



**BIWR**

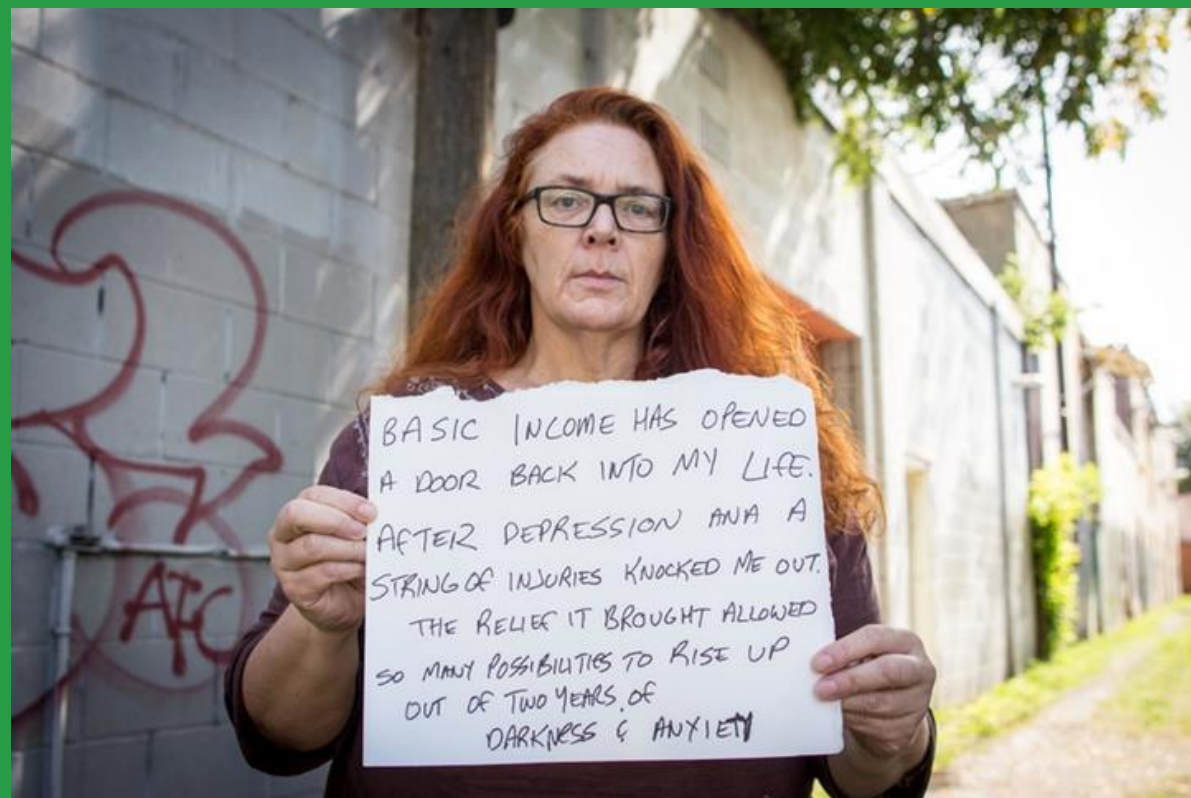
Basic Income Waterloo Region

# Guaranteed Liveable Basic Income

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**Needed, Essential, Doable & Affordable**

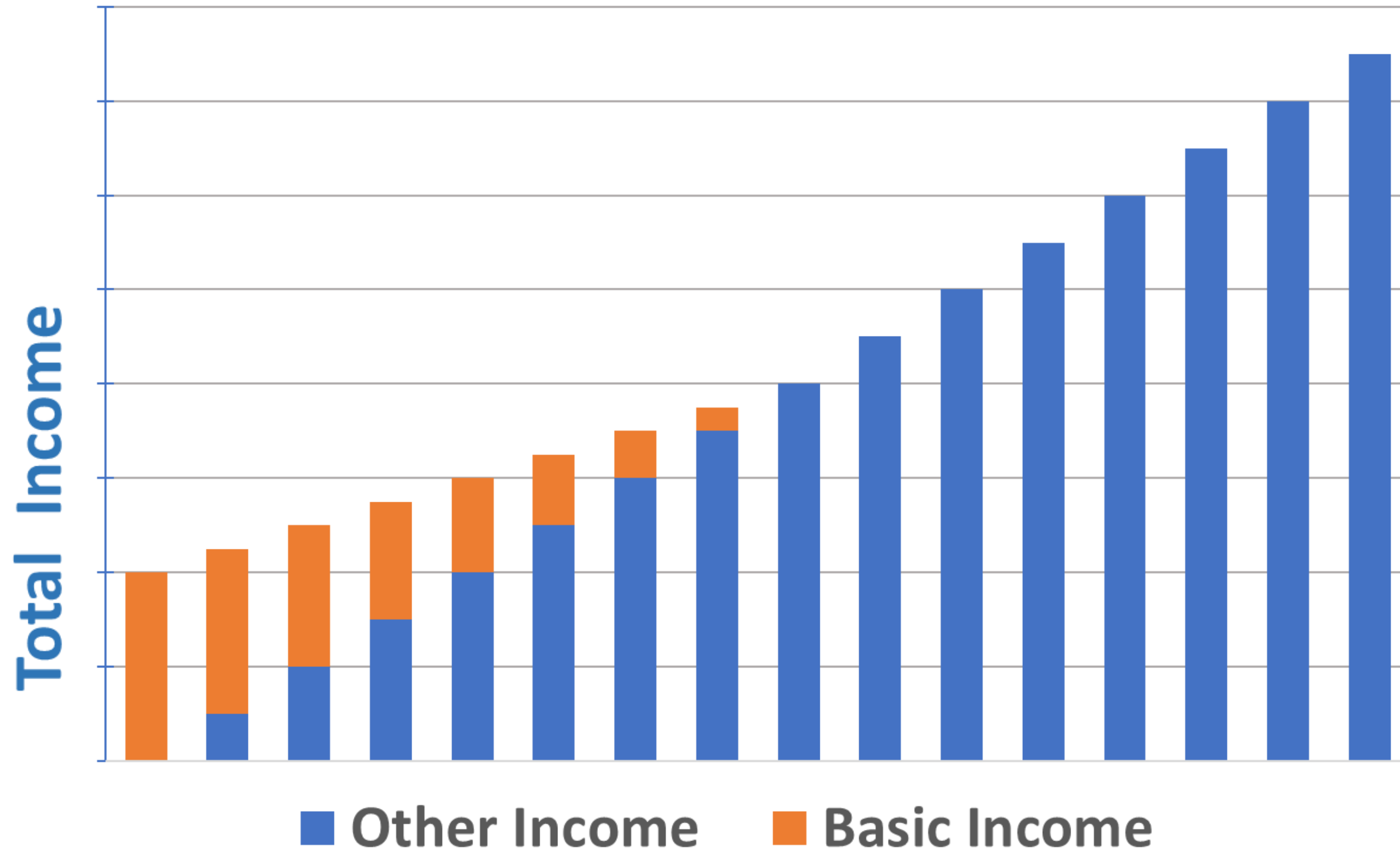
# What is a Basic Income?




**"A basic income is a direct payment from government to ensure that everyone has sufficient income to meet basic needs, participate in society, and live with dignity regardless of work status."**

