



LANARK BASIC INCOME NETWORK

PRESENTATION TO THE LANARK COUNTY
YOUTH & CHILD SERVICES COLLABORATIVE

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LBIN CHAIR

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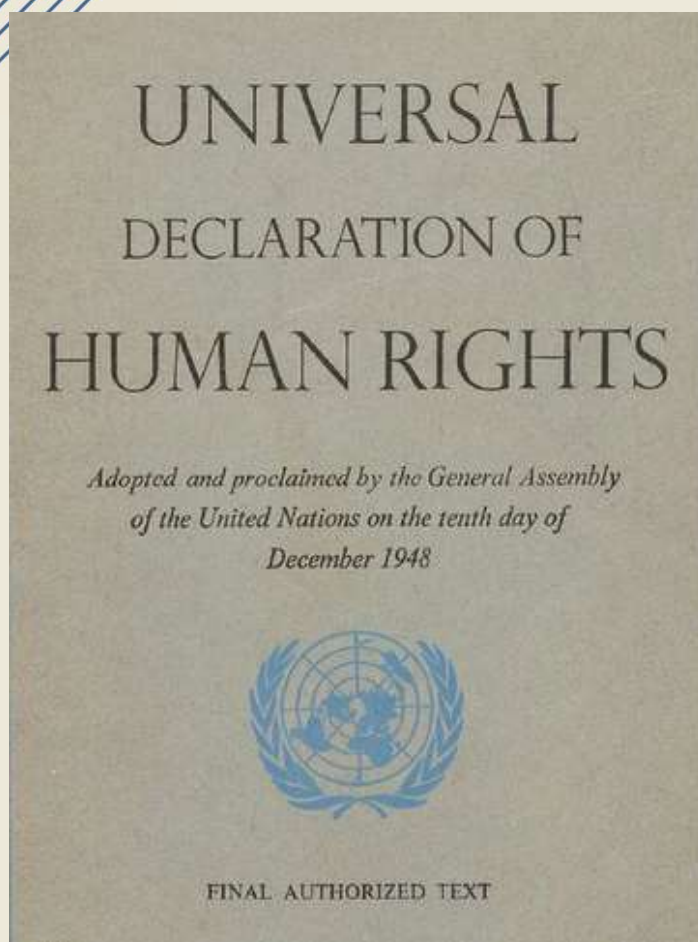
www.lanarkbasicincome.ca



LANARK BASIC INCOME NETWORK

- Founded 2023, non-profit, unincorporated
- Member- and volunteer-based
- Steering, Outreach, Political Advocacy committees
- Statement of Principles - group endorsements welcome!
- Basic Income 101 infographic and presentation
- Advocacy toward municipal governments in Lanark County, the Province, and the federal government

Basic Income is a human rights issue.



EVERYONE has the right to a standard of living adequate for the health and wellbeing of themselves and their family,

including food, clothing, housing and medical care and necessary social services,

and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond their control.

Article 25: Right to an adequate standard of living

01

What is Basic Income?

Basic Income is money distributed to eligible people, regularly, reliably, and without work requirement, and which, absent other income, should meet basic human needs

It is an income floor to help eliminate the risk of falling into poverty and to provide greater stability as people navigate transitions and challenging times



02

Why is Basic Income needed?





We are all vulnerable

Disability, accidents,
critical injury,
physical illness

Mental illness,
addictions

Divorce

Precarious
employment,
downsizing, layoffs

Woefully inadequate
social assistance
programs

Inflation, rising
interest rates

Entrepreneurial
failure

Lawsuits,
bankruptcies

Basic Income provides a safety net

Monthly Income for an Individual on Social Assistance (April 2023)



MBM - Market Basket Measure - Poverty Line

Monthly Income for a Couple with 2 Children Under Six



CCB – Canada Child Benefit

Type of Income

OCB – Ontario Child Benefit

Improve physical and mental health

Income is perhaps the most important social determinant of health

In general, income affects:

- Nutrition
- Cognitive functioning
- Physical activity
- Access to medical services
- Education
- Recreational options
- Community engagement
- And more...





Almost every major health condition, including heart disease, cancer, diabetes, and mental illness, occurs more often and has worse outcomes among people who live at lower incomes.

