

Guaranteed Livable Basic Income Spend Less on Poverty Invest More in People



Senator Kim Pate
Algonquin Anishinabe Aki - Ontario



Introduction

Guaranteed Livable Basic Income: An Idea Whose Time Has Come

For decades, the concept of a cash transfer that is sufficient to live on and available without condition to those in need has been studied and piloted in Canada and around the world.

The result is abundant evidence and lived experience that guaranteed livable basic income (GLBI) is a cost-effective way for governments to build economic health and social well-being, by allowing people to rebound out of poverty and economic precarity, homelessness and unstable housing, and mental health and addictions.

Investing in People

This fact sheet series aims to respond with facts to questions, myths, fears, and misconceptions about GLBI. It presents the evidence about how GLBI would represent an investment in Canadians.

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The Financial Costs of a Guaranteed Livable Basic Income

There are two ways to look at the cost of a guaranteed livable basic income (GLBI). The first examines the upfront costs of delivering the program and various ways to finance these costs. The second is to recognize that GLBI is an investment in the community that will pay off, including in terms of less pressure on existing social programs and higher tax revenues for various levels of government.

Upfront Costs

One criticism often made of GLBI programs is that they are very expensive and likely to lead to a significant increase in the tax burden that will make the middle class worse off. Some proposals do precisely that: they estimate very high program costs and suggest financing these costs by raising taxes and eliminating tax credits that benefit the middle class. The Basic Income Canada Network (BICN) has [documented](#) the impact of the decisions involved in designing and resourcing a GLBI.

The [Parliamentary Budget Office](#) (PBO), for example, considered a program that would guarantee individuals between 18 and 64 an annual income of \$21,903 and couples \$30,975, reduced by \$0.50 for every dollar earned. That is, the total amount of money received by any family would decline as their earned income increased, disappearing entirely for individuals at \$43,806 and for couples at \$61,950. People with disabilities would receive an additional \$7,355 per year. As a consequence, poverty rates would fall by 34% to 40% and the incomes of the poorest 20% of Canadians increase by approximately \$6,100 or 21% each year.

This, however, would come at a gross cost of \$107 billion per year. In order to fully pay this cost, the PBO suggested eliminating a variety of tax credits. We could also look to tax measures, including addressing offshore avoidance and evasion. While the PBO acknowledges there would be resulting cost savings, these were not part of the analysis.

The PBO's design was based on the Ontario basic income [experiment](#), but there are also other ways to design a targeted GLBI. For example, when the PBO applied a census or "economic" family model to its design, the \$107 billion price tag was reduced by 50% to \$53 billion. The result was an estimated net cost of \$3.6 billion, not including other related cost savings relating to the \$80 billion Canadians currently spend keeping people in poverty, as discussed below.

The PBO's report emphasizes how small design changes can result in significant savings. For example, the PBO considered the way which adult children living with their families are treated. Benefits could be based only on the income of an applicant and their partner, if they had one. However, this implies that adult children living with their parents in high-income families might receive support even though their parents would not qualify. This need not be part of the design.

Benefits could be calculated based on the census family, in which adult children living with their parents receive a benefit based on total family income. If their family income is high, adult children living at home would not receive a benefit even if their own earnings are low. This design allows young people who are parents or are working and living on their own to receive necessary support, while ensuring that adult children living in families with adequate means do not.

A PEI report on basic income found that such a design could [reduce costs by 40%](#) while raising benefit levels and reducing the poverty rate by as much as the PBO models.¹ For each dollar earned, benefits would fall by \$0.50. Children under 18 would continue to receive the Canada Child Benefit, and seniors would receive OAS and, if they qualify, the Guaranteed Income Supplement and/or Canada Pension Plan.

With the PEI report's design, no current beneficiary of social programs would be worse off and most would be substantially better off. Deep poverty is virtually eliminated, and the poverty rate would decline by approximately the same amount as the PBO design.

The upfront cost of delivering a GLBI is very dependent on details. This example demonstrates substantial savings associated with one change in the definition of the family that reduces the gross costs to a level similar to other government expenditures that have been enacted.

¹ For families with three or more adults, the maximum benefit is calculated by multiplying the maximum benefit for a single adult by the square root of the number of adults in the family. The "square-root rule" is used in benefit design around the world to account for "economies of scale" – it costs less for two people living together to meet their basic needs, than for each to live separately. The numbers are from 2022.

It is, however, the net costs of the plan that are important. Approximately 5% of the population under 65 [currently receives](#) provincial social assistance. Since a GLBI would reduce the need for provincial social assistance, part of the necessary funding for a GLBI could come from the provinces.² The rest could be paid for by progressive tax changes that primarily affect the highest-income earners. Middle-income earners and, in particular, seniors need not bear the burden.

Return on Investment

Past GLBI-style programs have generated a wide range of positive outcomes on education (e.g., schooling, skill training), health (e.g., physical health, nutrition), entrepreneurship (e.g., employment), social integration (e.g., civic engagement), subjective well-being (e.g., emotional wellbeing, mental health), assets (e.g., income, savings), and housing (e.g., housing stability), but with no significant increases in spending on temptation goods (e.g., alcohol, drugs), in both [the developing world](#) and [the developed world](#).

A GLBI that reduces poverty would have substantial and far-reaching effects both on the families whose lives are transformed and on society at large. A conservative estimate of the costs of poverty is 4% of GDP, or approximately \$80 billion annually.³ These costs include reduced economic growth and higher costs in our healthcare and criminal justice systems, as well as costs borne by others.

One third of these costs are borne directly by the government in the form of lower tax revenues and higher expenditures. A program that substantially reduces poverty will enhance economic activity and improve the health and wellbeing of the population making it at least partially self-financing over time.

Estimating the social return on investment (SRO), or the amount that could be saved by investing in a GLBI, is more challenging than estimating the upfront costs because of the uncertainty associated with how much and how quickly the costs of poverty might fall.

The Community-University Institute for Social Research at the University of Saskatchewan used a design similar to the PBO and the best information available to [estimate](#) the Social Return on Investment at 1.06. In other words, every dollar invested in a GLBI generates \$1.06 in savings.

