



Basic Income Guarantee

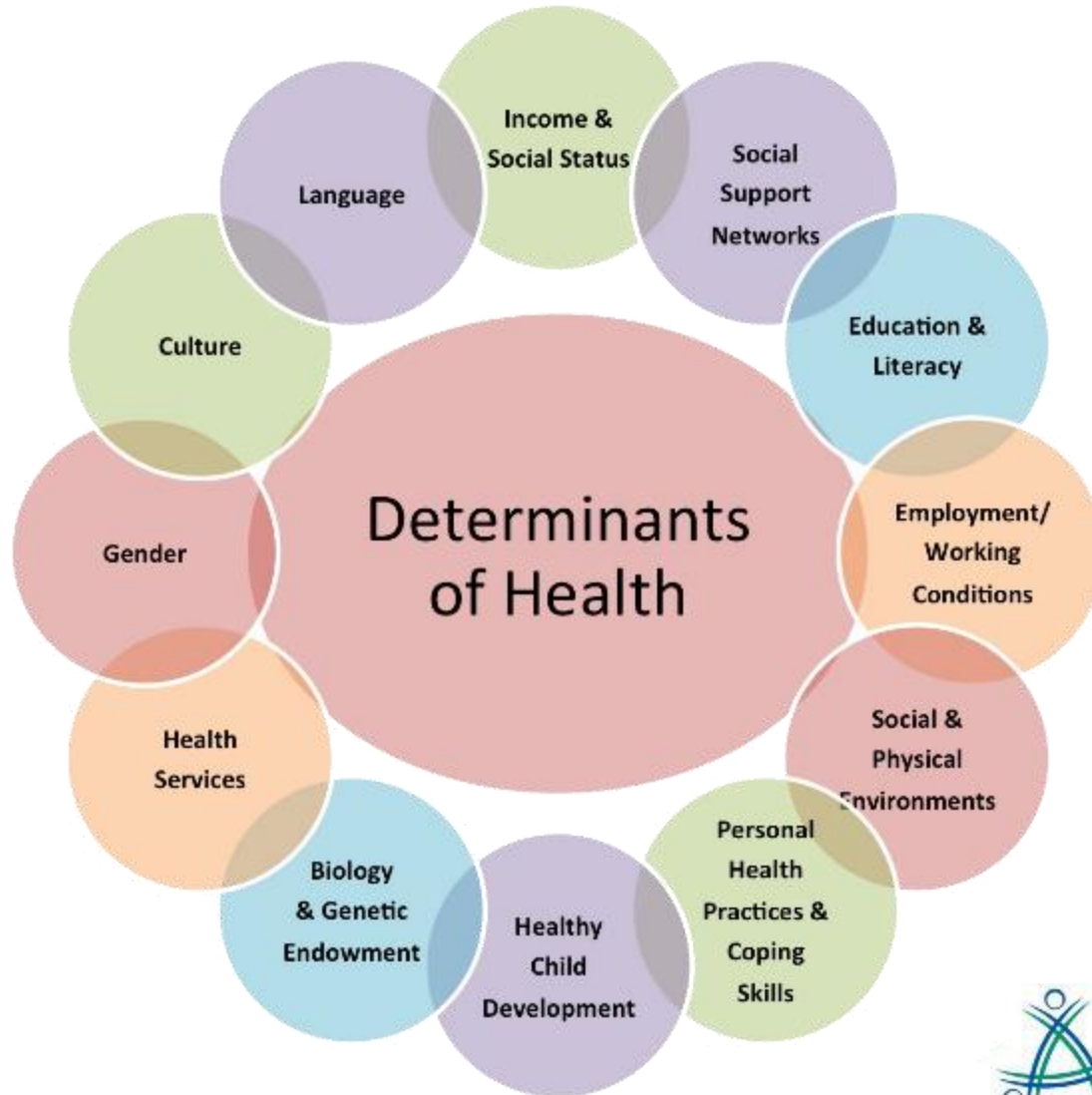


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Ontario Public Health Standards

Social Determinants of Health



Precarious Employment

- 50% growth in precarious labour in 20 years
- 50% of workers are working either full- or part-time with no benefits or job security, or in temporary, contract or casual positions



Source: Poverty and Employment Precarity in Southern Ontario (PEPSO).
It's More than Poverty: Employment Precarity and Household Well-being. 2013.



Minimum Wage

- Precarious employment often pays minimum wage which is inadequate to meet the basic needs of housing, food, transportation and other necessities



Source: Poverty and Employment Precarity in Southern Ontario (PEPSO).
It's More than Poverty: Employment Precarity and Household Well-being. 2013.

Employment and Poverty

- 70% of people living in poverty are employed



The Welfare System



- Extremely expensive to administer
- Disincentive to work
- Based on random numbers, raised or lowered depending on political party
- Does not adhere to the research based on Housing First Model
- Reinforces Poverty





Average Single Income

- > \$37,000 / Year
- > \$3,083 / month



Minimum Wage Income

- > \$21,600 / Year
- > \$1,800 / month



ODSP Income

- > \$13,320 / Year
- > \$1,110 / month



Ontario Works Income

- > \$8,172 / Year
- > \$681 / month

What is Basic Income Guarantee?

