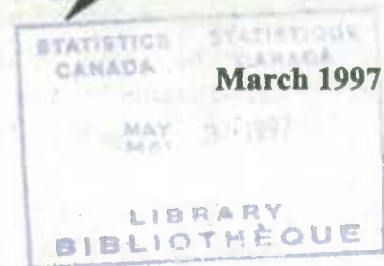




Longitudinal Administrative Data

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Income Dynamics: 1989 To 1994

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Small Area and Administrative Data Division

Despite the impact of the recent recession and recovery, over half of Canadians at the bottom of the income distribution in 1989 managed to better their relative position by 1994 so that they were no longer among the lowest income. In contrast, 70% of the top one-fifth of income recipients in 1989 did not change their position and were still at the top. Overall, 29% of Canadians who received income in 1989 had improved their relative income position by 1994 while 17% of Canadians moved to a lower position in the income distribution.

Those who became income recipients between 1989 and 1994 tended to have lower incomes. Almost half of the new income recipients were among the bottom one-fifth of income recipients in 1994. Those who had been income recipients in 1989 but were no longer receiving any income in 1994 were also clustered at the bottom with 27% of them among the bottom one-fifth of income recipients in 1989.

Much of the improvement in relative income position can be explained by aging - the 1989 income recipients were five years older in 1994. Earnings, the largest component of income for most Canadians, usually increases as individuals age through their younger and middle years and then decreases in later life.

A new Statistics Canada data source, the Longitudinal Administrative Databank (LAD), permits insight into the degree of income mobility and stability in Canada. The LAD is based on individual tax returns (T1 forms). Income dynamics tables were used to examine relative income position changes among Canadians. Income refers to the total dollars received from all sources including earnings, investment, and income from transfer payments.

The purpose of this study is to specify the degree of mobility in the distribution of income in Canada by estimating the flow from a position in the income distribution in 1989 to another by 1994. The appeal of the approach used for this study is its simplicity. The estimates of flow are taken directly from longitudinal data. Although the findings would be different for other six-year periods, it is likely that the dominance of earnings would prevail due to the aging effect.

What is an income dynamics table?

An income dynamics table quantifies the degree of change over any two years in income distribution among Canadians. This is done by specifying the income positions of any two years for the same individuals. Did people move to a higher or a lower relative income position? Were they in the same position in both years? Were they still income recipients in the later year?

The population of study for an income dynamics table consists of those who were income recipients in either year. Some persons who received income in the earlier year did not appear as income recipients on the LAD in the later year. These persons, referred to as 'exits,' either appeared on the LAD with zero income or were not on the

LAD at all in the later year. Conversely, some who received income in the second year were not on the LAD in the earlier year as income recipients. These are 'entrants' - persons who either did not appear on the LAD or appeared with an income of zero. Most of the entrants are persons who became income recipients between 1989 and 1994. An income dynamics table includes data on both exits and entrants.

Definition of Income

The data for this study are taken from the Longitudinal Administrative Databank which is based on individual tax returns (T1 forms). Income refers to the total dollars received during the calendar year from all sources including:

Earnings: wages, salaries and commissions, self-employment

Investment: interest and dividends

Transfers: Unemployment Insurance benefits, Old Age Security/net federal supplements, CPP/QPP, superannuation and other pensions, child benefits (Family Allowance, Child Tax Benefits), GST credits, provincial refundable tax credits, social assistance, workers' compensation

Other Income: alimony, limited partnership, net rental, RRSP income

In 1989 tax filers reported the total of net federal supplements, social assistance and workers' compensation payments while in 1994 they reported a value for each of these items. For this and other reasons, the coverage of income from social assistance may be higher in the later year.

Income Quintiles

The first quintile consists of those one-fifth of income recipients with the lowest incomes. The next one-fifth of income recipients form the second quintile, and so on. The fifth quintile consists of those one-fifth of income recipients with the highest incomes.

Movement from one quintile to another is used to denote a change in the relative income position. Longitudinal data allow one to examine which income quintile the same people belonged to in both years. The income dynamics table is constructed as follows. First, all of the income recipients in the first year are divided into quintiles. The same is done for the second year. The income dynamic of each individual who

was an income recipient in either year is then determined as follows. Those who were income recipients in both years are classified by the quintile that they belonged to in the first year and the

quintile that they belonged to in the second year.¹ Exits are classified according to their quintile in the earlier year while entrants are classified by their quintile in the later year. The income dynamics table, therefore, shows what happened in the later year to all of the income recipients in the earlier year and where all of the income recipients in the later year were in the earlier year.

The income dynamics table for all Canadians² from 1989 to 1994 is given below, along with a table showing the range of income that defines the quintile in each year.