- Coalition Canada: Basic income-Revenu de Base

# Basic Income Guarantee

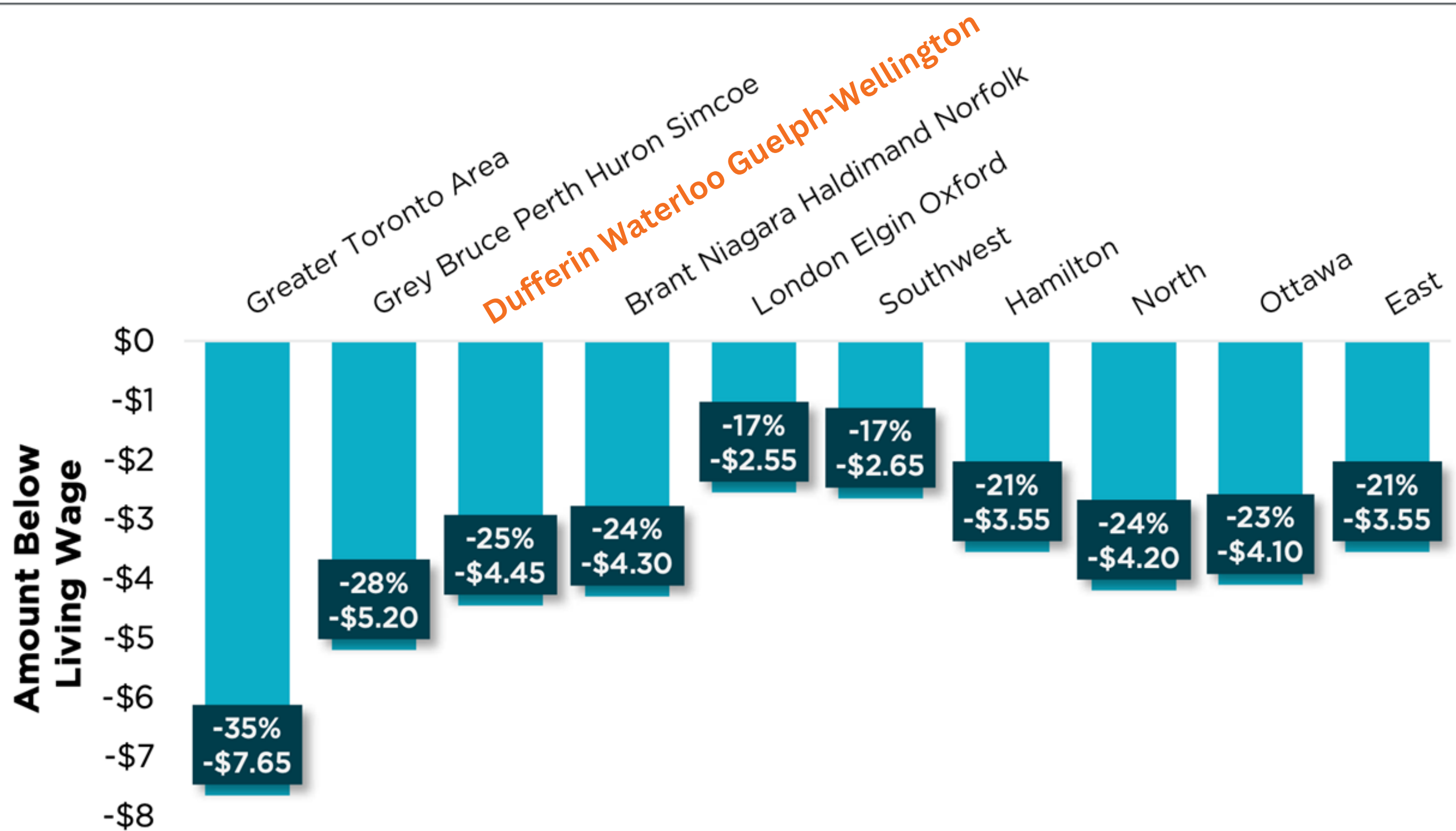




# **A Basic Income is Needed**

- Minimum Wage Falls Below a Living Wage
- Food Insecurity
- Precarious Jobs
- Poorer physical and mental health
- Poverty leads to a shorter life span
- Unaffordable Housing
- Homelessness is Increasing
- Inadequate Social Assistance





**FIGURE 1.4: MINIMUM WAGE FALLS WELL BELOW A LIVING WAGE**

Minimum wage compared to living wage for cities and towns across Ontario<sup>8</sup>

- 1 in 5 children live with food insecurity (Proof, 2021).

- Nearly 1/3 of Canadians say they don't make enough money to pay their bills and their debts (Ipsos survey 2022).

- 46% of Canadians report that they make only \$200 a month more than their monthly financial obligations (Apr 2023-MNP Consumer Debt Index).

- 52% don't feel they have enough money left at the end of the month to save for their retirement (H&R Block Apr. 2023).



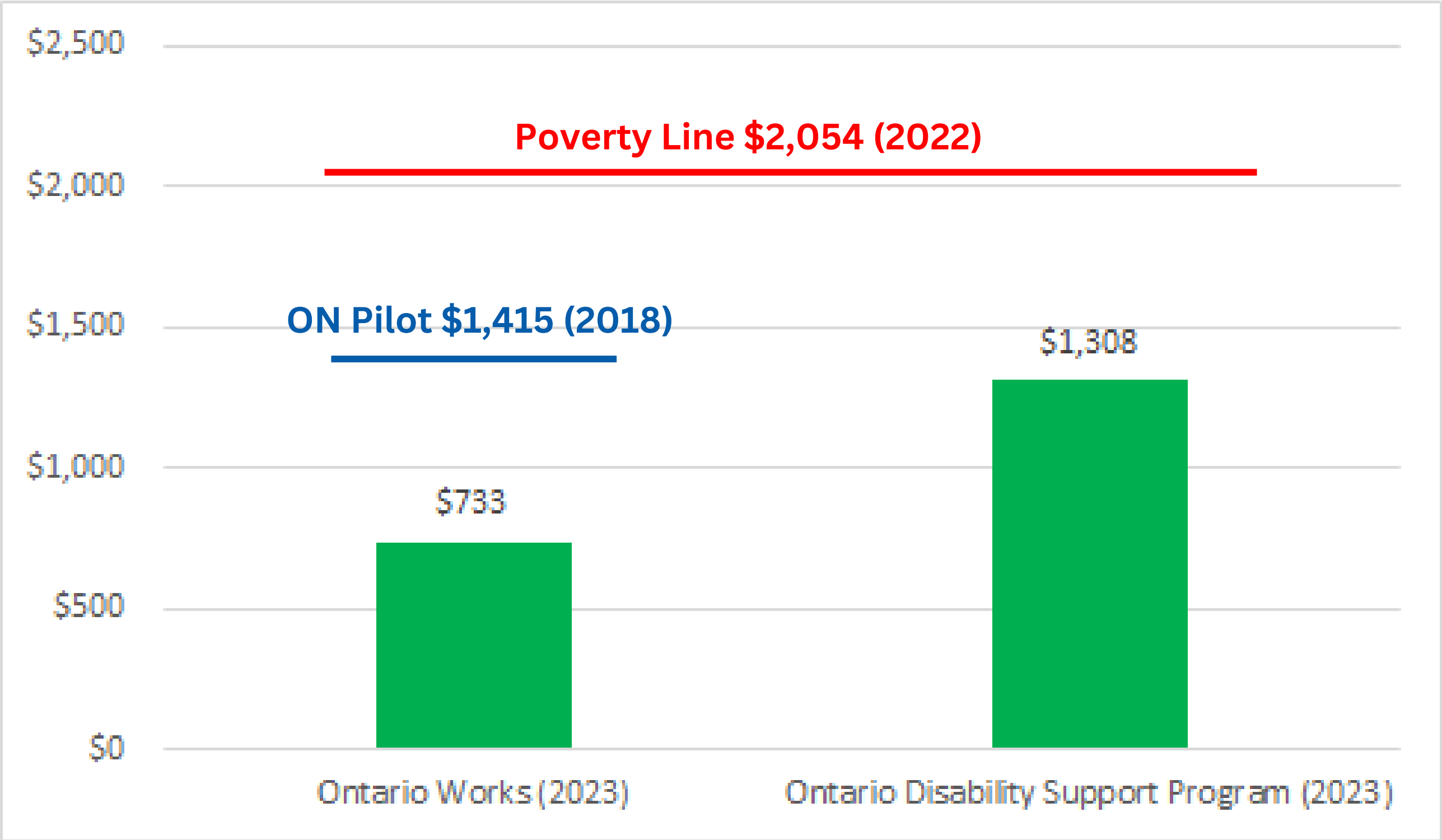
...In the midst of plenty!

An aerial photograph showing a coastal city with a large body of water in the foreground and a hilly, urban area in the background. The sky is clear and blue.

# Precarious Jobs

- 47% of millennials do not have secure jobs, including over 1/3rd who are on short-term contracts, freelancing, or working through temp agencies (Lewchuk et al., Getting Left Behind 2018)
- Despite high levels of post-secondary education, only 44% of millennials found permanent full-time employment (Martin & Lewchuk, The Generation Effect, 2018)
- Underpaid, low-wage workers provide essential services

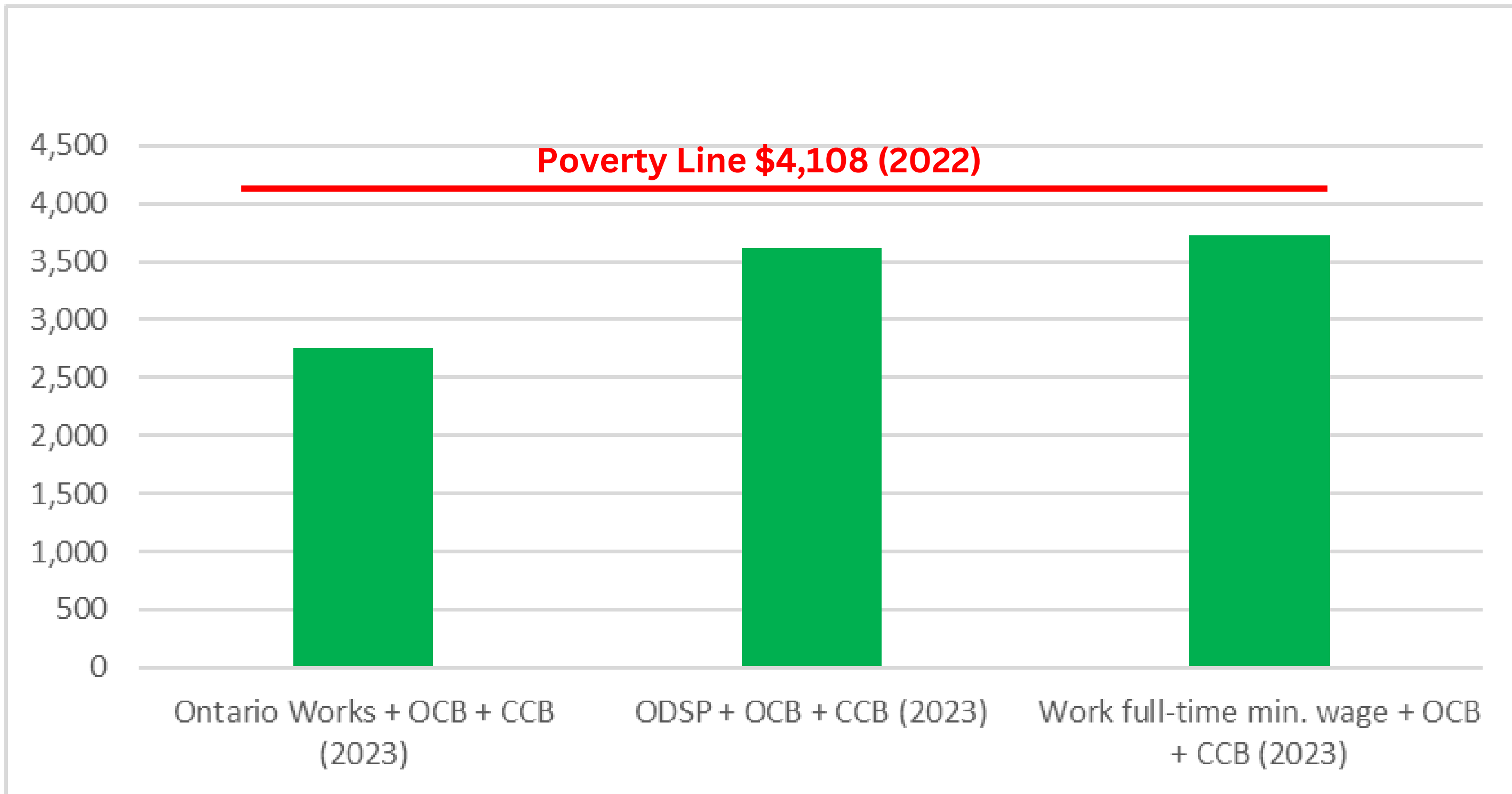
# Monthly Income for an Individual on Social Assistance (April 2023)