Dr. Gary Bloch, University of Toronto

Stimulate our local economy



01

People have money to spend;
demand for goods and services in a community increase

02

Existing businesses more likely to expand;
new ventures open

03

Available jobs increase;
tax revenues increase

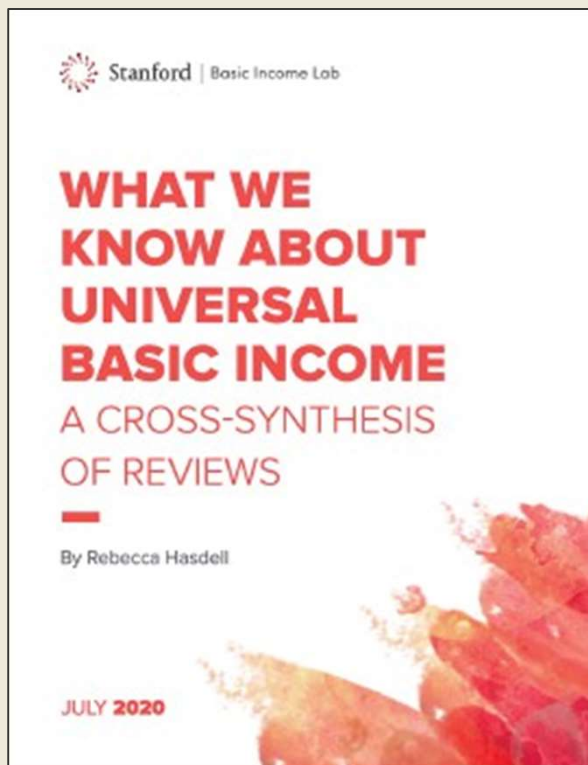
\$1 DISBURSED THROUGH THE CANADA CHILD BENEFIT:



Basic Income supports people who engage in important work which may not be valued in the paid labour market

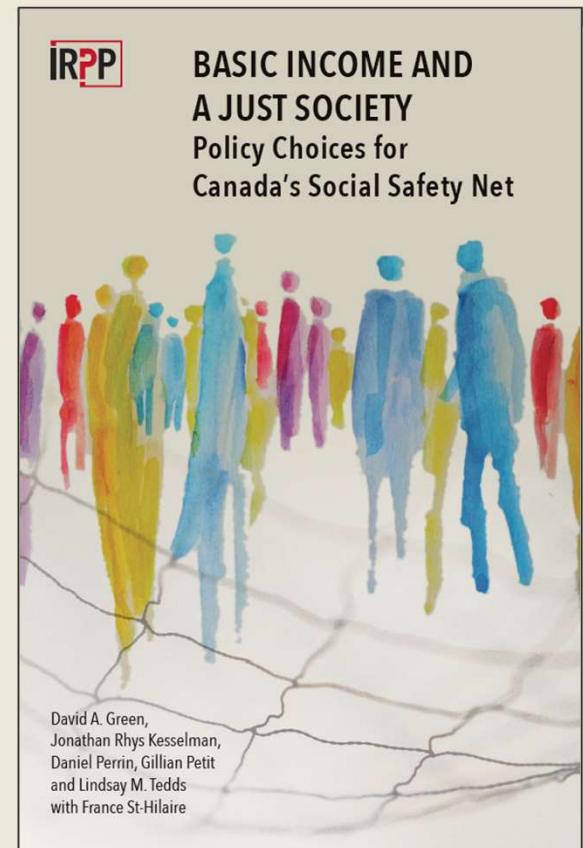


“The evidence from diverse interventions in low-, middle-, and high-income contexts indicates **minimal impact on aggregate measures of labor market participation**, with some studies reporting an increase in work participation. **When reductions do occur, time is channeled into other valued activities such as caregiving.**”





“... the key conclusion is that the **potential impact of a basic income on hours worked is likely not large enough** for it to be the main factor in deciding whether to adopt such a policy.”





03

How does Basic Income work?



