

The Evolving Wealth of Canadians: Who Is Better Fixed for Retirement? Who is Not?

May 10, 2022
[See E-Brief](#)

Appendices 1-3

Appendix 1: Evolving Wealth by Level of Net Worth and Income from 1999 to 2019

While this E-Brief focuses on the evolution of various forms of wealth in the middle of the wealth spectrum, I focus here briefly on changes across the entire wealth and income spectrums. Data on the evolution of total assets, net worth and retirement wealth by net worth and income quintiles in 1999 and 2019 are presented in Tables A1 and A2. These data are for all age groups. They indicate what is happening at various levels of wealth and income; they do not focus on distribution extremes.

As one would expect, there is a strong positive relationship between net-worth levels and income on the one hand and levels of the wealth measured in Tables A1 and A2. But if we focus on the evolution of the measures between 1999 and 2019, it is striking that the 2019 multiples versus 1999 values are broadly similar to the median values in Table 1 for total assets, net worth and retirement assets. It is also striking that the multiples fall within a relatively narrow range as one moves from one quintile to another. But it should be acknowledged that small differences compounded over long periods will produce large differences.

Regarding retirement wealth, the multiples of 2019 values compared to 1999 are a little higher in the middle of the net worth and income distributions than at the ends. It is also the case that the rate of ownership of retirement wealth increased more strongly in the second and third net-worth quintiles than in the other quintiles. The multiples were higher in the two lowest income quintiles.

Table A1: Total Assets, Net Worth and Retirement Wealth Median Values by Net Worth Quintile, 1999 and 2019

	1 st Quintile	2 nd Quintile	3 rd Quintile	4 th Quintile	5 th Quintile
Total assets 1999	\$4,900	\$61,800	\$221,500	\$414,300	\$918,900
Total assets 2019	\$11,200	\$124,600	\$448,900	\$902,600	\$1,999,800
1999 to 2019 change	2.3	2.0	2.0	2.2	2.2
Net worth 1999	\$1,500	\$44,200	\$153,100	\$350,200	\$853,400
Net worth 2019	\$3,000	\$88,000	\$329,900	\$762,000	\$1,814,900
1999 to 2019 change	2.0	2.0	2.2	2.2	2.1
Retirement wealth 1999	\$2,900	\$14,200	\$44,800	\$120,000	\$359,000
Retirement wealth 2019	\$5,200	\$30,100	\$115,800	\$287,400	\$732,500
1999 to 2019 change	1.8	2.1	2.6	2.4	2.0
% with 1999	22	61	80	90	95
% with 2019	23	66	84	91	95

Note: Change from 1999 to 2019 is calculated as the ratio of the final year value over the initial year.

Source: Statistics Canada, SFS Table 11-10-0049-1.

Table A2: Total Assets, Net Worth and Retirement Wealth Median Values by Income Quintile, 1999 and 2019

	1 st Quintile	2 nd Quintile	3 rd Quintile	4 th Quintile	5 th Quintile
Total assets 1999	\$12,200	\$100,700	\$230,100	\$329,700	\$589,100
Total assets 2019	\$30,700	\$239,300	\$470,100	\$725,200	\$1,296,100
1999 to 2019 change	2.5	2.4	2.0	2.2	2.2
Net worth 1999	\$8,300	\$76,000	\$154,300	\$230,900	\$473,100
Net worth 2019	\$22,400	\$180,600	\$336,900	\$524,000	\$1,023,400
1999 to 2019 change	2.7	2.4	2.2	2.3	2.4
Retirement wealth 1999	\$14,600	\$36,600	\$49,200	\$71,700	\$166,000
Retirement wealth 2019	\$30,000	\$85,000	\$139,700	\$170,000	\$400,000
1999 to 2019 change	2.1	2.3	2.8	2.4	2.4
% with 1999	28	57	80	91	97
% with 2019	33	65	77	91	94

Note: Change from 1999 to 2019 is calculated as the ratio of the final year value over the initial year.

Source: Statistics Canada, SFS Table.

Appendix 2: The Evolving Wealth of the 1945 to 1954 Birth Cohort

The 2019 survey was exactly 20 years after the 1999 survey, the first SFS in its current form. Therefore, a special tabulation of 2019 data for the age group 65-74 provides data for the same age cohort that was aged 45-54, 20 years earlier. Both observations are of people born between 1945 and 1954, which includes the front end of the baby boom.

Table A3 shows that there was strong growth for the 1945-1954 age cohort in total assets, net worth, retirement assets and WPP wealth. Moreover, rates of participation in retirement wealth and WPP wealth remained largely unchanged. The somewhat stronger growth in net worth compared to total assets suggests that over the period from ages 45-54 to 65-74, reducing debt was a greater contributor to gains in net worth than was the acquisition of new assets. It is also striking that retirement and WPP wealth grew at a very rapid rate – even though by ages 65-74, some decumulation of retirement assets had begun.

