

Understanding Guaranteed Basic Income: Is it a viable option for building equity?



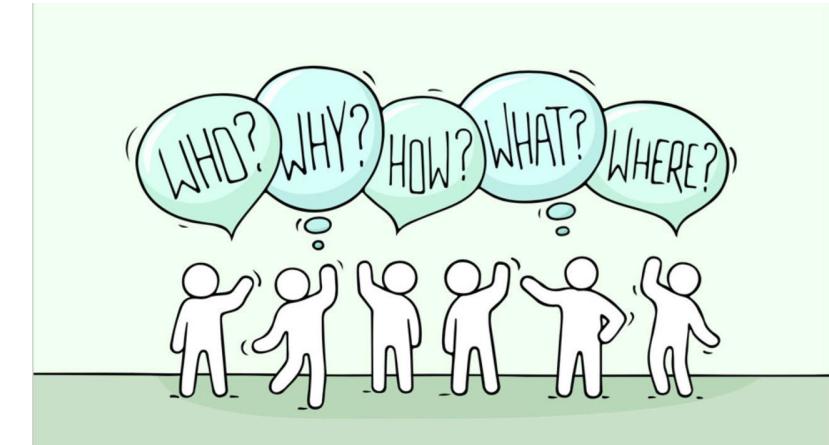
A Community
Conversation With Colleen
Christopherson-Cote,
Coordinator Of The
Saskatoon Poverty
Reduction Partnership
(SPRP) And Member Of
Coalition Canada

**January 17, 2024
3:00pm – 5:00pm**

What we will cover in this conversation

- Some background about the relationship between poverty and income
- Current StatsCan data about income and employment (with a Saskatoon case study)
- Working poverty and Income assistance
- Basic income – the basics and the complexities
- History of Basic Income (briefly)
- Social return on investment and the argument for Basic Income Guarantee
- What is happening and how to get involved

**Ask Questions throughout,
use the chat or raise your
hand to speak at any point
throughout**



The relationship between poverty and income

Poverty is **NOT just an income issue**

BUT creating public policy that maximizes access to income and the economy is a critical component to eliminating poverty

Over time, we have seen serious disconnect at the heart of our consumer-culture-driven economy: **people are constantly told they should aspire to endless material consumption, but are actively denied the means of doing so**

The relationship between poverty and income

The partisan rhetoric regarding where income comes from, who is or isn't deserving of supports, what these supports are, and how they are accessed or provided to people have deep roots in our colonial, patriarchal, neoliberal and capitalist foundations.

With all that said, regardless of which side of the political continuum your ideology falls on....

Creating public policy and practical processes that support all citizens to actively engage in a thriving family, community life actually **increases wealth for all, increases health and well-being, and drives the economy in a positive way.**

The relationship between poverty and income

In Saskatoon, and to some extent in Regina, we are seeing a big-city urban phenomenon emerging.