Policy & Program Design

Eligibility

Federal, provincial, or both

Universal or income-tested

Financing the program

Define a household

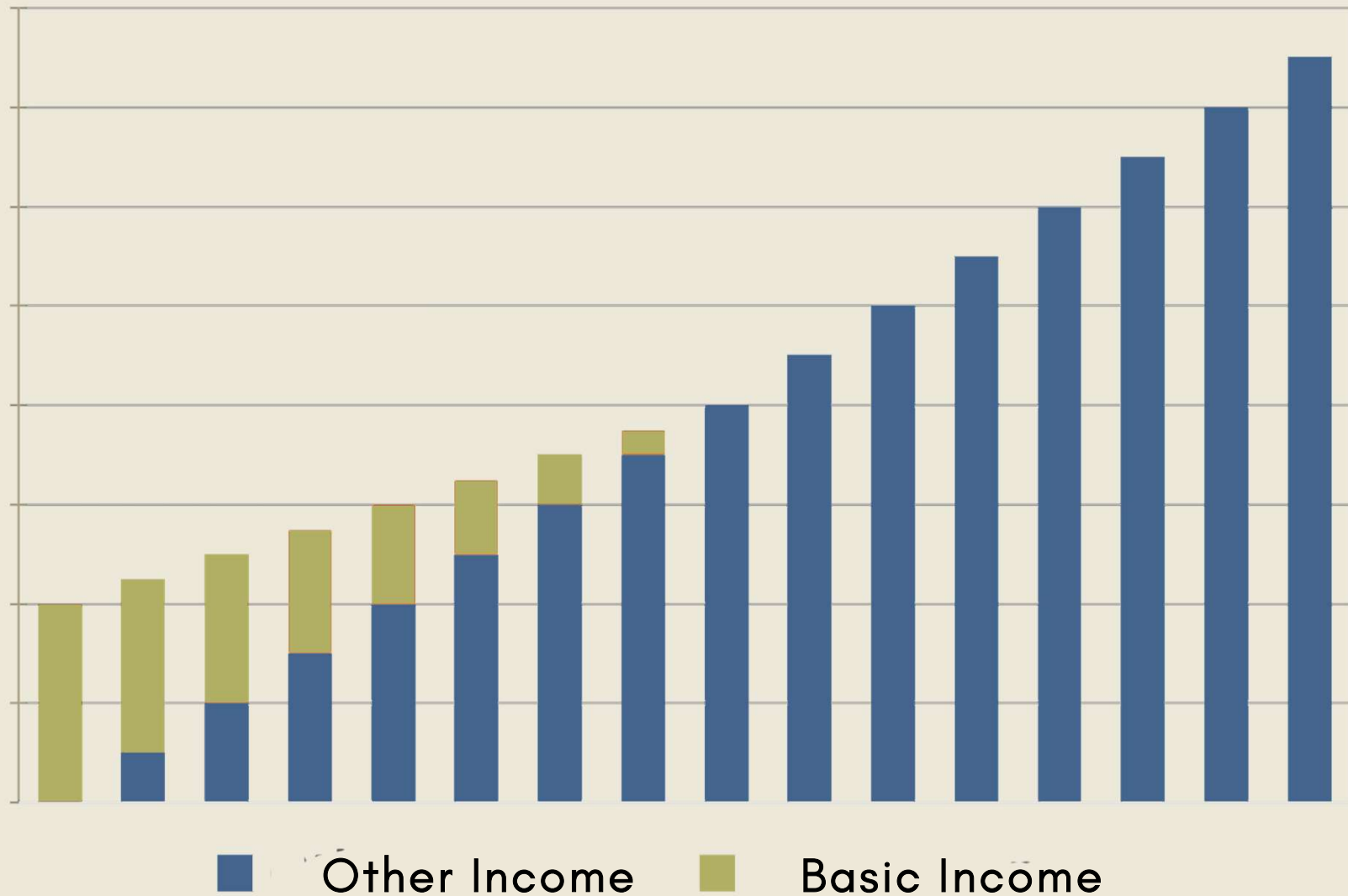
Payment frequency

Reduction rate

Maximum amount



Income-tested Basic Income, phasing out as other income is factored in





Sound Basic income design should:

- Support lower- and middle-income households
- Ensure a large majority (80-90%) of households – those in lower to middle income – are better off
- Have minor financial impact on the remaining (10-20%) households (i.e., the wealthiest households)