**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

# 'Perfect storm' of inflation, high prices driving more into homelessness: advocates

CALGARY – Social agencies and advocates say rising interest rates and high inflation are pushing more Canadians into homelessness.

By Bill Graveland The Canadian Press

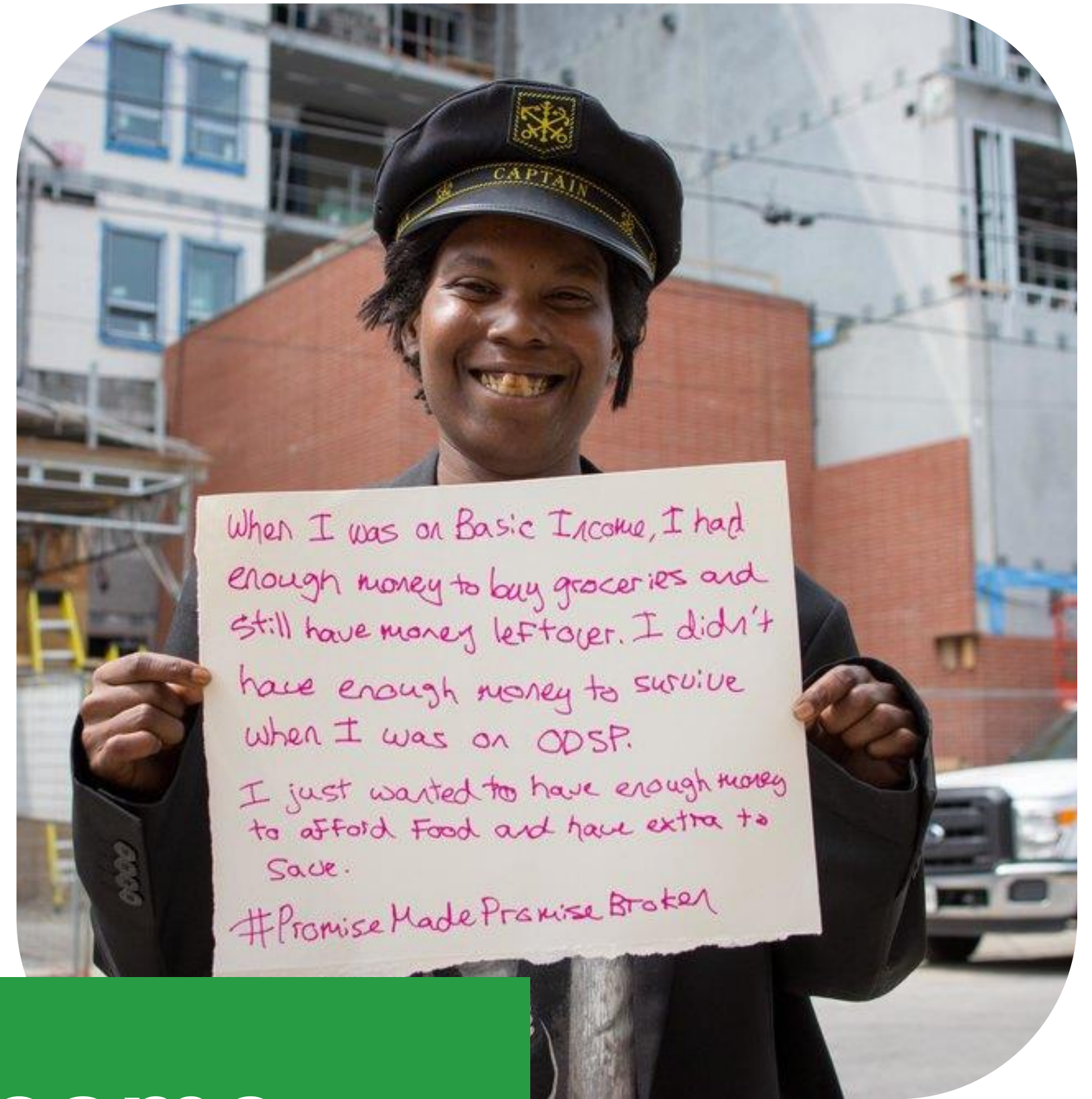
Monday, December 19, 2022 | 3 min to read

## A Safe Place to Live

"From the comfort of our own homes it's hard to understand the complexities of something like poverty and homelessness." (Terence Lester)

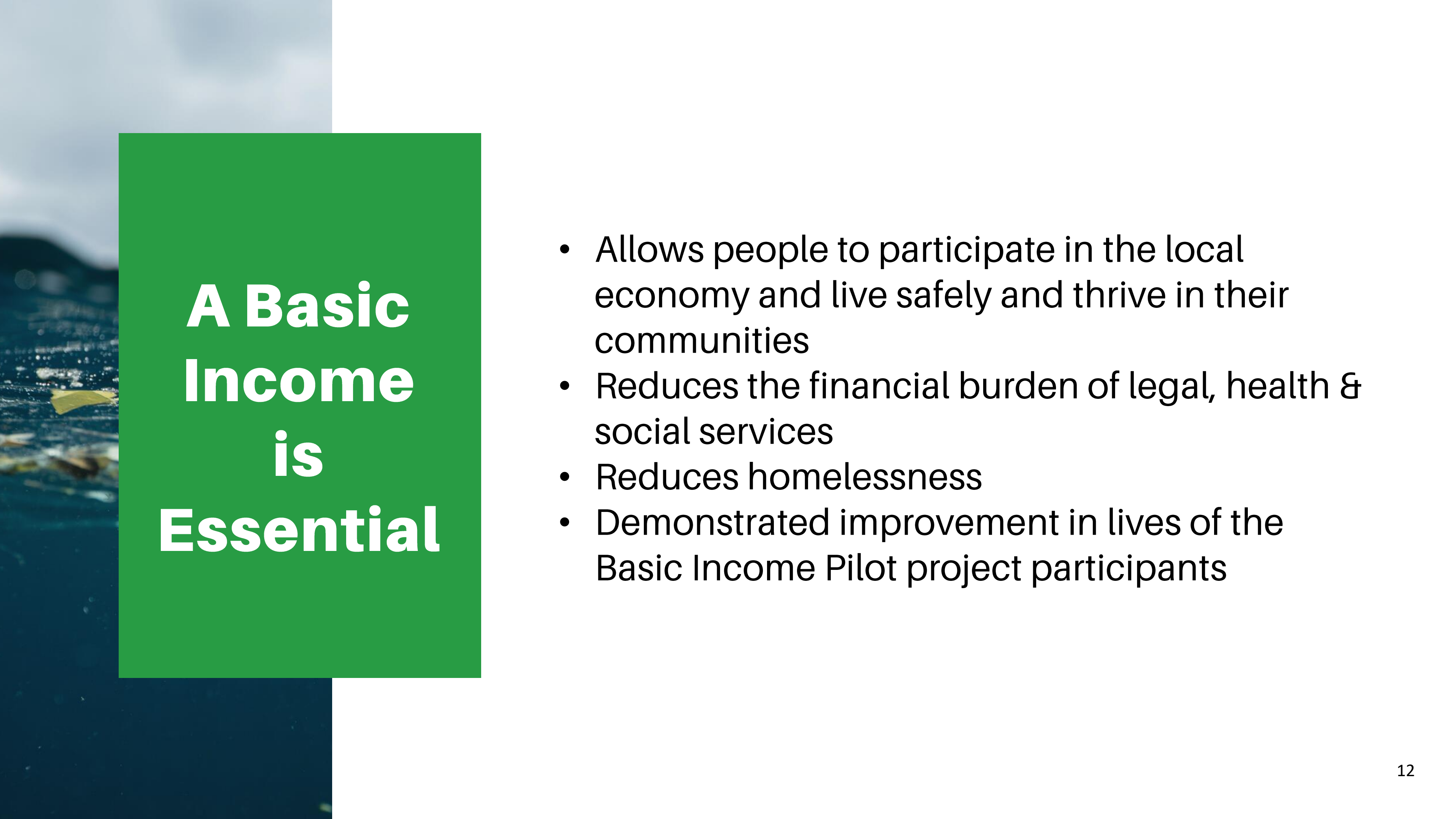
- Renters facing housing costs, stagnating incomes, and limited access to subsidized housing (ACTO/TDCP, 2018)
- Homelessness impacts
  - Everyone - Individuals, families, women fleeing violence, youth, seniors, veterans, and people with disabilities
  - All age groups, increasingly the younger working-age population
  - Rural, urban and remote communities across Ontario (Stroebe et al, 2021)





# A Basic Income is Essential





# **A Basic Income is Essential**

- Allows people to participate in the local economy and live safely and thrive in their communities
- Reduces the financial burden of legal, health & social services
- Reduces homelessness
- Demonstrated improvement in lives of the Basic Income Pilot project participants



BUSINESS

## Gap between Canada's rich and poor increasing at record speed, new StatCan data shows

The wealthiest 20% of households controlled nearly 68% of the total net worth in Canada in the first quarter of 2023, while the least wealthy 40% accounted for 2.7%.

