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

**What is it?**

A guaranteed basic income is a regular, predictable income, unconditionally available to all who need it, sufficient to provide a decent life and enable full participation in the community and civil society.

**Why now?**

Our Canadian economy has changed dramatically since the post WWII years when one job was enough to support a family and usually included benefits and a pension plan. Fast forward to the 2020s, full-time, long-term jobs with benefits and pensions are no longer the norm. In the intervening years, globalization, competition, technology, artificial intelligence, the increasing roles of women in society, and other global trends have dramatically changed our economy and the type of jobs it generates.

Today between 40% and 50% of all work is “precarious” – low paying, often by contract with little or no benefits, pensions or security. Many hourly workers live on the edge of poverty often working two or three jobs just to survive.

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

The Covid19 pandemic has shone a light on the deficiencies in our Canadian social safety-net. It has shown 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 stigmatize the recipient. If we had a guaranteed Basic Income prior to the pandemic, we would not have needed pandemic-specific federal income supports such as the Canadian Emergency Response Benefit (CERB).

Today Canada’s highest poverty rate is amongst working-age single people most of whom are employed. Many of them are essential workers such as care-givers in long-term care homes. These workers have to work shifts in several institutions to earn enough money on which to live. This arrangement showed its ugly side during the pandemic when outbreaks in long term care centres had disastrous results for their residents and their families.

In order to have a vibrant economic recovery postCovid-19, all Canadians need to have money in their pockets to stimulate the economy.

**How would it work?**

A guaranteed Basic Income would be administered through the Income Tax system.

Canada currently has two, large, successful basic income-like programs in Canada. We have a basic income for seniors – Old Age Security (OAS) and the Guaranteed Income Supplement (GIS). Prior to this program, seniors had the highest poverty rate in the country. With the implementation of the program, they now have the lowest poverty rate. OAS functions as a basic income because every senior is eligible for it and, if they have a very low income, they are eligible for more, the GIS. OAS is also taxed back when your income reaches a certain level.

The second basic income-like program is designed for young families. The Canadian Child Benefit Program helps provide for children living in poverty. This program was enhanced in 2016 and a recent study showed that every dollar spent by the government on this program resulted in two dollars of economic activity and 55 cents of every dollar was returned to the government.

**Are there other benefits?**

A guaranteed Basic Income has been studied in both Canada and around the world with strikingly positive outcomes. In Canada, we’ve had two basic income trials. The first trial was held from 1974-1979 in Dauphin, Manitoba. Data from this trial showed that more adolescents finished high school and that many adults retrained and found jobs. Some recipients started businesses and created jobs for others. During this trial, hospitalizations dropped by 8.5%, visits to family physicians declined, particularly visits for mental health issues. Overall, when people had money, they made healthy food choices and their stress levels came down.

The second trial was held in Ontario from 2017-2018. Participants in the Ontario trial all reported having benefitted in some way. They reported improvements in mental and physical health, labour market participation, food security and housing stability. They had fewer visits to health practitioners and hospital emergency rooms. The majority of those who were employed prior to the pilot worked during the pilot. A surprising result of this trial was many reported moving to higher paying and more secure jobs.

Another benefit is reduced criminal justice costs. Other studies have shown that when people living in poverty have enough income, they tend to back away from petty crime and are not as reliant on alcohol and drugs.

A basic income also provides financial support for entrepreneurs and innovators who create jobs and generate wealth. It has a huge impact on the arts and for artists, writers, actors, musicians and other arts workers. People who are full-time care givers, particularly those who look after family at home, would be paid for this essential work. A basic income would allow people who are the victims of domestic violence to leave their abusive situations.

**What would a basic income cost?**

The Basic Income Canada Network has prepared a policy options document outlining three possible basic income options based on an income of $22,000 a year. In each case the cost of these options is fully recoverable. A four page summary document, complete with recovery options, can be found here: https://www.basicincomecanada.org/policy\_options