GLBI can reduce the fiscal burden on the government because recipients who become more financially independent rely less on social and health services. A recent Vancouver [study](#) of unconditional cash transfers to homeless individuals has demonstrated the \$7,500 cash transfer

² Note that not all of the provincial income assistance budget could be diverted because the provinces would still be responsible for province-specific and emergency needs, as well as services for people with disabilities.

³ According to the Homeless Hub, poverty costs Canada between [\\$72 and \\$84 B annually](#). Earlier estimates place the cost of poverty at [6.6% of GDP](#).

generated savings of \$8,277 per individual per year (a 110% return) via reduced reliance on social and health services. The \$777 net savings suggest that a carefully designed basic income program can be cost-effective, saving governments and taxpayers money.

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Guaranteed Livable Basic Income Does Not Discourage Work

The [Parliamentary Budget Officer](#), in consultation with economist David Green, reviewed the empirical evidence and concluded that a guaranteed livable basic income (GLBI) might reduce the number of hours worked by, at most, 1.5%. The recent [basic income experiment in Finland](#) showed no significant difference in hours worked between those who received a basic income (BI) and those who did not. Many basic income trials have shown that GLBI has [little negative impact](#) on labor supply.

In fact, [a recent review](#) shows that GLBI-type programs actually increased labor supply globally among adults, men and women, young and old. The slight but insignificant reduction in labor supply was found in workers who were children, the elderly, the sick, those with disabilities, women with young children, and young people who continued their schooling after receiving BI.

This is entirely consistent with experimental evidence in Canada. A survey conducted in the wake of the cancellation of the [Ontario Basic Income](#) experiment suggested that recipients who were working before participation, continued to work while receiving support. Some took the opportunity to seek better jobs. Those who were not working used the opportunity to hone job skills.

A review of Canadian cash transfer programs to families likewise indicated that financial security led to [increased employment](#).

The Canada Emergency Response Benefit (CERB) offered income support during the recent pandemic. While it differed in many respects from a GLBI, its impact on work is telling. A [survey](#)

conducted by the Canadian Centre for Policy Alternatives suggested that the program allowed 66% of those who returned to work to re-enter the workforce on terms that worked for them. 62% took the opportunity to re-examine career choices, and 57% were able to find better work rather than settling for the first opportunity that arose. In addition, 37% of recipients invested in job training or education.

The fear that a GLBI might discourage work is not consistent with empirical evidence. The aggregate level of employment in Canada is strongly influenced by the monetary policy of the Bank of Canada, rather than the attitudes of individual Canadians.

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Guaranteed Livable Basic Income Does Not Cause Inflation

[A recent analysis](#) suggests that guaranteed livable basic income (GLBI) is unlikely to cause inflation because it involves the redistribution of money rather than the creation of new money.

Some may fear that money received by people with low incomes through GLBI will be absorbed by rent increases, leaving recipients no better off. GLBI will not solve the housing crisis, and there is still need for all the other tools to make rental housing available in areas of low availability. However, it is not the case that recipients would be no better off if they receive cash from a GLBI.

Recipients of additional money from GLBI do not all have identical needs and not everyone will spend all the money they receive on rent. Some will seek better housing; others will economize on housing by living with roommates or family, and spend the money instead on better food or transportation or education. One of the real benefits of a GLBI is that it does not restrict the ways in which recipients can spend the cash.

Consider the different ways in which a housing benefit might be designed. In traditional welfare programs, there is a “shelter benefit” and, in some cases, it is paid directly to landlords. The result of an increase is quite predictable; in the absence of rent control, the “rent” of the lowest-quality housing will increase proportionately with the shelter benefit leaving recipients no better off.

By contrast, a portable housing benefit allows recipients, whether they receive income support or rely on wage income, to rent where and how they like. In most cases, recipients are still required to show rent receipts, so they do not have complete control over the money. Some [evidence](#) suggests that rents on low-rent housing increase, but by less than the amount of the benefit.

Landlords and recipients share the benefits of portable housing subsidies, possibly leading to improvements in the quality of the housing. This has been the reported effect in Manitoba, which has had portable housing benefits since 2015. [Canadian Mortgage and Housing Corporation \(CMHC\) data](#) does not suggest that Rent Assist is driving up rents in Manitoba, although there might be a small effect on the lowest-cost housing.

A GLBI goes one step further. Because households do not have to provide rent receipts, money received as a cash transfer does not need to be spent on housing at all. This creates an opportunity for households to have greater control over the ways they meet their perceived needs, and is likely to have an even smaller effect on the lowest quality of housing.

Overall, it is the fungibility of cash that ensures that GLBI will not be inflationary as long as the aggregate money supply is not increased.

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The Cognitive Tax of Scarcity

What Is Scarcity?

Scarcity is the condition of having insufficient resources to cope with the demand (e.g., having less money than you need). Most studies on scarcity focus on the shortage of money, but the same principles apply to other resources (e.g., scarcity of time, food, water, energy, social interactions; Zhao & Tomm, 2018).

What Is the Cognitive Tax of Scarcity?

Studies have found that having insufficient money makes people focus on the money issue at hand (e.g., paying rent) while causing them to neglect other things in their life that also need attention (e.g., paying attention to their children; Mullainathan & Shafir, 2013; Zhao & Tomm, 2017, 2018).

The cognitive tax of scarcity comes in at least three forms.

1. Having to Focus on Money Problems

First, having to focus on money problems is cognitively taxing because it requires people to think hard about how to solve the problem using their insufficient financial resources (Shah et al., 2012). An analogy is if you only have a small carry-on suitcase to pack for a week-long vacation, packing is a lot more difficult than if you have two large suitcases that you can check.

Scarcity requires people to do trade-off thinking (e.g., if I spend money on this, what things do I have to give up?) which is mentally exhausting. Scarcity also highlights the monetary dimension of everyday experiences for people under scarcity (Shah et al., 2018). For example, hanging out with friends is a social experience for most, but for a low-income individual, it automatically raises the question of how much money it will cost.

2. Focusing on One Thing Means a Lack of Focus on Something Else

Second, focusing on one thing means a lack of focus on something else (Mani et al., 2013). Scarcity puts people in a firefighting mode in the present, causing them to neglect other important things in their life, such as long-term planning or taking care of their health.

