Canada

Sources:
Podder 1972
Jain 1975
Sawyer 1976
Cromwell 1977, Table 1
Smeeding and Gottschalk 1995 (based on LIS-data)
Atkinson, Rainwater and Smeeding 1995b (based on LIS-data)
Frenette, Green and Picot, 2004
IDS Canada
Luxembourg Income Study (for more information, please see
http://www.lisproject.org/techdoc/ca/caindex.htm)
Statistical Yearbook

Surveys:
Survey of Consumer Finances 1951-1996
This survey was Statistics Canada's official source of income estimates until 1996 when the Survey of Labor and Income Dynamics (SLID) began to be used for this purpose. The survey was conducted biannually from 1951 and annually since 1971; it was discontinued in 1997. The SCF was an annual cross-sectional survey that targeted all households in Canada, with the exception of those living in the territories, institutions, or on native reserves. The exceptions accounted for less than 3% of the Canadian population. The sample of roughly 35000 households was selected as a supplement to the April Labor Force Survey. The primary objective of the survey was to provide income estimates by detailed sources. The survey provides data on both pre and after-tax basis.

Survey of Labor and Income Dynamics 1996-2000
The SCF and SLID share many common features. Both are annual household surveys that use the LFS as a sampling frame, and have the same target population. Although SLID can be used for cross-sectional estimates, it is also designed for longitudinal analysis. Panels are interviewed for up to 6 years, with new (and overlapping) panels introduced every 3 years. New panels were introduced in 1993, 1996, and 1999. Each year, a panel is interviewed in January (mainly to collect labour information) and in May (to collect income information). For the income interview, respondents have the option of allowing Statistics Canada to link to their T1 tax files (if possible) in order to collect their income information, thus eliminating the need for an income questionnaire. More than 80% of respondents provide Statistics Canada with the permission to attempt this match, and the income of about 70% of all respondents is obtained from the tax files in this way. The movement towards partial tax data in SLID (compared to full survey data in SCF) may have some effect on the comparability, especially the coverage of transfer income is better from the tax data.

The unit used in Frenette, Green and Picot, 2004 is economic family. An economic family is defined as a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law or adoption. In their analysis

unattached individuals are also considered economic families so that the complete population is covered.

Tax data 1992-2000

The Canada Customs and Revenue Agency (CCRA) collects personal income tax forms (the T1s) from all tax filers in Canada. From the T1file, Statistics Canada creates the T1FF (the T1 Family File), which attempts to reconstruct census families by imputing the presence of non-filing children and spouses. The T1FF is a census of all individuals who file taxes, or whose social insurance number (SIN) appears on another family members' tax file. Non-filing children (and those with a SIN that does not appear on another family members' tax file) are imputed. Unlike survey data, T1FF may contain records of people living in the territories, institutions, or on native reserves. Tax data have some advantages over SCF/SLID. The population coverage rate has been over 95% since 1992 in T1FF, which fares quite favorably relative to survey data (generally around 80%). Sampling variability is minimized in tax data given the much larger sample sizes. Draw backs using tax data is that it is restricted to personal tax form filers and that the income coverage is to some degree incomplete. Moreover census families, rather than the more commonly used economic families, are created in the tax data. A census family is defined as a now-married couple (with or without children), a common-law couple (same) or a lone-parent with a child who is under the age of 25 and who does not have his or her own spouse or child living in the household. In the analysis of Frenette, Green and Picot, 2004, unattached individuals are also considered census families so that the complete population is covered.