



# GUARANTEED LIVABLE BASIC INCOME (GLBI) Myths and misrepresentations

A GLBI in Canada would begin dismantling inequities.



## Stats



The wealth gap in Canada is increasing. The bottom 40% of earners now account for only 2.8% of total wealth. This, together with increased cost of living, is driving more people into poverty.



1 in 10 Canadians live in poverty.



1 in 5 households experience serious housing affordability challenges (spend over 50% of income on housing).



In 2022, 16.9% of Canadians were food insecure. This was an increase of 5.3% from 2018. Food insecurity was 20.7% for racialized groups and 28.6% for Indigenous people.

"Hundreds of studies in the last 50 years have shown the same pattern: improved well-being, health conditions, cognitive function, food security, and reduced crime rate, as well as lower alcohol or substance use."

—Dr Jiaying Zhao

## What is GLBI?

Usually when people discuss basic income they're either talking about **universal** or **guaranteed**. When it comes to Bill S-233 in the Senate, it is proposing a GLBI.

### Universal basic income

Everyone gets a uniform cash payment **regardless of their income or need.**

vs

### Guaranteed livable basic income

is when cash payments are universally accessible and income tested. Which means it provides a top up for **those earning below the minimum requirement** for a sustainable and secure livelihood.

## The "expensive" myth

This is one of the most common misconceptions out there and needs to be addressed! While there are costs associated with such a program, data shows that Canada can afford it without causing harm to the economy or increasing inflationary pressures.

**The cost?** In 2021 the Parliamentary Budget Officer (PBO) costed a GLBI at \$85 billion.

**The truth?** Poverty has its own costs from poor health to lost productivity. The price tag is between \$72-\$84 billion.<sup>1</sup> Current poorly administered, **overly expensive, and piece-meal** income assistance and welfare programs have huge costs. Economists say that provinces alone spend over \$20 billion per year on income assistance.<sup>2</sup> Responding efficiently and appropriately to poverty is **forward thinking policy that could save money.**

## The "no data" myth

In Canada there have already been two pilot programs and two important studies:

1. **The Mincome Experiment** based in Dauphin, Manitoba in the 1970s.
2. **The Ontario Basic Income Pilot**, which took place from 2016-2019.
3. PBO's **Distributional and Fiscal Analysis of a National Guaranteed Basic Income Report**.
4. British Columbia **Basic Income Expert Panel Report**.

This data enriched the Canadian landscape on GLBI and was informative. There are also **over six decades** of pilots and programs around the world to draw from. Canada often uses examples of international case studies to show feasibility and lessons learned. And there are **hundreds of examples!** Many show **very promising results** and overall positive outcomes.

If we need to generate more data, the federal government and the government of PEI can agree and implement the proposed **Basic Income Pilot Project for PEI**. This pilot could be transformative, especially on the question of jurisdiction for Canada.

## The "people won't work" myth

Data from the many pilots and programs both nationally and internationally shows that **people don't stop working**. In Mincome, there was no change in labour force participation rates and **virtually no change in hours worked**, except for two groups of people: mothers who stayed home with young children, and young people who returned to and/or finished school.

With the Ontario pilot, an important outcome was that the quality of jobs held by low-income workers tended to improve. Instead of short-term, temporary, poorly paid work, the basic income guarantee allowed workers to search for better jobs with benefits and prospects.<sup>3</sup> These **positive results are echoed globally**. One can say that a GLBI is in fact good for workers and an opportunity for innovation.

1. Ali, N. (2016). *A Living Wage and Homelessness*. Homeless Hub. <https://homelesshub.ca/blog/2016/living-wage-homelessness>

2. PROOF. (2023, April). *Taking a closer look at provincial and territorial budgets and what this would mean for food insecurity*. University of Toronto. <https://proof.utoronto.ca/resource/2023budgetreflection>

3. Segal, H., Forget, E., and Banting, K. (2020). *A Federal Basic Income Within the Post COVID-19 Economic Recovery Plan*. Royal Society of Canada.