An even more detrimental effect of scarcity is that it can make people neglect beneficial opportunities (e.g., social assistance, job training opportunities) that can help them get out of scarcity (Tomm & Zhao, 2016).

This is one reason that the take-up rate of many poverty-reduction programs is low. Scarcity can put people in a tunnel vision where they can only focus narrowly on something while losing sight of the bigger picture (Shah et al., 2012).

Scarcity also reduces the mental bandwidth overall. For example, people under scarcity perform less well on a range of cognitive tests (Mani et al., 2013), are less able to control their impulses (Mani, et al., 2020), tend to forget more (Tomm & Zhao, 2017), and make more errors at work (Kaur et al., 2021). These behaviors can be particularly problematic because they can make people lose their jobs, incur larger fees or debts, which can make perpetuate the cycle of scarcity.

3. Social Environment

Third, money scarcity is often associated with a social environment characterized by discrimination, stereotypes, and stigma. For example, people with lower socio-economic status (SES) are typically seen by others as less competent (Durante, et al., 2017).

These negative perceptions place a huge burden on the mind of people with lower SES (a term called stereotype threat). These threats make people self-monitor more and more concerned about others' views and behaviors, which take up mental bandwidth (Duquenois, 2022; Schmader et al., 2018).

How to Remove the Cognitive Tax of Scarcity?

Studies have shown that cognitive training targeting the individual (e.g., cognitive training, teaching people to think differently) don't work (Sala & Gobet, 2019). But interventions

targeting the scarcity situation (e.g., raising the income floor, providing income security) work the best (Ong et al., 2019).

For example, a recent study (Dwyer et al., 2023) shows that providing a cash transfer to people experiencing homelessness not only provides cognitive benefits, but also a range of behavioural improvements for the long term that end up saving governments money. But providing these individuals with coaching and workshop had no impact whatsoever.

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Guaranteed Livable Basic Income & Existing Programs

The relationship between a guaranteed livable basic income (GLBI) and existing social programs is a central concern. GLBI is a form of income replacement; it provides money to individuals, but not goods or services associated with special circumstances. It cannot replace goods or services offered to meet particular needs, such as healthcare, job training or education.

It can, however, replace many cash transfers from the government to individuals that provide non-livable amounts, such as provincial income assistance or the GST credit. This could [reduce administrative costs](#) because it removes significant administrative processing resources (e.g., application, evaluation, monitoring costs).

This said, how GLBI [intersects with existing social services](#) (e.g., disability, income assistance, child support) needs to be carefully thought out. One example of how existing programs might work with a GLBI concerns people with disabilities (PWD).

In all provinces, PWD are eligible for some forms of income replacement if they cannot work. In some provinces, such as Ontario, only people receiving disability support (e.g., the Ontario Disability Support Program) are eligible for necessary health supports, such as mobility devices, hearing aids, prescriptions, etc. The program uses caseworkers to help people navigate a complex system. The coupling of services and income support has discouraged some PWD from entering the workforce because they fear loss of access to specialized services that they might require at some point.

Other provinces are working hard to de-couple the provision of health supports from income replacement because some people who work and do not need income replacement may need

help with prescriptions or mobility devices, while other PWD need income replacement but have no need for health services. Similarly, some seniors require health supports but do not need income replacement through the disability income support system. Some PWD rely heavily on their caseworker, while others find the caseworker either unhelpful or detrimental.

Manitoba, like some other provinces, offers all residents (and not just PWD) support for prescription drugs based solely on the level of their income and not its source. Working people with low incomes receive free or heavily subsidized prescriptions, just as do people on income assistance. Similarly, people who do not receive disability income support can receive assistance with technological or mobility supports, or with transportation. Therefore, there is no disincentive to undertake work that might be appropriate. This process of de-coupling goods and services from income replacement is ongoing in several provinces.

The role of the caseworker has similarly attracted scrutiny. Manitoba is implementing a system for people with long-term disabilities that makes the caseworker optional. People who do not require their services are not required to go through the caseworker. Those who find caseworkers helpful have greater access because there is less pressure on the system.

The province is also working with trusted community organizations, such as the Canadian National Institute for the Blind, to certify and train community workers to serve as navigators. This measure was supported by the disabilities community because of past experiences with government provided caseworkers. This process is both efficient from an economic point of view and empowering for individuals.

The bottom line is that GLBI does not replace goods and services that have been put in place to meet particular needs or goals. It can replace some cash transfers. Separating these two kinds of supports is already underway because the perverse incentives associated with tied provision have already been recognized by the provinces. GLBI will support and encourage this process.

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Reaching Those Most Marginalized

Guaranteed livable basic income (GLBI) can reach virtually everyone who needs it, through channels even outside the tax system. For those who do not file taxes, GLBI presents a financial inclusion opportunity to integrate the most marginalized individuals into the financial system by providing them with free [ID replacement services](#), free [chequing accounts](#), and free [mobile phones](#), such that people can open accounts and receive payments, as demonstrated in many [cash-transfer programs](#) in the developing world.

Furthermore, the move to automatic tax filing for low- or zero-income earners – recently given a boost in the [2024 Budget](#) – will progressively make it easier to use the tax system to deliver a GLBI benefit. One example of such innovation is the [T1S-D Credit and Benefit Return](#) that was developed by the Canada Revenue Agency to facilitate the delivery of the Canada Child Benefit to Indigenous households living on reserve who are not required to file income tax returns.

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How Guaranteed Livable Income Benefits and Supports Indigenous Communities and Peoples

"While the effects of colonialism have been devastating to the social, physical, and mental health of our communities, one of its most nefarious objectives was the deliberate exclusion of Indigenous Peoples from sharing in the wealth of this country."

- National Indigenous Economic Strategy of Canada, 2022

A national guaranteed livable basic income (GLBI) designed in collaboration and through consultation with Indigenous Peoples could be one tool available to Indigenous Nations to enhance self-determination. It could provide individuals in need with pathways out of poverty and ensure Nations have increased financial flexibility to self-govern.

Critically, GLBI would operate as an addition to, not a replacement for, specific programs and supports available to and implemented by and for Indigenous Peoples. A GLBI could represent an investment for Canada in redressing the systemic economic injustice it has perpetuated while also honouring historic and ongoing Treaty obligations.