There is a growing divide **driven by the changing employment sectors**



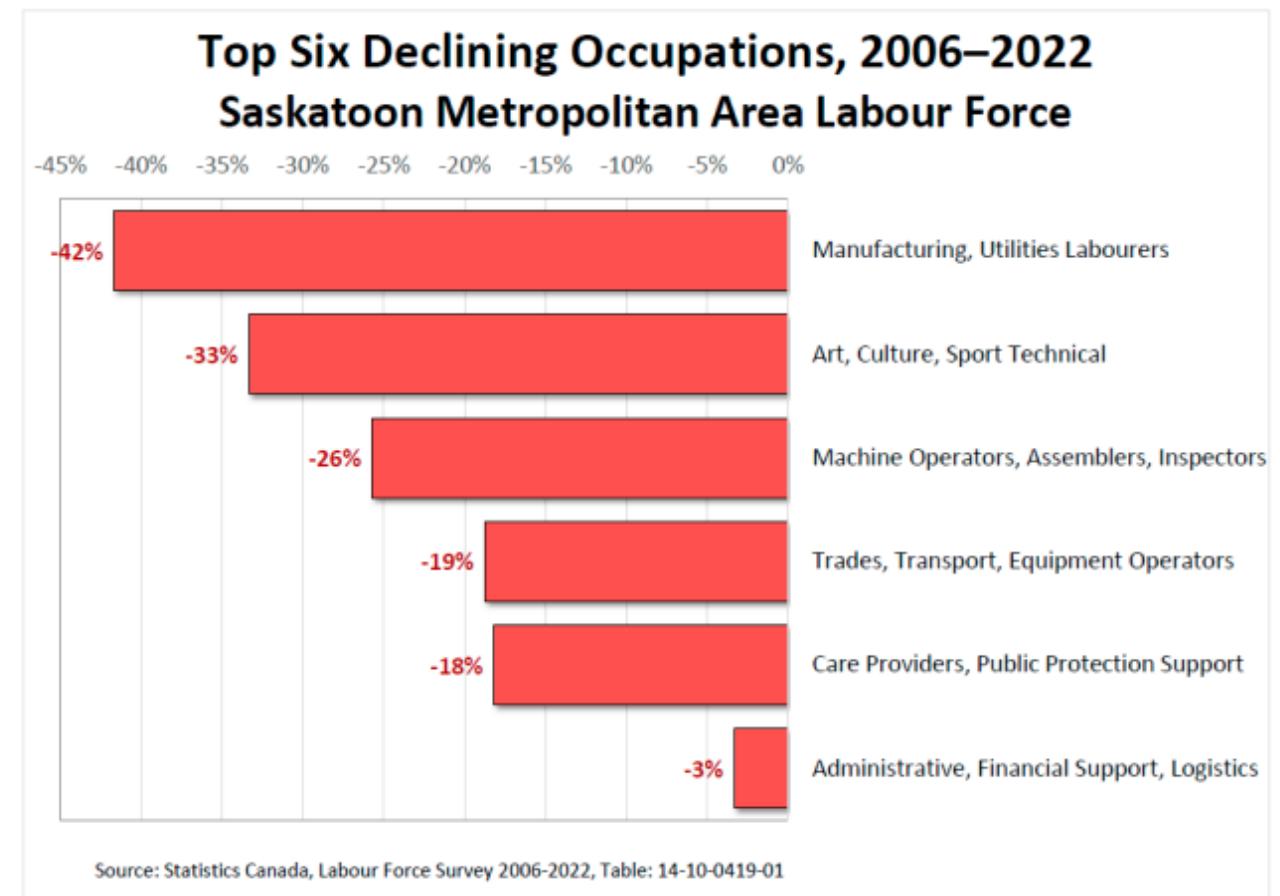
The relationship between poverty and income

Employment in the SK urban centres is changing from industry/manufacturing to professional service sector

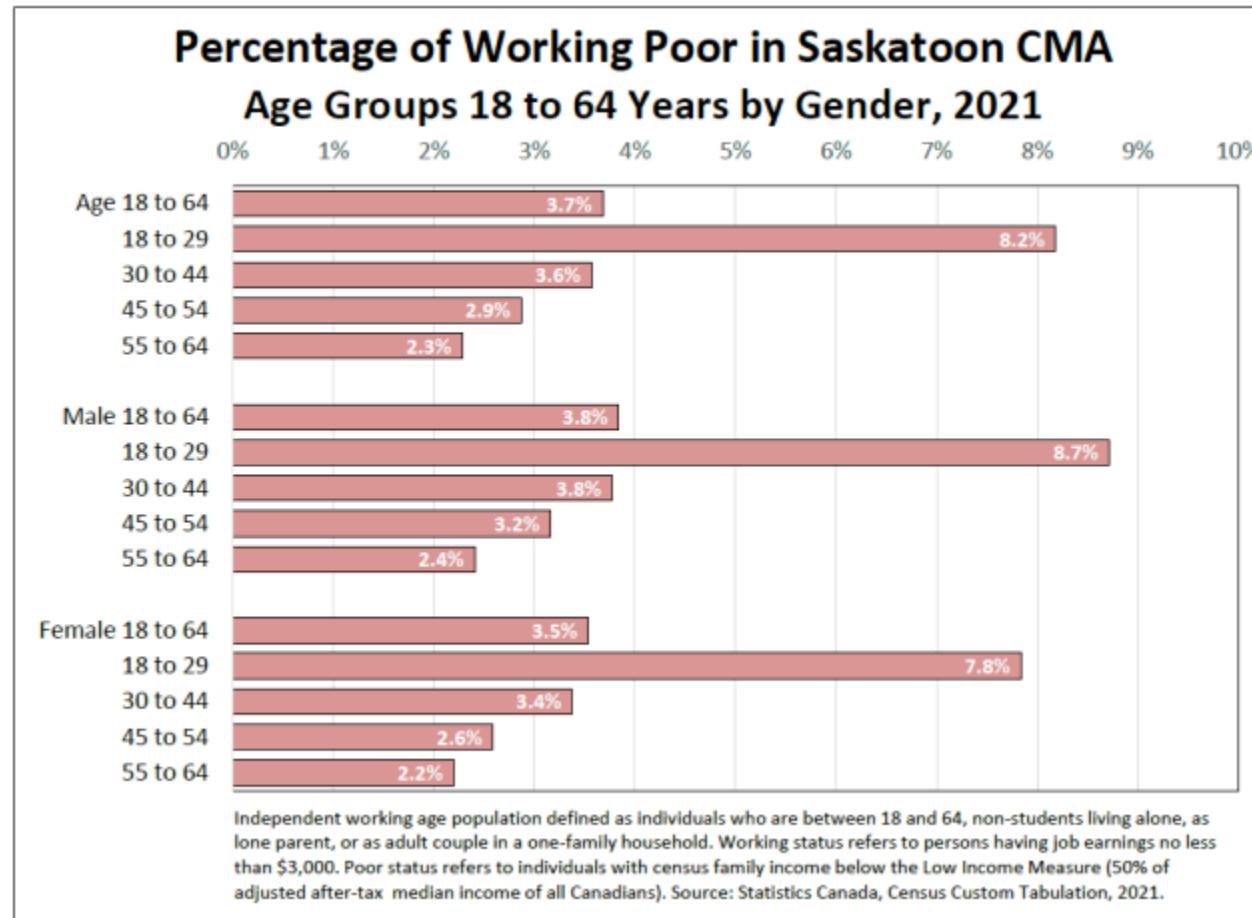
WHAT HAPPENS with this change?

