

IS IT TIME FOR BASIC INCOME?



GAINING MOMENTUM



- Accelerated research, discussion and debate in recent years
- Ontario Pilot Project Underway
- B.C. Pilot being planned
- Interest by Prince Edward Island and Quebec Governments
- International: Finland doing a pilot project

THREE REASONS FOR BASIC INCOME



PERSISTENT POVERTY



- Statistics Canada: 1 in 7 Canadians live below the poverty line
- UNICEF: 13% children, ranking Canada 24 in a list of 35 developed countries
- 900,000 use food banks every month (38% children)
- Four million in need of decent affordable housing
- Thousands of homeless struggling with street life

PERSISTENT POVERTY



- “Poverty makes us sick”: CMA Lowest income quartile have twice the health care costs as highest quartile
- 1 in 7 children go to school hungry every day
- Dreadful living conditions for much of the Aboriginal population
- Greater vulnerability to poverty of Aboriginals, Disabled, Single Parents, New Immigrants, People of Colour

Almost half of those in poverty have jobs, but still can't make a living wage

POVERTY COSTS US ALL



- \$30 Billion (public costs) a year according to study by Food Banks (Ontario) in 2007 and guided by Don Drummond, Judith Maxwell, John Stapleton and James Milway
- Homeless: 3 to 4 times more costly to leave someone on the street than to give them housing with supports

Biggest cost is the toll on people's lives, loss of dignity, marginalization, stress/anxiety - pay rent or buy food.

We can't afford poverty anymore.

CURRENT SUPPORT SYSTEMS FAILING



- Provincial Welfare, Disability Allowances, Working Income Tax Benefits (WITB) are failing to lift people out of poverty. They are frequently trapped in the system.

Senator Hugh Segal: “Our present system does not fight poverty. It institutionalizes it”

RISING INEQUALITY



- A wide gap in wealth and income levels has evolved in the past three decades. Our society is becoming more unequal.
- Top 1% earn 7x more than the average worker
- Top 100 CEO's make an average of \$9.5 million a year - 193x the average Canadian salary of \$49,510; in 1980, it was 40x
- 20% of population controls 68% of wealth.
- City neighborhoods becoming more polarized
 - A threat to our social fabric

LABOUR MARKET CHANGING



- Globalization/Outsourcing
- New Technology – robotics, artificial intelligence
- Loss of manufacturing/blue collar jobs
- Demographic challenge – aging

“We are in the midst of the greatest, most thorough economic transformation in all of history”

Prof. Richard Florida, University of Toronto

SUMMARY OF GROWING CONCERNS



- Poverty/Inequality
- Growing stress by those in low, moderate, and middle income levels about making ends meet
- Precarious employment - part time, short term work with little or no benefits
- Anxiety of living pay cheque to pay cheque
 - almost half the population
- Insufficient pensions, too much debt

All this leading to a search for a better safety net

WHAT IS BASIC INCOME?



- It is an income security measure to help people escape or avoid poverty and to provide for themselves and their family the basic necessities of food, clothing and decent accommodation
- It does not replace other social support programs such as construction of affordable housing, child care, employment training and supports for seniors and the disabled

WHAT IS BASIC INCOME?



- A Basic Income won't provide for the 'good life', but it should lift people out of poverty
- It will give people a better foundation to focus on jobs or education with less stress
- It should move people off the costly welfare rolls and the indignities involved to an income tax managed formulae
- It will 'top them up' to the poverty line

CURRENT BASIC INCOME TYPE PROGRAMS



- Seniors – guaranteed income supplement (GIS)
- GST/HST Rebate
- Canada Child Benefit
- Working Income Tax Benefit (WITB)

THE MINCOME EXPERIMENT



- In the 1970s, a basic income program in Manitoba, particularly in the City of Dauphin
- Hospital visits dropped 8.5%. Fewer mental health costs (less stress)
- Workforce attachment remained strong. Only new mothers and teenagers worked less. Youth spent more time in school and graduated in higher numbers.

THE COST OF BASIC INCOME



- A common estimate for a permanent national program is \$30 billion a year
- Some studies indicate that tax reform could cover that cost. There are some 200 tax breaks worth about \$100 billion

While there will be transitional costs, overall we don't need to spend more money, we need to spend smart, more efficiently and effectively.

GET SERIOUS ABOUT TAX REFORM



- Last major overhaul: Carter Commission in 1970s
- Tackle Tax Havens (Panama & Paradise Papers) and loopholes
- Prime Focus should be: Fairness and Progressivity

Tax not a bad word.

It meets our collective needs.

It ensures a civilized society.

FINAL THOUGHTS



“Overcoming poverty is not a gesture of charity; it is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life.”

-Nelson Mandela

SUMMARY



It's time to end poverty and reduce inequality in this country we are blessed to live in. It's time to improve equality of opportunity and better sharing of our prosperity. It's time to explore a new way, a new approach.

It's time for Basic Income.