Chief Darlene Bernard, Chief of the Lennox Island First Nation and Co-Chair of the Epekwitk Assembly of Councils, supports GLBI to help lift people out of poverty. In PEI, 50% of Mi'kmaq Peoples live below the poverty line. In 2020, Chief Bernard called on the provincial government to implement GLBI with the direct involvement of the Mi'kmaq, to reduce poverty for community members and all Islanders.

Indigenous Support for a Guaranteed Livable Basic Income

Proposed federal legislation, the *National Framework for a Guaranteed Livable Basic Income Act*, sets out a national framework for implementing GLBI based on consultation with Indigenous Nations. Consistent with *The United Nations Declaration on the Rights of Indigenous Peoples*, such consultation, cooperation, and informed consent are integral to the success of GLBI.

NDP Member of Parliament, Leah Gazan, from Treaty One Territory, has sponsored the House of Commons version of the *National Framework for a Guaranteed Livable Basic Income Act*. [MP Gazan sees](#) GLBI as “the most effective way to eradicate poverty, support the health care and justice systems, and is our best chance at eliminating gender-based violence.” The identical House and Senate versions of this legislation both emphasize the essential role of consultation and coordination with Indigenous governments and leaders, in order to advance reconciliation and uphold inherent Indigenous rights and sovereignty.

Anishinaabe writer, scholar and activist, Dr. Niigaan Sinclair, supports MP Gazan’s bill, stating GLBI “would mean those most marginalized by an economy never have to worry about being without. It would act as a safety net, not a luxury ride, for those who access it.”

Indigenous women are disproportionately harmed by the intersections of colonialism, racism, poverty, and sexism. GLBI offers economic and social support and a grassroots approach that can help women and keep communities safe and secure. Responding to social and economic marginalization is one of the four key pathways to end and redress genocide identified in the Calls for Justice of the ***National Inquiry into Missing and Murdered Indigenous Women and Girls*** (MMIWG National Inquiry):

MMIWG National Inquiry Call for Justice 4.5: We call upon all governments to establish a guaranteed annual livable income for all Canadians, including Indigenous Peoples, to meet all their social and economic needs. This income must take into account diverse needs, realities, and geographic locations.

Other key findings of the MMIWG National Inquiry, as well as the Truth and Reconciliation Commission, focus on economic initiatives that could intersect with GLBI.

Colonialism & Poverty

Canada’s current approach to ending poverty is leaving millions behind, especially First Nations, Métis and Inuit Peoples who experience high levels of poverty. Colonialism and methodical,

state-sponsored policies forced Indigenous Peoples and communities from their homes and lands, depriving them of their traditional ways of life, economies, food sources, languages, and culture. The genocidal impact of systemic colonialism is evident in current rates of marginalization, impoverishment, isolation, and institutionalization – especially when it comes to criminalization and incarceration.

The [Canadian Poverty Institute](#) continuously reports higher rates of Indigenous Peoples living in poverty compared to non-Indigenous individuals. According to data from the [2016 census](#), four out of every five First Nations reserves have median incomes that fall below the poverty line.

Infrastructure Gaps & Lack of Capital in Indigenous Communities

Indigenous communities face significant infrastructure gaps in terms of essentials like housing, water treatment, educational facilities, and energy grids. Recent estimates suggest some [\\$425 billion](#) is needed to close the infrastructure gap.

Colonial policies like the *Indian Act* characterized Indigenous Peoples as wards of the state, displaced them from their traditional territories, and dismantled Indigenous governance and economic systems. These colonial practices denied Indigenous Peoples meaningful participation in the economy, leaving them increasingly dependent on inadequate federal funding. Today, many reserves have insufficient and overcrowded housing. The infrastructure gap is a product of purposeful exclusion of Indigenous Nations from full participation in Canada's economic development, in addition to ongoing failure by Canada to meaningfully and systemically redress this discrimination.

Canadian laws characterize Indigenous reserves as property of the Crown, which means that Indigenous communities have fewer options to secure capital and leverage existing assets as collateral within Canadian financial systems. Too often, the result is increased borrowing rates that create a barrier to equity investments. The reserve system and other practices created and perpetuated by the *Indian Act* have reduced Indigenous communities' access to capital and equity, and meaningful participation in the economy.

Indigenous GLBI Initiatives and Self-Governance

Assembly of First Nations [National Chief Cindy Woodhouse Nepinak](#) has called on the government to provide sufficient funding to close the infrastructure gap and respond to the MMIWG National Inquiry Calls for Justice of the ***National Inquiry into Missing and Murdered Indigenous Women and Girls***.

The ***United Nations Declaration on the Rights of Indigenous Peoples*** recognizes and upholds inherent rights to self-determination, including the ability to self-govern and finance internal affairs, as well as the right to freely determine economic, social, and cultural development. GLBI

could support Indigenous self-determination while also supporting individual entrepreneurship and social mobility.

One of the first guaranteed income programs in North America was established in 1976. The **Economic Security Program for Cree Hunters** provides income support for Cree families who hunt, trap and fish, as part of the traditional ways of life at the heart of Cree culture and identity. This ongoing initiative has helped ensure financial security and independence for nearly 50 years. It is an example of how an unconditional, national GLBI can facilitate self-governing means of creating and enhancing cultural and economic opportunities.

Indigenous Children

A financial safety net can help parents maintain custody of their children, provide basic needs, and raise their children within culture and community. Indigenous children are overrepresented in foster care. [As of 2021](#), 26.3% of children in Canadian foster care were registered as Indigenous children from communities off reserve, 7.6% from on reserve communities, 5.8% were Métis children, 2.6% were Inuit, and 9.2% were non-status Indigenous.

A [study](#) conducted by the Canadian Centre for Policy Alternatives found that Indigenous children in Canada are more than twice as likely to live in poverty than non-Indigenous children. Indigenous children face poverty rates five times higher than the national average. The government reports that Canada's policies [have left 53%](#)—more than half—of children in Indigenous communities in poverty.

Dignity and Addressing Systemic Economic Harm

Systemic barriers and racism too often also lead to increased poverty, criminalization, housing insecurity, and other social issues like addiction that disproportionately harm Indigenous Peoples.