Income Dynamics: 1989 To 1994, Canada

1994 Quintiles:						Present Both Years	Exits	1989 Total
Lowest	Second	Third	Fourth	Highest				
thousands of persons								
1989 Quintiles:								
Lowest	1,287	992	562	264	80	3,185	478	3,663
Second	521	1,276	906	370	114	3,186	479	3,665
Third	292	509	1,319	983	221	3,324	338	3,662
Fourth	145	198	539	1,647	889	3,418	246	3,664
Highest	65	76	194	538	2,583	3,456	208	3,664
Present Both Years	2,310	3,050	3,520	3,802	3,887	16,569		
Entrants	1,757	1,016	546	264	178			
1994 Total	4,067	4,066	4,066	4,066	4,065			

Income Quintile Boundaries

Quintile	1989 Boundaries		1994 Boundaries 1994 \$
	1989 \$	1994 \$	
First	\$7,100 or less	\$8,200 or less	\$7,600 or less
Second	\$7,101 - \$13,800	\$8,201 - \$16,300	\$7,601 - \$14,200
Third	\$13,801 - \$22,500	\$16,301 - \$27,400	\$14,201 - \$23,900
Fourth	\$22,501 - \$35,100	\$27,401 - \$43,700	\$23,901 - \$38,200
Fifth	\$35,101 +	\$43,701 +	\$38,201 +

The first row of the income dynamics table shows what happened to all of those who were in the lowest quintile in 1989. From left to right we see that:

1,287,000 persons were again in the lowest quintile in 1994;

¹Those who experienced very small changes in income were treated as having experienced no change in relative income position. Only persons who moved by a centile were classified as having moved from one quintile to another.

²Territories are included.

992,000 had moved up to the second quintile by 1994;
562,000 people were in the third quintile in 1994;
264,000 moved up to the fourth quintile; and
80,000 of those who were in the lowest quintile in 1989 had made it to the top quintile by 1994.

Further, the seventh column indicates that:

3,185,000 persons were income recipients again in 1994; and
478,000 of those in the lowest quintile in 1989 did not appear as income recipients in 1994.

Finally, the last column gives the number of persons who were in the lowest quintile in 1989.

The second row of the income dynamics table gives the same information for those who were in the second quintile in 1989.

The picture for 1994 can be seen by looking down the columns. The first column of data, for example, shows where those who were in the lowest quintile in 1994 came from. Of the 4,067,000 people who were at the bottom of the income distribution in 1994:

1,287,000 were also in the first quintile five years ago in 1989; and
102,300 individuals were in a higher quintile in 1989.

Further, there were 1,757,000 entrants - people in the lowest quintile in 1994 who did not appear as income recipients in 1989.

The amount of change observed in an income dynamics table is determined by the groupings used to divide the income distribution. A finer division would result in more change. A study of income dynamics using deciles, for example, would result in more people moving up or down the income distribution.

More Canadians improve their relative income position than experience a drop

The following table uses the data in the income dynamics table to show the percent distribution of the 1989 income recipients by their relative position in 1994. Where did the 1989 income recipients end up in 1994? The table shows, for example, that 35% of those who were in the lowest quintile in 1989 were again in the lowest quintile in 1994.

Percent Distribution of 1989 Income Recipients By Relative Income Position In 1994, Canada

1994 Quintiles:							1989 Total
Lowest	Second	Thlrd	Fourth	Highest	Exlts		
<i>percent of total income recipients in 1989</i>							
1989 Quintiles:							
Lowest	35	27	15	7	2	13	100
Second	14	35	25	10	3	13	100
Thlrd	8	14	36	27	6	9	100
Fourth	4	5	15	45	24	7	100
Highest	2	2	5	15	70	6	100

One can also view the income dynamics data from the perspective of 1994. Where do the 1994 income recipients come from? The following table shows the percent distribution of the 1994 income recipients by their relative position five years earlier in 1989. Among those who were in the highest quintile in 1994, for example, 64% were also at the top of the income distribution five years earlier.

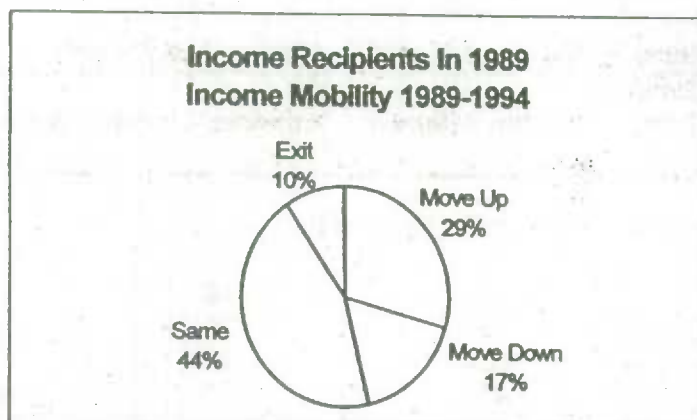
Percent Distribution of 1994 Income Recipients By Relative Income Position In 1989, Canada

1989 Quintiles:							1994 Total
Lowest	Second	Thlrd	Fourth	Highest	Entrants		
<i>percent of total income recipients in 1994</i>							
1994 Quintiles:							
Lowest	32	13	7	4	2	43	100
Second	24	31	13	5	2	25	100
Thlrd	14	22	32	13	5	13	100
Fourth	6	9	24	41	13	6	100
Highest	2	3	5	22	64	4	100

Those who were income recipients in both years were more likely to experience income mobility than income stability. That is, they were more likely to move up to a higher quintile or down to a lower one than to appear in the same quintile in both 1989 and 1994. When income mobility occurred, it tended to be upwards rather than downwards. Among those who were in the middle quintile in 1989, for example, 36% were again in the third quintile in 1994 while 33% moved up to either the fourth or fifth quintile and 22% moved down to the first or second quintile.

Income Mobility

Upward income mobility refers to movement to a higher quintile such as from the lowest quintile in 1989 to the second quintile in 1994. Downward income mobility refers to movement to a lower quintile. Since quintiles describe the relative income position, it is possible that some persons who experienced upward income mobility from 1989 to 1994 may have experienced a drop in their income after adjusting for inflation. The converse is true for downward mobility. Similarly, those who experienced income stability may have experienced either a drop or an increase in their income after adjusting for inflation. The upward income mobility rates and the downward mobility rates presented in this paper reflect the change in an individual's income relative to all other Canadians. They do not represent the rate of increase or decrease in income that a person experiences and should not be used as such.