## Family net wealth distribution, by selected percentiles, Canada, 2019 (from PBO Report Dec. 2021)

Percentile of family net wealth	Wealth Threshold (\$ millions)	Number of Families (thousands)	Total Wealth (\$ billions)	Share of Total Wealth (per cent)
Top 0.01%	129.5	1.6	583	5.0
Top 0.1%	28.8	16.0	1,309	11.2
<b>Top 1%</b>	6.3	160.6	2,903	<b>24.8</b>
Top 20%	1.0	3,183.7	8,643	73.9
<b>Middle 40%</b>	0.1-1.0	6,365.6	2,931	<b>25.1</b>
<b>Bottom 40%</b>	Under 0.1	6,365.7	123	<b>1.1</b>

} 26.2%



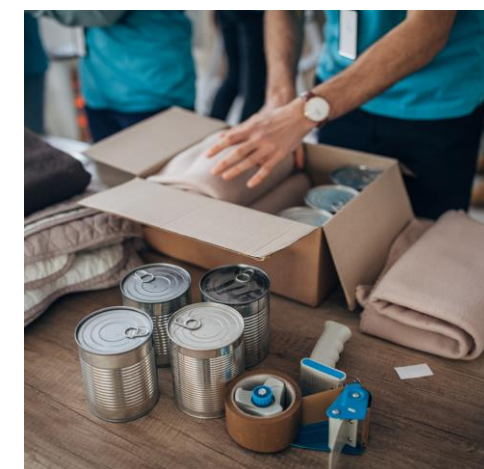
**Decreases  
costs for  
legal,  
health &  
social  
services**



Policing and corrections costs would decrease.

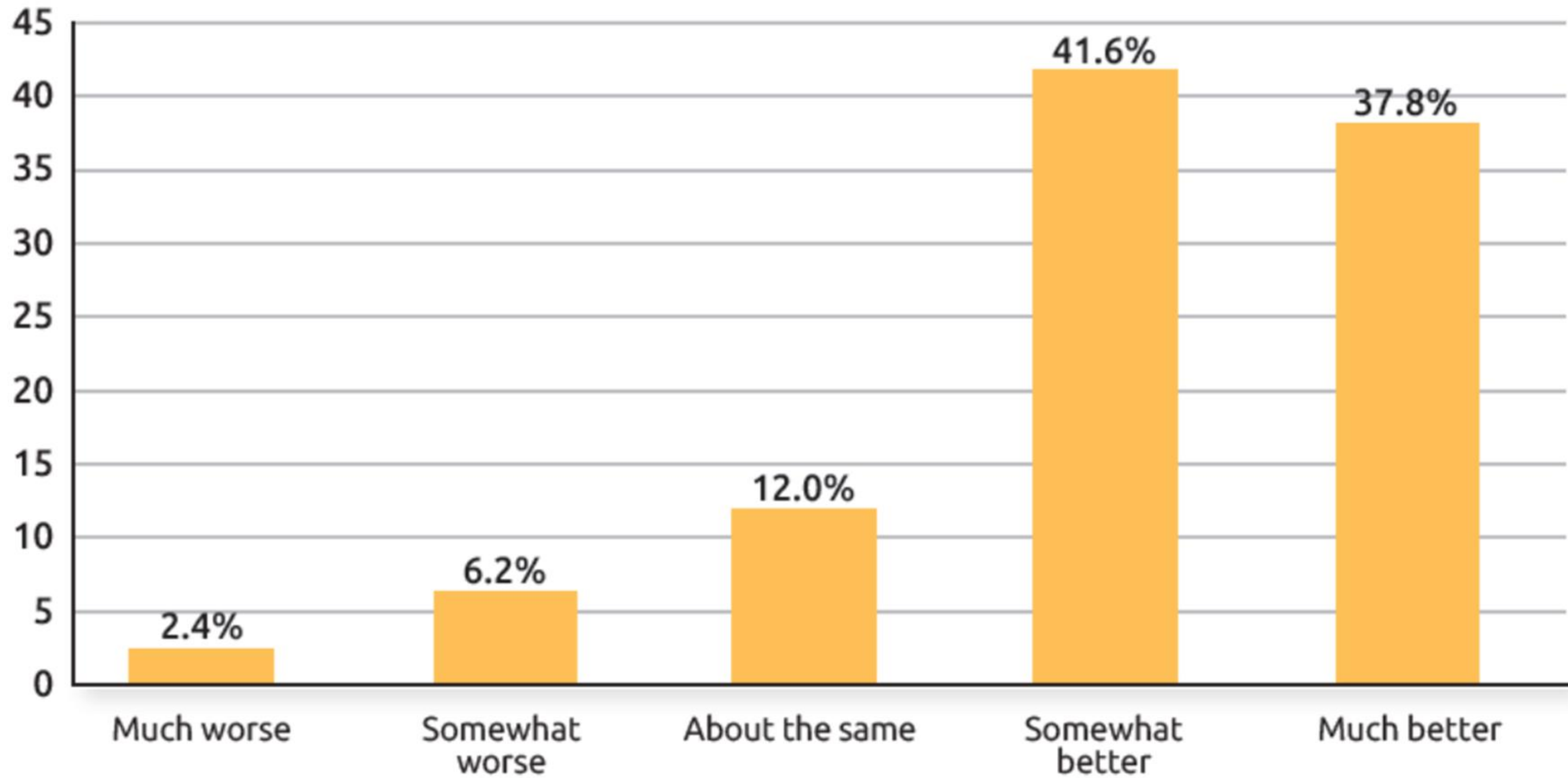


Direct and indirect healthcare costs would decrease-less chronic and mental illnesses, fewer emergency room visits, better health.



Vastly reduce need for Food Banks and homeless shelters.

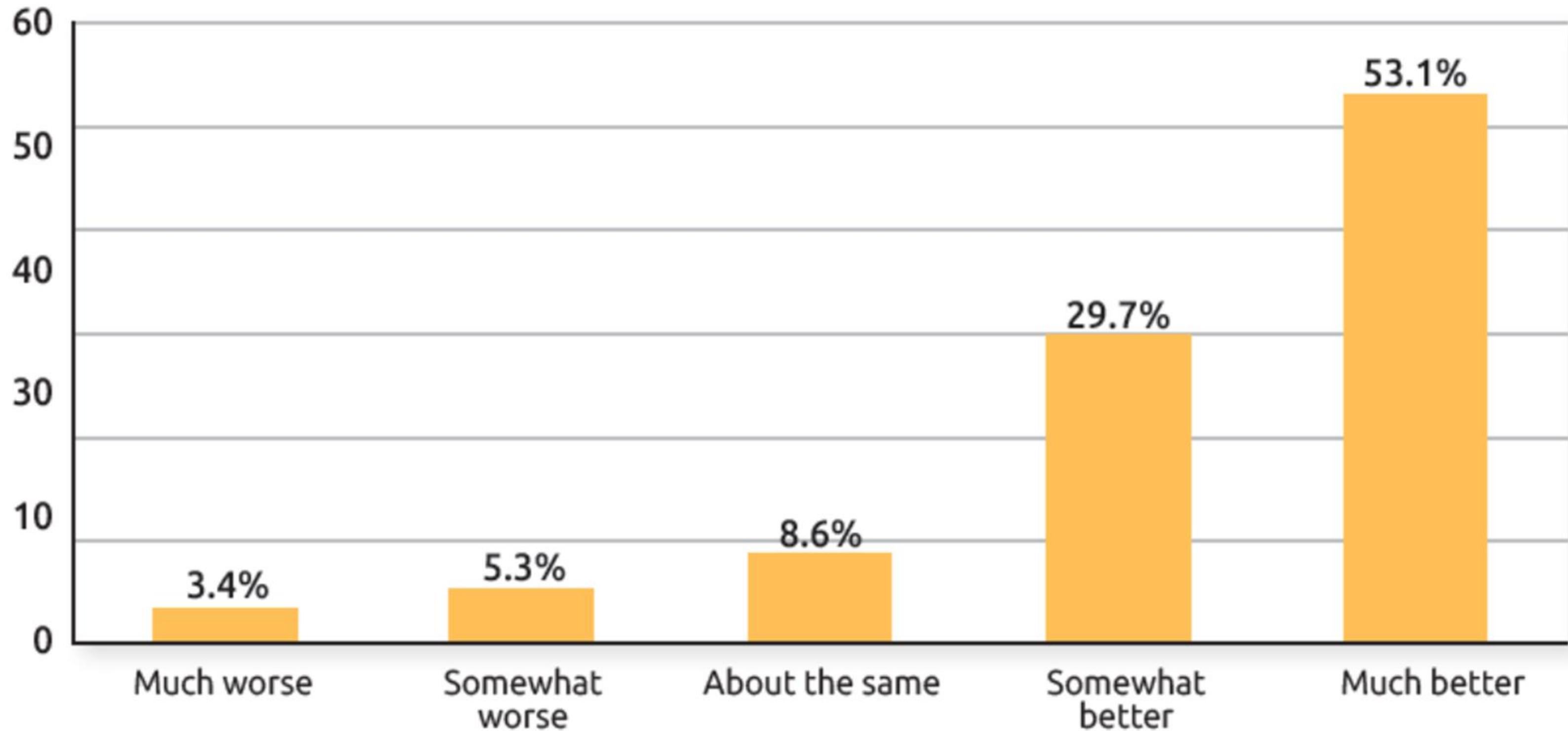
# 1: Change in general health status compared to before receiving basic income