Indigenous Peoples are overrepresented in the criminal legal system, over-surveilled and socially excluded, resulting in mass incarceration and criminalization dating back to the creation of the *Indian Act*. Indigenous Peoples are [ten times more likely](#) than others in Canada to be incarcerated and more likely to serve out their entire sentence. [Indigenous youth are overrepresented](#) in both custody and community supervision, accounting for 50% of custody admissions and 42% of community supervision admissions in Canada.

Criminal records jeopardize access to housing and employment, which in turn is detrimental to reintegration into community and can lead to re-criminalization and entrenched poverty. Indigenous populations, particularly in northern and remote communities, experience higher rates of homelessness. [As of 2023](#), 29% of people living homeless in Canada are Indigenous. Over

13% of those in core housing need (i.e., paying more than 30% of their income for shelter) are Indigenous. Inuit households are overcrowded at more than [double the rate](#) of non-Indigenous people living in the same areas and more than triple the rate of Indigenous compared to non-Indigenous households are in need of major repair in most provinces.

Conclusion

Providing a financial safety net could be part of Canada's work to redress colonial barriers rooted in poverty for Inuit, Métis, and First Nations Peoples. A federally funded national GLBI developed through a nation-to-nation process could provide options for Indigenous Peoples that could help redress specific systemic poverty-related inequalities and injustices and enhance economic self-determination and self-governance.

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Guaranteed Livable Basic Income Spend Less on Poverty Invest More in People



Senator Kim Pate
Algonquin Anishinabe Aki - Ontario

Supporting Victims & Preventing Crimes

The Manitoba Basic Annual Income Experiment in the 1970s [led to a reduction in violent crimes](#), precisely 350 fewer violent crimes and 1,400 fewer total crimes per 100,000 people (a 17.5% reduction) compared to similar towns without the basic income.

The researchers suggest that basic income reduced financial stress, which decreased the likelihood of a violent incident. Moreover, basic income improved the bargaining power and the empowerment of women in relationships could reduce the chance of inter-partner assault.

Alaska's Permanent Fund Dividend, which provides an annual lump-sum payment to all Alaska residents, has been shown to [reduce property crime by 8%](#) with no increase in violent crimes.

A [systematic review](#) showed that cash-based interventions reduce suicide, transactional and age-disparate sex for girls, intimate partner violence, and physical child maltreatment.

A recent [report from the Center for Financial Inclusion](#) shows that carefully designed cash transfers directly sent to women can help address gender inequalities and empower women and girls by enhancing their bargaining position, mobility, and economic and social status, thereby reducing the risks of intimate partner violence.

A [study in New York City](#) showed that receipt of cash assistance was associated with fewer firearm homicides for young adults (ages 25-34 years) and adults (ages 35 years and older). Specifically, a 10.11% increase in percentage of population receiving public assistance was associated with 10.53 fewer homicides per 100,000 for young adults and 2.9 fewer homicides per 100,000 for adults.

Guaranteed livable basic income [can support](#) women or other marginalized individuals fleeing from intimate partner violence and economic abuse by providing the necessary financial resources to secure safe housing and food for themselves and their dependents.

A 2021 study by the [Canadian Center for Women's Empowerment](#) reported that 95% of victims and survivors in their sample were subjected to economic abuse and financial control by their partners. Abusers frequently took out debts in their partner's name to harm their credit scores and restrict their ability to leave the relationship.

Cash transfers have been shown to [support women escaping from domestic violence](#) by reducing stress, increasing their empowerment, increasing their bargaining power, and strengthening their social networks.

Based on abundant evidence and the lived experiences of victims and survivors, the [National Inquiry into Missing and Murdered Indigenous Women and Girls](#) spotlighted the need for a national guaranteed livable basic income in its Calls for Justice 4.5 and 16.20, as a crucial means of supporting Indigenous women and girls and preventing future harm.

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Guaranteed Livable Basic Income Spend Less on Poverty Invest More in People



Senator Kim Pate
Algonquin Anishinabe Aki - Ontario

How Guaranteed Livable Basic Income Benefits and Supports Farming and Fishing Industries

Farmers, fishers and ultimately all Canadians can benefit from easing pressure and stress on the food production and supply chain through guaranteed livable basic income (GLBI).

Canadians working in the fishing and agricultural industry face financial uncertainty due to various natural events and circumstances that are outside their control, but which can greatly impact and vary income, all of which can cause significant stress. In addition to the costs of operating farms and fisheries, these industries rely on favourable weather for lucrative crops, as well as economic factors such as tariffs and trade agreements.

Farmers and Fishers: Mental Health and the Lack of Supports

While research on the connection between GLBI and food production is in its early stages, a starting point has been the mental health crises experienced throughout the Canadian agricultural industry. According to the [Mental Health Commission of Canada](#), the major reason for these crises is financial instability. Approximately half of all farmers regularly experience depression, anxiety and stress. In a 2022 study, one third of farmers [reported](#) that they thought about suicide within the past year.

In a 2023 report, the National Farmers Union Mental Health Working Group made six [recommendations](#) to implement policies which enhance economic stability for farmers and farm workers and to continue to enhance supports for farmers transitioning to sustainable farming practices.

National income support programs could work to address these issues by providing a safety net to relieve farmers of some financial pressure, as the current Employment Insurance (EI) program tends to leave out many fishery employees and there are no real, concrete support services or programs targeted at supporting food producers and their employees in their fight against income insecurity.

Employment Insurance fails most employees, especially those whose income comes from inconsistent hours, and those who do not work a more traditional, five-day work week.¹ As a result, workers are turning to existing forms of incremental support from provincial and federal governments. A GLBI could work with, not replace, existing supports, to ensure that upon coming into force, no beneficiary of social programs would be worse off and most would be substantially better off.

Better Conditions in the Food Production Industries

GLBI could sustain the livelihood of food producers in addition to improving labour conditions for their employees and improving product quality for farmers and fishery owners. With the safety net provided by GLBI, food producers could be granted crucial freedom of choice and decision making in their production.

Fishery and agricultural producers are under immense pressure to meet food supply demands in order to produce revenue. When working conditions along the food supply chain become healthier, Canadians can expect the quality of food supply to follow the same path.