04

**What are some examples
of Basic Income?**






Canada Child Benefit & Guaranteed Income Supplement

CCB for families with children under 18
GIS for seniors ages 65 and over

Monthly, tax-free, income-tested benefits

Calculated based on adjusted net family income from the most recent tax year

Benefit reduction begins when net family income exceeds a given limit





**A Basic Income Guarantee for
working-age adults would fill the gap**



Other examples of Basic Income-like programs in Canada:

- GST/HST Tax Credit
- Ontario's Trillium Benefit
- Newfoundland & Labrador: Basic Income for youth (ages 16-21) receiving residential services
- Newfoundland & Labrador: Basic Income for adults aged 60-64
- Québec: Basic Income for those with long-term severely limited capacity for employment



05

What is the cost of Basic Income?



*Depends on policy design
and program parameters*

For example:

- Income-tested or universal Basic Income
- Payable to individuals or households
- Maximum amount of Basic Income
- Basic Income reduction rate, as additional income is accounted for



Example national Basic Income program estimates (gross cost):

- \$ 53B Simpson, Stevens, Stevens & Emery, 2022
- \$ 84B Stevens & Simpson, 2017
- \$ 92B Parliamentary Budget Officer, 2020
- \$120B Boadway, Cuff & Koebel, 2018
- \$122B Vivic Research, 2021
- \$134B Basic Income Canada Network, 2019

Broad range in figures reflects varying program design parameters

PEI Guaranteed Basic Income Proposal – 2023

Major design parameters:

Uses census family vs nuclear family – adult children who are single and childless, and who live with parents, would not be considered a separate family

Basic Income up to 85% of the Market Basket Measure (indexed annually) for adults aged 18–64

- \$19,252 for individuals
- \$27,227 for 2 adults
- Benefits increase for each adult in family

Basic Income reduced by \$0.50 per dollar of earned income

PEI Guaranteed Basic Income Proposal – 2023

Impact:

Census family approach reduces cost by nearly 40%:
gross cost reduced from \$309 million to \$189 million/yr

80% of income tax filers would be better off, while the top 20% would only see modest reductions in income

Overall poverty rate reduced from 10% to 2%

Eradication of deep poverty (below 75% of poverty line)

Remaining 2% of people in poverty would, on average, see an increase from 38% to 93% of the poverty line

