



Coalition Canada

basic income
revenu de base

Case for Basic Income and Homelessness

2023

**Erin Dej, Jeff Karabanow, Nick Kerman, Sean Kidd,
and Jiaying Zhao, with support from Barb Boraks
and Mandy Kay Raining Bird**

**THE CASE
FOR BASIC
INCOME
SERIES**

Basic Income and Homelessness

Prepared by Erin Dej (Wilfrid Laurier University), Jeff Karabanow (Dalhousie University), Nick Kerman (Centre for Addiction and Mental Health, Toronto), Sean Kidd (University of Toronto and Centre for Addiction and Mental Health, Toronto), and Jiaying Zhao (University of British Columbia). **With support from** Barb Boraks and Mandy Kay Raining Bird

SUMMARY

Housing is a human right. Being unhoused is largely a result of inadequate income and a lack of affordable housing. Despite significant interventions from government and non-government bodies, homelessness continues to rise. We need an innovative, comprehensive alternative to the status quo. A livable BIG could be the key to that alternative. Providing income to people who need it, including those who are unhoused, reduces the strain on health and justice systems, and dramatically improving people's lives. A BIG must be combined with policies to ensure equity, access to housing and infrastructure, and essential services and supports, rigorous evaluation, and on-going improvement.

ABOUT BASIC INCOME

Basic income means different things to different people. The Case for Basic Income series defines basic income as an income-tested and targeted unconditional cash transfer from governments to individuals to enable everyone in Canada to meet their basic needs, participate in society, and live in dignity, regardless of work status.

Some Case project teams make more detailed recommendations about the principles to guide the design of a basic income program in Canada.

ABOUT THE CASE FOR BI SERIES

The Case for Basic Income series explores the impacts of a basic income program for various communities and policy areas across Canada. Each Case has been developed collaboratively by subject matter experts and basic income advocates to consider the distinct issues and concerns between the Case topic and income insecurity - and the difference that basic income might make.

Every Case is unique in both function and form and is guided by its authors and contributors.

Case for Basic Income and Homelessness

Homelessness in Canada

The [Homeless Hub](#) estimates that between 150,000 and 300,000 people in Canada experience homelessness every year. Many more are at risk of becoming homeless due to factors such as soaring housing costs, low vacancy rates, limited non-market housing stock, increasing income disparity and a decline in incomes at the lower end, increases in precarious labor, welfare state retrenchment and restructuring, and intensified welfare conditionality (case management appointments, job searches, shelter rules, etc) (Peter & Polgar, 2020; also see endnote 1).

Homelessness is often viewed as an individual failing—people who are homeless are stigmatized as lazy, dangerous, and undeserving of support (Markowitz & Syverson, 2021). But homelessness is primarily a result of inadequate income and lack of affordable housing. These and other societal factors (e.g., accessibility of social supports, unfavourable labour market conditions, colonization, racism, and discrimination) interact with individual factors, such as traumatic experiences, mental illness, and substance use problems (Gaetz et al., 2013).

Effects of homelessness

Income is the most impactful social determinant of health (Raphael et al., 2020). People who are unhoused live in deep poverty. Without an adequate income, their lives are unstable and insecure. They struggle daily to secure shelter,

food, and to maintain some semblance of safety. The experience is traumatic, deeply stigmatizing and shaming. Homelessness has severe, long-term effects on a person's physical, emotional, psychological, and spiritual well-being. Needed services and supports are not available, limited, negatively impacted by stigma, or do not meet the unique needs of different equity-deserving groups (Olivet et al., 2021). People who are homeless are more likely to have poor physical and mental health, chronic diseases, substance use problems, and die younger (Frankish et al., 2009).

Current policies and practices

Current policies perpetuate stigmatizing representations (e.g., personal failure and public burden) by treating homelessness as a discrete problem, unconnected to broader structural failures. Income assistance programs across the country provide income support that is far too low to meet people's basic needs, especially those who are unhoused. Further, the process of accessing and retaining welfare support is difficult and demeaning due to asset, work, and other conditions placed upon those in need. More generous income support programs, provided to targeted groups (e.g., seniors and children), are often not accessed by those who are unhoused.

Stable housing (typically provided through social housing or housing-first programs) is

available to only a small subset of those who need it, while most who are homeless are offered only short-term crisis interventions such as emergency shelters. Preventative measures are limited; governments prefer targeted rental subsidies over robust social housing systems. In contrast, a livable basic income guarantee (BIG) could help ensure that people can meet their basic needs, thus serving as a prevention tool for homelessness (also see endnote 2).

Would a basic income alleviate homelessness?