Future of Food Production

Income support programs can be one aspect of a national strategy for supporting the future of the Canadian food industry. By 2033, [40% of Canadian farm operators will retire](#), placing agriculture on the cusp of one of the biggest labour and leadership transitions in the country's history.

GLBI could create a safety net for new and incoming producers. It can serve rural communities across Canada as startup support for entering the fishing and farming industry, ultimately supporting industry growth and sustainability.

A program that substantially reduces poverty can enhance financial security across all industries, generally relieve our agricultural producers of financial stress, as well as improve labour conditions and produce quality in our national food industries.

¹ Employment Insurance benefits for farmers have strict requirements:
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Guaranteed Livable Basic Income Spend Less on Poverty Invest More in People



Senator Kim Pate
Algonquin Anishinabe Aki - Ontario

Guaranteed Livable Basic Income and Affordability: Fair Wages and Fair Rents

The fear that employers and landlords—particularly large corporations—could use guaranteed livable basic income (GLBI) as an excuse to cut wages or charge higher rents is an understandable hypothetical but is not supported by evidence. GLBI could actually help reduce some power imbalances and lead to fairer outcomes for workers and tenants.

Guaranteed Livable Basic Income Does Not Lower Wages

Historical evidence from basic income and cash transfer pilots demonstrates that [employers do not lower wages](#) when more robust social and economic safety nets are introduced.

[Data from Manitoba's Mincome pilot](#) in the 1970s suggests that basic income was a meaningful “exit option” that created the opportunity for some “poor and working people ... ‘to say no’ to employers, reducing their vulnerability to exploitative relations in labor markets.” Furthermore, it did so without any significant decrease in labour market participation: with basic income, people did not work less. Rather, some were able to leave exploitive jobs and find new work with better conditions, which can also incentivize employers to stop exploiting workers.

Andy Stern, labour advocate and former president of the Service Employees International Union (SEIU), authored a book about GLBI called [Raising the Floor](#). He argues: “a guaranteed income in effect creates a national strike fund. So if you're a union leader, next time Verizon goes on strike, your members are not going to be completely starved out.”

A GLBI could strengthen the support for workers by providing a financial safety net for when unions are bargaining for better protections for workers, thereby reducing the pressure to return to work quickly and potentially leading to better contract negotiation outcomes. If a union leader knows members have access to a guaranteed income, they will be in a better position to support workers and improve employee wages and benefits.

Guaranteed Livable Basic Income Does Not Raise Rents

Housing is the most significant expense for most Canadian households. Some critics say that the introduction of a GLBI could result in increased local housing demand and landlords might be able to co-opt some portion of GLBI by raising rents, thereby taking money away from those whom the program is meant to benefit.

Fear of this type of rent grab, however, is not rooted in evidence.

Under current social assistance systems, when recipients' shelter allowance benefits increase, low-income housing rents do tend to be increase in lockstep. Landlords know exactly who their clients are, and many insist on being paid directly by the income assistance program. This is the root of similar concerns about rents being tied to the rate of payments when a guaranteed livable income is introduced.

With GLBI, however, recipients can spend the money as they like, so there is no fixed amount to be spent on rent. Recipients are also harder for exploitive landlords to identify because a greater number of people who earn income from low-wage work will be eligible for GLBI. GLBI would not create barriers to work the way that current social assistance schemes do.

Rent Assist in Manitoba is a program that operates more like a basic income than traditional social assistance scheme shelter allowances. Rent Assist is available to those on social assistance as well as people who are not— particularly those with too much income from work to qualify for social assistance but still not enough to be lifted out of poverty. Rent Assist is not an actual guaranteed livable basic income, however.

The evidence is that Rent Assist has NOT raised rents like traditional social assistance schemes are known to do. While noting that some sources suggest some impacts on lowest-cost housing, the Canadian Centre for Policy Alternatives [concludes overall](#) that “CMHC data does not suggest Rent Assist is driving up rents in Manitoba” and “the government had long noted concerns with shelter benefit increases just going into landlords' pockets, which Rent Assist partially addressed by delinking the benefit from rent actually paid.”

Historical analogues, like minimum wage hikes, likewise have not had significant effects on rent. The best evidence suggests that minimum wage increases have resulted [only in small and temporary increases](#).

In [Ontario](#), conditions attached to existing social assistance schemes have exacerbated housing shortages by preventing people from moving in together and sharing rent. People receive a shelter allowance only if they can produce rent receipts or a lease, which means that they cannot easily share space.

By contrast, a GLBI would allow people to use cash transfers without the need to produce rent receipts. This feature of GLBI lessens the pressure on low-income rental housing and allows people to consolidate households.

Tax and regulatory tools such as rent control can further shield tenants from excessive rent inflation. If the concern is about greedy landlords, the way to address that concern is by restricting the greed of landlords, not the incomes of renters.

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INTERNATIONAL COVENANT ON ECONOMIC AND SOCIAL RIGHTS, ART. 11(1)

Recognizing "the right of everyone to an adequate standard of living ... including adequate food, clothing and housing, and to the continuous improvement of living conditions ..."

1989 UNANIMOUS HOUSE OF COMMONS MOTION

"That this House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000."

UN DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES, ART. 21

"Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions..."

SENATE SUBCOMMITTEE ON CITIES, 2009 REPORT, REC. 1

"Adopt as a core poverty eradication, that programmes dealing with poverty and homelessness are designed to lift Canadians out of poverty rather than make living within poverty more manageable ... "

UN SUSTAINABLE DEVELOPMENT GOAL #1

"End poverty in all its forms everywhere."

CANADA'S FIRST POVERTY REDUCTION STRATEGY

Targets a "20% reduction in poverty by 2020 and a 50% reduction in poverty by 2030 ...relative to 2015 levels." Both targets were achieved ahead of schedule, but poverty levels are on the rise again.

POVERTY: THE HUMAN, SOCIAL & FINANCIAL COSTS

Poverty affects the way Canadians live, the choices they make, and the opportunities available to them. From concerns about cost of living to income inequality, Canadians have identified financial security and freedom from poverty as a key, shared priority.

KEY 2025 ELECTION ISSUES IDENTIFIED BY VOTERS[1]:



WHO IS IMPOVERISHED?