Number of observations = 209



## 2: Change in mental health status compared to before receiving basic income




Number of observations = 209

# Basic Income Improves Lives



A firm floor to stand on to live and thrive in community



## A Basic Income is Doable

- A Basic Income can be delivered efficiently, securely and economically
- Government's **swift action** in 2020 resulted in a substantial decrease in Canada's overall poverty rate
- Federal emergency and recovery benefits mitigated the pandemic's impact for lower income populations



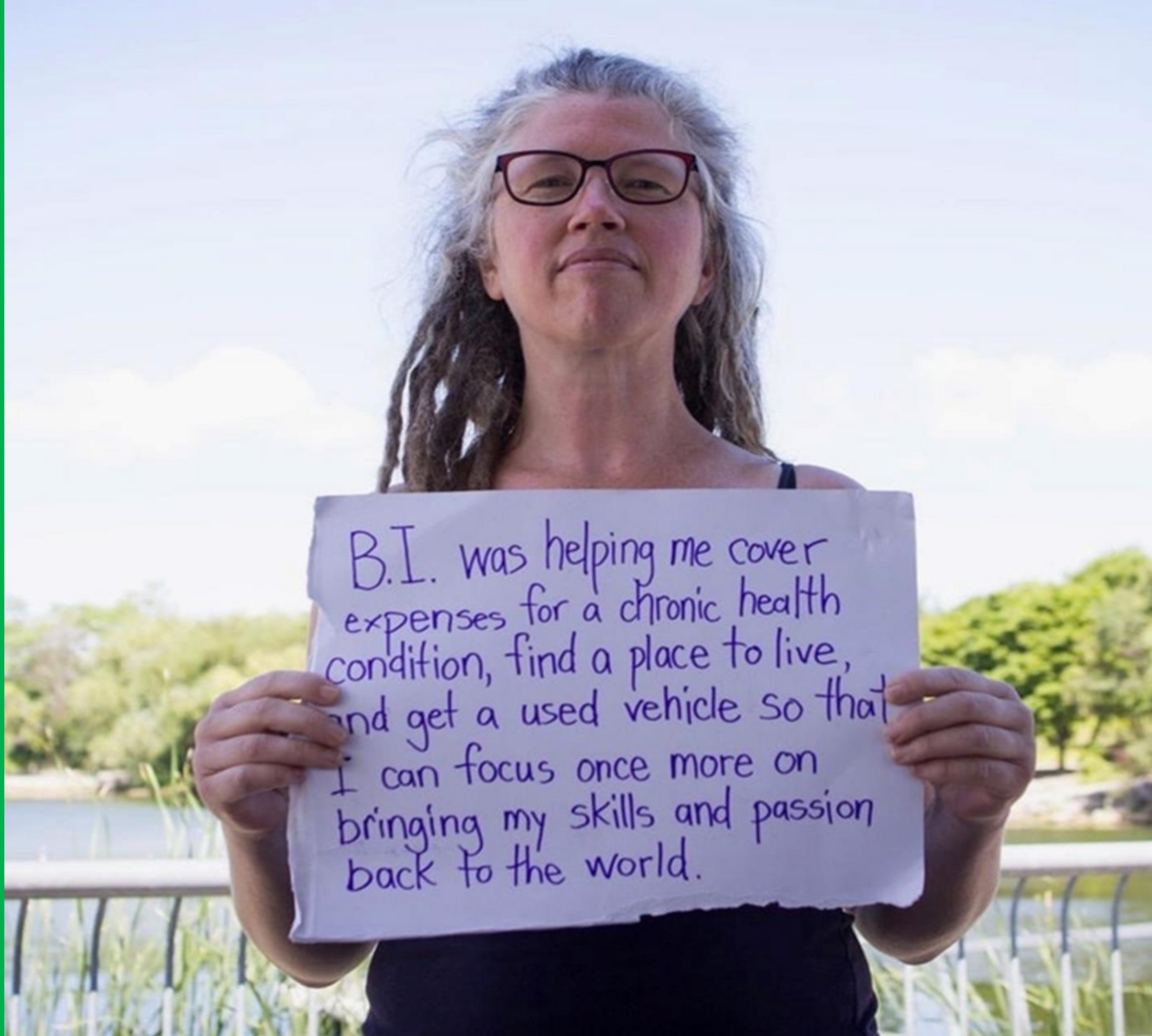


## Hugh Segal

*“The wrong approach is to ignore the problem, letting the ideological conceit that a rising tide lifts all boats obscure the hard reality that many Canadians have no boat or access to anyone who has ever had a boat.”*



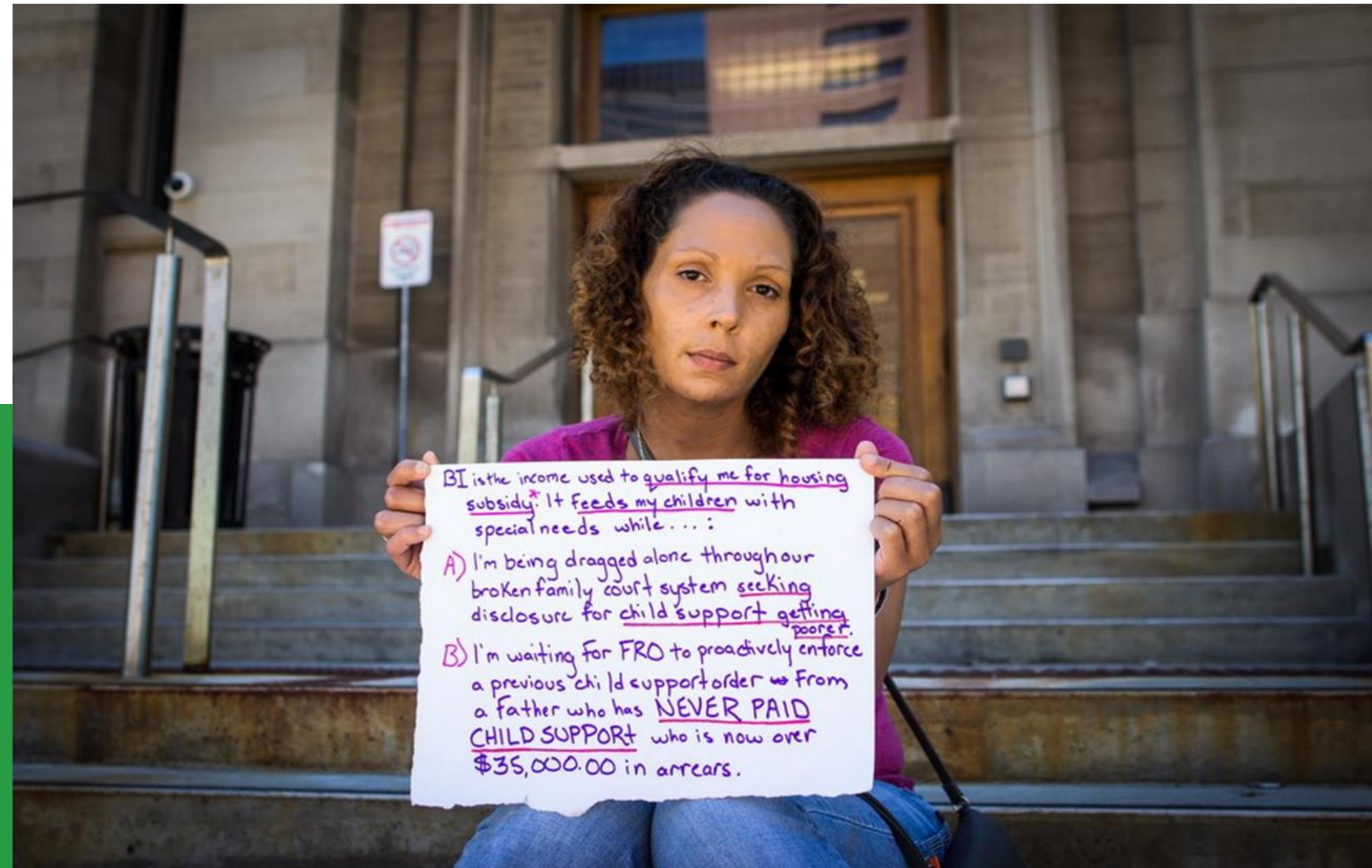
# A Basic Income is Affordable



B.I. was helping me cover expenses for a chronic health condition, find a place to live, and get a used vehicle so that I can focus once more on bringing my skills and passion back to the world.



