tax Income on the following page).

Alberta Wage Growth Fastest since 2000

Due to the recent energy boom, Alberta had the fastest growth rate (7.8%) in earnings among the provinces, three times the national average (2.4%) between 2000 and 2005. During this five-year period, the median income of the Albertans increased from \$40,782 to \$43,964. Alberta had the second highest median earnings among the provinces in 2005, after Ontario (\$44,748) and followed by British Columbia (\$42,230). Of Alberta’s major urban centres, median wages were the highest in Wood Buffalo (Fort McMurray area) at \$74,682 in 2005, up 23.6% since 2000.

TABLE 1: MEDIAN EARNINGS (IN 2005 CONSTANT DOLLARS) OF FULL-TIME FULL-YEAR EARNERS, 1980-2005

Median Earnings	NL	P.E.I.	N.S.	N.B.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.	Canada
1980 (\$)	37,510	32,405	36,532	36,436	39,938	41,395	37,247	38,804	43,732	47,605	41,348
2000 (\$)	36,079	33,561	36,165	34,763	37,836	44,440	35,425	33,785	40,782	43,715	40,443
2005 (\$)	37,429	34,140	36,917	35,288	37,722	44,748	36,692	35,948	43,964	42,230	41,401
% Change 1980-2005	-0.2	5.4	1.1	-3.2	-5.5	8.1	-1.5	-7.4	0.5	-11.3	0.1
% Change 2000-2005	3.7	1.7	2.1	1.5	-0.3	0.7	3.6	6.4	7.8	-3.4	2.4

Source: Statistics Canada, 2006 Census of Canada

Earnings and Gender

As in other parts of the country, women’s earnings growth was less than men. According to 2006 Census, median earnings for Alberta males rose by 8.5% from \$47,249 in 2000 to \$51,280 in 2005. For Alberta females, the median wages grew by 6.7%, from \$33,612 to \$35,848.

Earnings and Education

In the 2006 Census, as in previous censuses, higher education led to higher employment income. In 2005, Albertans with a bachelor degree had median earnings of \$61,495, and those with a post-bachelor degree received even higher salaries of \$73,607, more than twice the \$35,442 earned by those without a high school diploma (See Table 2).

Table 2: Median 2005 Earnings by Education, Alberta (For full-year, full-time earners aged 25 to 64)

Education	Both Sexes	Males	Females
Less than high school	\$35,442	\$42,127	\$26,614
High school	\$39,196	\$46,037	\$33,224
Trades or apprenticeship	\$50,509	\$56,907	\$30,913
College	\$46,064	\$56,894	\$38,140
University below bachelor	\$52,253	\$59,811	\$44,831
Bachelor	\$61,495	\$70,218	\$54,037
Post-bachelor	\$73,607	\$79,278	\$65,030

Source: Statistics Canada, 2006 Census of Canada

Earnings and Occupation

According to Statistics Canada, from 2000 to 2005, the three Alberta occupations enjoying the largest salary increases were: registered and head nurses (+23.7%), senior managers (+20.9%), and workers in the resource sector (+17.7%) which includes forestry operations, mining, oil and gas extraction and fishing industry. In contrast, earnings for occupations in agriculture decreased by 15.0% during the same period.

Family Earnings in Alberta

Median earnings increased for all family types in Alberta during the past five years. In 2005, Alberta's working couple families with children had the highest earnings (\$85,207) of all family types, up 11.6% from 2000.

From 2000 to 2005, median earnings of Alberta's "economic families" (persons related by blood, marriage, common-law or adoptions and living in same dwelling) were up 8.1% to \$70,986, the largest growth and highest level of all provinces.

Family Incomes in Alberta

Family income refers to income received by all family members (aged 15 and over) from all sources during the calendar year before the census. The sources include earnings, investment income, pensions, and government transfer payments (e.g. child tax benefits, Old Age Security Pension and Canada/Quebec Pension Plans). For many family types, income is highly associated with earnings as employment is the main source of their family income.

As presented in Table 3, between 2000 and 2005, the median income of all "economic families" grew by 3.7% in Canada, from \$64,004 to \$66,343. Higher female labour force participation is one of the major factors behind higher family incomes.

In 2005, due to the booming economy, Alberta's families had the highest median income (\$76,526) provincially, followed by Ontario (\$72,734) and British Columbia (\$65,787). Alberta's "economic families" also had the largest percentage increase (+10.0%) in median total income among the provinces over the past five years, followed by Newfoundland and Labrador (+7.1%) and Saskatchewan (+6.5%).

Government Transfer Payments

In 2005, government transfer payments accounted for 9.9% of total family income in Canada, down from 10.3% in 2000. In Alberta, government transfers represented only 6.4% of total family income in 2005, comparing to 8.3% in 2000. Alberta had the second lowest ratio of average government transfers to average total income in Canada after Northwest Territories (6.0%). From 2000 to 2005, government transfer payments to Alberta families decreased from \$6,871 for the average "economic family" to \$6,334 (in 2005 constant dollars).

After-Tax Income

For the first time, the 2006 Census offered Canadians the option of having Statistics Canada access their tax records to complete the census income questions. The use of tax data allowed the census to produce accurate estimates of after-tax income, with 82.4% of respondents on the census long form choosing this option. In 2005, the median after-tax income of all "economic families" in Canada was \$57,178, as compared to before-tax income of \$66,343. In Alberta, the median after-tax income of all economic families was \$65,543, and the before-tax income was \$76,526. Among the 33 census metropolitan areas in Canada, Calgary's "economic families" had the highest median after-tax income at \$70,016 in 2005. Economic families in the Edmonton CMA took fifth place with after-tax median income at \$66,567.

Statistics Canada's low income rate calculates the percentage of families below the low income cut-off (LICO) in Canada.* For the first time with the 2006 Census data, the low income rates can be measured based on after-tax income to reflect the real purchasing power of Canadian families. Based on the after-tax income data, 11.4% of Canada's 31 million population (or 3,484,625 people) were estimated to live at or below the LICO level in 2005. In comparison, an estimated 9.1% of Alberta's 3.3 million population (or 288,540 Albertans) in 2005 was at or below the LICO, the lowest percentage among all provinces.

**According to Statistics Canada, the LICO is a statistical measure of the income threshold below which Canadians are estimated to devote at least one-fifth more of their income than the average family to the necessities of food, shelter and clothing.*

TABLE 3: MEDIAN TOTAL INCOME (IN 2005 CONSTANT DOLLARS) OF ECONOMIC FAMILIES, 2000 AND 2005

Median Earnings	NL	P.E.I.	N.S.	N.B.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.	Canada
2000 (\$)	48,370	53,908	53,818	52,602	57,415	71,716	58,588	56,339	69,561	64,607	64,004
2005 (\$)	51,791	56,207	57,078	54,520	59,734	72,734	60,754	59,998	76,526	65,787	66,343
% Change 2000-2005	7.1	4.3	6.1	3.6	4.0	1.4	3.7	6.5	10.0	1.8	3.7

Source: Statistics Canada, 2006 Census of Canada