You get what Toronto explains as “both the richest and the poorest” community at the same time.

WHY?



The data reinforces the expected outcomes



Who are the folks that are most likely working in low-income, hospitality and retail jobs?

Who are the folks that are losing the manufacturing and skilled trades jobs?

Who are the folks that are demanding the increase in hospitality and retail jobs?

Minimum Wage in Saskatchewan

Saskatchewan has one of the lowest (we toggle back and forth with MB) Minimum Wages in Canada.

In a recent government [press release](#)

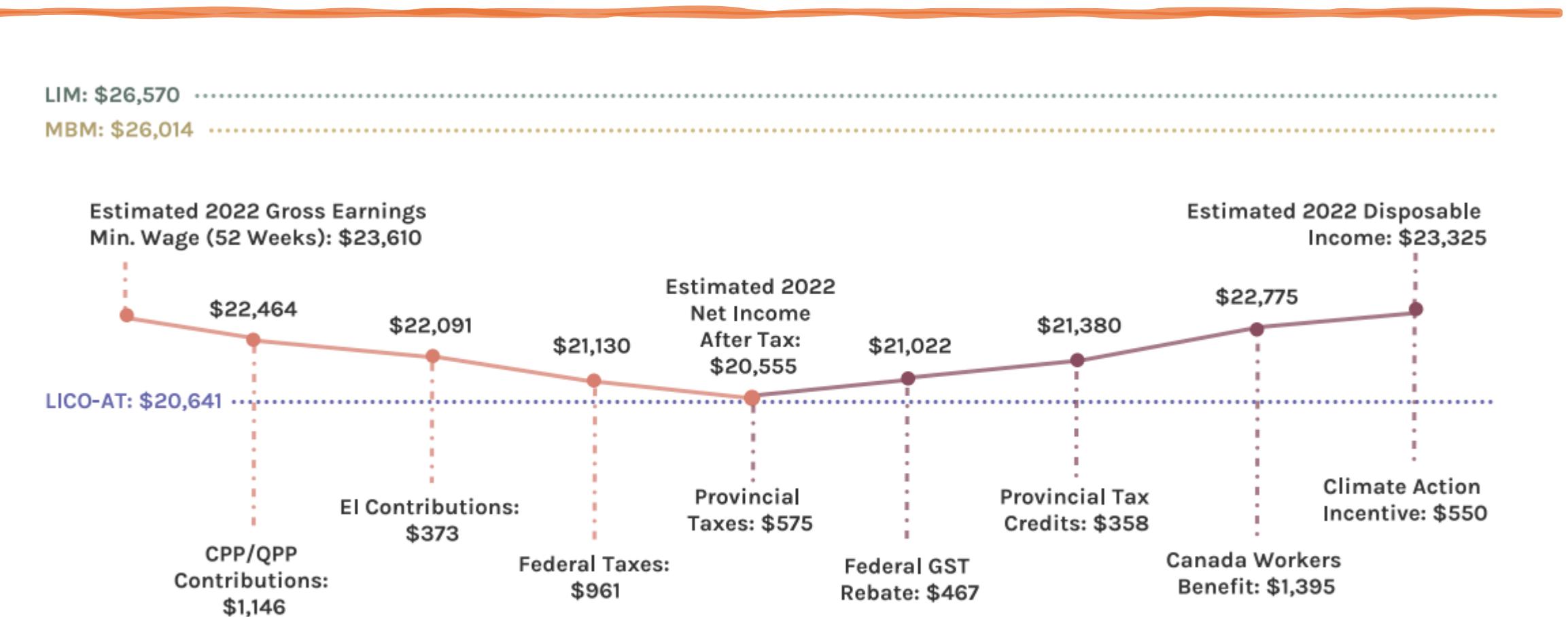
- Our government is committed to ensuring life is affordable for our low income residents by increasing the minimum wage over the next three years. This commitment to affordability will support Saskatchewan workers, and ensure Saskatchewan is the best place to live, work, and raise a family.”
- On October 1, 2023, minimum wage will increase to \$14 per hour and on October 1, 2024, it will increase to \$15 per hour. This will represent a 27 per cent increase to the minimum wage by 2024.
- The increases to minimum wage reflect a market adjustment, rather than using the province’s traditional indexation formula. The indexation formula gives equal weight to changes to the Consumer Price Index and Average Hourly Wage for Saskatchewan. However, for this year as well as 2023 and 2024, the increase to minimum wage will reflect a move to more closely align workers’ salaries with changing market forces.
- “As we continue to grow Saskatchewan, we want to attract quality investments and jobs so that all citizens can benefit. Making this change to the minimum wage is a step in that direction,” Morgan said.