- Cost for a national Basic Income Plan: estimated a Gross Cost of approximately \$81 Billion in 2022 (Parliamentary Budget Office)
- Total Net National Cost of \$40 - \$50 billion annually, depending on the scope and details of the GBI plan implemented.



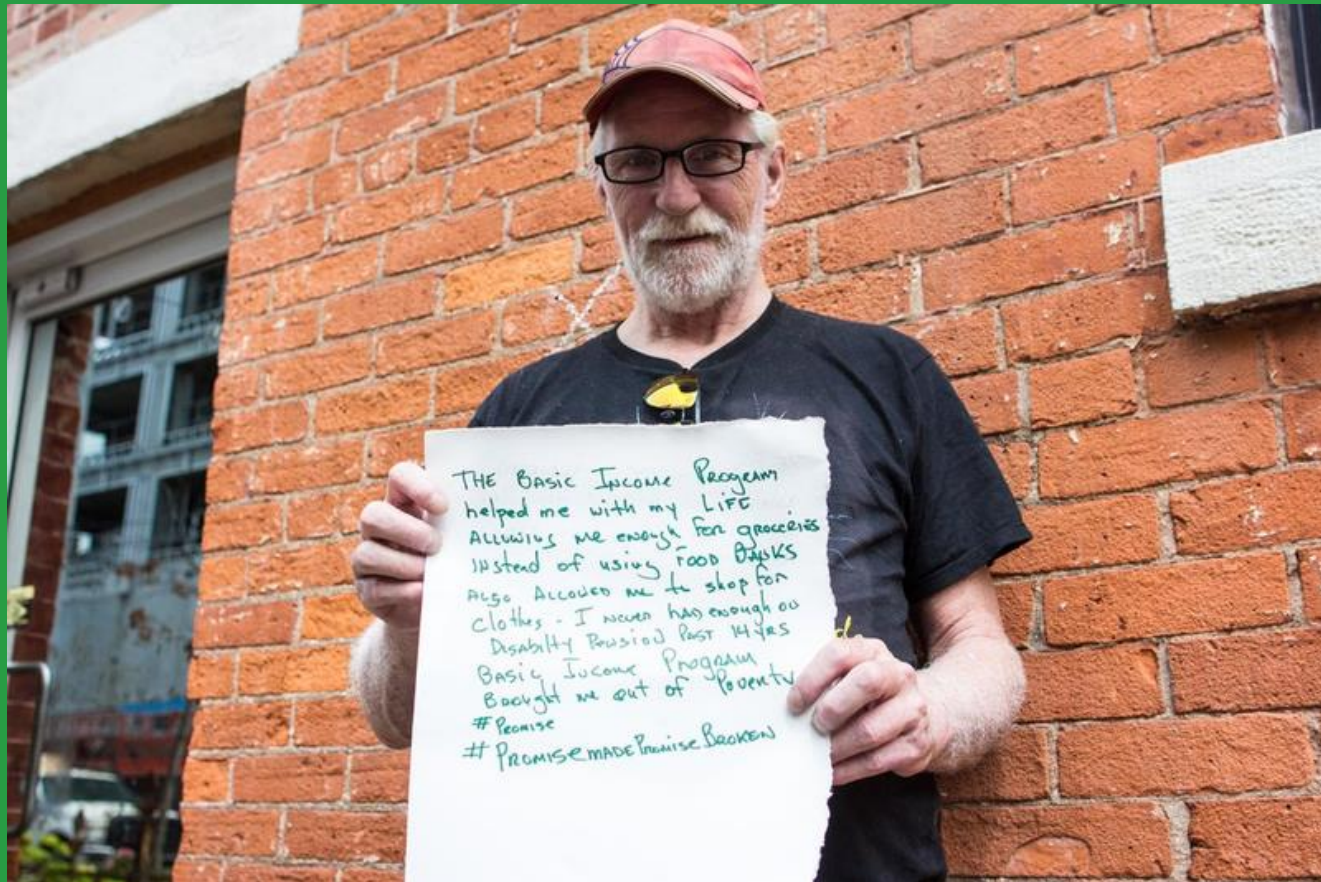
# A Basic Income is Affordable How?

## No Direct Impact on Most Canadians

- Implement an annual wealth tax on ultra-rich
- Implement an increase in marginal Federal Income Tax rate for the high-income earners by 2% to 35%
- Increase corporate taxes for large corporations
- Tackle Web Giants
- Address Tax Havens
- Close Tax Loopholes