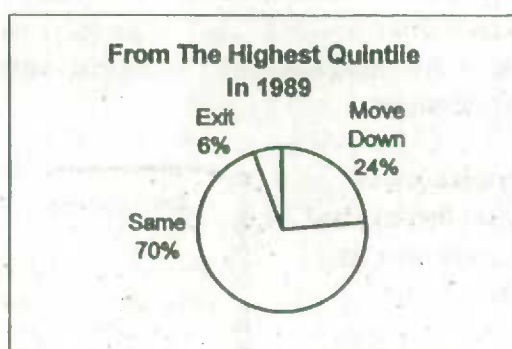
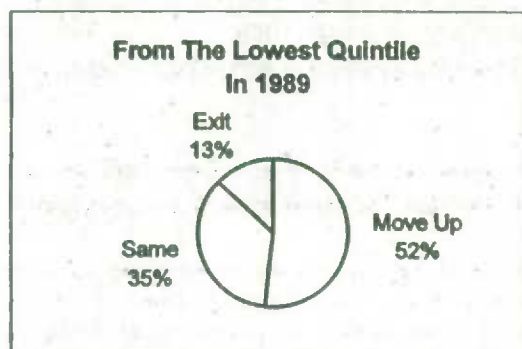


More Canadians who were income recipients in 1989 are in a better relative income position in 1994 than are in a worse relative position. Overall, the upward income mobility rate was 29%, indicating that 29% of all Canadians who were income recipients in 1989 had moved to a higher quintile by 1994. The downward mobility rate was 17%. A large proportion of 1989 income recipients, 44%, remained in the same quintile.

When movement occurred to a higher or lower quintile, it was usually to a neighbouring quintile. Among those who moved up, 70% moved up to the next quintile; among those who moved down, the corresponding rate was 68%.

The top of the income distribution is stickier than the bottom. There is far less movement into and out of the two highest quintiles than there is in the three lower quintiles. Among those who were in the bottom three quintiles in 1994, just less than a third were in the same quintile five years earlier. The proportion in the same quintile is higher for both the fourth and fifth quintile: 41% of those in the fourth quintile in 1994 were in the same relative position in 1989 while 64% of the top quintile were also at the top five years previous.

In the extreme quintiles, more than half, 52%, of those Canadians who were at the bottom³ of the income distribution in 1989 moved up by 1994 while only about a third, 35%, remained at the bottom. The picture at the top is quite different. Once you're among the highest income group, you tend to stay there. Of those in the highest quintile in 1989, 70% were to be found at the top again in 1994.



Those who were income recipients in both 1989 and 1994 tended to move up the income distribution while those who became income recipients between 1989 and 1994 tended to have lower incomes.

Among the 1994 income recipients in the first quintile, 43% were entrants while, in the second quintile, 25% were entrants. Most of the entrants are persons who entered the labour force between 1989 and 1994.

Those who had been income recipients in 1989 but were no longer receiving any income in 1994 were also clustered at the bottom with 27% of them found among the bottom one-fifth of income

Entrants and Exits

Entrants are individuals who became income recipients sometime between 1989 and 1994 such as young adults acquiring their first job or immigrants entering the Canadian labour force. They may also be persons applying for tax credits for the first time. Most of the entrants, 95%, do not appear on the LAD in 1989 because neither they nor their spouses filed a tax return (When one spouse files but not the other, both spouses are eligible to be selected for the LAD provided the filing spouse reports the Social Insurance Number of the other.).

Exits are individuals who were no longer income recipients in 1994. Exits are deceased persons, persons who are now living temporarily outside the country, persons who have emigrated from Canada or, those who, for one reason or another, did not file a tax return. Most of the exits, 85%, are people who were not on the LAD in 1994 while the rest were on the LAD but had no income in 1994.

³The boundary of the first quintile in both years may appear at first glance to be low. However, income recipients are persons who reported any income from any source. Included in this group are those with marginal labour force attachment such as full-time students or stay-at-home care givers who have part-time jobs as well as those whose only source of income is from government transfer payments such as OAS or social assistance. Those whose total income is negative as a result of self-employment or net rental income are also included. They appear in the first quintile.

recipients in 1989.

Age and sex analysis of the income dynamics reveals that an individual's income dynamic is highly related to their age and, to a lesser extent, to their gender. Much of the trend towards upward income mobility for those who were income recipients in both years can be explained by aging - the 1989 income recipients have aged five years by 1994. For most Canadians, total income is dominated by earnings which tends to increase as persons age through their 20s, 30s, 40s, and 50s and tends to decrease in later life. Income dynamics by age and sex are further discussed at the end of this document.

Although variations in labour market income and transfer income resulting from the state of the Canadian economy from 1989 to 1994 would have had an impact on the income dynamics, the role of the business cycle was not examined. It is likely that the dominance of earnings would persist for other six-year periods in the business cycle. That is, much of the movement in relative income position would be explained by aging.

