

Talking Points: Guaranteed Basic Income (GBI)

What is a Guaranteed Basic Income?

A **Guaranteed Basic Income (GBI)**—sometimes called a Basic Income Guarantee (BIG)—is a government payment that ensures everyone has enough income to meet their basic needs. Unlike a **Universal Basic Income (UBI)**, which is given to everyone, a GBI is **income-tested**, meaning it goes to people who need it most, no matter their work status. A GBI would:

- Provide a minimum income level below which no one could fall.
- Be simple to manage with less red tape than current welfare systems.
- Support—not replace—other important public services like health care, education, and housing.

Why Canada Needs a GBI

Many people in Canada are struggling with [income insecurity](#). Inflation, unstable jobs, high housing costs, food insecurity, climate disasters, and the shift to a greener economy all create serious challenges. New U.S. trade threats also increase uncertainty for Canadian workers.

Right now, [wealth inequality](#) is growing—a small group holds most of the wealth while many others live in or near poverty. Poverty is harmful. 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 has promised to end poverty under the [United Nations 2030 Agenda for Sustainable Development](#), but we are falling behind. Right now, [over 10%](#) of Canadians live in poverty. Welfare rates in Canada are [inadequate](#) and often have complicated rules that stop people from getting help when they need it. A [2020 report](#) from the Centre for the Study of Living Standards (CSLS) found that many people don’t apply for assistance because of strict rules, low asset limits, and high clawbacks on income (such as 100% clawed back on every dollar earned).

Benefits of a GBI

Evidence from [Canada](#) and around [the world](#) shows that GBI programs work. A [2021 study](#) by the Parliamentary Budget Office (PBO) showed that a GBI could dramatically reduce poverty. It also showed that a GBI would have little effect on people’s willingness to work, despite some common fears.

Poverty costs Canada **billions of dollars every year** through extra spending on health care, the justice system, and lost productivity. A [GBI could help reduce these costs by](#) improving people’s health, well-being, and safety.

It could also:

- Reduce crime and increase trust in government.
- Help people afford housing and healthy food.
- Boost local economies because people tend to spend their income in their communities.

Can Canada Afford a GBI?

Yes. A [recent report](#) from Prince Edward Island shows a GBI could be funded through a federal–provincial partnership without raising taxes on the middle class. The report cut the cost of a GBI by almost 40% compared to previous estimates and shows that it would have a minimal effect on hours worked. It can also reduce poverty levels in PEI from 9% to 2%. The PEI model could be used in other provinces.

[Current anti-poverty programs](#) are not working. A GBI is an innovative solution that would support Canadians in a changing world. As [food prices](#), [poverty](#), and [health care](#) costs continue to rise, we cannot afford to ignore this idea.

Does GBI Cause Inflation?

No. Direct cash programs like Old Age Security (OAS), the Guaranteed Income Supplement (GIS), and the Canada Child Benefit (CCB) do not cause inflation. Inflation is mostly caused by other things, like [supply chain issues](#), [energy prices](#), and [global market shifts](#). A GBI would help people survive inflation, not cause it.

Where Are We Now?

Progress is happening. Thanks to the hard work of advocates and researchers, many governments are now exploring GBI seriously.

Provinces Taking Action:

- **Prince Edward Island:** In 2020, an [all-party committee](#) recommended a full-scale GBI pilot for the entire province. A 2023 [follow-up report](#) showed a GBI is both financially and politically possible. A federal–provincial working group is now planning how to move forward. MPs can help by ensuring this pilot is funded and supported.
- **Newfoundland and Labrador:** An all-party committee is reviewing basic income options. The province has already launched targeted GBI programs for [youth leaving care](#), [seniors on social assistance \(aged 60–64\)](#), and [people with disabilities](#). A new top-up to the [Canada Disability Benefit](#) will also improve income security.
- **Quebec:** Offers a [basic income for](#) people with severe disabilities. There is growing support to expand this program to more residents.

National Support:

- Dozens of municipalities across Canada—especially in Atlantic Canada, Ontario, and British Columbia—have [passed resolutions](#) calling for GBI.
 - In Parliament, two bills—[Senate Bill S-233](#) and [House Bill C-223](#)—were introduced to create a national GBI framework. While Bill C-223 was voted down in the House, 54 MPs supported it, including all NDP and Green MPs and 26 Liberals. A new [Senate Bill S-206](#), a revised version, has now been introduced.
 - A recent [national poll](#) found that 60% of Canadians support GBI, while only 20% oppose it.
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Bottom Line

A **Guaranteed Basic Income** would give Canadians income security when they need it. It would improve physical and mental health, support local communities, reduce poverty, and help solve some of Canada’s most serious problems.

We **need it**, we **can afford it**, and we already have **practical models** to show how it could work. Now is the time to act.