# 6 Strategies

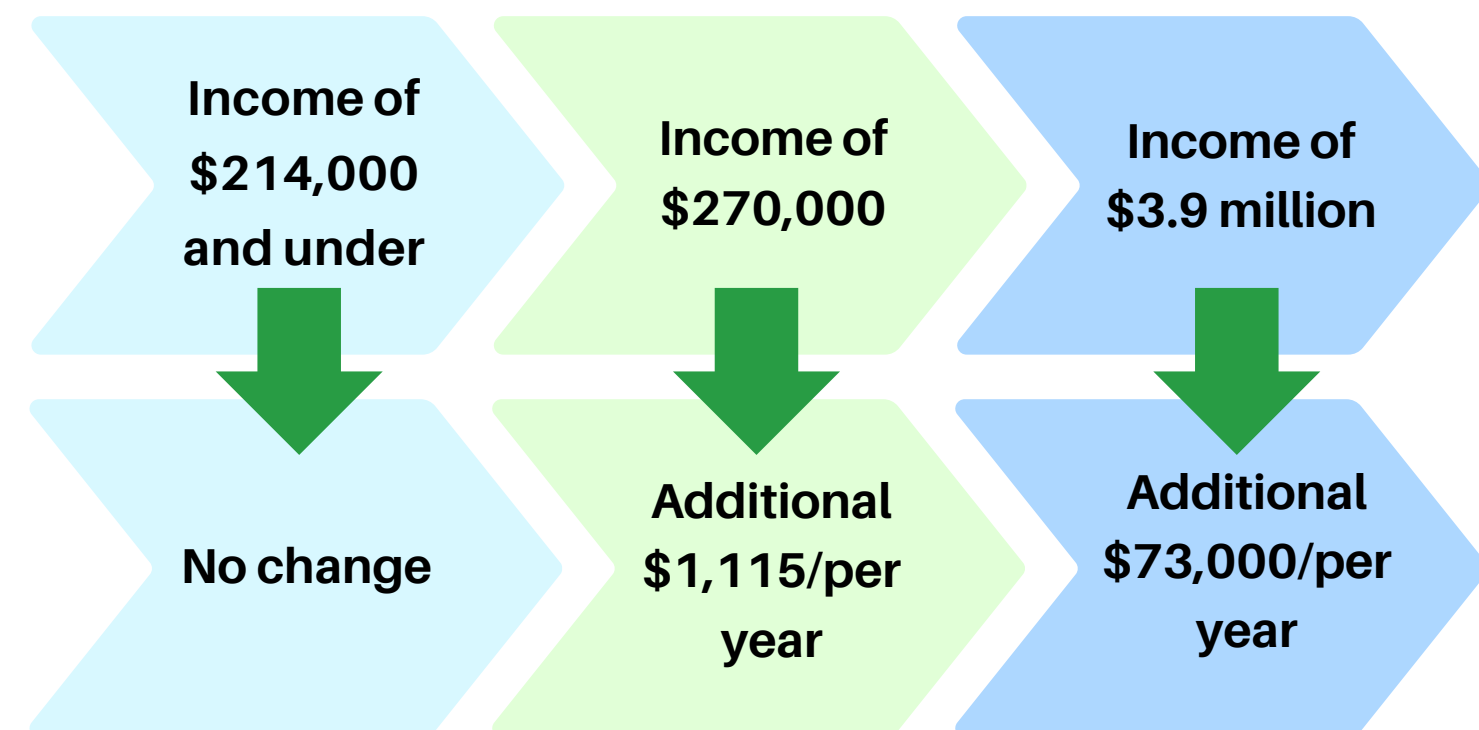


## 1. IMPLEMENT AN ANNUAL WEALTH TAX ON ULTRA-RICH

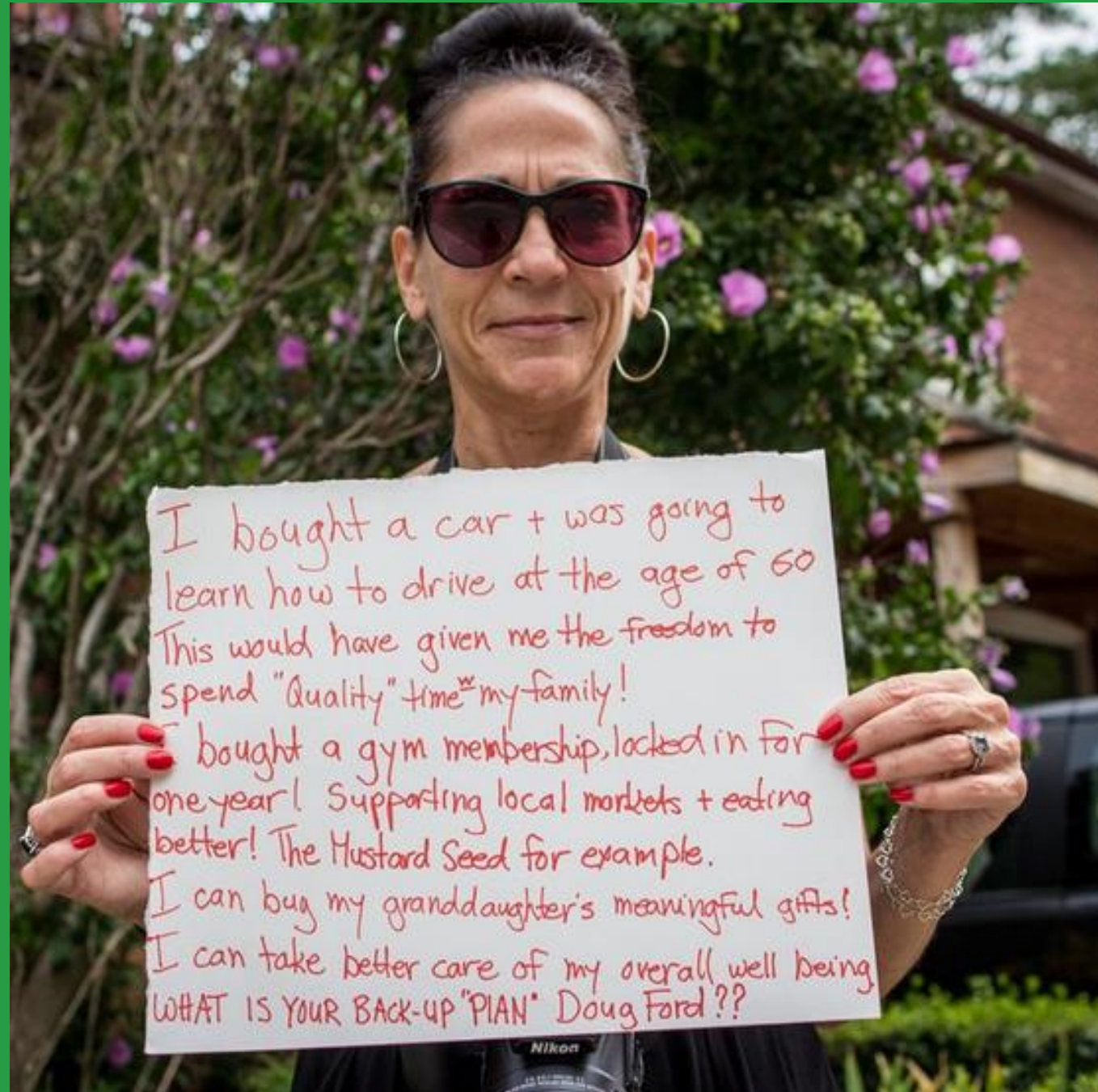
- Those households with wealth over \$20 million
- This includes the top 1/10th of 1% or 13,800 households (PBO)

**COULD YIELD:** \$70 billion in new tax revenue over 10 years or \$900 million annually

## 2. IMPLEMENT AN INCREASE IN MARGINAL FEDERAL INCOME TAX RATE FOR HIGH-INCOME EARNERS BY 2% to 35%







### 3. INCREASE CORPORATE TAXES FOR LARGE CORPORATIONS

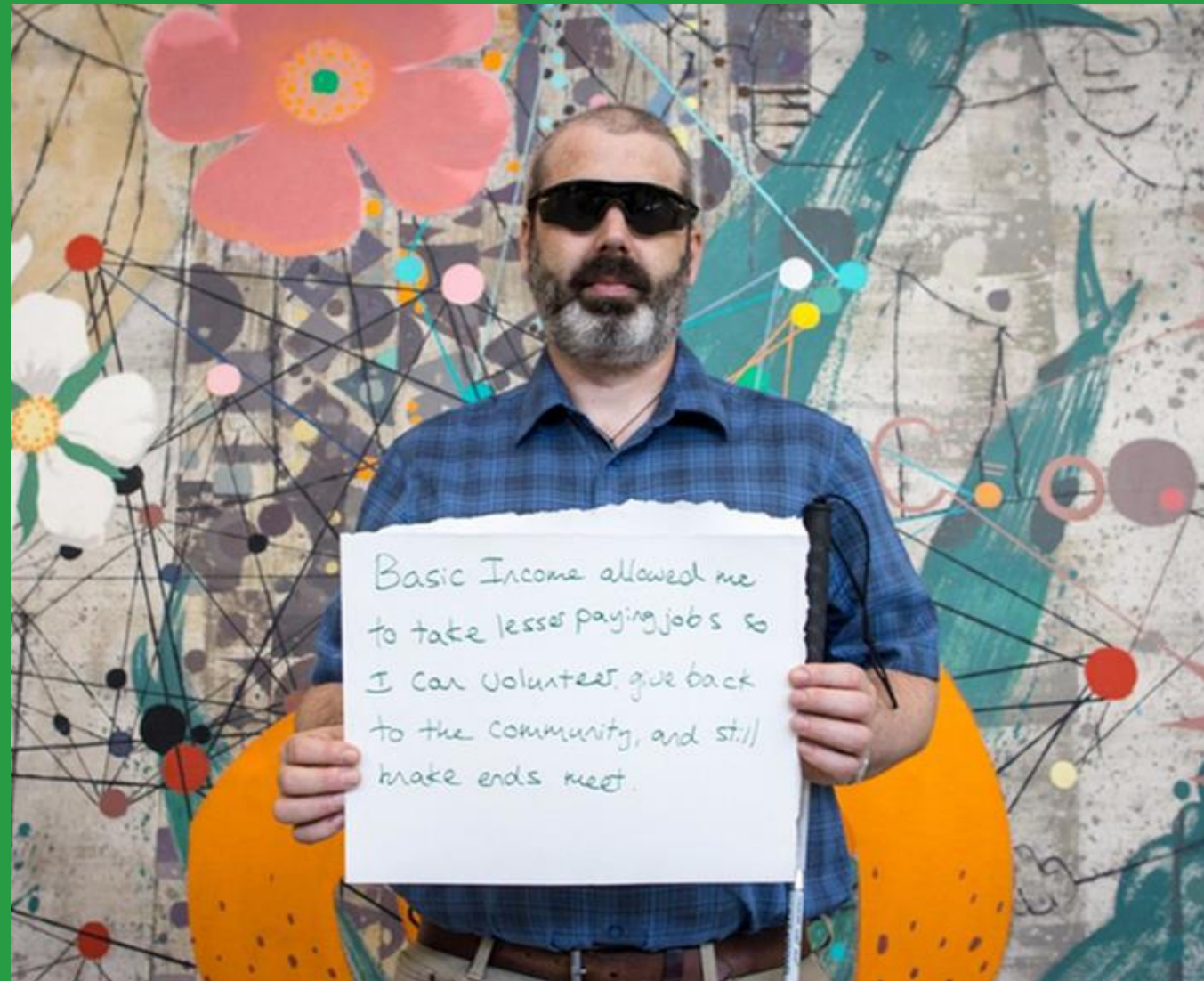
- Return Federal Corporate taxes to 2010 = 18% from current rate of 15%
- Close loopholes

**COULD GENERATE:** \$6.2 billion in the first year, increasing to \$8.3 billion in year nine

- Implement an Excess Profits Tax of 50% – a wartime-style tax

**COULD GENERATE:** \$8 billion in new tax revenues in 2021 (PBO)





## 4. TACKLE WEB GIANTS

- Implement a 3% tax on Web Giant sales who do not pay corporate taxes on profits derived from business in Canada (e.g. Facebook, Apple, Amazon, Netflix, Google and Microsoft)