The Canadian Alliance to End Homelessness called for a “guaranteed national minimum income” as part of a six-point plan to end homelessness in its [Recovery for All campaign](#). Consistent with this proposal, recent research has begun to study the impact of providing unconditional cash transfers to the homeless. In Vancouver (Dwyer et al., 2023), 50 unhoused individuals with no serious addiction or mental health problems were provided a one-time cash payment of \$7500 while retaining other services and supports they normally received. Compared to similar individuals who did not receive the cash payment, recipients spent less time homeless, more time in stable housing and experienced improved food security. They used fewer services and spent fewer days in shelters, thus offsetting the cost of the payments and providing net savings for the city. When their spending habits were examined, those receiving the cash payment spent more money on rent, food, clothes, transit, and durable goods, but not drugs and alcohol, thus countering negative public perceptions that homeless individuals would use money inappropriately. However, the positive impacts of the payments were

strongest within three months of receipt, indicating the need for on-going income supports such as a BIG.

Unconditional cash transfers to people who are homeless is being studied in a number of US cities as well. The Denver Basic Income Project in Colorado has recruited 807 homeless participants who were randomly assigned to three conditions: Group 1, \$1000 per month for 12 months; Group 2, \$6500 initially, with \$500 per month for 11 months following; and Group 3: \$50 per month for 12 months (Brisson et al., 2023). Preliminary interviews with a subset of participants found that after 4 months unconditional cash transfers allowed some to secure housing, particularly those already on waitlists or engaged with service providers offering subsidized housing. Recipients also reported experiencing less stress, were more hopeful, and were better able to meet their basic needs, and even help others. Those in Groups 1 and 2 benefited the most. [Miracle Money](#), conducted a proof-of-concept study with 14 individuals who had experienced homelessness in the San Francisco Bay area. The intent was to reduce social isolation and poverty by providing \$500 per month for six months (in addition to their usual services and supports) and connecting individuals with volunteers who called or texted them weekly. Participants were not currently abusing substances. Several participants were able to obtain stable housing over the period of the study. Monthly telephone surveys established that over 60% of the cash transfers went towards rent and food, while only 2% was spent on tobacco and alcohol. Once again participants reported reduced stress and

improved well-being. A larger study is now underway. Finally, Point Source Youth collaborated with Chapin Hall at the University of Chicago to study the Trust Youth Initiative in NYC. This pilot provided youth experiencing homelessness with \$1250 per month for up to two years and the option to access youth-oriented support services. The intent was to provide youth with the financial means and the autonomy to make their own decisions. Forty youth participated in the pilot, which is now being expanded and extended to other communities (e.g., Baltimore, Minneapolis and San Francisco). The findings from these studies suggest that cash transfers can make a real difference in the lives of people who are homeless. Additional research will show the extent to which findings can be extended to a broader segment of the homeless population.

Not a panacea

BIG is a structural prevention strategy that could address broad societal issues and positively impact large portions of the general population, including those who are unhoused (Colburn & Aldern, 2022). By addressing the “income side” of homelessness while maintaining or even expanding other needed supports and services, a livable BIG could improve what has been an intransigent problem by promoting choice; incentivizing work and buffering against job precarity and job loss due to disasters, transition to a greener economy, or automatization; improving health and well-being; reducing strain on services; circumventing the stigma associated with homelessness and poverty; and enhancing social solidarity and community

well-being (Clarke, 2022; Kerman, 2021). Similar benefits have been shown in BIG studies of the general population (also see endnote 3).

But basic income is not a panacea. Other actions are needed to solve homelessness, including increasing non-market housing stock, government accountability, individualized choice-based supports, and preventive actions (Bucieri et al., 2023). Most importantly, BIG needs to be coupled with policies such as non-market supportive housing supply, rent control and other regulations that prevent unscrupulous behaviors by corporations and landlords, and other methods for controlling market fluctuations and preventing a livable BIG from being absorbed by rising rents.

Conclusions and recommendations

Housing is a human right. Being unhoused is largely a result of inadequate income and a lack of affordable housing. Despite significant interventions from government and non-government bodies, homelessness continues to rise. We need an innovative, comprehensive alternative to the status quo. A livable BIG could be the key to that alternative. Providing income to people who need it, including those who are unhoused, reduces the strain on health and justice systems, and dramatically improving people’s lives. A BIG must be combined with policies to ensure equity, access to housing and infrastructure, and essential services and supports, rigorous evaluation, and on-going improvement.

Endnotes

1. Individuals or families are homeless if they are “without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it” (Gaetz et al., 2012, updated 2017). Under-served, equity-deserving groups are the most likely to experience poverty and homelessness ([Homeless Hub](#)). Women, gender-diverse, and young people, especially, experience hidden homelessness, where they have only a temporary living situation, such as couch surfing. For some, homelessness is transient or episodic, for others it is chronic.
2. There is consensus among advocates across Canada that a BIG should be designed collaboratively by federal and provincial/territorial governments and Indigenous communities; be an essential component of a broad, publicly funded, universal set of supports and services; be paid to individuals; and be income tested, gradually reduced as earned income increases, indexed to the cost of living, and easily accessible with no behavioural conditions applied.
3. Basic income-like programs already exist in Canada supporting, for example, the elderly (OAS and GIS) and children (CCB). Such programs have reduced poverty and food insecurity and improved health (McIntyre et al., 2016) while bolstering local economies ([CANCEA](#), 2019). Pilot studies in Manitoba and Ontario have demonstrated that a basic income has little impact on work engagement (Ferdosi & McDowell, 2020), gives people choices (Calnitsky et al., 2019), and improves educational outcomes, health and well-being (Forget, 2013), while decreasing crime rates (Calnitsky & Gonalons-Pons, 2021), thus saving governments money. A BIG would supplement the income of low-wage earners and help mitigate the perfect storm of wage stagnation and rising rents.