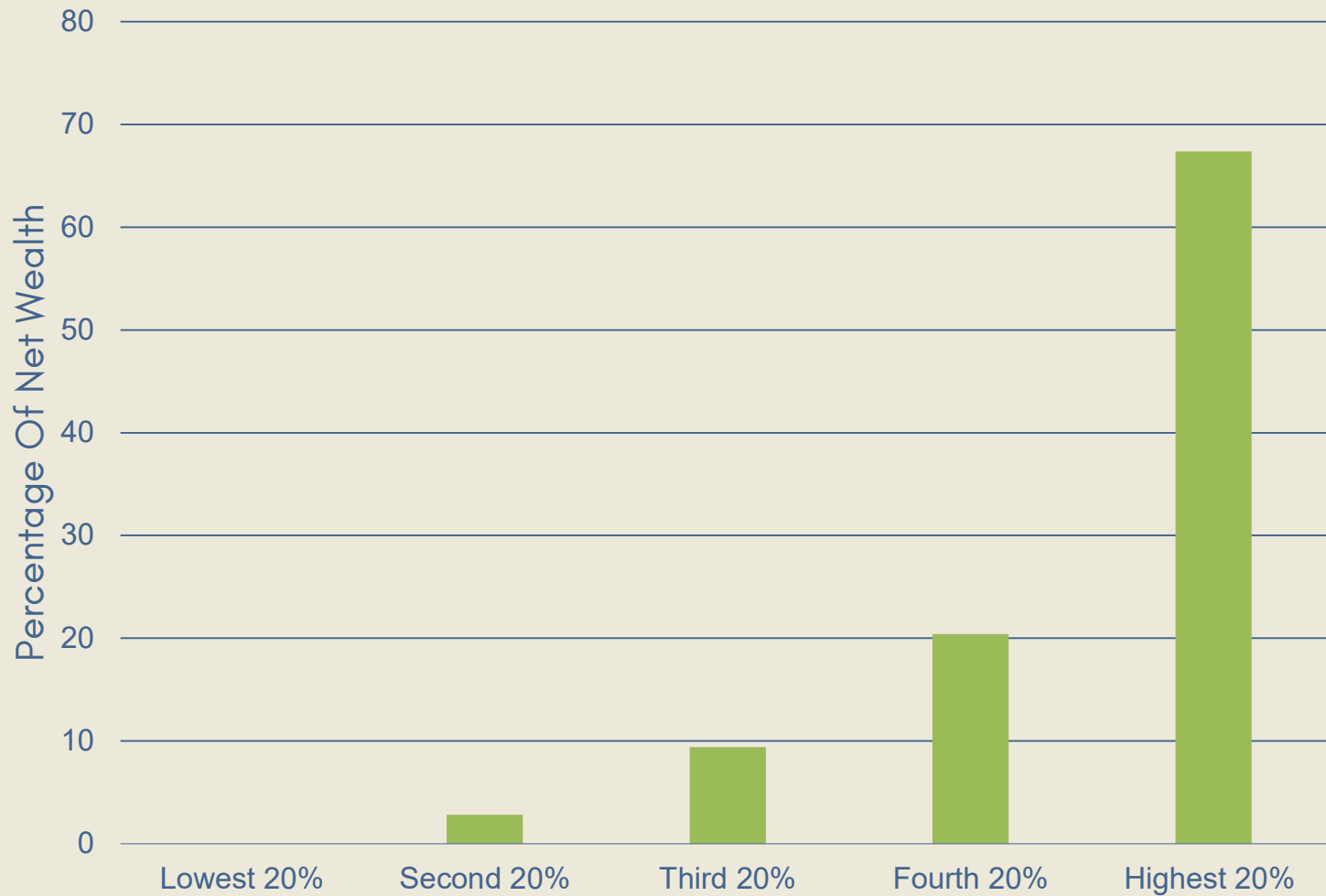


06

How can Basic Income be financed?

Wealth distribution in Canada Q3 2023

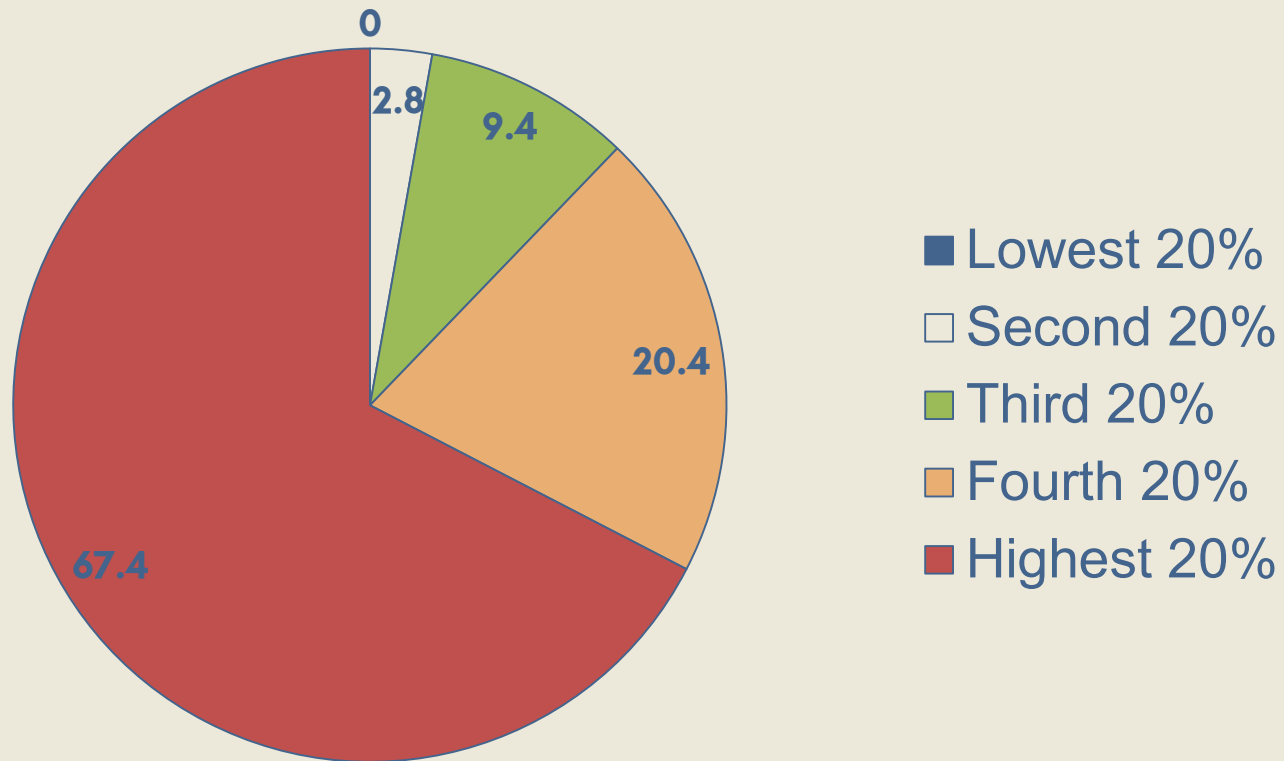
(Assets - Liabilities = Net Wealth)