- An unconditional cash transfer from the government to individuals or families to provide a minimum annual income
- Would likely be distributed using the income tax system with the benefit falling as income increases



Basic Income is Not a Replacement for All Social Programs

- A replacement for adult benefits
 - e.g. Ontario Works (OW) and Ontario Disability Support Program (ODSP)
- EI, CPP and universal health coverage, and other similar programs should stay in place





Rationale for Basic Income

1. **Poverty:**
An effective, dignified component of a poverty reduction strategy.
2. **Income inequality:**
Can help close the gaps in income, gender and education.
3. **Precarious labour:**
Can increase social security in a time of labour market change and uncertainty.



Basic income is only one component of poverty reduction

- a multi-pronged approach is needed
 - Basic Income Guarantee
 - Good jobs, adequate wages
 - Strong, effective labour standards and laws
 - Progressive taxation
 - Affordable housing
 - High quality universal child care
 - Education and training

We already have basic income guarantee for some populations

- Canada Child Benefit (Canada Child Tax Benefits & Universal Child Care Benefits)
- Ontario Child Tax Benefit and Ontario Trillium Benefit
- Working Income Tax Benefit
- GST/HST Credit
- Old Age Security and Guaranteed Income Supplement



Old Age Security and Guaranteed Income Supplement

- Canada has one of lowest rates of seniors' poverty in the world. Only 5.9% of older Canadians live below the poverty line
- Seniors experiencing food insecurity is 50% less at age 65-69 than at 60-64





Impact of child tax benefits

- Improved math and reading skills
- Improved child mental and physical health measures



Source: Milligan and Stabile, 2011

Success Stories

- “MINCOME” Project in Dauphin, Manitoba (1970’s)
 - An annual income field experiment



Manitoba Mincome Experiment

1974 - 1979

Retrospective evaluation published in 2011 found:

- 8.5% decrease in hospitalization rates for participants vs. controls, and decline in physician contact
- Increased high school completion
- Insignificant work disincentive

Source: Forget, E. *The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment*. Canadian Public Policy, Vol. xxxvii, No. 3, 2011.

Stigma

- People viewed welfare as being socially stigmatizing but felt positively about receiving Mincome
- Research links stigma to poor health outcomes
- Social isolation and increased stress result in compromised cardiac and mental health





Key Debates

- Cost
- Effect on employment and the labour market



The Cost of Poverty in Ontario

ONTARIO	PRIVATE COSTS	SOCIAL COSTS
Health Care		\$2.9 billion
Crime		\$0.25 - \$0.6 billion
Intergenerational	\$3.3 - \$4.3 billion	\$1.3 - \$1.6 billion
Lost Productivity	\$16.6 - \$19 billion	\$4 - \$6.1 billion
- Adjustment for understatement of productivity loss	+\$1.9 billion	
- Adjustment for transfer payments		+\$1.9 billion
TOTAL	\$21.8 - \$25.2 billion	\$10.4 billion - \$13.1 billion

Source: Ontario Association of Food Banks (2008) *The Cost of Poverty: An Analysis of the Economic Cost of Poverty in Ontario*



Costs

- Estimated cost of poverty in Canada
 - **\$79 to \$95 billion**
- Estimated costs of BIG
 - \$17 - \$58 Billion (Manitoba University)
 - \$40 Billion (Queen's University)



Impact on Employment and the Labour Market

- Is it an incentive or disincentive?
 - Pros
 - Allows people to look for better jobs and to upgrade their education and training to have the skills to attain better paying jobs
 - Cons
 - Chronic dependency
 - Institutional barriers are not solved solely by basic income guarantee



The Bottom Line

- **PREVENTION is cheaper!**
 - More expensive to treat the negative outcomes of poverty after the fact
- Frees up money to invest in other areas

Support for Basic Income

- Supported by economists, politicians, health and social policy experts





Political and Economic Support

- Ontario pilot starting in 2016/17
- Additional provinces discussing or investigating the concept of BIG such as Quebec, PEI, Alberta and elsewhere
- Municipal and regional council have made motions in support of BIG

Some Supporting Organizations

- National
 - Canadian Medical Association, Canadian Public Health Association, Canadian Association of Social Workers
- Provincial
 - aLPHa, OPHA, Ontario Society of Nutrition Professionals in Public Health, Centre for Addiction and Mental Health
- Health Units





HKPR Opportunities

- Endorse the concept of the BIG
- Develop an HKPR DHU Position Statement
- Write letters in support of BIG to the Prime Minister of Canada, the Premier of ON, the Chief Medical Officer of Health, local MP's and MPP's, municipal councils, the Association of Municipalities of ON, and the Federation of Canadian Municipalities
- Build capacity in our communities



Thank-you

Questions?