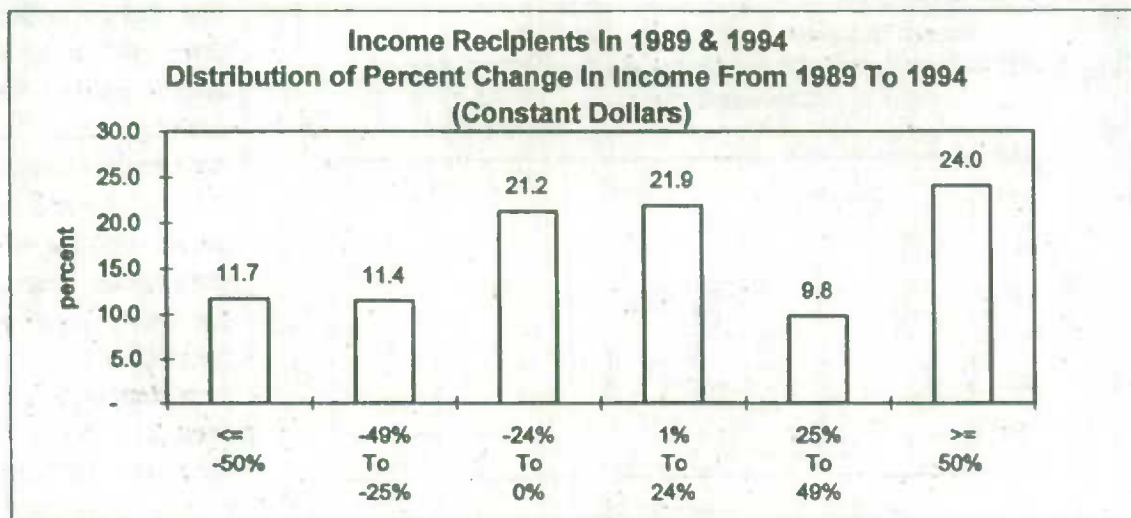
Data Source: The Longitudinal Administrative Databank (LAD)

The LAD is a large longitudinal sample of Canadians developed from the information provided annually to Revenue Canada Taxation in personal income tax returns (T1 forms). The databank contains demographic, income, and other taxation data for individuals and their families for 1982 to 1994. LAD follows a sample of individuals through time. The sample is replenished annually so that the sample in each year consists of 10% of the number of taxfilers that year. In addition, non-filing spouses are eligible to be selected for LAD provided the filing spouse reports the Social Insurance Number of the other. Data are available for 2,448,890 different persons on the LAD. Among those, data are available for all thirteen years for 1,177,540 persons. The coverage of LAD has increased over time primarily due to the introduction of tax credits. Coverage of the adult (18+) Canadian population ranges from 88% in the early years to 96% in 1994.

Most who move up gain income while all who move down lose income

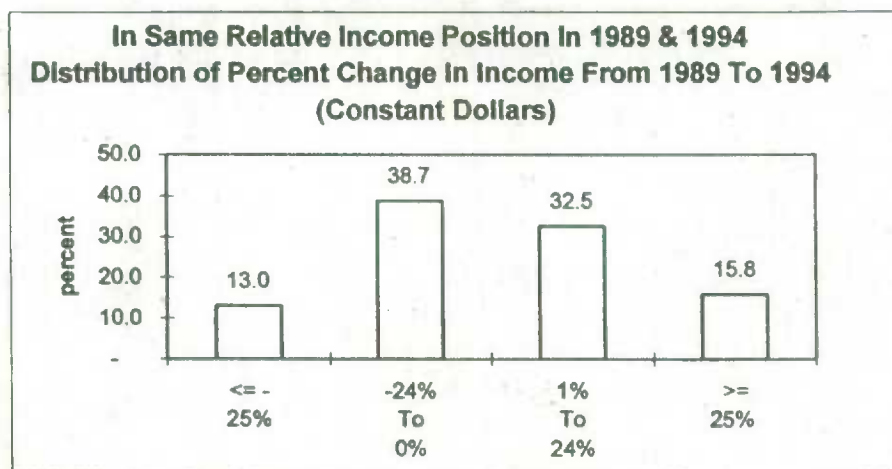
A change in quintile does not necessarily mean a change in real income. Similarly, those who remained in the same quintile may, after adjusting for inflation, have lost income or gained income from 1989 to 1994. The change in real income that Canadians experienced from 1989 to 1994 was also examined.