It's just NOT ENOUGH



People that work Full Time, Full Year at minimum wage CANNOT live above the poverty line

What do I mean? They are working FT living in poverty?



Note: Adapted from the Saskatoon Poverty Reduction Partnership, 2022

Living Wage in Saskatoon and Regina

The effect of inflation on the expenses of our living wage family has increased our living wage estimate for Regina to \$17.80 per hour. Saskatoon witnessed an even greater increase, up to \$18.95 per hour, due not only to inflation, but also to claw backs to some income-tested supports.

**READ THE CCPA Living Wage report
here: [2022 Making a Living \(09-08-23\).pdf \(policyalternatives.ca\)](https://policyalternatives.ca/2022-making-a-living-09-08-23.pdf)**

Income Assistance in Saskatchewan

One Adult

Saskatchewan Income Support and other qualifying tax credits and benefits, total monthly income: **\$957**

97% of income is required for housing

*this is roughly equivalent to \$5.52/hr

One Adult

Saskatchewan Assured Income Disability (SAID) and other qualifying benefits, total monthly income: **\$1369.88**

83% of incomes is required for housing

*this is roughly equivalent to \$7.90/hr

This is a simplistic representation of the 2 programs – Just to illustrate how minimal the financial support is

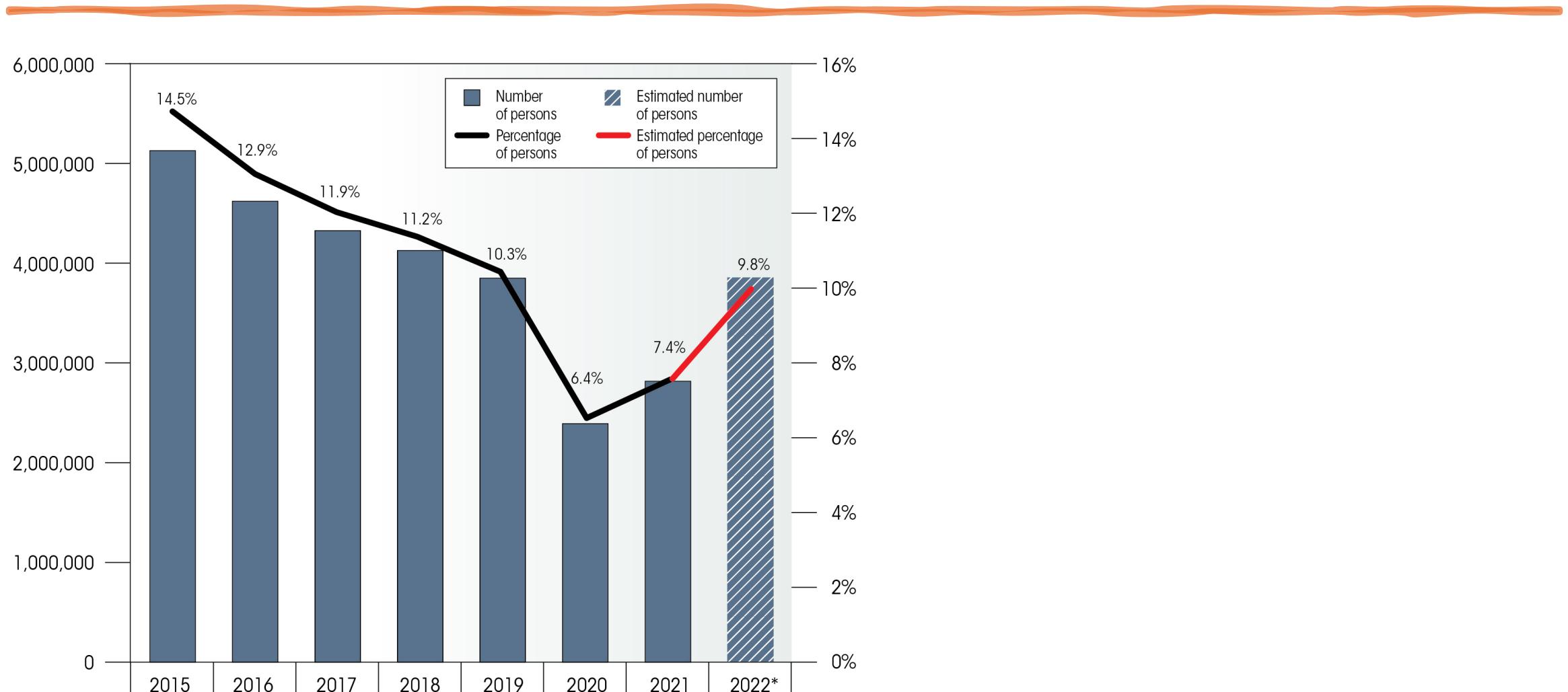
What about CERB?