Any Canadian may suddenly experience poverty as a result of economic downturn, health emergencies or other factors beyond our control. However, longstanding inequalities related to gender, race, class, ability and other factors mean that some Canadians are over-represented among those who are impoverished and face additional barriers to escaping poverty.

 1 in 10 (3.8 million) Canadians.

 1 in 4 single mothers.

 1 in 5 Indigenous people.

 1 in 5 non-binary people.



Persons with disabilities, those who are racialized, 2SLGBTQ+ folks, and newcomers are all more likely to live below the poverty line than other Canadians.[2]

FOOTNOTES

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- [3] Tamarack Institute, *Ending Working Poverty: How to Get It Done* (2021), <https://www.tamarackcommunity.ca/hubfs/Resources/Publications/CEP%20-%20Ending%20Working%20Poverty%20Report.pdf?hsLang=en-us>.
- [4] Jennefer Laidley & Mohy-Dean Tabbara, *Welfare in Canada, 2023*: https://maytree.com/wp-content/uploads/Welfare_in_Canada_2023.pdf.
- [5] *Canadian Association of Elizabeth Fry Societies: Submission to the Human Rights Committee in Advance of the Committee's Development of the List of Issues Prior to the Reporting for Canada's 7th Periodic Review*: <https://caefs.ca/wp-content/uploads/2021/12/2021-05-01-CCHR-Submission-Submission-to-the-Human-Rights-Committee-in-Advance-of-the-Committees-Development-of-the-List-of-Issues-Prior-to-the-Reporting-for-Canadas-7th-Periodic-Review.pdf>.
- [6] Tracy Smith-Carrier & Elaine Power, *Structural Violence and the Social Determinants of Mental Health: Exploring the Experiences of Participants on the Ontario Basic Income Pilot in Ontario, Canada*: <https://doi.org/10.1155/hsc/7816069>.
- [7] This Is Poverty Canada Campaign (Canada Without Poverty): <https://cwp-csp.ca/2017/04/canada-without-poverty-launches-this-is-poverty-canada-campaign/>.
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- [9] Dr. Charles Plante, *The costs of poverty in Saskatchewan (and how we can address them)*: <https://www.saskhealthquality.ca/blog/the-costs-of-poverty-in-saskatchewan-and-how-we-can-address-them/>.
- [10] Celia R Lee & Alexa Briggs, *The Cost of Poverty in Ontario: 10 Years Later*: <https://feedontario.ca/wp-content/uploads/2019/09/Feed-Ontario-Cost-of-Poverty-2019.pdf>.
- [11] Canadian Centre for Policy Alternatives, *Nova Scotia's Fiscal Choices*: https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2015/04/NS_Budget_Watch_Fiscal_Choices.pdf.
- [12] Boadway et al, *A Proposal for A Guaranteed Basic Income Benefit in Prince Edward Island* at 18: <https://static1.squarespace.com/static/6414a3fa59a0c71ae167601e/t/655e0165319bf92e4ef6cbd5/1700659869270/final-report>.

WHY NOT "JUST GET A JOB"?

Poverty is too often a vicious circle due to factors such as health setbacks, unstable and low-paying jobs, and bare-minimum, red-tape-filled social assistance programs that do not offer pathways out of poverty.



2 in 5 Canadians below the poverty line are working jobs that do not provide a livable income.[3]



4 in 5 households receiving social assistance still live in deep poverty & must deal with complicated conditions of assistance.[4]



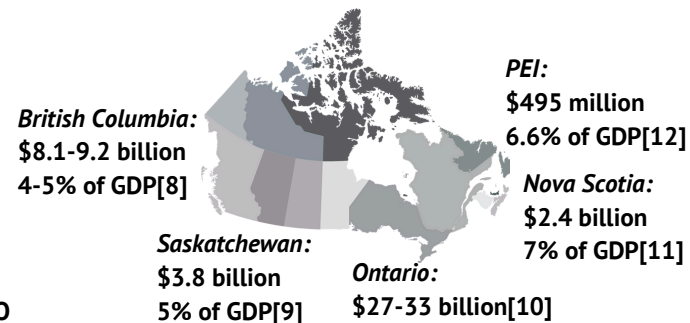
The majority of women in Canadian prisons were incarcerated for actions they saw as necessary for their economic survival.[5]



Poverty increases health risks and lowers life expectancy.[6]

CAN WE AFFORD BETTER PATHWAYS OUT OF POVERTY?

Poverty costs all of us. Its social and financial toll on communities is avoidable if we invest instead in measures that uphold dignity and substantive equality for all by reducing poverty.



**NATIONAL, ANNUAL
COST OF FAILING TO
ADDRESS POVERTY:**

\$72 TO 84 BILLION

Including healthcare costs, criminal legal system costs, lost tax revenue ... [7]

WHAT'S THE PLAN?

To live with dignity and contribute to our communities, all of us need a place to stay, a way of supporting ourselves and something meaningful to do:

**A RIGHTS-BASED
APPROACH TO
ADEQUATE HOUSING**



**A NATIONAL
GUARANTEED
LIVABLE BASIC
INCOME**



THE MOST IMPORTANT
CONSEQUENCE OF BASIC INCOME
IS THAT IT WILL ALLOW ALL
CANADIANS TO DECIDE FOR
THEMSELVES HOW TO LIVE THEIR
LIVES WITHOUT THE COERCION OF
GRINDING POVERTY, THE STRESS
OF INCOME INSECURITY OR THE
HUMILIATION ASSOCIATED WITH
INCOME ASSISTANCE.

- EVELYN FORGET -

1971 REPORT OF THE SPECIAL SENATE COMMITTEE ON POVERTY

Recommended that "the Government of Canada implement a Guaranteed Annual Income ... on a uniform, national basis ... financed and administered by the Government of Canada."

1985 ROYAL COMMISSION OF THE ECONOMIC UNION AND DEVELOPMENT PROSPECTS FOR CANADA

Recommended "that the provision of a Universal Income Security Program with relatively low guarantee levels and tax-back rates is an appropriate long-term goal for the Government of Canada and the provincial governments to pursue."

2008 REPORT OF THE SENATE SUBCOMMITTEE ON CITIES

Recommended, as an option for a national anti-poverty strategy, that the federal government "replace the income-support system with a guaranteed annual income."

