

**Written Submission for the Pre-Budget
Consultations in Advance of the Upcoming
Federal Budget**

By: UBI Works

Recommendation 1: That the government implement a Universal Basic Income which includes a guaranteed minimum income of \$2,000/month, reducing by \$0.50 for every dollar of employment income and by \$1 for every dollar of other income.

Recommendation 2: That the government implement a Universal Basic Income which includes a \$500/month universal dividend to provide Canadians with the means to participate and reskill in an increasingly automated economy.

Background:

UBI Works

- Founded in 2018, UBI Works represents 40,000 grassroots stakeholders across Canada who are motivated by establishing a basic income in Canada.
- On October 18, 2018, UBI Works sent a letter which was co-signed by 120 Canadian CEOs and business leaders, representing over \$2.3 billion in combined annual revenues, to ask Premier Ford to resintate the Basic Income Pilot.
- In 2019 UBI Works commissioned a report on the economic impact of Canada's basic income program for families with children, the Canada Child Benefit.

Funding a Universal Basic Income

- UBI Works has [suggested a number of funding models](#) which raise significant enough revenue for the Government of Canada to pay for a UBI without making cuts to existing social services.
 - These options demonstrate that it is fully possible to pay for a basic income without raising personal income taxes, without eliminating existing needs-based social programs, and without adding to the national debt.
- Research by the [Canadian Centre for Economic Analysis](#) on a program comparable to a Universal Basic Income, the Canada Child Benefit, shows that every \$1 invested, it drives \$2 of economic activity, and more than 55 cents is recouped in taxes from said activity; 30 cents to the federal government and 25 cents to the provinces.
 - As such, a combined model UBI, per the recommendations above, is expected to drive new economic activity of \$398 billion—about the size of Alberta's economy.
- Previous pilots have demonstrated that healthcare costs and costs related to crime go down significantly in regions where there is a UBI to support low-income and middle class families
 - While these are primarily provincial and territorial responsibilities, they will also serve to lower federal transfer support for health and other social programs.

Public Support for UBI in Canada

- A 2020 poll conducted by [Angus Reid](#) showed that 59% of Canadians support a UBI of between \$10,000 and \$30,000 in Canada.
- Support among parliamentarians has also become increasingly vocal with representatives of all parties declaring their support for a basic income.

Recommendation 1: That the government implement a Universal Basic Income which includes a guaranteed minimum income of \$2,000/month, reducing by \$0.50 for every dollar of employment income and by \$1 for every dollar of other income.

- Establishing a Universal Basic Income (UBI) has been a long term goal shared by many Canadians, elected officials, and civil society organizations from across the political spectrum including the Senate Finance committee and the The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls.
 - Prominent research efforts included the Manitoba Basic Annual Income Experiment and the Ontario Basic Income Pilot showed that these policies are extremely cost-efficient at increasing access to economic opportunity, improving health and wellbeing, reducing the social cost of poverty and driving economic growth.
- The COVID-19 pandemic demonstrated that low- and middle-income Canadians face significant financial precarity, which is made worse during periods of economic instability. Many of these Canadians are at risk of financial insolvency as a result of stagnant wage growth and rising costs of living over a period of decades.
 - [Between 1976 and 2014, labour productivity in Canada grew](#) at a rate of 1.12% per year, for a total growth of 52.5%. In contrast, the median hourly earnings of workers grew by only 0.09% per year over the same period, for a total growth of 3.3%.
 - This trend is due in large part to the fact that advances in technology have reduced the market value of many forms of human labour, as workplace automation takes on a greater and greater share of value creation in our economy at a lower cost than workers. The result has been a polarization of job quality and wage growth in the Canadian economy.
- A [report by the Canadian Centre for Policy Alternatives](#) on job losses as a result of the COVID-19 pandemic showed that low- and moderate-income Canadians were the most likely displaced by economic disruptions like automation and recession.
- [Over 40% of recent layoffs could result in permanent job losses](#) and it could take [more than a decade to recover](#). Meanwhile, [8 in 10 Canadians](#) have 3 months of savings or less. As consumer spending drives nearly 2/3 of the economy, many businesses will continue to suffer for years.