Between 2019 and 2020, the overall poverty rate fell by more than one third, from 10.3% to **6.4%**, representing over 1.4 million fewer Canadians living in poverty, including 332,000 children and 162,000 seniors.

In other words, Canada's overall poverty rate had decreased by 56% compared to 2015. This meant Canada had reached its commitment under the 2030 Agenda for Sustainable Development to reduce poverty by 50% by 2030. However, the large decrease in poverty in 2020 was primarily the result of temporary COVID-19 emergency benefits.

The next graph shows these trends as well as the official poverty rate for 2021 and projected trends by including the provisional poverty rate for 2022.

Poverty Rates and CERB in Canada





We have a legacy of Economic Exclusion

- **Colonization and the public policies that created the legacies for Indigenous people** play/played a critical role in purposefully excluding them from participation in the economy.
- The building of **assets and the intergenerational wealth transfer** that comes from asset building has been absent for generations of Indigenous families.
- **Purposeful exclusion** from education pathways, employment pathways and generations of trauma have a direct impact on the **disproportionate numbers of Indigenous people living in poverty**.
- Policy makers, community advocates, likely all of us, are **quick to share the data about over-representation** of Indigenous folks (in poverty, in justice, in poor health outcomes) but we lack the capacity (or willingness) to **flip the conversation to the under-representation of the same folks in education outcomes, high paying employment options, positions of power or policy making**.

Values based, charitable models of helping

Public Policy is often developed by people who have **NO LIVED EXPERIENCE** of the circumstances the policy is designed to address

Across sectors, we will hear about times where there is a divide – **folks that are “deserving of supports” and folks “who should make better decisions”**

Charitable response is rooted in making us feel better about helping people but doesn't address the root issues

There is a fundamental difference between **CHOICE and OPTIONS**

- This changes with privilege and affluence, stability, and other demographics, and social determinants of health
- There are life circumstances that impact the interconnectedness of choice and option

Economic Reconciliation would include equitable Basic Income policies for Indigenous people that includes the capacity for intergenerational wealth transfer, and asset building – without repercussions.

A pause to reflect on the context.

Before we start talking about the details of BASIC INCOME – let's check in?

- 1. What stands out in the Income and Poverty relationship?**
- 2. Are you struggling with anything?**

Raise your hand to share....

Drop your comments in the chat....