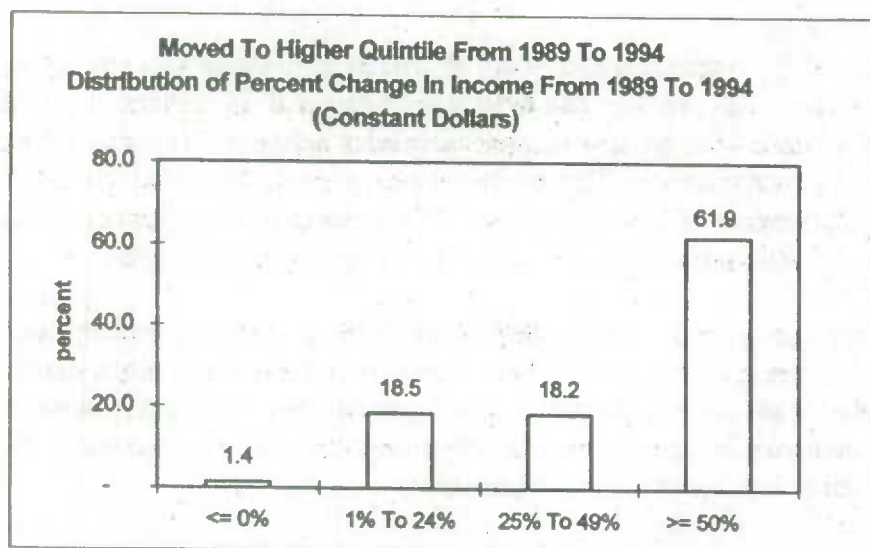
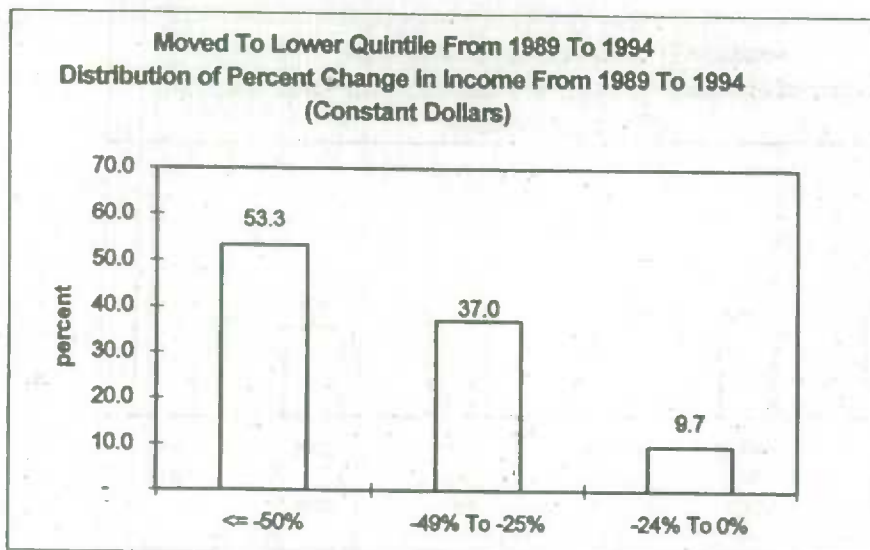
Among those who were income recipients in both 1989 and 1994, 56% improved their income from 1989 to 1994 while 44% either had the same income or experienced a drop. The following graph shows that the depth of increase was larger than the depth of decrease with 1/4 of those who were income recipients in both years experiencing an increase of 50% or more, and only 12% experiencing a drop in their income of the same magnitude.



The income characteristics of the entrants and exits are different from those who appear as income recipients in both years. The entrants and exits are clustered at the bottom of the income distribution. Almost half of those who became income recipients between 1989 and 1994 entered the income distribution in the first quintile. These entrants represented 43% of all persons in the bottom quintile in 1994. The impact of the exits is less: 27% are found in the first quintile. Exits represented 13% of the 3,663,000 individuals who were in the first quintile in 1989.

None of the individuals who moved to a lower quintile from 1989 to 1994 experienced an increase in their income. However, 1.4% of those who moved to a higher quintile actually experienced a decrease after adjusting for inflation. Among those who were in the same quintile in both 1989 and 1994, a decrease in income was slightly more likely than an increase: 48% of experienced an increase while 52% experienced a decrease.



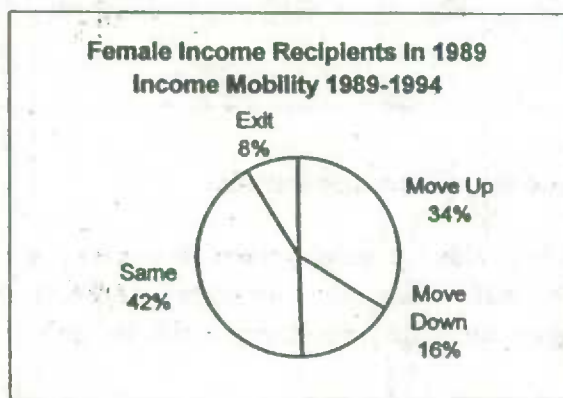
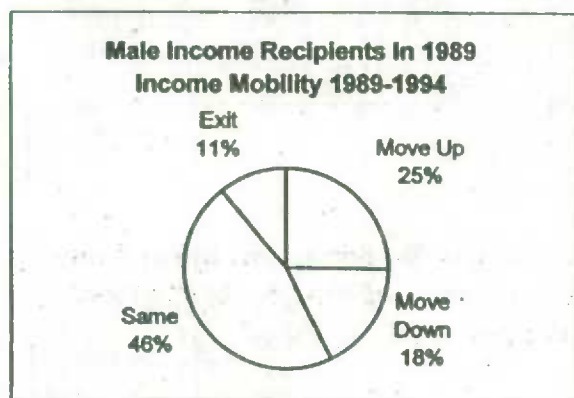


The change in income from 1989 to 1994 was also examined for each 1989 quintile. These data are presented in a table at the end of the paper with the other data tables. Persons in the lower quintiles were more likely to experience an increase in their income than a decrease. Among those who were in the first quintile in 1989, 82% increased their income from 1989 to 1994 while the remaining 18% experienced either a drop in their income or no change from 1989 to 1994. The chances of an increase decreased with the quintile. At the top, 40% of those who were in the fifth quintile in 1989 increased their income.