- The economic insecurity of low- and middle-income Canadians is compounded by workplace automation.
 - Nearly half of the tasks Canadians do at work today are at high risk of automation over the next 10-20 years. The most at-risk jobs also happen to the most common jobs: truck drivers, retail salespersons, administrative and clerical workers, and food workers.
 - This means that the rapid growth and adoption of artificial intelligence and workplace automation will disproportionately impact low- and middle-income Canadians as their jobs will be the first to be impacted by these changes and they are the least financially equipped to manage economic and employment disruption.
- With increased financial stability from a UBI, Canadians will be empowered to overcome workplace disruptions by pursuing future skills training in an academic setting or by engaging in entrepreneurship.
 - Both of these outcomes will position the Canadian economy to endure economic transitions with an entrepreneur community that is positioned to be world leaders in disruptive technology and a future skills support system to help workers to be able to rebound into in-demand jobs.
- A Universal Basic Income also provides workers with the ability to negotiate better pay and working conditions
 - A [2020 survey by McMaster University](#) of Ontario BI pilot recipients showed that
 - More than one-third of those continuously employed saw their hourly pay *increase* following the start of the basic income program, and
 - More than one quarter of respondents decided to start an educational or training program through an accredited post-secondary program.
- A Universal Basic Income offers low- and middle-income Canadians time to adjust and reskill for new economic realities while staying above the poverty line. This program will
 - Build pathways for low-income Canadians to join the middle class.
 - Protect Canadians against stagnant wages and economic disruption by ensuring all Canadians, including seniors and those living with disabilities, are not forced to live in poverty.
 - Provide the opportunity to replace unpopular and costly low-income support programs with a cheaper, more efficient system that treats people with dignity.
 - Give students the freedom to focus on education,
 - Acknowledge the work of caregivers and volunteers, who do some of the most challenging but important work in Canadian society.
 - Provide income security for the millions of Canadians gig workers who have no employment benefits or work guarantees.

Recommendation 2: That the government implement a Universal Basic Income which includes a \$500/month universal dividend to provide Canadians with the means to participate and reskill in an increasingly automated economy.

- The universal dividend recognizes that jobs alone are no longer adequately providing for an increasingly large number of Canadians. Incomes are not keeping pace with rising costs of living because technology is cheaper than workers in more and more contexts.
- A UBI dividend creates a mechanism by which all Canadians can benefit from the value that technology and automation are creating for the Canadian economy. It re-connects economic growth and increased productivity with improving quality of life.
 - While the growth of economic productivity used to be more closely tied to wage growth in Canada, median wage earners haven't had a raise for 40 years.
 - After factoring in inflation and the rising costs of living, it's evident that the [share of income going to the bottom 50% of Canadians actually declined by 28%](#) between 1982 and 2014, while the share of income going to the top 1% has increased by 53%.
- A UBI dividend for Canadians will support the sustainable growth of the middle class in Canada and will empower those seeking to join it.
- Growth in the middle class will mean more investments in local economies as low- and middle-income Canadians have the financial security to spend money at local businesses.
 - Research by the [Canadian Centre for Economic Analysis](#) on a program comparable to a Universal Basic Income, the Canada Child Benefit, shows that every \$1 invested drives \$2 of economic productivity, and more than 55 cents is recouped in taxes from economic activity; 30 cents to the federal government and 25 cents to the provinces.
- Canadians have long recognized that successful long-term policies are ones that we all pay into and have an equal right in, just like universal healthcare. It is therefore important that all Canadians are entitled to receive a portion of Recovery UBI, even if they do not strictly require it.
- There is precedent for a rights-based payment to be layer on top of a needs-based payment in the form of OAS/GIS.