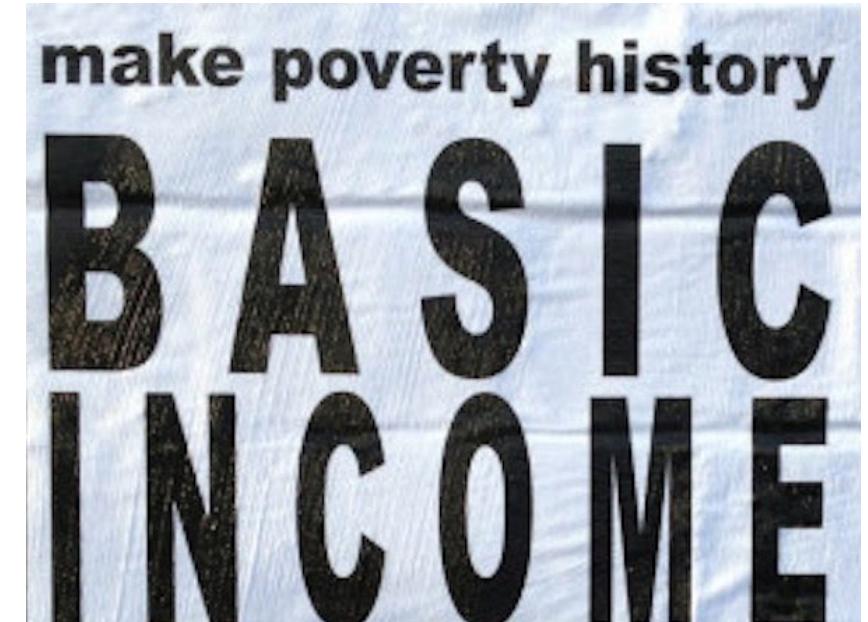


Basic income represents a **fundamental shift** in how we think about **income security** in Canada

In General - What is basic income?

A basic income is an unconditional cash transfer from government to individuals to enable everyone to meet their basic needs, participate in society, and live with dignity - regardless of work status.

It is a simple, common-sense alternative to a social welfare system that is full of gaps and problems. As individuals - and as a society - we need better options to manage setbacks, stay well, cope with transitions, and welcome new opportunities.



Types of Basic Income – some definitions

There are two common policy models:

- (1) a universal basic income (UBI)
- (2) a basic income guarantee (BIG).

Both of these models are universal in their eligibility, meaning they set an unconditional income floor for all Canadians should they need it. However, they differ in how and when payments are made and/or taxed back. **In Canada, most basic income groups advocate for a basic income guarantee.**



Universal Basic Income (UBI)

<https://www.ubiworks.ca/>

A universal model **provides the same benefit amount** to every individual regardless of their other income.

Typically, **those who don't need** the payments because they have higher earned income **would have some or all of these payments taxed back**.

Let's chat about this.



Basic Income Guarantee (BIG)

<https://basicincomecoalition.ca/en/>

A guarantee model **takes earned income into account**, and supplements that income with an 'income guarantee.'

If **your income is very low**, you **would get the greatest amount**, and as your other income grows, the benefit reduces gradually.

Those who have sufficient income from other sources don't get a payment.

Let's chat about this.



Basic Income Guarantee (BIG) – digging deeper

- universally available but is **provided only to those aged 18-64** who need it, ***setting an income floor*** to eliminate the risk of people falling into poverty.
- A BIG is ***income tested and adjusted for family size***, often with a benefit reduction rate based on family income.
- There are **equity frameworks** built into the calculation to ensure that families/individuals get the funding they need to live above the poverty threshold.

Basic Income Guarantee (BIG) – digging deeper

The six principles of BIG are:

1. *Universally accessible*
2. *Unconditional*
3. *Sufficient*
4. *Respects autonomy*
5. *Complements social services*
6. *Reliable*



HOW MUCH
INCOME IS
ENOUGH TO
SURVIVE?
LIVE?
THRIVE?

What do you think of these principles?

Other Basic Income – like programs exist

Child Tax benefit

Old Age Security

Support for youth leaving care in BC:

Historic help for youth from care will support strong transitions to adulthood |

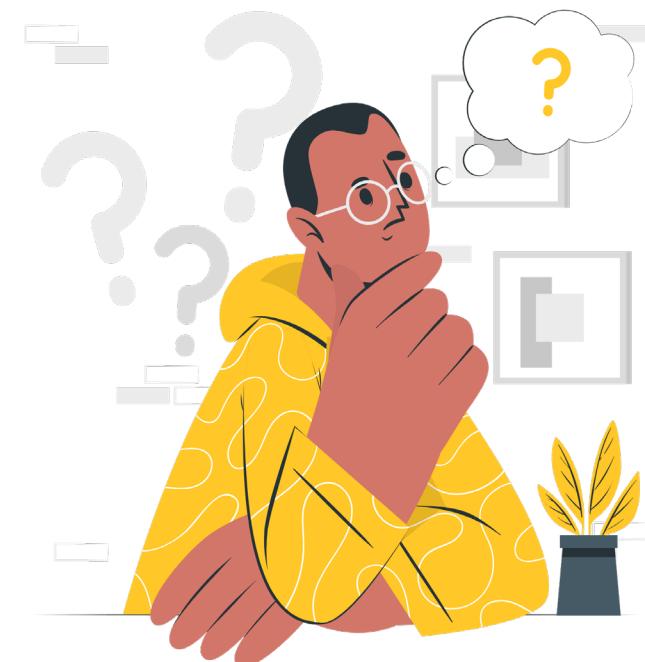
BC Gov News

Questions or comments?

