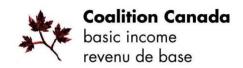


## **Meeting Talking Points**

- What is a Guaranteed Basic Income (GBI)? Unlike a Universal Basic Income (UBI), a GBI (also called a Basic Income Guarantee or BIG) would be income tested, provided to those who need it regardless of work status, and administered with minimal bureaucracy. It would provide an income floor below which no one can fall. It would ensure everyone has sufficient income to meet their basic needs and live with dignity. It would complement, not replace, a broad array of other necessary social services and supports.
- Why does Canada need a GBI? Many are struggling from income insecurity caused by inflation, work precarity, housing and health crises, food insecurity, pandemics, climate disasters, and the need to transition our workforce to a greener economy. Recent US threats to impose tariffs add another layer of income insecurity. Income inequality is high with the majority of wealth in the hands of a few while many struggle in or on the brink of poverty. Poverty is debilitating. As the late Senator Hugh Segal said: "Poverty is the best predictor of early illness, early hospitalizations, longer hospital stays and earlier death. It is a reliable predictor of substance abuse, food insecurity, poor education outcomes, and for some, trouble with the law." Canada, a signatory to the UN 2030 Agenda for Sustainable Development, pledged "to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment." But we are failing to meet these obligations. Welfare across Canada is woefully inadequate. In every province, social assistance programs are characterized by "low asset limit thresholds and high clawback rates on earned income" while many who are eligible do not participate "due to stringent eligibility requirements and sanctions for noncompliance" (2020 CSLS report).
- What are the benefits of a GBI? Studies in Canada and world-wide consistently demonstrate that GBI would have a big positive effect. A 2021 Parliamentary Budget Office (PBO) study showed that GBI would dramatically reduce poverty, thus assisting Canada in meeting its sustainable development obligations. This study and many others show that GBI has little effect on paid work engagement. The deleterious impacts of poverty on our population cost Canada many billions of dollars every year. By providing income security through a GBI, people's physical and mental health would improve and crime would decrease, with the likely result of saving taxpayers money. Further, a GBI could increase housing safety and food security and regenerate trust in our public institutions (e.g., politicians, political parties, parliament, judiciary, and social-security system). Because most of the benefits would be spent in the vicinity, GBI could infuse money into local economies, thus supporting community businesses.
- <u>Canada can afford a GBI</u>. There are many options. A recent <u>report out of PEI</u> presents a feasible and affordable collaborative federal/provincial model for funding GBI, without increasing taxes on the middle class--one that could be extended to other provinces and territories. <u>Current poverty elimination strategies are not working</u>. We need to be innovative and think about our future. As <u>rising food insecurity</u>, <u>poverty</u>, and <u>health care costs</u> demonstrate, we can no longer afford NOT to finance a BIG.

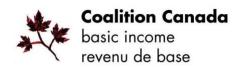


 <u>Cash payments do not cause inflation</u>. Old Age Security/Guaranteed Income Supplement (OAS/GIS) and the Canada Child Benefit (CCB) did not cause inflation so there is no reason to think that a GBI would. But a GBI <u>could</u> help people survive inflation. Inflation is driven by <u>other factors</u> such as disruptions in global supply chains, energy shocks, and shifts in consumer demand.

## Where are we now?

Together, we have made huge inroads into getting the attention of politicians and policy leads, as well as working on the practical aspects of implementing a GBI in Canada.

- **Provinces** have made substantial moves towards a GBI.
  - ✓ In Prince Edward Island, the 2020 report of an all-party special committee of the legislature recommended implementation of an island-wide demonstration project. A 2023 report went further by detailing a feasible and affordable model for a federal-provincial island-wide demonstration project. Issues of cost, financing, labour market disincentives (and more) have all been addressed making it financially and politically feasible. As well, this full province demonstration project (control group could be in NS or NB) would study not only how a GBI would affect lives, but also how a federal/provincial GBI would be administered. A Federal/Provincial joint working group has been struck to discuss the project. Before a federal election is called, MPs can ensure the PEI project is protected by providing the funding and support the federal/provincial working group needs.
  - Newfoundland and Labrador are currently studying implementation of a basic income through an All-Party Committee process. The report should be available shortly. Meanwhile, the Newfoundland and Labrador government has implemented "targeted basic income" programs for youth aging out of care and adults aged 60 to 64 currently on social assistance. Most recently they announced additional funds for a targeted basic income for adults with disabilities that will top up the Canada Disability Benefit and substantially improve income security for many adults with disabilities.
  - ✓ Quebec has implemented a <u>basic income for people with severe disabilities</u> and <u>many</u> <u>are advocating to extend it</u> to all Quebecers.
- Many **municipalities** across Canada have <u>passed resolutions</u> calling for a GBI particularly in the Atlantic provinces, Ontario and British Columbia.
- Two identical **federal** acts to "develop a national framework for a guaranteed livable basic income" were submitted simultaneously in the house and Senate. <u>Bill S-233</u> is being studied by the Senate National Finance Standing Committee. <u>Bill C-223</u> was voted down 273 to 54 in second reading in the House. All NDP and Green MPs and 26 Liberal MPs voted in favor.
- A <u>recent poll</u> found that six in ten Canadians support implementing a GBI, while only two in ten oppose it.



**Bottom Line.** A GBI would provide income security for all Canadians. It would be there when and if they need it. It would improve the health and well-being of individuals, bolster communities and help address some of our most pressing problems. We need it, we can afford it, we have the models to help show the way.