

Basic Income CoP- Ontario Pilots

Meeting Notes: July 22, 2019

Guest Speakers

- Tom Cooper, Hamilton Roundtable for Poverty Reduction (Facilitator)
- Dana Bowman, Lindsay resident; Basic Income recipient
- Laura Cattari, Hamilton Roundtable for Poverty Reduction; Basic Income recipient
- Jim Dunn, McMaster University; Basic Income pilot co-investigator
- Mike Perry, City of Kawartha Lakes Family Health Team; Lawyer in Lindsay Basic Income class action lawsuit

Introduction to the BI Ontario Pilots

Participants

- 2 sites randomized: Hamilton and Thunder Bay
 - o 1,000 participants randomized to receive BI + 1,000 randomized to not (honorarium)
- 2,000 people in Lindsay - a saturation site. 60-70% (estimate) of Lindsay residents would be eligible to receive BI and impacts of BI would be community-wide.
- \$16,989 (75% of Low Income Measure) was guarantee. Leaves gap between adequacy and what they receive, to provide incentive to work.

Research elements

- Health outcomes for participants (primary visits, prescription drug use, health status)
- Career and life choices (ex. enrolled in more training)
- Education outcomes
- Community impacts
- Administration impact (ex. less demanding on OW, ODSP)
- Food security (food as an income issue)
- Mobility and housing arrangements
- Relationship to other federal & provincial benefits

Outcomes

- Anecdotally BI was showing improvements
- Helped a subset of people the current system isn't helping at all
- Supported hidden homelessness in Lindsay (not as prevalent as big cities, like Toronto)

- Improved hope – quality of life: paying bills, getting out of the stress cycle, buying nutritious food, etc.
- Benefits felt by individuals immediate. Received at Christmas so people were able to purchase gifts and contribute to Christmas dinner. And physically – ex. purchasing a needed back brace and cane.
- Longer term hope was that the validity would be proven and extend the program. Not just provincially, but federally/universally

Cancellation

- We CAN answer: What would it cost to extend the BI pilot was extended nationally/how much it would save in programs/services.
 - o Answer: 3 points on GST. (Ex. raise GST from 5% to 8%)
- But we WANTED to know:
 - o Healthcare utilization cost savings
 - o Gains in labour productivity and economic output
 - o Tradeoffs of using a blunt instrument vs. something specific (example OSAP – would BI be eaten up by students who qualify but aren't needy?)
 - o Facts to use in political discussions – a shift away from ideological debates
- No insights on cancellation – only what's part of public legislature statements. Government wanted something that would better keep people working/go back to work. And something with a lower drop-out rate
 - o Statistics don't support the position. A high percentage of recipients were working, and many had more than 1 job
 - o 77/4,400 dropped out – including people who passed away or moved on. It's a very low drop-out rate.
 - o Cost didn't take savings into consideration. (ex. if you purchased a house based on the cost-only without looking at the investment, no one would buy)

Outcomes as a result of the cancellation

- Poverty strips people of dignity, removes opportunity, mobility and flexibility needed to get ahead; BI had allowed people to dream of the future
- Devastation. Cancelling the pilot was more cruel than not doing it in the first place – people had hopes and dreams they hadn't allowed themselves in decades
- Loss of stability. People quit jobs to go back to school and made other commitments based on the promised income. They were able to handle day-to-day crises.
- Recipients started sharing stories – they *want* people to know who they are, why they participated, and why they want the pilots to continue. They put up a website to share their stories if they don't want to do audio/video; went to the media
- Organized with neighbours and friends to speak up, that the current system isn't working

- Have talked to a lot of people

Current legal action

- Government - was “up to 3 years”. Who will sign up and make plans/go back to school/etc. and get proper research results if they can pull the plug at any time?
- Court decision was that BI pilot cancellation is considered a policy choice and needs to be dealt with through the political system. The court is for the legal system.
- Last payment to participants was sent the end of May this year
- Now, class action for compensation of damages. Expects all participants to automatically be opted-in based on registration to the pilot.
- A firm with resources is taking it on now and is meeting with participants in Hamilton, Lindsay and Thunder Bay

Questions

What were business perceptions of benefits?

- Businesses and chambers wrote in to keep it alive! Many small businesses supported it
- \$50,000 in new spending power. Businesses in Lindsay saw the uptake
- Some participants moved off BI before it finished because they were able to make ends meet
- People were going to second hand furniture store (not Ikea)
- Traffic to mall increased.
- BI is a permanent economic stimulus. A current challenge is aggregate demand for goods and services. The biggest impact we can have is to support people restricting their purchasing goods and services because of lack of income.

Comment on the need for the federal government to take on BI, rather than the provinces?

- If federal, should be through taxes/CRA. It’s the *only* system available to them
 - o Shortcomings (including provincial) – it’s a negative tax. Relies on people filing their taxes. In other countries, filing is automatically made based on T4 and other claims
- Needs to be done thoughtfully. We have such a patchwork of programs, we can’t wholesale all social programs for BI Contextually, needs are different (ex. OSAP), particularly medical. Need to look at each and consider if people would receive the same level of benefit/wouldn’t be worse off
- Caution on punting – not doing anything because we’re looking at the next level of government. Municipalities are doing it in other areas across the world – why can’t we do it provincially? Why wait?
- Can start at provincial or municipal level – what will make it *sustainable* is federal/universality
- We already have 2 BI programs at federal level (CCB and OAS/GIS), they just aren’t universal. OAS/GIS took Canada from a laggard amongst OECD countries to a leader on seniors’ poverty rates in 15 years.

- A sheer matter of will.

Was any data other than the registration data released publicly?

- No. Some groups are trying to get it released. McMaster is interviewing BI participants. Hopefully over the next year we'll have more information.

Next call date: August 12th from 12:00 – 1:00 pm ET