References

- Brisson, D., Calhoun, K. H., Coddington, L., Flaxman, Z. J., Johnsen, M., & Locke, S. (2023). Denver Basic Income Project Qualitative Research Interim Report. Center for Housing and Homelessness Research, University of Denver Graduate School of Social Work.
- Buccieri, K., Whitmore, N., Davy, J., & Gilmer, C. (2023). Ending homelessness in Canada: Reflections from researchers in the field. *International Journal on Homelessness*, 3(2), 237-251.
- Calnitsky, D., & Gonalons-Pons, P. (2021). The impact of an experimental guaranteed income on crime and violence. *Social Problems*, 68(3), 778-798.
- Calnitsky, D., Latner, J. P., & Forget, E. L. (2019). Life after work: The impact of basic income on nonemployment activities. *Social Science History*, 43(4), 657-677.
- CANCEA, (2019). Report: Economic Contribution of the Canada Child Benefit: A Basic Income for Canadian Families with Children.
- Clarke, A. (2022). Can a basic income help address homelessness? A Titmussian perspective, *Journal of Sociology*. DOI: 10.1177/14407833221135986
- Colburn, G., & Aldern, C. P. (2022). Homelessness is a housing problem: How structural factors explain US patterns. University of California Press.
- Dwyer, R., Palepu, A., Williams, C., Daly-Grafstein, D., & Jiaying, Zhao (2023). Unconditional cash transfers reduce homelessness. *Proceedings of the National Academy of Sciences*, 120 (36), e2222103120 <https://doi.org/10.1073/pnas.2222103120>
- Frankish, J., Hwang, S., & Quantz, D. (2009). The Relationship Between Homelessness and Health: An Overview of Research in Canada. In: J. D. Hulchanski, P. Campsie, S. Chau, Stephen Hwang, & E. Paradis, (eds.), *Finding Home: Policy Options for Addressing Homelessness in Canada* (e-book, Chapter 2.1). Toronto: Cities Centre, University of Toronto.
- Ferdosi, M., & McDowell, T. (2020). More than welfare: the experiences of employed and unemployed Ontario basic income recipients. *Basic Income Studies*, 15(2), 20200005.
- Forget, E. L. (2013). New questions, new data, old interventions: The health effects of a guaranteed annual income. *Preventive Medicine*, 57(6), 925-928.
- Gaetz, S., Barr, C., Friesen, A., Harris, B., Hill, C., Kovacs-Burns, K., Pauly, B., Pearce, B., Turner, A., & Marsolais, A. (2012, updated in 2017). *Canadian Definition of Homelessness*. Toronto: Canadian Observatory on Homelessness Press.
- Gaetz, S., Donaldson, J., Richter, T., & Gulliver, T. (2013). *The State of Homelessness in Canada 2013*. Canadian Observatory on Homelessness Press.
- Kerman, N. (2021). The role of universal basic income in preventing and ending homelessness. *International Journal on Homelessness*, 1(1), 3-13.
- Markowitz, F. E., & Syverson, J. (2021). Race, gender, and homelessness stigma: Effects of perceived blameworthiness and dangerousness. *Deviant Behavior*, 42(7), 919-931.
- McIntyre, L., Dutton, D. J., Kwok, C., & Emery, J. H. (2016). Reduction of food insecurity among low-income Canadian seniors as a likely impact of a guaranteed annual income. *Canadian Public Policy*, 42(3), 274-286.
- Olivet, J., Wilkey, C., Richard, M., Dones, M., Tripp, J., Beit-Arie, M., ... & Cannon, R. (2021). Racial inequity and homelessness: findings from the SPARC study. *The ANNALS of the American Academy of Political and Social Science*, 693(1), 82-100.
- Peter, N. & Polgar, J. M. (2020). Making occupations possible? Critical narrative analysis of social assistance in Ontario, Canada, *Journal of Occupational Science*, 27:3, 327-341, DOI: [10.1080/14427591.2020.1786714](https://doi.org/10.1080/14427591.2020.1786714)
- Raphael, D., Bryant, T., Mikkonen, J. and Raphael, A. (2020). *Social Determinants of Health: The Canadian Facts*. Oshawa: Ontario Tech University Faculty of Health Sciences and Toronto: York University School of Health Policy and Management. Available at <http://www.thecanadianfacts.org/>