



## **Basic Income - The Most Commonly Asked Questions:**

### **What is it?**

A guaranteed Basic Income is an alternative to the variety of social assistance programs that provide Canadians with a social “safety net.” A Basic Income system would provide a regular, predictable income, with minimal restrictions, to all who need it to support a dignified, healthy life.

### **Why now?**

Our Canadian economy has changed dramatically over the last several generations. Full-time, long-term jobs with benefits and pensions are no longer the norm. Many workers have had their jobs disappear with the introduction of technology and artificial intelligence. It is estimated that as much as 40% of our work force now work in a “gig” economy with no health benefits, paid vacations, pensions and are not eligible for programs such as employment Insurance. We need to adjust our social programs to reflect today’s economic realities.

### **How does Covid-19 impact this?**

The Covid19 pandemic has shown us that existing federal programs such as Employment Insurance, the Canada Child Benefit, and the Guaranteed Income Supplement for seniors have their limitations. Provincially, it has shown that welfare and disability supports are insufficient, do not keep Canadians out of poverty and tend to stigmatize the recipient. In order to have a vibrant economy post-Covid-19, Canadians need to have money in their pockets to stimulate the economy. If we had a guaranteed Basic Income prior to the pandemic, we would not have needed the pandemic-specific federal income support programs.

### **What would a guaranteed Basic Income system cost?**

A guaranteed Basic Income would cost our Federal Government about \$23 billion a year or approximately 6% of Canada’s yearly budget of \$350 billion. The Federal Government's projection of how much it will spend on direct support for Canadians during the COVID-19 crisis has risen to more than \$152.7 billion as of May 28, 2020. This is before the Federal Government announced that it was going to extend the Canada Emergency Response Benefit (CERB).

### **How would it work?**

A guaranteed Basic Income could be administered through the Income Tax system. A Basic Income would top up those who fall below a certain income level much like the Guaranteed Income Supplement for seniors. A Basic Income would reduce administrative costs by folding many current programs into one. In addition, a Basic Income system has been shown to reduce health care and criminal justice costs.

## Are there other benefits?

A guaranteed Basic Income has been studied in both Canada and around the world with strikingly positive outcomes. A Basic Income results in better population health and social outcomes. Data show that an increase in income to those who are currently in poverty allows them to make healthier food choices, brings down their stress levels and results in fewer medical issues and visits to hospitals. This lowers costs to the healthcare system.

A Basic Income is non-stigmatizing and encourages people to seek work. It gives people the ability to further their education and retrain for jobs in the new economy.

It gives support to the innovators and entrepreneurs who build companies and technologies that provide jobs in our new economic reality. It is a mechanism that both lifts people out of poverty and puts money in the marketplace.

The concept of BI is not completely foreign in Canada. For example, the Child Benefit Program is a tax-free monthly payment made by the Canada Revenue Agency to eligible families to assist those families in raising their children. Research has shown that every dollar spent by the government in this program results in two dollars of economic activity. This leads to total economic activity of \$139 billion. Another example is the Guaranteed Income Supplement available to seniors to top up their Old Age Security pension if their income falls below a certain level.

## Who Supports Basic Income:

Fifty Senators wrote to Prime Minister Trudeau in support of implementing basic income. [The Senators letter can be viewed here.](#)

Forty Bishops from the Anglican Church of Canada and the Evangelical Lutheran Church in Canada wrote to Prime Minister Trudeau in support of basic income. [The Bishops' letter can be viewed here.](#)

One hundred and sixty-seven Health Professionals [wrote a letter](#) supporting implementation of Basic Income recognizing the effect of poverty on health.

The Basic Income Network has prepared a [brief 4 page policy paper](#) outlining three possible options.

## More articles:

Basic Income Canada Network, “Basic Income: Some Policy Options for Canada IN BRIEF” (23 January 2020).

Ken Boessenkool, “[In normal times, universal basic income is a bad idea. But it’s the wisest solution for COVID-19 economic strain](#)”, *The Globe and Mail* (19 March 2020).

Tim Ford, “[A universal basic income could help counter COVID-19’s economic damage](#)”, *CBC* (22 March 2020).