

In a [recent response](#) by the Government of Canada to a Paper Petition submitted in the House of Commons by MP Bardish Chagger (Waterloo), the Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Development stated: “*The Government of Canada acknowledges that income security is a shared responsibility across all levels of government*” and that “*the federal Government recognizes the importance of working with provinces and territories to address common challenges.*”

The response also acknowledged that Employment and Social Development Canada has been collaborating in the existing Canada-PEI working group responsible for identifying relevant federal-level administrative, survey and tax data that may inform PEI’s guaranteed basic income (GBI) model program design and evaluation, and intends to continue to participate.

Recommendation for the 2026 Budget

We thank the Government of Canada for affirming its continued commitment to the Canada-PEI information exchange working group and ask that it further commit to helping all Canadians – including those who are most at risk – by immediately expanding the mandate of this working group to identify the parameters and details required to become a research and funding partner with PEI on a guaranteed basic income demonstration project in PEI.

Canada’s [Poverty Reduction Act](#) (2019) is failing to achieve its goals. A guaranteed basic income (GBI) has been discussed for more than half a century in Canada, but a well-researched province-wide proposal that takes into consideration current economic and political realities has not been available – until now. The [Proposal for a Guaranteed Basic Income Benefit For Prince Edward Island](#) would provide a viable alternative to the current welfare system, which is insufficient, punitive, and keeps people in poverty, as demonstrated by the Maytree Foundation’s annual [research reports](#), the most recent published in 2025: [Welfare in Canada \(2024\)](#).

The PEI proposal report presents a guaranteed basic income model for a fully-funded 5-7-year province-wide demonstration program in PEI which **would effectively eliminate poverty for Islanders while being more cost-effective than previously presented basic income models and has the potential to save governmental health and criminal legal costs.** Written by economists, federal and provincial public servants, politicians, and advocates from PEI and across the country, and supported by many economists, academics, sector-based organizations and others, this report has significantly advanced the conversation about the implementation of a basic income guarantee benefit. It is the outcome of more than 2 years of collaboration and research and is now being used to guide crucial conversations on poverty reduction and income assistance in PEI and across the country.

The report **clearly addresses issues of cost, financing, labour market disruption, and interactions with other key programs and sectors. It shows that the cost of a GBI can be decreased by approximately 40% compared to previous estimates without increasing taxes on the middle class.** The report’s [supplemental notes](#) provide a description of offsets and [net costing estimates](#) and an overview of [evaluation requirements](#). A Federal/Provincial GBI demonstration project in PEI would provide both governments with the opportunity to evaluate and modify federal and provincial income support systems to make the process as effective and efficient as possible. Upon evaluation it could be extended to other provinces and territories. Newfoundland and Labrador and Quebec have made

substantial moves towards a basic income guarantee and [many municipalities](#) across Canada have passed resolutions calling for a basic income guarantee, particularly in the Atlantic provinces, Ontario, and British Columbia.

A [recent poll](#) found that **six in ten Canadians** support implementing a GBI, while **only two in ten oppose it**.

Our current social assistance (welfare) system needs a reset: We need systemic change to meet the needs of our transforming economy, society, and environment. The current systems we have in place to address poverty and help Canadians in a time of crisis fail many of our working age citizens and residents.

When the Minister reported back to House in response to the Paper Petition, **she proudly pointed to benefits that already incorporate features of a basic income (such as greater sufficiency and simple application procedures). Current social assistance (welfare) benefits do not include these features.** The proposed GBI benefit for working-age adults would complete Canada’s social safety net, which already includes a guaranteed basic income for seniors (Old Age Security and the Guaranteed Income Supplement) and for children (Canada Child Benefit). It would dramatically improve accessibility and the sufficiency of the Canada Disability Benefit. A GBI is not a revolution, it is an evolution.

The Government of Canada recognizes that the economic systems of yesterday do not address the crises of today and is acting to ensure Canada builds a strong and resilient economy but is failing to recognize that many of the current social safety net structures are also a system of yesterday. **Tinkering around the edges of these outdated mechanisms will not address the harm faced by the many Canadians living in or on the brink of poverty.** In this moment when our democratic institutions are under attack we must ask ourselves: what is the ultimate cost of addressing income insecurity with woefully inadequate, piece-meal measures, when research, such as the study in Finland indicated, in an article [written by McKinsey and Company](#), that a basic income can lead ‘to a small increase in employment, significantly boost multiple measures of the recipients’ well-being, and reinforce individual and societal feedback loops’ while bolstering trust in government.

We need to be innovative and support the future for all Canadians. Prime Minister Carney has noted the importance of **‘forward guidance’: that ‘however difficult a situation seemed...that we would continue to act...against our problems until they were solved.’** The current structure of our safety net is deeply unfair, woefully inadequate, and makes false assumptions about people caught in it. Poverty is not just a problem, it is cruel. We have a road map to solve poverty and its deleterious effects: a 5-7 year basic income demonstration project in PEI would investigate and address the administrative and social outcomes required to build a strong safety net for all Canadians including those of working age. The first step is ensuring the federal/provincial Working Group is given a serious mandate. **The time has come to commit to a proper evaluation of basic income. We can and must reach and even exceed the goals identified in Canada’s Poverty Reduction Act.**

For more information, please see our [FAQs](#) and [Cases for Basic Income Series](#).

Recommendation:

**FINA – Standing Committee on Finance
Pre-Budget Consultation in advance of the
2026 Budget**



We thank the Government for its continued commitment to the Canada-PEI information exchange working group and ask that it indicate it's commitment to helping all Canadians – including those who are most at risk – by immediately expanding the mandate of this working group to identify the parameters and details required to become a research and funding partner with PEI and to implement a guaranteed basic income demonstration project in PEI.