Do you have any questions or comments about the concepts

The next part of the conversation is about the history – and the argument in favour of BIG

Also pause to double check the chat – anything left unanswered?



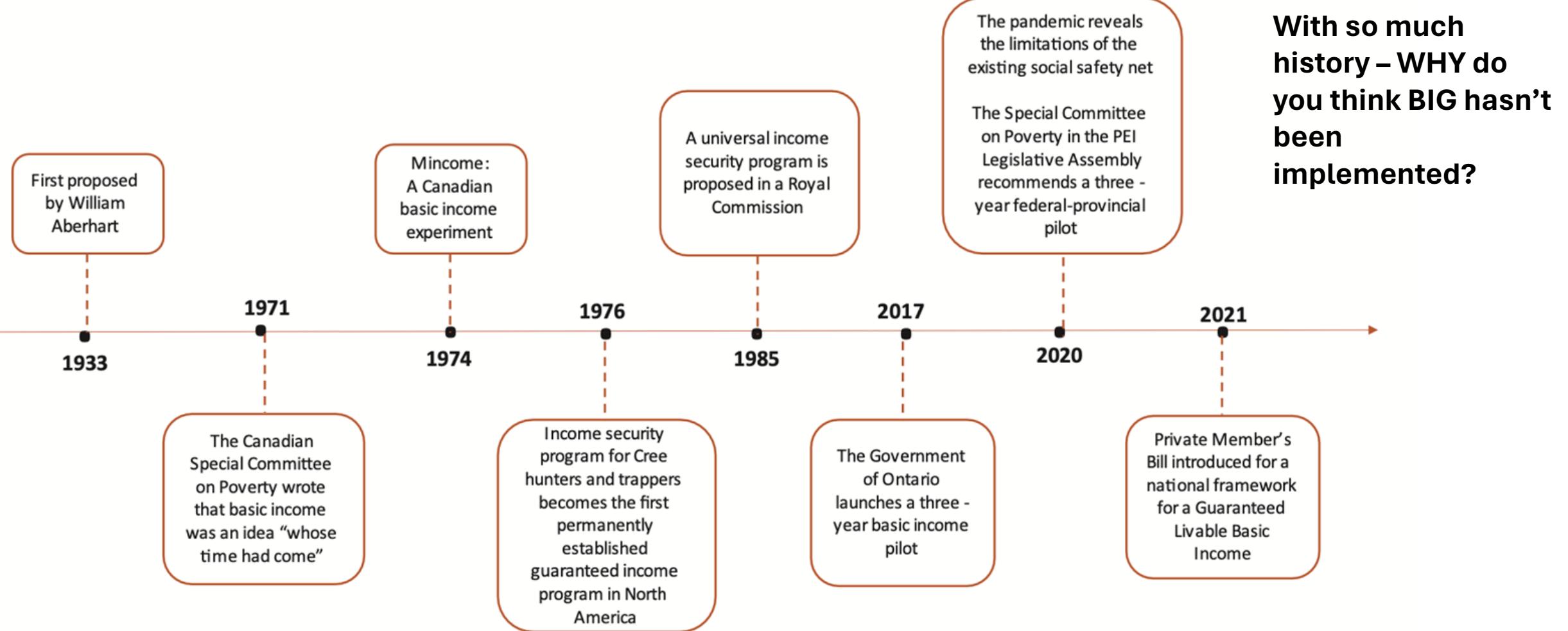
Canada has Basic Income History.

Canada's significant BI history draws support from both the right and left of the political spectrum.

First proposed in Canada by **William Aberhart**, leader of a Social Credit government in Alberta in 1933, Canada would become a world leader in BI experiments.

- **Mincome**, a randomized controlled trial involving low-income households in Winnipeg and dispersed rural Manitoba sites, 1974
- **Income Security Program for Cree Hunters and Trappers (ISP)**, 1976
- **Southern Ontario Pilot Project** followed from 2017 until its abrupt end in 2018.
- On November 27, 2020, the final report of the Special Committee on Poverty in PEI, Legislative Assembly of Prince Edward Island, recommended a **federal-provincial basic income pilot** lasting at least three years and ensuring “arms-length” monitoring and evaluating received all provincial party unanimous support (**MORE on PEI coming**)

Canada has Basic Income History.



So what did these (and others) show us?

The Canadian experiments produced similar and significant results nearly forty-five years apart (and confirmed in international pilots and experiments), demonstrating improvements in a range of outcomes:

- **Physical and Mental Health**
- **Labour Market Participation**
- **Educational Outcomes**
- **Food and Housing Security**
- **Social Relationships**
- **Criminal Justice**
- **Self-Worth and Overall Well-Being**

BUT – HOW do you capture the cost savings to sectors that are investing in downstream, reactive supports in these areas?

