

Position Statement: Basic Income

Food Insecurity In Canada

One in eight people in Canada are food insecure,¹ putting them at greater risks of chronic health conditions and premature mortality.² People with the lowest incomes are at the highest risk for experiencing severe food insecurity³ and therefore tackling poverty is critical to eliminating food insecurity in Canada.

Current Income Supports and Challenges

Canada's national poverty reduction strategy recognizes that to live a life of dignity, Canadians need enough income to meet their basic needs.⁴ Canada currently has a complex web of income supports and supplements that target specific populations. However, these programs can be difficult to navigate and access. For example, it is estimated that 5-10% of low-income households are not getting the benefits they are entitled to because of challenges filing taxes.⁵ For some income support programs, like Employment Insurance (EI), restrictive eligibility criteria means that those who would benefit most from the income supports may be unable to access them.

One of the pillars of Canada's income support systems is social assistance. It is a program of last resort designed for those who have exhausted all other means of financial supports. Although social assistance is critical to our social safety net, social assistance rates currently fall below the poverty line in every province. As a result, social assistance recipients are 11 times more likely to experience food insecurity than the rest of the population.⁶ Social assistance recipients must also comply with complicated rules and extensive reporting or risk losing their benefits, despite there being no evidence that these requirements improve long-term outcomes.⁷

Could a Basic Income Eliminate Food Insecurity?

There is a growing interest in the concept of basic income as a solution to poverty and food insecurity. In fact, Canada has already had some success reducing food insecurity through targeted basic income programs:

- The Canada Child Benefit (CCB) provides monthly payments to households with children up to the age of 17, up to a maximum of \$6,765 per year depending on the age of the child and household income. This benefit has decreased severe food insecurity households who received this benefit.⁸
- Old Age Security (OAS) and Guaranteed Income Supplement (GIS) provide monthly payments to seniors of up to 1,534.49 per month, depending on the household income. When social assistance recipients turn 65 and are able to access these seniors benefits, food insecurity rates drop by half.⁹

Proponents of a basic income argue that it would be more dignified for recipients and simpler to administer than the current assortment of various income support programs.

Basic Income: an unconditional cash payment sent to individuals from the government.

Basic Income Models

- **A demogrant or universal model** that provides equal flat-rate payments to everyone, regardless of their income. Usually those with higher income brackets would see these funds recouped when they file their taxes.
- **A negative tax model** provides benefits based on income level, as reported through tax filings. This model acts as an income top-up.



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There are a variety of approaches to basic income. While a universal basic income model is simplest to administer, because every person receives the same amount regardless of income, the up-front costs are prohibitively high. As a result, the amount individuals would receive under a universal basic income model would likely be too low to lift people out of poverty.¹⁰

A negative tax model has the benefit of targeting income supports to those with the lowest incomes. However, implementing such a program requires many complex considerations: Who would be eligible to receive the benefit? How would it interact with other existing income support programs? How would it be funded? What are its implications on the tax system?

Recommendations

Daily Bread Food Bank supports the establishment of a guaranteed minimum income floor so that no one in Canada experiences deep, persistent poverty and severe food insecurity.

We believe that the most effective and feasible way to reduce poverty and food insecurity is through strengthening our existing income support system and developing additional targeted basic income programs for those facing the highest rates of poverty, such as working-age individuals and people with disabilities. We recommend that any policies and programs designed to achieve a guaranteed minimum income floor be driven by the following five guiding principles:

1. Income Adequacy

Any guaranteed minimum income floor should be set in relation to the Market Basket Measure Canada's official poverty line, which reflects the cost of basic needs such as food and shelter in different communities across the country.

2. Equity

Financial modeling of basic income programs often offset the costs by eliminating existing income support programs and tax credits. However, some of these provide critical supports that would be difficult for someone to afford under any basic income model, such as medical expenses like wheelchairs and service animals. Adopting an equity approach means that rather than providing the exact same benefits to all, income supports are tailored to the diverse needs of the population.

3. Dignity and Lived Experience

It is critical that the voices of people with lived experience are at the centre of program design and implementation to ensure income supports are dignified, low-barrier, responsive, timely, and reliable. It is particularly important to center the voices of people who face systemic discrimination, including Black, Indigenous and racialized communities and people with disabilities.

4. Access to Basic Services

Income is fundamental to poverty reduction, but income alone is insufficient to eliminate poverty. A strong suite of public services, including healthcare, pharmacare, childcare, affordable housing, and mental health and addictions services, are essential to poverty reduction.

5. Strong Employment Standards

A guaranteed minimum income ensures that people's most basic human needs are met, but it is not a pathway to prosperity or economic mobility. It is important to ensure a guaranteed minimum income is paired with strong workplace protections, livable wages and benefits, and access to affordable skills training programs to make employment a pathway out of poverty.

References

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