Wealth distribution in Canada Q3 2023

(Assets - Liabilities = Net Wealth)

% of Net Wealth by Quintile





Financing options include...

1. Redirect much of the funding of provincial social assistance programs into Basic Income
2. Redirect the GST/HST and carbon tax credits, and Working Income Tax Benefit, into Basic Income
3. Strengthen fairness in the personal income tax system, and direct some of the new revenue into Basic Income



Financing options include...

4. Eliminate or reduce the value of tax breaks that only or largely benefit wealthier individuals or families (e.g., capital gains taxation), and direct some of the revenue into Basic Income
5. Institute a wealth tax on individuals or families with high net worth (e.g., \$10+ million), and direct some of the new revenue into Basic Income
6. Reinststate a higher corporate taxation rate, and direct some of the revenue into Basic Income



Financing options include...

7. Close corporate income tax havens, and direct some of the revenue into Basic Income
8. Institute a 0.25% financial transactions tax (FTT) on wealth portfolios, and a 4% financial activities tax (FAT) on total profits and remuneration in the financial sector, and direct some of the new revenue into Basic Income
9. Institute a Land Value Tax and create a Sovereign Wealth Fund - enabling everyone to share the wealth created by nature and society as a whole

And factor...



10. That the gross cost of a Basic Income program will be partially offset by savings in healthcare and other areas, as the costs of poverty ($\$80+B$) are reduced
11. That the gross cost of a Basic Income program will be further partially offset by new taxation revenue generated from the economic activity stimulated by Basic Income

...thus resulting in a net Basic Income program cost much lower than its gross cost.



07

What is the state of Basic Income in Canada?



Compelling evidence from existing Basic Income programs and from pilot projects

- Canada Child Benefit
- Old Age Security/Guaranteed Income Supplement
- Manitoba - 1974-1979: 1200 households over 2 sites
- Ontario - 2017-2018: 4000 individuals over 3 sites
- Vancouver - 2018: 115 people experiencing homelessness



Support for Basic Income in Canada

- Dozens of municipal resolutions of support nation-wide, from Victoria to St. John's – now including Smiths Falls as first municipality in Lanark County to have passed a resolution (in April 2024)!
- National, provincial, regional, local Basic Income advocacy groups
- Declared support by faith groups (e.g. United Church of Canada)
- Declared support by professional groups (e.g. medical, public health, social work)
- Favourable public opinion polling