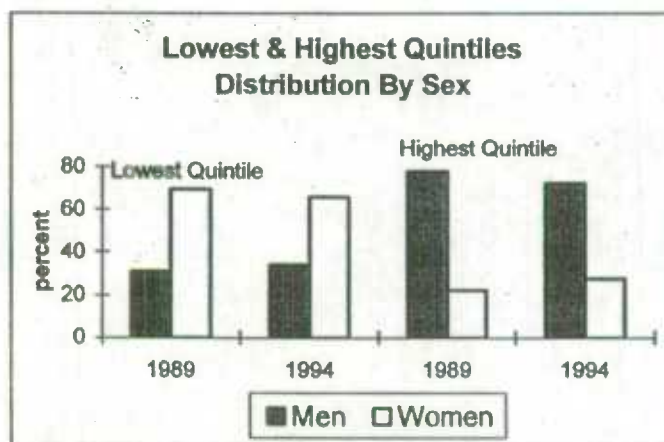
More women than men improved their relative income position

The change in relative income position from 1989 to 1994 by sex was examined. Income dynamics tables for men and women are given at the end of this paper.

The story from 1989 to 1994 is one of greater upward income mobility⁴ for women than for men. Just over a third of all female income recipients in 1989 moved up to a higher quintile while only a quarter of males did so. Proportionally fewer women remained in the same quintile or fell to a lower one. More than half, 58%, of the women who received income in 1989 remained in the same quintile or fell to a lower one while 64% of the 1989 male income recipients were in the same relative income position or moved down.

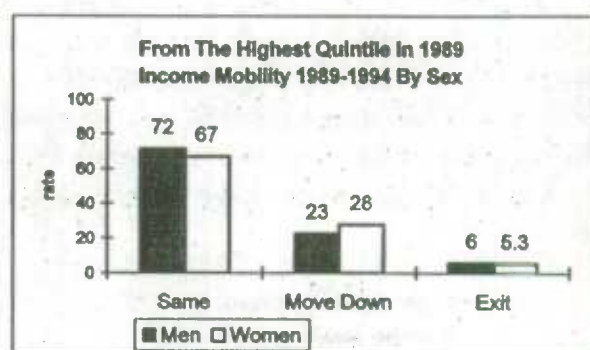
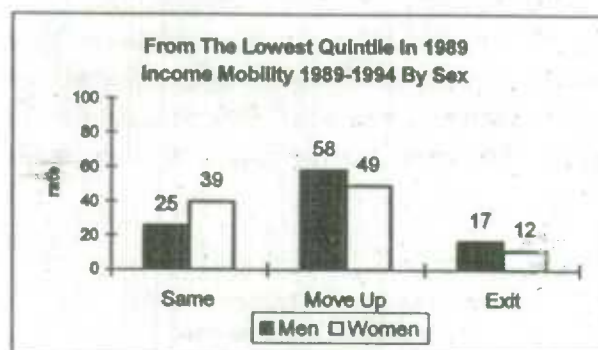


The tendency for women to move up the income distribution more often than men may simply reflect where women are to begin with - in the lower quintiles. In both 1989 and 1994 there was a larger proportion of women than men in the lowest quintile. The picture is reversed at the top of the income distribution with a higher proportion of men in the highest quintile in both years. There was a shift, however, in these proportions from 1989 to 1994. The proportion of women in the lowest quintile decreased from 69% in 1989 to 66% in 1994 while, at the top, the proportion of women increased from 22% to 28%.



⁴The gender analysis of income dynamics is based on a decomposition by sex of the dynamics for both sexes rather than a calculation of income quintiles separately for men and women.

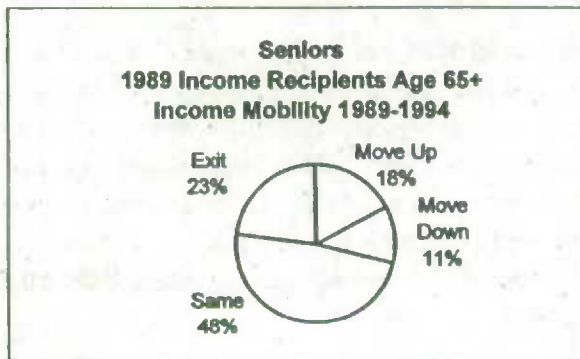
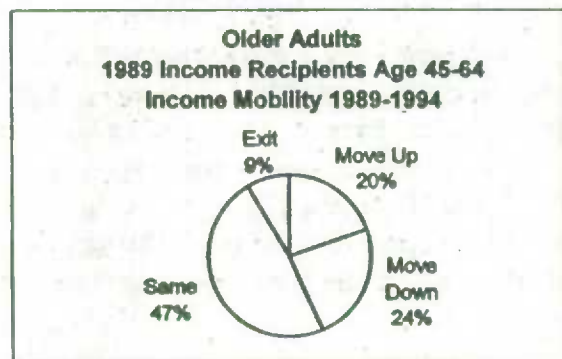
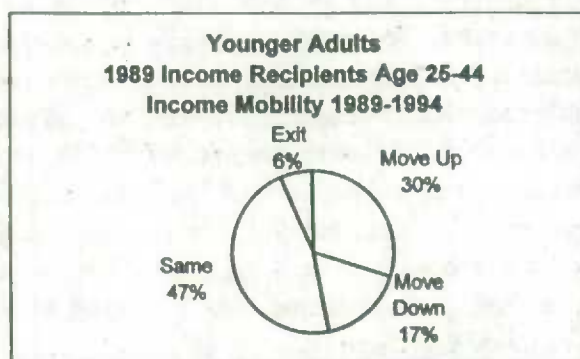
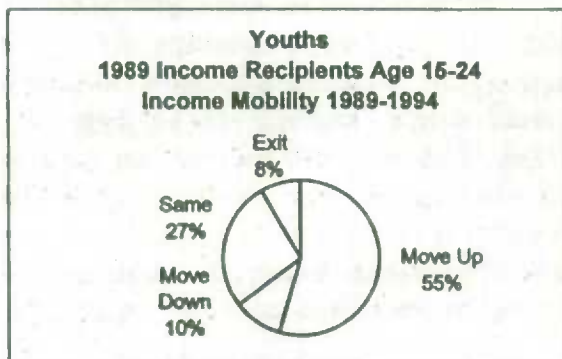
Although there were more women in the lowest quintile, proportionally fewer women than men left: 48% of the women in the bottom quintile in 1989 moved to a higher quintile while 58% of the men at the bottom moved up. At the top, the downward income mobility rate was lower for men: 23% of the men in the highest quintile had moved down by 1994 while 28% of the women at the top did so as well.



