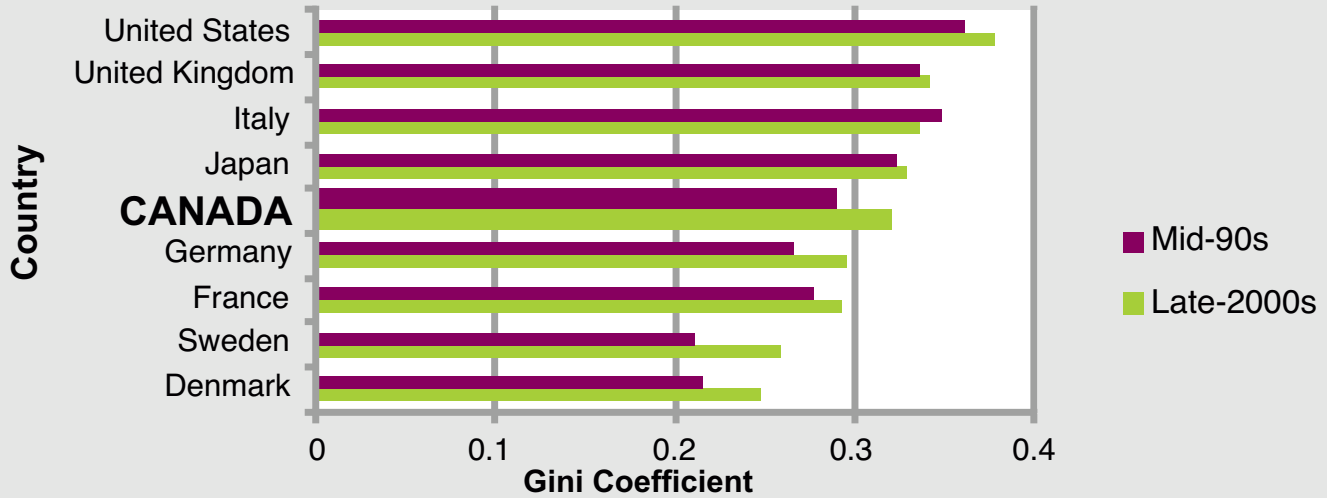## 5.1.4 Economic Security

Fig. 5.1.4 Income inequality*, Canada and select countries, mid-90s and late-2000s

	Denmark	Sweden	France	Germany	**CANADA**	Japan	Italy	United Kingdom	United States
Mid-90s	0.225	0.211	0.277	0.266	0.289	0.323	0.348	0.336	0.361
Late-2000s	0.248	0.259	0.293	0.295	0.320	0.329	0.337	0.341	0.378

*Income distribution: Inequality measured by the Gini index (after taxes and transfers).The Gini index, which ranges from a coefficient of 0 to 1, calculates the extent to which the distribution of income deviates from a perfectly equal distribution. A Gini coefficient of 0 represents exact equality (i.e., everybody has the same amount of income); a Gini coefficient of 1 represents total inequality (i.e., one person has all the income and the rest of the society has none).

Adapted from OECD StatExtracts. Available at: http://stats.oecd.org/Index.aspx?DataSetCode=INEQUALITY#. Accessed on June 29, 2012.

Between the mid-1990s and the late 2000s, the Gini coefficient for all G8 countries increased. This trend demonstrates a growing gap between the rich and the poor.

Implications

There are a number of factors that have caused income inequality to grow in Canada and its peer countries. Changes in the structure of the population—mainly the rise in the number of lone-parent households—is one factor that has driven the increase in income inequality.[1]

In Canada, 80% of all lone-parent homes are headed by women. "In 2010, almost 22% of children living in female headed lone-parent families experienced low income, whereas just fewer than 6% of children living in two parent families were in low income homes."[2]

[1] OECD. (2008). "Growing Unequal? Income Distribution and Poverty in OECD Countries." Available at: http://www.oecd.org/els/socialpoliciesanddata/41527936.pdf. Accessed on June 29, 2012.

[2] Mitchell P. (2012). Institute of Marriage and Family Canada. "Marriage and Poverty in Canada." Available at: http://www.imfcanada.org/sites/default/files/ereview_September28_12_0.pdf. Accessed on June 29, 2012.

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