2017 MOTION OF THE SENATE OF CANADA

Called on the federal government "to sponsor ... a pilot project, and any complementary studies, to evaluate the cost and impact of implementing a national basic income program."

2024 FEDERAL/PROVINCIAL (PEI) WORKING GROUP

Established to study the data and administrative structure of a GLBI demonstration project in PEI.

INVESTING IN PEOPLE GUARANTEED LIVABLE BASIC INCOME

WHAT IS GUARANTEED LIVABLE BASIC INCOME (GLBI)?

An unconditional transfer of income that meets basic needs and is available to people with income below a certain threshold. It acts as insurance, for all Canadians, against economic insecurity.

75%

of Canadians support GLBI as a way to help those "who lose their jobs because of advances in artificial intelligence." [1]

WHY DO WE NEED GLBI?

Current social assistance programs keep people in poverty. Funding is minimal, uncertain, and subject to strict policing and complex requirements.

A GLBI would give individuals the stability and resources they need to plan for the future and create a pathway out of poverty.

A single mother joined Mincome [Manitoba's guaranteed income project] and was able to access job training. Her previous welfare case worker couldn't see the point. Forty years later, she's proud of having modelled independence for her two daughters. [2]



"[An] injured patient is wheeled in. ... What if there were 800 rules that define where you could or could treat the bleeding first? And what if, when you asked why, the response was 'Because you are spending public funds and is the policy set by the government!' ... this is exactly how our governments address poverty." [3]

- Former Senator Hugh Segal

WHAT DOES A GLBI COST?

GLBI programs are less costly than allowing Canadians to live in poverty. They result in:

- Fewer health-care costs;
- A reduced burden on the criminal justice system;
- Revitalized smaller communities and reduced pressures on housing in larger centres; and
- More people contributing to the economy.

ESTIMATED COST PER YEAR TO TAXPAYERS OF:

Leaving an individual in poverty[4]:

$$\frac{\$72\text{-}84 \text{ billion national poverty cost}}{3.8 \text{ million} \div \text{living in poverty}} = \$18,950 \text{ to } \$22,100$$

Providing an individual with a form of GLBI (not counting saved costs)[5]:

\$ 9,000 to \$10,000

ESTIMATED BENEFITS[6]:

40% Reduction in Poverty

ONLY 1.1% FEWER HOURS WORKED

DO GLBI PROGRAMS WORK?

Several countries, including Canada, have experimented with guaranteed livable income and found that it can work alongside publicly funded services (e.g., Medicare, education) and labour protections to:

- Improve quality of life through financial security;
- Improve health and education outcomes;
- Reduce stress levels; and
- Promote a sense of agency and dignity.

ACTION REQUIRED

Implement a nation-wide, publicly funded guaranteed livable income program.

- Should not replace other necessary social services;
- Be enough to meet the basic needs of recipients; and
- Provide opportunities for people to get a leg up and out of poverty.

ONTARIO 2017-19: BASIC INCOME



1 out of 3 participants went back to school or upgraded their skills.



1 out of 3 supported their employment (transportation, childcare, investment in business)



3 out of 5 improved their housing situation.



Half experienced fewer health problems.[7]

MANITOBA 1975-78 BASIC INCOME

8.5% decrease in hospitalizations.

Most who chose not to work were mothers caring for infants and young men completing high school.[8]

OLD AGE SECURITY + GUARANTEED INCOME SUPPLEMENT

These forms of guaranteed income mean people over 65 have the lowest poverty rate at 6%.[9]

CANADA CHILD BENEFIT

Every \$1 disbursed through this form of guaranteed income for families has contributed \$1.97 to Canada's GDP and recuperated 55¢ through taxes.[10]

CANADA EMERGENCY RESPONSE BENEFIT

66% re-entered the workforce on terms that worked for them.

37% invested in job training or education.[11]

VANCOUVER CASH TRANSFER RESEARCH

Costs of \$7,500 cash transfers to people who were homeless were offset within 12 months through savings for the shelter system. People found housing sooner and spent less on drugs and alcohol.[12]

FOOTNOTES

- [1] RJ Reinhart, *Universal Basic Income Favored in Canada, U.K. but Not in U.S.*: <https://news.gallup.com/poll/267143/universal-basic-income-favored-canada-not.aspx>.
- [2] Evelyn Forget, *Basic Income for Canadians* (Toronto: James Lorimer & Company, 2018) at 40.
- [3] Hugh Segal, *Scrapping Welfare*: <http://reviewcanada.ca/magazine/2012/12/scrapping-welfare/>.
- [4] *This Is Poverty Canada Campaign* (Canada Without Poverty): <https://cwp-csp.ca/2017/04/canada-without-poverty-launches-this-is-poverty-canada-campaign/>.
- [5] PBO, *Costing a National Guaranteed Basic Income Using the Ontario Basic Income Model*: https://publications.gc.ca/collections/collection_2018/dpb-pbo/YN5-159-2018-eng.pdf.
- [6] PBO, *A Distributional Analysis of a National Guaranteed Basic Income Update* (2025), <https://www.pbo-dpb.ca/en/publications/RP-2425-029-S--distributional-analysis-national-guaranteed-basic-income-update--analyse-distributive-un-revenu-base-garanti-echelle-nationale-mise-jour>.
- [7] *Signposts to Success: Report of a BICN Survey of Ontario Basic Income Recipients*: https://assets.nationbuilder.com/bicn/pages/42/attachments/original/1551664357/BICN_-_Signposts_to_Success.pdf.
- [8] Evelyn Forget, *Basic Income for Canadians* (Toronto: James Lorimer & Company, 2018) at 38, 41, 44.
- [9] Statistics Canada, *Canada Income Survey*: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110013501>.
- [10] *Economic Contribution of the Canada Child Benefit: A Basic Income Guarantee for Canadian Families with Children*: <https://www.ubiworks.ca/ccb>.
- [11] Katherine Scott & Trish Hennessy, *CERB: More than just an income program*, *Canadian Centre for Policy Alternatives*: <https://policyalternatives.ca/publications/reports/cerb-more-just-income-program>.
- [12] UBC, *Science leads the way in initiative providing direct cash transfers to individuals experiencing homelessness*: <https://ires.ubc.ca/cash-transfer-study/>.