Income mobility related to age

Change in relative income position⁵ was also studied by age. The dominating effect of earnings on total income is evident when the income dynamics are analysed by age. Income dynamics tables for each age group are given at the end of this paper.

⁵The age analysis of income dynamics is based on a decomposition by age of the dynamics for all ages rather than a calculation of income quintiles separately for each age group. Also, the age analysis was restricted to those aged 15 and over.



The dynamics for youths aged 15-24 in 1989 reflect the dominant life path at that age. Over a period of six years, until they are aged 21-27 in 1994, these youth are increasing their attachment to the labour market as they move from parental support and both secondary and post-secondary schooling into

employment and increased economic self-sufficiency. More than half managed to better their relative income position from 1989 to 1994. Most of the upward mobility was from the lower quintiles. Almost 80% of those who moved up started in the first or second quintile in 1989.

Distribution of 1989 Income Recipients

Age	Persons (000s)	Percent (%)
Youths: Age 15-24	2,740	15
Younger Adults: Age 25-44	8,458	46
Older Adults: Age 45-64	4,584	25
Seniors: Age 65+	2,522	14
Total Age 15+	18,304	100

The experience of younger adults aged 25-44 in 1989 dominates the overall picture of income mobility since persons in this age group make up just less than half of the 1989 income recipients aged 15+. Income dynamics for younger adults reflect the expected phenomena of young adults who are improving their earnings as they age six years to reach age 31-50 in 1994. This age group tended to be among the higher incomes in 1989 with half of them in the fourth and fifth quintiles. Almost half of younger adults were in the same income quintile in both 1989 and 1994. Among the remaining half, moving up the income distribution was twice as common as moving down.

The income dynamics for older adults aged 45-64 in 1989 paralleled the experience of the younger adults. The proportion of persons remaining in the same income position, at 47%, was the same for both age groups. Contrary to the younger adults, however, downward mobility was slightly more likely than upward mobility: 24% of those income recipients who were aged 45-64 in 1989 moved to a lower quintile while 20% moved up. This may reflect a tendency for persons in this age group to reduce their income as they make the transition from the labour market into retirement. The transition from employment to retirement is mostly seen in the income dynamics of the higher quintiles. In 1989, 21% of the older adults were in the fourth quintile while 29% were at the top. In both quintiles, a third of the 1989 income recipients moved down, usually to the neighbouring quintile.

Almost half, 48%, of seniors aged 65+ in 1989 were in the same relative income position in both years. The upward mobility rate of 18% for this group is high at first glance. However, this mobility is largely reflective of women outliving their spouses. Pension, OAS, and investment income are transferred from the deceased spouse to the surviving spouse. Seniors were most likely to be in the second income quintile in 1989 indicating that OAS, CPP/QPP and investment income are sufficient to keep them out of the bottom of the income distribution. The exit rate of 23% is higher for this age group than for the others. This reflects the higher mortality rate of this age group.

DATA TABLES

Income Dynamics Tables, 1989 To 1994

Canada

By Sex

Males

Females

By Age In 1989

Age 15+

Age 15-24

Age 25-44

Age 45-64

Age 65+

Summary of Income Dynamics From 1989 To 1994 By Age & Sex

Distribution of Change In Income From 1989 To 1994 By 1989 Quintile

Canada

INCOME DYNAMICS: 1989 to 1994**March 1997****Income Dynamics: 1989 To 1994, Canada**

	1994 Quintiles:							
	Lowest	Second	Third	Fourth	Highest	Present Both Years	Exits	1989 Total
	<i>thousands of persons</i>							
1989 Quintiles:								
Lowest	1,287	992	562	264	80	3,185	478	3,663
Second	521	1,275	906	370	114	3,186	479	3,665
Third	292	509	1,319	983	221	3,324	338	3,662
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Present Both Years	2,310	3,050	3,520	3,802	3,887	16,569		
Entrants	1,757	1,016	546	264	178			
1994 Total	4,067	4,066	4,066	4,066	4,065			

INCOME DYNAMICS: 1989 to 1994**March 1997****Income Dynamics: 1989 To 1994, Canada, Males**

	1994 Quintiles:					Present Both Years	Exits	1989 Total
	Lowest	Second	Third	Fourth	Highest			
<i>thousands of persons</i>								
1989 Quintiles:								
Lowest	287	307	193	110	43	940	186	1,126
Second	155	411	328	167	66	1,127	247	1,374
Third	104	219	596	436	128	1,483	215	1,698
Fourth	67	111	309	935	538	1,960	169	2,129
Highest	43	55	144	404	2,037	2,683	165	2,848
Present Both Years	656	1,103	1,570	2,052	2,812	8,193		
Entrants	731	451	284	160	128			
1994 Total	1,387	1,554	1,654	2,212	2,940			