**COULD GENERATE:** \$600 million initially, rising to \$1.2 billion by 2028-2029 (PBO)

- Tax Canadian spending on foreign digital media

**COULD GENERATE:** \$1.1 billion to \$1.5 billion in 2028-2029

- Ensure equitable laws and policies for all web providers

**COULD GENERATE:** \$2.5 billion per year in overall new federal government revenue



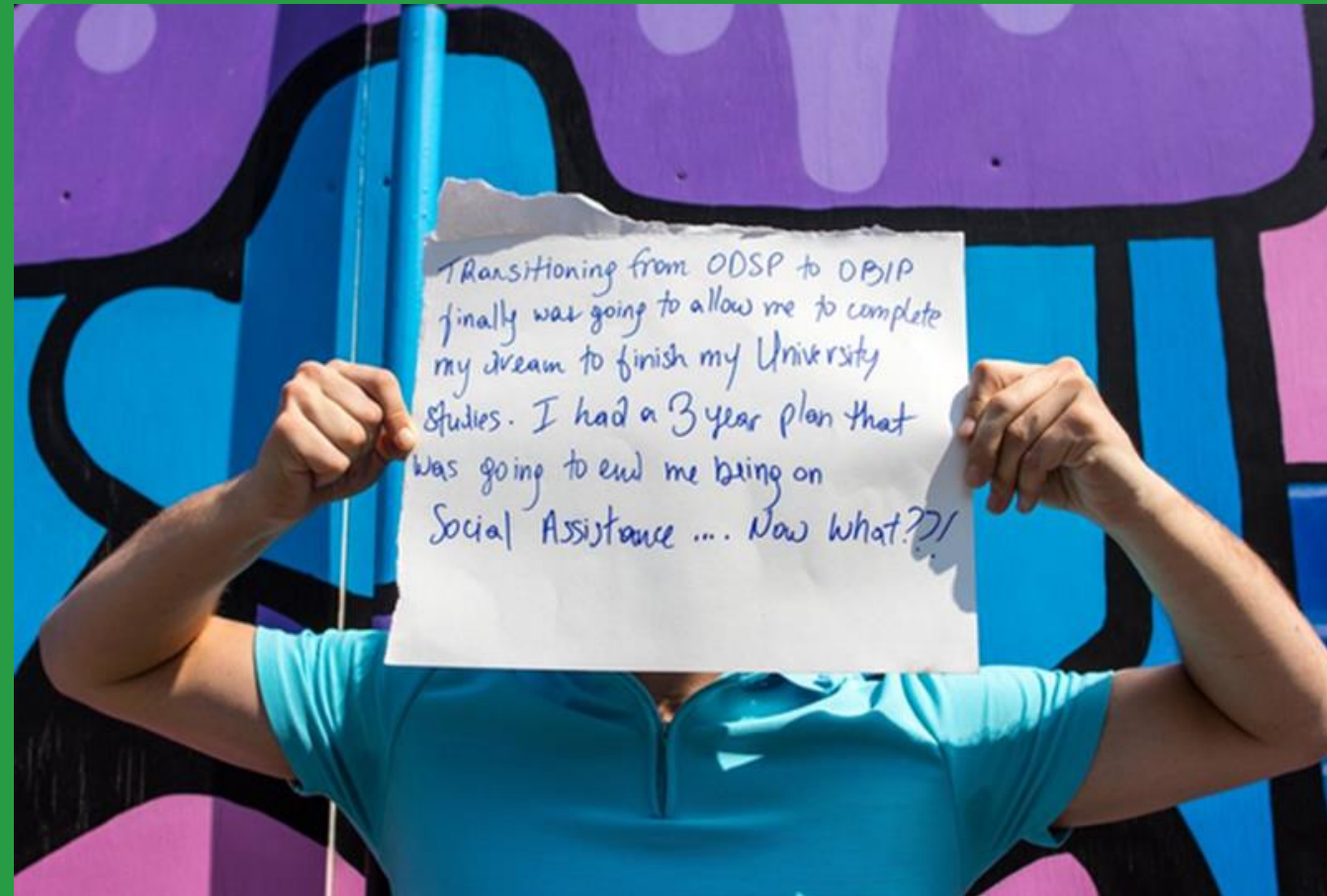


“There is more Canadian money parked in Barbados, than in France, Germany, Italy, Japan and Russia combined.” (p. 119)

## 5. ADDRESS TAX HAVENS

- Hire and direct more CRA special personnel to track down and enforce taxation and compliance for all Canadian individuals and corporations
  - Consider the amounts that are not being taxed and collected

**COULD GENERATE:** \$25 billion per year in corporate tax (estimated in 2019) (PBO) and \$43 billion in individual taxes revenue



## 6. CLOSE TAX LOOPHOLES

### a) CAPITAL GAINS

- Increase the special Capital Gains tax treatment from 50% taxation on the amount of a Capital Gain, back to 75% (2000 rate)

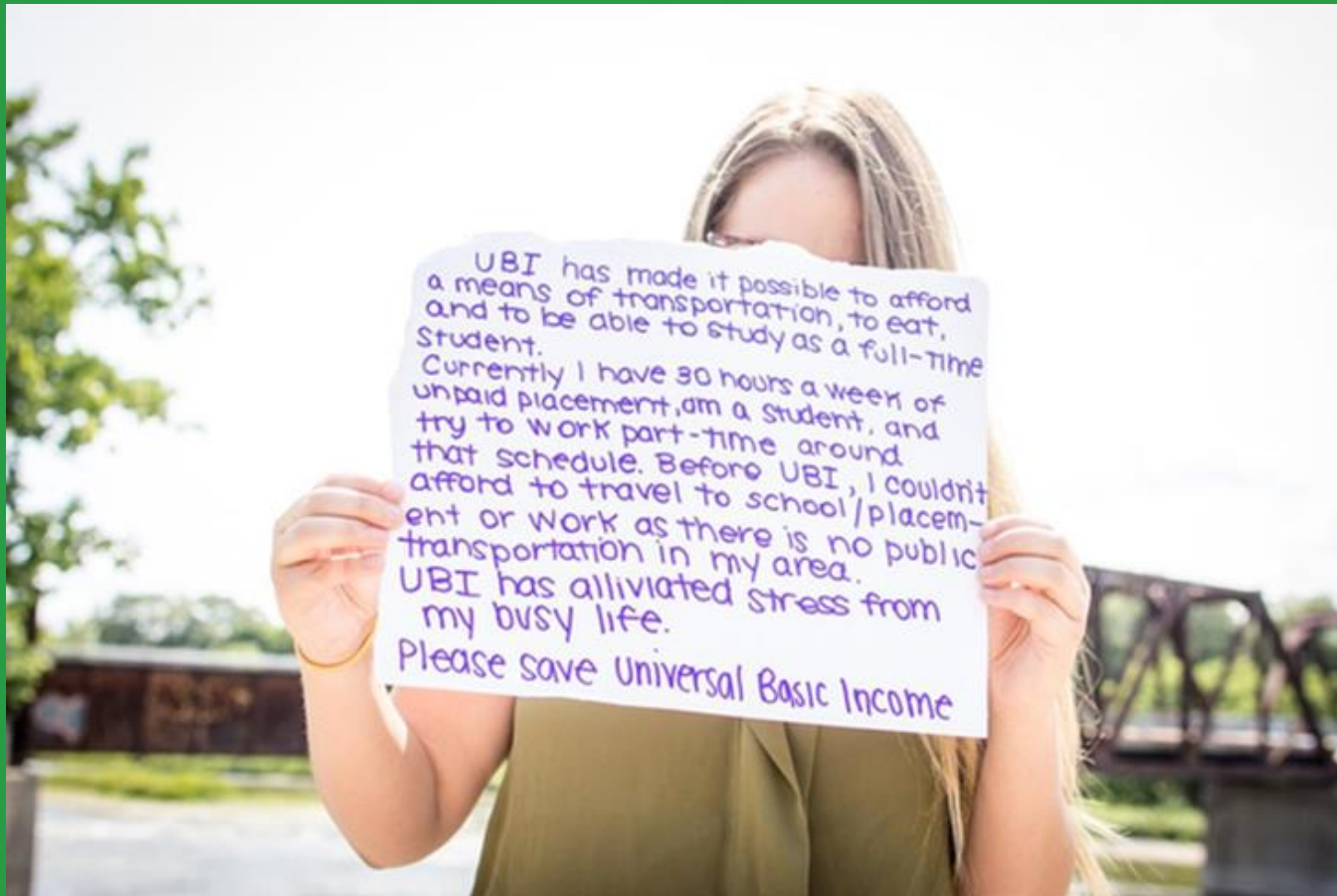
**COULD GENERATE:** Approximately \$9.5 billion annually in tax revenue (PBO, 2019)

### b) STOCK OPTIONS

- Close the loophole (except for genuine small startups) adopted in 1977 to benefit small emerging companies
- Over 90% of this loophole is benefitting the top 1% (P 198)

**COULD GENERATE:** Approximately \$468 million in annual tax revenue (P 103)





### c) BUSINESS ENTERTAINMENT EXPENSES

- Eliminate Deductions For Entertaining Expenses For Large Corporations, Excepting Small And Self-employed Enterprises (P102)
  - Businesses now can deduct 50% of genuine Business Entertainment Expenses from taxable income (P.101)
  - A distinguished Osgoode Hall tax law professor once quipped about this Loophole: "There is more tax fraud taking place at one Blue Jays game than all the welfare fraud in Ontario in a whole year." (P 102)

**COULD GENERATE: \$505 Million (In 2017) (P 102)**



6 STRATEGIES	POTENTIAL TOTAL ANNUAL REVENUE	ESTIMATED DIRECT AND INDIRECT HEALTHCARE COSTS SAVINGS
1. Implement an annual wealth tax on ultra-rich	\$900 Million	<p style="text-align: center;"><b>PLUS</b></p> <p>Public Health Ontario estimated savings of \$21.5 billion annually, preventing primary risk factors for chronic disease. (PHO, 2019, p. 4)</p>
2. Implement an increase in marginal Federal Income Tax rate for high-income earners by 2% to 35%		
3. Increase Corporate Taxes for Large Corporations	\$14.2 Billion	
4. Tackle Web Giants	\$4.2 Billion	
5. Address Tax Havens	\$68 Billion	
6. Close Tax Loopholes	\$10.5 Billion	



# SUMMARY

A Basic Income is Needed, Essential, Doable, and Affordable to ensure that everyone has sufficient income to meet basic needs, participate in society, contribute to the economy and live with dignity.





“

The most important question we can usefully answer in rich countries is not how to make them grow richer, but how to improve the quality of life of the average citizen. It may be one of the greatest challenges of our time...

**We have the resources.**”

**Bannerjee & Duflo, 2019**  
**2019 Nobel-Prize Winning Economists**





# CONTACT US



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