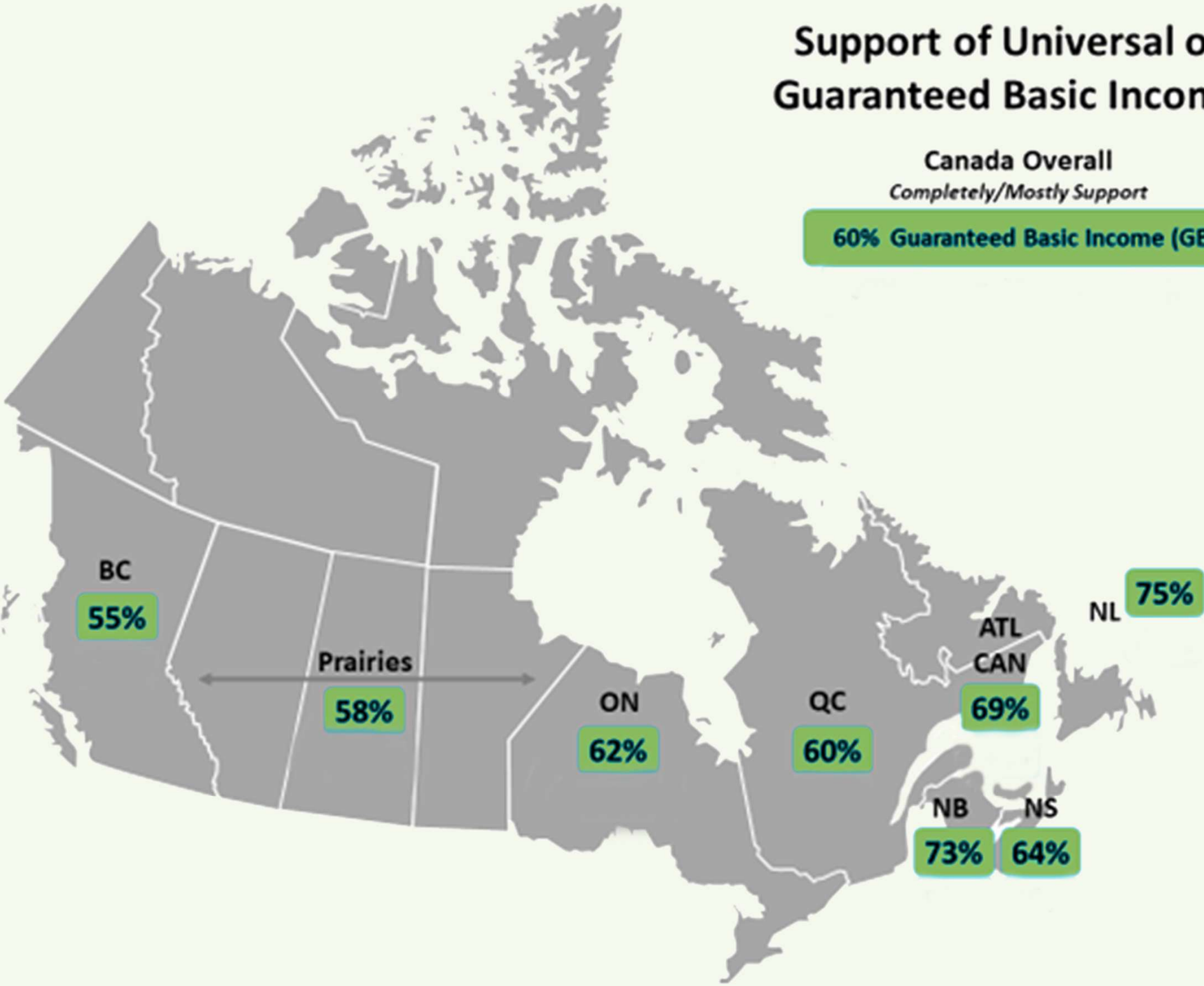


FIGHT
FOR THE
THINGS
YOU
CARE
ABOUT

Support of Universal or Guaranteed Basic Income

Canada Overall
Completely/Mostly Support

60% Guaranteed Basic Income (GBI)





Legislation currently on Parliament Hill

House Bill C-223 and Senate Bill S-233 to develop a national framework for a Guaranteed Livable Basic Income

Mirror bills marking a coordinated effort from within the House of Commons and the Senate for Basic Income

If either Bill passes into legislation, the Minister of Finance must table a report within one year outlining a framework (design & implementation) for Basic Income

Bill C-223 to be given Second Reading on May 7!

Bill S-233 passed Second Reading and is before the Senate Standing Committee on National Finance



The logo features a stylized human figure in blue and orange, set against a light green circular background. The figure is composed of simple shapes: a blue head and torso, and an orange lower body. The background of the slide is light green with a pattern of thin, diagonal orange lines in the bottom-left corner.

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