Income Dynamics: 1989 To 1994, Canada, Females

	1994 Quintiles:					Present Both Years	Exits	1989 Total
	Lowest	Second	Third	Fourth	Highest			
<i>thousands of persons</i>								
1989 Quintiles:								
Lowest	1,000	685	369	154	37	2,245	292	2,537
Second	366	864	578	203	48	2,059	232	2,291
Third	188	290	723	547	93	1,841	123	1,964
Fourth	78	87	230	712	351	1,458	77	1,535
Highest	22	21	50	134	546	773	43	816
Present Both Years	1,654	1,947	1,950	1,750	1,075	8,376		
Entrants	1,026	565	262	104	50			
1994 Total	2,680	2,512	2,212	1,854	1,125			

INCOME DYNAMICS: 1989 to 1994

March 1997

Income Dynamics For 1989 Income Recipients: Age 15+ In 1989

1994 Quintiles:								
	Lowest	Second	Thlrd	Fourth	Highest	Present Both Years	Exits	1989 Total
<i>thousands of persons</i>								
1989 Quintiles:								
Lowest	1,279	988	561	264	80	3,172	477	3,649
Second	521	1,275	905	370	114	3,185	478	3,663
Thlrd	292	509	1,319	983	221	3,324	338	3,662
Fourth	144	197	539	1,647	889	3,416	246	3,662
Highest	65	76	194	539	2,583	3,457	208	3,665

Income Dynamics For 1989 Income Recipients: Age 15-24 In 1989

1994 Quintiles:								
	Lowest	Second	Third	Fourth	Highest	Present Both Years	Exits	1989 Total
<i>thousands of persons</i>								
1989 Quintiles:								
Lowest	299	297	268	140	36	1,040	105	1,145
Second	115	164	231	153	48	711	65	776
Third	44	55	152	189	56	496	37	533
Fourth	10	11	28	98	77	224	16	240
Highest	1	2	3	8	29	43	3	46

Income Dynamics For 1989 Income Recipients: Age 25-44 In 1989

1994 Quintiles:						Present Both Years	Exits	1989 Total
Lowest	Second	Third	Fourth	Highest				
<i>thousands of persons</i>								
1989 Quintiles:								
Lowest	551	290	202	97	35	1,175	134	1,309
Second	252	355	367	166	53	1,193	104	1,297
Third	172	209	547	563	133	1,624	104	1,728
Fourth	96	98	233	942	623	1,992	105	2,097
Highest	41	37	74	218	1,559	1,929	96	2,025

INCOME DYNAMICS: 1989 to 1994**March 1997****Income Dynamics For 1989 Income Recipients: Age 45-64 In 1989**

	1994 Quintiles:					Present Both Years	Exits	1989 Total
	Lowest	Second	Third	Fourth	Highest			
<i>thousands of persons</i>								
1989 Quintiles:								
Lowest	334	245	67	23	8	677	147	824
Second	135	283	161	40	11	630	72	702
Third	72	151	297	166	26	712	57	769
Fourth	37	76	199	434	160	906	56	962
Highest	22	34	99	256	852	1,263	63	1,326

Income Dynamics For 1989 Income Recipients: Age 65+ In 1989

1994 Quintiles:						Present Both Years	Exits	1989 Total
Lowest	Second	Third	Fourth	Highest				
<i>thousands of persons</i>								
1989 Quintiles:								
Lowest	95	156	24	4	1	280	91	371
Second	19	473	146	11	2	651	237	888
Third	4	94	323	65	6	492	140	632
Fourth	1	12	79	173	29	294	69	363
Highest	1	3	18	57	143	222	46	268

**INCOME DYNAMICS: 1989 TO 1994****March 1997****Summary of Income Dynamics From 1989 To 1994 By Sex & Age**

	Income Mobility			Exits	Total (1989 Income Recipients)
	Up	Down	Stable		
<i>thousands of persons ('000)</i>					
Canada	5,381	3,077	8,111	1,749	18,318
Males	2,316	1,611	4,266	982	9,175
Females	3,065	1,466	3,845	767	9,143
Age 15-24	1,495	277	742	226	2,740
Age 25-44	2,529	1,430	3,954	543	8,456
Age 45-64	907	1,081	2,200	395	4,583
Age 65+	444	288	1,207	583	2,522
Total Age 15+	5,375	3,076	8,103	1,747	18,301

Income Recipients In 1989 & In 1994, Canada**Distribution of Change In Income From 1989 To 1994 By 1989 Quintile**

Change In Income	1989 Quintile					All
	First	Second	Third	Fourth	Fifth	
decrease of 50% or more	7.5	11.4	13.2	12.2	13.9	11.7
-49% to -25%	4.1	9.5	13.7	13.6	15.7	11.4
-24% to -10%	3.3	9.5	12.4	13.0	14.4	10.6
-9% to 0%	2.7	8.9	10.6	14.2	15.9	10.6
1% to 9%	3.2	10.4	10.0	13.8	14.6	10.5
10% to 24%	4.5	10.5	12.6	15.1	13.7	11.4
25% to 49%	6.6	11.5	12.4	11.0	7.4	9.8
increase of 50% or more	68.1	28.3	15.2	7.1	4.4	23.9
Total	100.0	100.0	100.0	100.0	100.0	100.0