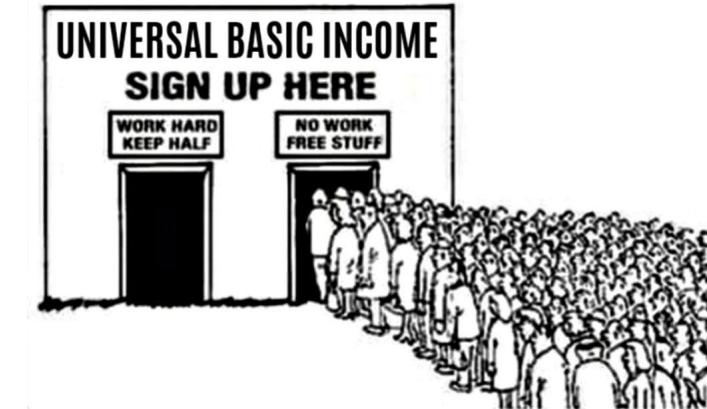


Social Return on Investment – dispelling myths

The SROI value provided assumes an **extremely conservative** measure of impact.

The net impact of BIG outcomes is approximately **\$26.583 billion**.

The net cost (investment) of basic income has been estimated to be **\$25.057 billion** (adapted/adjusted from Pasma & Regehr, 2019 - Option 1 policy model).



These estimations of impact and investment result in a return (ratio) of 1.06.

In other words, for every dollar invested, there is a return of \$1.06



https://cuisr.usask.ca/documents/publications/2020-2024/cuisr_bi-rprt_digital-sngl.pdf

SROI – is more than just monetizing an program.

An SROI gives a fuller sense of what monetizing is ill-equipped to capture:

- What price can we put on the peace of mind, the sense of dignity and autonomy, that is at the heart of so many impacts?
- How do we monetize the potential to slow rural depopulation and support sustainable agriculture?
- To increase equity in rural and remote communities?
- What price do we put on a vibrant, inclusive cultural scene that helped us survive pandemic isolation, that gives us all a sense of belonging, and that empowers and engages in equal measure?
- What price do we put on the recognition of treaty rights and furthering reconciliation?

A pause to reflect on the what you have heard.

1. **What is standing out now?**
2. **What do you see as the role that Basic Income can play in the relationship between poverty and income?**
3. **Are you skeptical? Are you excited?**

Raise your hand to share....

Drop your comments in the chat....



Let's talk jurisdictions

This conversation is further complicated by the government roles and responsibilities

In Saskatchewan we have a different relationship with Provincial government than other provinces, not just from an ideological perspective but from a process perspective

That being said – all levels of government should be aligned to support equitable income for their citizens

We also need to consider the connection to taxation system

What is the current landscape like?

[Guaranteed basic income could cut poverty on P.E.I. by 80%: report | CBC News](#)

"Effectively what T-BIG does is top up existing benefits to bring people within 85 per cent of the market-basket measure

This proposal offers a framework for a GBI that could be implemented in PEI **in partnership with the federal government.**

A **5-year demonstration project** would provide an opportunity to generate evidence and allow for adjustments, if necessary, to the program, as well as a tested template for other provinces or a national program.

Their proposal provides a roadmap for a feasible Guaranteed Basic Income for PEI residents aged 18 to 64. **Together with the Canada Child Benefit, the Old Age Security/Guaranteed Income Supplement and the new Canada Disability Benefit**

So what can we do outside of PEI?

Support the PEI request for investment into the BIG demonstration project

Help spread the work and dispel the myths that loom around BIG

Set the stage for election platforms

Take it back to the basics – Poverty and Income are tightly connected:

- Move away from “deserving” and “non deserving” commentary
- Move away from individualized responses to systemic, policy level approaches
- Understand our roles in creating and perpetuating these myths
- Disrupt

[Implementing a basic income means overcoming myths about the 'undeserving poor' \(theconversation.com\)](https://theconversation.com/implementing-a-basic-income-means-overcoming-myths-about-the-undeserving-poor-117005)

Prepping for a 2024-2025 election cycle

Canadians will be going to the polls – some of us in multiple jurisdictions over the next 18 months or so

Make poverty elimination an election platform
Create awareness around Basic Income and its role in poverty elimination

Get connected to coalitions and collaborations across the country and within your communities



Final thoughts

What were the things you learned?

What do you need more information about?

How will this information impact the work you do?

What are your next steps?



Understanding Guaranteed Basic Income: Is it a viable option for building equity?



To connect with the Saskatoon Poverty Reduction Partnership and get involved with the Basic Income Guarantee movement please email Colleen

SPRPCoordinator@gmail.com

