



### Join the Conversation

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## THE BUSINESS CASE FOR BASIC INCOME

### The Business Case

A basic income would ensure more people have more money to spend.

That's good for all businesses, and especially local ones. People who earn lower incomes inevitably need to spend almost all of their money, and they do so locally for the things they need. They don't have big savings accounts like middle class and wealthier people. If there are more people with more money to spend, this is great for local economies.

Basic income is good for the people who need more to live on, but it's also great for the goods and services being sold by retail-

ers, service providers, and other businesses in communities across Canada.

With the help of a great affordable housing strategy in tandem with a basic income guarantee it could virtually eliminate homelessness. That's great from a public health perspective and it also means a better business environment when people are taken care of. It would virtually eliminate begging in front of businesses, which is the right thing to do for people in need and creates a better business climate at the same time. A basic income would help to significantly reduce crime. This should matter to businesses. When people are taken care of, there will be fewer crimes committed by desperate people – such as theft -- because there will be fewer desperate people to begin with. More social cohesion is good for everyone and should help businesses be more secure and safe.

### Automation and Precarious Work

We have a shrinking middle class and part of this is attributable to automation. Given that automation is replacing so many jobs, it is important that governments find another way to assist people with the basics of living in a much-changed world. Not only are jobs disappearing at an alarming rate,

*“There is a strong link between having a basic income and creating a strong local economy. There is more money to circulate and it supports the ‘buy local’ movement.”*

*-Lisa Helps,  
Mayor of Victoria, B.C.*

thanks to increasing levels of automation, the jobs that are being created are most often not of high quality. They are precarious in some way, like part-time, temporary, or contract – and often without benefits. This has a negative impact on businesses because potential customers must reign in their spending and, in some cases, don't have any discretionary income at all.

Most businesses depend on big consumer markets. So if there aren't enough people with enough money, that's a big concern. It's not just a lower income issue, either. The middle class also spends a much higher percentage of their income on food, clothing, phones, cars and other important consumables than wealthy Canadians do. So if wealth continues to become more and more concentrated in the hands of a few, there's going to be a shrinking set of potential customers.

Given that so many middle class jobs are disappearing and not being replaced with

equally high quality ones, it is imperative that we bring in measures like basic income. This not only saves people on an individual level, but also businesses who rely on their spending habits and needs. With basic income, people can still survive and stay solvent, even if jobs aren't paying very much, when complemented with a basic income. It's possible people can land solidly back into a middle class lifestyle, preserving social mobility. And businesses can count on their consumer base sticking around in the future.

### **Creative Work in the New Economy**

Artistic and creative work is important to any society. A basic income is simply a recognition of everybody's need for financial security, regardless of the kind of work they do.

With basic income, everyone engaged in artistic and creative work has a basic cash flow which can help people make financial plans. When no money is coming in from work, it helps keep people afloat while they look for new opportunities.

### **Entrepreneurs**

One of the best parts about basic income is the security it gives to each and every person. If people know they will at least have some kind of income floor they will be more at ease taking risks – like starting a business. Canada needs more of these risk takers in the creative economy.

The unlocking of an innovation mind-set in Canada is just what a nation needs to help spark wealth and opportunity.

## **KEY FACTS**

- More money to spend in the hands of people who will actually spend it
- Great for businesses like retail and service providers
- Basic income supports creative work and inspires entrepreneurial activity