In most respects, the 65-74 age group is better off than the entire 65-and-over group whose wealth position is documented in Tables 1 and 2 in the main text. This is not unexpected as the 65-74-year-olds have had less time to run down pension and other liquid forms of wealth than have the older segments of the over-65 population. If we compare the wealth position of the 65-74-year-olds with today's 45-54-year-olds, we see that the former group has a lower level of assets but higher levels of net worth and retirement wealth. Again, this is not unexpected. The higher level of net worth likely reflects a lower level of indebtedness, and the higher level of pension wealth is appropriate to the stages of the life cycle of the two groups.

As the SFS matures, it will be possible to do cross-cohort comparisons.

Table A3: Wealth Data for the Birth Years 1945 to 1954 in 1999 and 2019 (2019 dollars)

	1999 Median Value	2019 Median Value	1999 to 2019 Change	% with 1999	% with 2019
Total wealth	\$368,000	\$673,000	1.8	NA	NA
Net worth	\$272,800	\$608,000	2.2	NA	NA
Retirement wealth	\$124,400	\$330,000	2.7	79	77
WPP wealth	\$112,600	\$286,000	2.5	54	55

Note: Change from 1999 to 2019 is calculated as the ratio of the final year value over the initial year.

Source: Statistics Canada Table 11-10-0016-01 plus special tabulation for the author for 65-to-74-year-olds in 2019.

Appendix 3: Geography and the Value of Principal Residences

Here is an admittedly incomplete look at the relationship between geography and the value of principal residences. Despite its incomplete nature, it is sufficient to establish the key point that it is inappropriate to apply national-level conclusions about the value of principal residences to all geographic areas.

In addition to providing national level data on the value of principal residences, the publicly available data from the SFS provides figures by province and by a number of large municipalities, including Toronto and Vancouver.

Table A4 below provides data for 1999 and 2019 on principal residences in New Brunswick, Prince Edward Island (PEI), Toronto and Vancouver. In Table A4, “value 1999 and 2019” refers to the median value of principal residences, and “mortgage 1999 and 2019” refers to the median amount of mortgage debt.

The most obvious and least surprising aspect of the data is the much higher median level of housing values in Toronto and Vancouver compared to New Brunswick and PEI. The prices in Toronto and Vancouver also grew at a much more rapid rate between 1999 and 2019 than was the case in New Brunswick and PEI. In 1999, these two Atlantic provinces had higher rates of ownership of principal residences than did Toronto and Vancouver. By 2019, that was no longer the case for PEI.

Median mortgage values in Toronto and Vancouver grew less rapidly than median values of principal residences by a clear margin. This was not the case in the two Atlantic provinces. In PEI, the median value of principal residences and median mortgage values grew at the same pace, and in New Brunswick the median mortgage value grew at a more rapid rate than the value of principal residences.

It is not illustrated in the data in Table A4, but there was quite a difference that emerged among the four jurisdictions between 1999 and 2019 in terms of the relationship between median values of principal residences and median mortgage amounts. In 1999, they were all clustered within a relatively narrow range – 47 percent to 51 percent. But by 2019, the median mortgage value had dropped in the two large municipalities to 36 percent while it was 50 percent in PEI and 60 percent in New Brunswick.

What is visible in Table A4 is some growth in the portion of the population that has a mortgage. In 1999, among the four jurisdictions, there was close to a uniform portion of 30 percent with a mortgage. By 2019, the spread was a little wider with the two Atlantic provinces having slightly higher rates.

Table A4: Median Value of Principal Residences in New Brunswick, Prince Edward Island, Toronto and Vancouver in 1999 and 2019 (With Related Data)

	New Brunswick	Prince Edward Island	Toronto	Vancouver
Value 1999	\$109,800	\$117,100	\$322,100	\$366,000
Value 2019	\$150,000	\$200,000	\$850,000	\$900,000
1999 to 2019 change	1.4	1.7	2.6	2.5
% homeowners 1999	69	65	59	52
% homeowners 2019	72	62	62	58
Mortgage 1999	\$51,200	\$60,000	\$152,200	\$175,700
Mortgage 2019	\$89,900	\$99,000	\$310,000	\$320,000
1999 to 2019 change	1.8	1.7	2.0	1.8
% with mortgage 1999	31	31	30	31
% with mortgage 2019	39	35	32	33

Note: Change from 1999 to 2019 is calculated as the ratio of the final year value over the initial year.

Source: Statistics Canada Table 11-10-0016-01.